

# Liberty

## Forgotten Horror

August 2008

\$4.00

# The Battle for the Libertarian Party

*by Andrew Ferguson*

# Ron Paul and the Republicans

*by Bruce Ramsey*

# Housing Collapse: First Stage of the Reckoning

*by Jim Walsh*

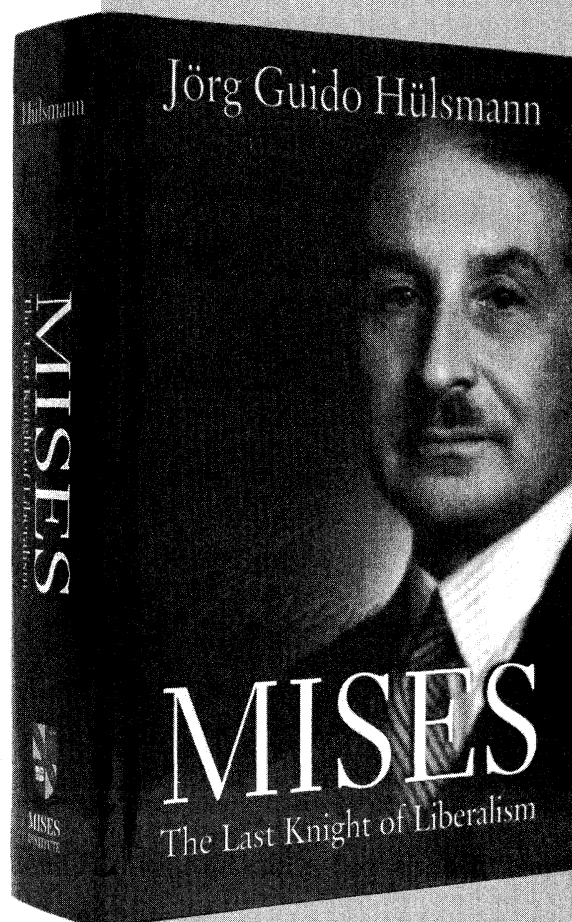
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# Letters

## Under Review

In "Judge this!" (Reflections, July), Jim Walsh seems to say that judges should not declare laws to be in violation of the U.S. Constitution, or state constitutions. But the very same item seems to complain that the U.S. Supreme Court was wrong in *Kelo v. New Haven*! Also in that issue is an excellent item by Bruce Ramsey decrying the failure of the Washington State Supreme Court to strike down state policy on force-feeding. I realize not every Liberty writer necessarily agrees with every other, but it does seem to me that Liberty policy should be consistently supportive of judicial review.

If the judiciary can't enforce the Constitution, what good are its protections? *Marbury v. Madison* is good for liberty and good for the United States.

Richard Winger  
San Francisco, CA

**Walsh responds:** Many (maybe most) people agree with Mr. Winger that *Marbury v. Madison* is a net good — that it allows the Supreme Court to balance constitutional rights against contemporary statutes. If that were the limit of its use, I would agree. However, the Supreme Court uses this essential precedent to do more than just rein in trendy ideas. For the past 50 years, *Marbury v. Madison* has been the main tool for justifying judge-made law. Now, some argue that judge-made law is also a net good. I don't agree; ends don't justify means. Perhaps the Roberts Court will prove different than the Rehnquist, Berger, and Warren courts before it and avoid bad means. We should know in 10 or 20 years.

**The editors respond:** Liberty maintains R.W. Bradford's policy of publishing good writing with only one requirement: it must be of interest to libertarians.

## Reductio ad Mundanum

The "ethical dilemmas" among your poll questions ("The Liberty Poll," June) are hardly the *reductio ad absurdum* situations you intended: such scenarios appear in the news frequently, especially the parents' rights ones, though the atomic bomb question was undoubtedly less likely in 1988. When police or other government officials can't sensibly resolve them, juries may be asked to do the job.

From a minimal-government perspective, is not a jury's determination the principled answer to resolving your questions?

To those 10% who would apparently refuse, on principle, to save themselves as best they could after falling off a balcony, keep in mind libertarians are already a small minority in a statist crowd.

Lloyd Andrew  
Arnold, MD

**Rand responds:** "A parent sells tickets to anyone wishing to observe his baby starve to death . . . the owner of a 49th floor apartment demands you let go of his flagpole and fall to your death . . . your neighbor has an atomic bomb in his basement." Those situations "appear in the news frequently" in your neck of the woods? That's not the news; you're watching the soaps.

And using a jury to determine the correct action in those situations — as if any of those situations will ever arise — avoids the point, which is to ascertain whether libertarians really believe that the non-aggression axiom is absolute.

## Zero Evidence

With regard to "When Theories Collide" (July), I'm surprised that Liberty would provide space to someone obviously lacking in knowledge about the issue. Jo Ann Skousen is certainly welcome to her opinion, but she makes

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so many errors of fact that the review is laughable.

Skousen: "How did it start? That's the big question." No, it isn't. Darwin and those following on his theory make no comment about "how it started." What Intelligent Design (ID) proponents claim, I have no idea, but it is not the "big question."

Skousen: "But because ID theory might possibly lead to theological speculations . . . the debate bangs shut." She presumes intent where none is shown. It is not that ID "might lead" someplace that it is rejected; it's that there is zero evidence to support it. Let me repeat: zero evidence.

Skousen: "ID proponents are understandably tantalized by the possibility of connecting with other intelligent beings in the universe." Sounds good, but I've never seen an argument for ID based on "connecting with other intelligent beings." And even if true, it is no argument at all, just a hope.

The rest of the review is no better, but there are limits to the time I'll spend on such drivel.

Ron LaDow  
San Francisco, CA

## The Laugh Test

Jo Ann Skousen makes the classic undergraduate mistake of assuming that there's no difference between any two ideas if neither can be proven true. "The fact," she claims, "that ID cannot be replicated does not make it false, any more than not being able to replicate the

Big Bang makes it false." Which is exactly the problem. On the basis of this logic the intellectual equivalent of a belief in God is my belief that it rains whenever I wash my car.

The basis of a sound scientific theory is its falsifiability, as the admirably clear-thinking Judge Jones affirmed almost three years ago in *Kitzmiller v. Dover Area School District*. For an idea to have scientific value it must be open to empirical demonstrations, which will show not only where it works but where it does not. Evolution has undergone modifications since Darwin in order to account for what it didn't explain; among the more recent modifications is punctuated equilibrium. A theory is a blueprint that reacts to new discoveries, accommodates fresh facts, and responds to the pressure of demonstration. If one of these days science radically revamps or disproves the theory of evolution, it will only emphasize that Darwin's theory was science after all, and falsifiable, rather than a myth like, for instance, Hitler's vicious claim that the Jews were a separate race. The fact that there is no way to disprove empirically the existence of God simply means that there is no scientific basis for the belief, and therefore, no bringing Him up in a biology class.

As for Ben Stein, he is so thoroughly off the point that I'm surprised his "documentary" even rates a serious review. Special pleaders like him have been slandering Darwin for nearly 150 years, and the only novelty that Stein's offers is

that it manages to be even cheaper than it is ill-conceived. Blaming the Holocaust on Darwin is like blaming Woodstock on Rousseau, AIDS on sex, steroids on Abner Doubleday, or the Reich on Roman Catholicism — the faith in which Hitler was raised. It simply doesn't pass the laugh test.

J.T. Barbarese  
New Brunswick, NJ

**Skousen responds:** I stand by my review of Ben Stein's documentary, "Expelled." When reader Ron LaDow writes, "Darwin and those following on his theory make no comment about 'how it [life on earth] started,'" he unintentionally makes my point: there is more to be studied and more to be learned about the origin of life than Darwin's theory alone, and I for one am interested in learning more. The concern expressed in the film "Expelled" is that those scientists who would like to extend the debate are being expelled from academia. Mr. LaDow exposes his own ignorance when he claims that there is "zero evidence" for ID; I suggest he read Michael Denton's fine work "Nature's Destiny" (Simon & Schuster, 2002). (Denton, by the way, is a biochemist who has no theological connections; in fact, he asked that his name be removed from the website of the theologically motivated Discovery Institute.) LaDow ends his letter by claiming he's "never seen an argument for ID based on 'connecting with other intelligent beings,'" but I beg to differ: he just saw such an argument, the one he read in my review. To reject the possible existence of space-traveling extraterrestrials is as narrow-minded and unscientific as to believe that the earth is the center of the universe.

My response to J.T. Barbarese's observation that there is "no bringing [God] up in a biology class" is simply this: I agree. Myopic evolutionists join camp with religionists when they repeatedly and stubbornly insist on linking ID with an interventionist God theory, but in fact ID can be studied completely outside the realm of religion (and it is, by courageous scientists at many universities). So please stop insisting on bringing God into a discussion of Intelligent Design. First let's just investigate the evidence — yes, evidence — that cells appear to have been encoded, and the exciting possibility that encoding suggests the existence

## From the Editor

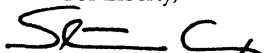
This issue of Liberty marks our 21st anniversary. The first issue of Liberty appeared in August 1987.

For the past 12 months, we've been celebrating the attainment of our 20th year, and we've had a good time reviewing our history. Liberty has published thousands of articles, reflections, and reviews, and it's interesting to see how many pages from 10, 15, or 20 years ago remain lively now. I believe this is because Liberty's authors are individualists, and individualists are able to start out fresh, and stay that way.

Liberty's character was set by its founder, R.W. Bradford. Bill Bradford was interested in everything, and he had fun with everything. Because of him, we're still interested in everything, and we're still having fun.

A person who gets to the age of 21 is usually expected to get a job. We already have one. It's the same job we've had since we emerged, Athena-like, from Bill Bradford's forehead. We're here to publish the best of libertarian writing, and writing about liberty. And yes, it's a lot of fun.

For Liberty,

  
Stephen Cox

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of an encoder of some sort. Let's stop arguing about whether that designer has a continued interest in being contacted or worshipped. If intelligent beings exist somewhere in the universe besides earth, I would like to find out more.

## On the Origin of Dogma

It is expectable, and regrettable, that there should be some ambivalence among libertarians toward the film "Expelled: No Intelligence Allowed," reviewed in the July issue. Expectable, because there are many committed atheist libertarians who take umbrage at any criticism of Darwinism (understood in this context as random mutation culled by natural selection). Regrettable, because their commitment leads them to hold atheism higher than the principle of free inquiry. Reviewer Jo Ann Skousen "gets" the film's message: that dogmatism imposed under the color of science should not stifle free inquiry. Reviewer Mark Rand does not get this message at all, condemning this movie in its entirety — leaving the reader to wonder if he is indeed on the side of dogmatism. I would like to comment on his remarks.

Rand opens his review by mischaracterizing the film as an interrogatory against "evolutionists" concerning their viewpoints and actions. The film is actually a documentary showing how the Darwinist establishment engages in active and passive suppression of contrary views. Although some questions are posed to certain Darwinist leading figures, there is no expectation that they would do other than express their viewpoint, which they do . . . sometimes with self embarrassing candor, sometime with open contempt toward religious believers.

He then dismisses that Darwinism could have had a formative influence on Nazi rule . . . but this is not so easily laughed off. The film quotes directly from Darwin a line that could have summed up Hitler's racial policy:

With savages, the weak in body or mind are soon eliminated. We civilized men, on the other hand, do our utmost to check the process of elimination. We build asylums for the imbecile, the maimed and the sick, thus the weak members of civilized societies propagate their kind. No one who has attended to the breeding of domestic animals will doubt that this must be highly injurious to the race of man.

Hardly anyone is so ignorant as to allow his worst animals to breed.

It is true that Darwin demurred from the implications of this conclusion — but he could not (and did not) refute it. Others took his logic to heart. The modern eugenics movement dates from the 1865 writings of Darwin's cousin, Sir Francis Galton — who drew heavily for inspiration from "The Origin of Species." Darwin's ideas were strongly taken up in late 19th century Germany, and Darwin gratefully recognized this fact. Eugenicist and Darwinist thinking formed an indispensable foundation for Nazi racial fundamentalism. As such, it contributed directly to the motivations of the Nazi regime — not as an ad hoc rationale for foregone conclusions, but as a genesis for the conclusions themselves. Libertarians accept that ideas have consequences, so it is disappointing that Rand averts his eyes from a candid look at the consequences of Darwinism.

Returning to the main thread of the film, Rand focuses on the case of Dr. Richard Sternberg, but garbles the facts of the case (e.g., Sternberg had not resigned his position; he had intended to resign his editorship). Rand claims that this and the other cases cited in the film were "convincingly refuted" at [www.expelledexposed.com](http://www.expelledexposed.com). However, this "refutation" is convincingly exploded at Sternberg's own website, [www.rsternberg.net](http://www.rsternberg.net). I have read the character "refutations" cited by Rand, and am not impressed. They follow an alternating "claim & fact" sequence, but succeed mainly in misrepresenting the facts (in one instance they offer a transparent, self-serving speculation as "fact"). As one who has been vilified on the internet — by persons claiming the mantle of fairness, objectivity, and honesty — I have learned to be quite skeptical about this sort of condemnation. A fair assessment of these cases would require at least hearing the defense of the accused.

I don't know how Rand could think that discussion of Intelligent Design at "100+ universities and colleges" would somehow disprove the film's complaint that critics of Darwinism have been unjustly treated by the Darwinist establishment. If, in 1938, one made a list of Jewish lecturers in German

*continued on page 53*

# Reflections

**Earth shattering progress** — China must be moving rapidly to a democratic form of government. NPR reported that immediately after the 7.9 magnitude earthquake hit Sichuan Province on May 12, Prime Minister Wen Jiabao flew to the most hard-hit area to “direct rescue efforts.”

— Ross Levatter

**Bring the boys back home** — If Bob Barr keeps this up, maybe I’ll put a “Barr for President” bumper sticker on my car after all.

He is no Ron Paul (nor do I expect him to be), but his latest news release calling for the removal of U.S. troops from South Korea deserves praise.

He declares that “after more than 50 years of American support, South Korea is well able to defend itself. . . . We must completely revamp U.S. foreign policy, returning to the non-interventionist strategy of the nation’s Founders. The interests of the American people, rather than of wealthy allies, should become the new lodestar of U.S. policy.”

— David Beito

**Resignation** — Charles Krauthammer, commenting on the tell-all book by former White House spokesman Scott McClellan, has noted that the author, who is now making money by detailing the horrors of the Bush regime, in which he was a prominent participant, never did “the obvious thing: resign.”

His comment led me to think: when did resigning go out of fashion? Who was the last person you can remember who resigned from government because he or she conscientiously disagreed with some important policy? Remember all those denizens of the Clinton regime who were covered with embarrassment by the fact that their boss kept lying — and worse, kept lying to them? None of them ever resigned. None of the Bush people has ever resigned for conscientious reasons either. If any of them did, nobody ever heard why.

This sheds some light on what’s important to American politicians. It’s power without responsibility — first, last, and all the time, and on a fully bipartisan basis.

— Stephen Cox

**The longest race** — The presidential primaries are over and the networks and newspapers have declared Obama the “presumptive nominee” even though Hillary (as of this writing) hasn’t given up. We can expect the general election to go down to the wire, just like the last several.

Yet, when it is all over, I suspect many of the pundits will

say the result was inevitable. If McCain wins, it was inevitable because Hillary divided the Democrats against Obama. If Obama wins, it was inevitable because McCain is too closely tied to the Bush policies in Iraq.

The real question is whether a two-year campaign season for a four-year office is making our whole system dysfunctional. As I’ve suggested before, I feel that the interminable campaigns are simply a way to keep the intellectuals occupied so that they don’t do anything real, such as ending the war or actually solving some problems (or, possibly, even making them worse).

Some may rejoice that our legislature can function only about one year out of every four. But it is worrisome that it has effectively given up oversight of the executive branch because it is too busy running for reelection, or because too many members are running for president, most of the time.

— Randal O’Toole

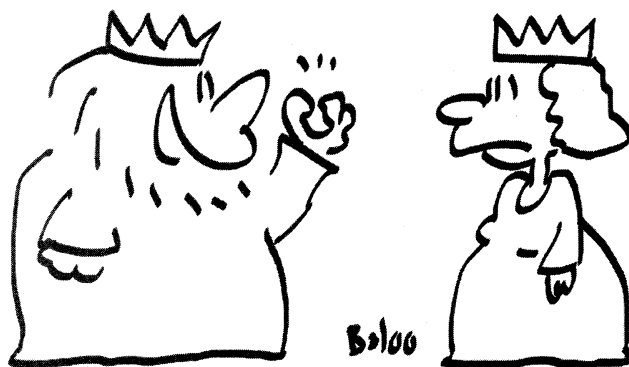
**NIMBY smackdown** — Samuel Johnson once observed that the prospect of being hanged concentrates the mind wonderfully. Well, the prospect of our economy’s hitting the wall because of the energy shortage imposed on us by “environmentalists” is beginning to concentrate voters’ minds wonderfully.

A nice illustration of this just occurred in Elk Point, South Dakota. As reported by the Sioux City Journal (June 4), the U.S. — amazingly — hasn’t built an oil refinery in over 30 years, even as gasoline prices have approached five bucks a gallon. But the brave voters in Elk Point have just voted by a nearly 3 to 2 margin to allow Hyperion, a major energy corporation, to open a new refinery.

Now, our national disease is NIMBY, as in Not In My Backyard. We want energy, but we don’t want any of the structures that produce or transmit it to be built anywhere near where we live. Give me my damn energy, but I don’t want to see any freakin’ mines, oil wells, power plants, power lines, oil refineries, transformers, or anything else. Really, history will record that we were an infantile nation.

But the good citizens of Elk Point decided that the thousands of high-paying jobs and the \$10 billion that would pour into their community made it worth putting up with the refinery.

Of course, the opponents of the refinery have refused to accept the decision of the democratic election. No, they have vowed to file endless nuisance lawsuits and to harass every



“I know! — I’ll call it ‘compassionate royalism’!”



regulatory agency available to get it to block the Hyperion plant in every way possible. Gasoline will likely top \$30 per gallon before the refinery ever actually produces a drop of it.

— Gary Jason

**Terrorist thwarted** — Recently, when I went to renew my driver's license, the Washington Department of Licensing informed me that I couldn't get my new card because my rights to drive in the Commonwealth of Massachusetts had been suspended.

My record was perfectly in clean in my home state. But, the sympathetic clerk told me, Washington now follows federal guidelines and checks all U.S. jurisdictions for a person's driving record before issuing new licenses or renewing old ones.

I hadn't driven in Massachusetts in several years. I hadn't gotten any kind of ticket there since I was in college in the 1980s. And I'd paid those. But Washington — however sympathetic — wouldn't budge, so I had to resolve my problem in Massachusetts.

After waiting on hold for nearly 90 minutes (my office phone times calls), I was "assisted" by a clerk of the Mass.

Registry of Motor Vehicles. I had prepared to deal with the leviathan by clearing my mind of frustration and anxiety; I was clear and unemotional. But he was still the model of rude haughtiness. Amid various exasperated sighs, he determined that my driving privileges had been suspended because of an unpaid speeding ticket from February 1988.

I was pretty certain this was a mistake. I'd paid the couple of tickets I'd gotten back then — and, besides, why hadn't this ever come up before?

He answered as if I were a moron: "The registry has recently joined the Department of Homeland Security's system for archiving all driving records."

I didn't have paperwork from 20 years ago proving I'd paid the ticket, so I was going to have to pay it again. But the clerk from the registry couldn't take my payment. I was going to have to contact the county court where the ticket had been issued.

That was another phone call. The female clerk at the county court was friendlier; but she needed to research the old item and call me back. She was eventually able to locate the old ticket but had no indication it had been paid. "Well, I guess it

## Word Watch

by Stephen Cox

Have you ever noticed that certain words appear only in certain places, and always in those places? These words are like the little old lady who is never seen except at 8:00 a.m., crossing against the light at 4th and Madison. Why there? Why then? Nobody knows. But if you drive through 4th and Madison on your way to work and don't have to veer left to keep from hitting her, the universe just won't seem the same to you.

Here's a pair of those words: garb and don. You can go for months without ever encountering either of them, but when you do, it's a hundred to one that you'll see them together, and that you'll be reading something about prisons. In books and newspapers, convicts never put on their uniforms; they don their garb. Why, I don't know; it just got started somehow, but it certainly took hold. I happen to be writing a book about prisons, and I am trying to be the only prison author who has never entertained these two inseparable companions. I hope I can pull it off, but I have that bad feeling you get when you find yourself alone in the office at 1 a.m. No, there's nothing wrong about being the only one there, and it's actually easier to work without other people around; but gosh . . . you can feel pretty weird when you're all alone.

So much for people who don their garb, with or without my invitation. How about tots and toddlers? There's a difference: toddlers has become a fairly common word for kids of a particular age, whatever it is, although I think most people would find it difficult to use the word in very many contexts. "G'morning, Heather. Time to toddle!" "Did you toddle today, Sean?" No, nobody says that to a kid, or anybody else. There's something

goofy about the word. But tot is much goofier. It's strictly a headline term. Nobody says, even to himself, "When I was a tot, I fell off the merry-go-round." Yet if a newspaper wanted to report that you'd fallen off one of those things, the headline would be certain to read, "Tot in Freak Accident."

Freak, used as an adjective, is of course another headline term. Now, picture yourself as a headline writer. You'd like to avoid both tot and freak. But what are you supposed to say — "Young Child in Unusual Mishap"? Well, maybe not. Put tot in the headline, and freak along with it (making sure that freak doesn't turn into an adjective for tot), and you can go home; after all, it's 1 a.m.

Years ago, a friend told me that he had discovered the ultimate division of labor. He'd met a guy who, when asked what kind of work he did, replied with considerable satisfaction, "I paint murals in gay bars on Castro Street in San Francisco." Words are often like that. They're subject to the most rigorous division of labor. Try shocker. Asked its occupation, shocker would say, "I punch up misleading headlines in tabloids about celebrities." "Oh, really?" "Yes, that's my job. Just yesterday, for instance, I was in 'Oprah Shocker! She's Caught in Bed with Barack!' It's a good job, and I'm glad to have it. It keeps me in the public eye."

How do words find and occupy these strange and embarrassing niches? Sometimes they've just got what it takes. Tot is the perfect headline word; it's only three letters long. And shocker really is what it does: it's supposed to shock you, and it has shock right inside it. What more could you want?

might have been and the payment was misapplied to another citation. But there's no record of payment here. If you have a copy of the cancelled check. . . ."

I didn't. So, I sent another \$50 plus a \$15 late filing charge. Slave that I am, I thought that \$15 for more than 20 years' delay was a bargain. The friendly clerk agreed. "Yeah. It's the same, no matter how long. We don't get many this old. But we have been getting more old ones lately." She hadn't heard about Massachusetts joining the DHS license-check system; but that explanation made sense to her.

A few days later, I received a receipt and notice satisfaction of the citation. And she sent a copy to the Mass. registry, which had to file the resolution with the federal system.

Back on the phone to the haughty Commonwealth Registry. More long holds. And more problems. The paperwork the county had sent the registry didn't match the required format. In short, it was too old to work in the current system. The registry was going to require a court order issued by a county judge to report the old ticket paid. And \$60 in addition to any court costs. Joining DHS's anti-terrorism license-check system was going to mean additional administrative fee revenue for

the Massachusetts Registry of Motor Vehicles.

Back to the friendly county court clerk. Bad news there, too. I'd have to appear in person to request a judge's order.

This over a 20-year old \$50 ticket — that I'd likely paid twice?

She said I might be able to hire a local attorney and provide a sworn statement. She also suggested I take the receipt and proof of satisfaction she'd sent me to the Washington DOL. "You know, they might accept it."

So, back I went. With my papers almost in order.

I cleared my mind of frustration and anxiety. I made sure to smile as I approached the same sympathetic Washington DOL clerk with my file. Slave that I am, I was relieved that she smiled back.

— Jim Walsh

**Feature, not bug** — Planned obsolescence. It was a marketing scheme developed by the auto industry to encourage customers to purchase a brand new car every couple years. By making cars that were deliberately designed to fall apart after 20,000 miles, the U.S. auto industry was able to remain lucrative until the '70s, when Japanese manufacturers began delivering vehicles with seven reels on the odometer.

Other words have found a job that no other word is willing to do. Restroom (originally rest room) once meant "any room where people rest." In Sinclair Lewis' novel "Main Street" (1920), it's a name for a place where farm ladies rest when they come to shop in Gopher Prairie. But when people wanted a euphemism for that other kind of "restroom," the room where you go, not to rest, but to do certain more specialized things, restroom was available. And after it got that job, it couldn't get any other one.

Many specialized words have become that way because of the growing ignorance of the American populace. Many of them are now strictly religious words. Wrought (as in the first message sent by Samuel Morse from the Capitol to Baltimore, "What hath God wrought!") used to appear in secular contexts all the time; now it is found only in hymns and prayers. "Glad my eyes and warm my heart," is the plea to God in the old hymn by Charles Wesley, and the two verbs do a lot for the song; but 11 a.m. on Sunday morning is the only time-place conjunction where the verb glad or even gladden now appears. The public, having lost its key to the treasure house of traditional language, simply doesn't know that such words are available for everyday use. The verb warm remains in public use because it's also a cooking term.

An even clearer example of the ignorance effect is the fate of hove. This is now an ultraspecialized division-of-labor word, used only when people want to say that a ship appeared — in which case the expression hove into view becomes obligatory. But try people out on anything but the past tense: "When will that boat finally heave into view?" "Will Doris heave in sight today?" Huh? What? What do you mean? We never heard that kind of talk! No, darlings, you didn't; its last recorded public use was by Eve Arden, in an episode of the estimable "Our Miss Brooks" (c. 1953), the most literate show that ever hove into sight on the small screen. Heave-hove just got to be too tricky for the hoi polloi, except for that one specialized cliché.

You can say the same about laureate, which means "honored," metaphorically "crowned with laurels," and as such is capable of wide use and application. Now, however, it's merely a newspaper

word for "some guy who won the Nobel Prize," and it's always prefixed by Nobel, so that nobody ever needs to wonder what it means.

Desert, as in just deserts, is another one. Its current use is restricted to that phrase, despite the fact that its basic meaning is much wider: "deserved reward or punishment; merit; a quality that merits reward." In Dryden's greatest poem, Timotheus sings at the feast of Alexander, "So should desert in arms be crowned!" But today's English language, incomparably the largest hoard of words that has ever existed, no longer permits such melodious locutions. They wouldn't be understood.

Words are effectively lost when their range is reduced to a pinpoint of specialization. On the other hand, the need (sometimes the supposed need) for a specialized term often results in the creation of soulless words, spawned like orcs, creatures destined to be employed in battle and no place else (probably because they're so ugly). Undocumented is such a word. It is never used of a person who simply left some documents at home; it's used only as a silly euphemism for illegal, as in illegal alien. Sex, as in sex worker, is a second such term. It was agitators for legalizing prostitution (of the which I am one, by the way), who came up with that phrase. Shame on us: if there's anything that can take the joy out of sex, it's a coupling of sex with work, in any form. And imagine using the phrase in normal, nonpolemical conversation: "John's broke; he spent all his money on sex workers." Nah. It won't play. I say legalize hookers, and have done with it.

Moving from polemical words on the Left to polemical words on the Right, consider the current abuse of family (as adjective). We still find the word in neutral or unfavorable contexts (e.g., "family life," or "all that family bondage," as Ed Chigliak said on "Northern Exposure"), but its preferred current use is in such icky phrases as family values. We may see the day when family becomes a word like don, garb, and restroom: a niche word, restricted to a small and very special range. In modern America, family is indeed endangered.

Our nation's founders designed our government to include something like planned obsolescence. Efficient governments have never been a friend to humanity, so the architects of our nation put together a government that would be as inefficient as possible. It was kind of like building a car with wobbly wheels, so it would be impossible to drive more than five miles an hour.

They knew how the egos of men (especially lawyers and politicians) work, and pitted those men against each other. They knew that the struggle for power within the government would be so strong and omnipresent, it would stall. What we now call "gridlock" was entirely intentional.

Much like the damper on Ben Franklin's stove kept wood slowly burning, the separation and balance of powers worked to contain government. Even though crises like recession often led to encroachment of liberties, the damage here was minimal compared to the fires that ravaged Europe at such times.

Not only did our founders give us a republic, they gave politicians a place to argue, while the rest of us go about our lives, relatively unnoticed. Happy Independence Day.

— Tim Slagle

**Getting one Wright** — Rev. Jeremiah Wright, the crazy uncle in the back room of Barack Obama's presidential campaign, has made some ridiculous statements. Probably his biggest whopper was the accusation that the U.S. government had created the AIDS virus to kill black Americans. Not that our government isn't capable of nefarious deeds — witness the notorious Tuskegee syphilis experiment — but come on, even if it did make the AIDS virus (and it didn't), just how would it then use the disease to target blacks? AIDS is not easy to get. The reverend's take, I fear, is just another example of . . . political correctness prevents me from completing the sentence.

But does it therefore follow that everything Wright has to say is a canard? Not quite, in my view. Take his statement that 9/11 represented America's Middle East chickens coming home to roost. Nothing has aroused greater indignation in certain quarters than this. But is it really an outlandish assertion?

What motivated the suicide hijackers to attack the Twin Towers? It wasn't their hatred for liberal democracy, women's rights, or Western sexual mores. U.S. policy in the Middle East led them to act. The stationing of American troops on the Arabian Peninsula, the backing we give to dictators like Mubarak in Egypt, and our support for Israel's suppression of the Palestinians caused them to strike out against us. Why were people in the Arab world dancing in the streets after 9/11? It wasn't because they hated America per se. Rather, they saw themselves as receiving blow after blow from us, and they had finally gotten one back. Let me hasten to say that I felt revulsion and anger at their display of joy — but I understood why they were celebrating. After 9/11, both pundits and average Americans asked, "Why do they hate us so?" That's how ignorant many of us were back then, and still are now.

Obama of course repudiated Wright's 9/11 remarks. To do otherwise would have been political suicide. But in this case, Wright was by no means wrong.

— Jon Harrison

**Nanny says "chill"** — Despite extremely rare, and totally unexplainable, spurts of rebellion, such as the election

of Jesse Ventura, the ideological default in my home state of Minnesota is the grinding conformity of nanny statism. Most folks in Minnesota still believe that government actually works — that is, if the right people are running things, and government is "our collective voice."

A recent illustration is a new Minneapolis law prohibiting vehicles from idling more than three minutes except in traffic. No doubt while wagging her finger, City Council member Sandy Colvin Roy lectured that cars no longer need more than a minute to warm up. Does this include the people in them too?

My bet is that Roy reflects the dominant view in the state. Most Minnesotans would more readily risk pneumonia than be branded selfish troublemakers. After all, those who stoically endure frostbite are more likely to become good citizens, as any Minnesotan will tell you.

— David Beito

**Sue and sue alike** — This has been a rare year in the history of trial lawyers. Dickie Scruggs, one of the most successful of the breed, recently pleaded guilty to criminal conspiracy in the attempt to bribe a judge, and faces up to five years in jail. He's famous for the massive tobacco case settlement and the endless asbestos litigation. In addition, three Kentucky trial lawyers are being tried for ripping off millions from their clients' settlement for the drug Fen-Phen. And a few months ago, William Lerach, one of the major partners at the Milberg Weiss law firm, who was under indictment for participating in hiding illegal payments to plaintiffs, pleaded guilty and was sentenced to two years in prison. Milberg Weiss was a dominant player in lawsuits against corporations.

At the time of Lerach's sentencing, the judge expressed regret that he couldn't give him more jail time, but was bound by the plea deal he'd made with prosecutors in exchange for his testimony against others in the firm. But the prosecutors have proven shrewd, indeed. They charged the law firm's head, Melvyn Weiss, with numerous offenses, and in a rare move, they criminally charged the business itself.

Well, it has just been announced that Weiss has pleaded guilty to racketeering conspiracy and has been sentenced to two and a half years in prison. It appears that the law firm will be forced to settle with fines and penalties in the neighborhood of \$75 million. Score another one for justice.

— Gary Jason

**Shall make no law** — On "The Colbert Report," June 4, Libertarian presidential candidate Bob Barr was asked by Stephen Colbert if his move to libertarianism was stimulated in part by concern that the government would try to register his mustache ("because it's a lady-killer").

Fortunately Barr did not reply "They'll get my mustache when they pry it from my cold, dead face." That would have just made him sound silly.

— Ross Levatter

**For lack of a wand** — With the death of Robert Knox, an 18-year-old actor in a "Harry Potter" movie, Americans have learned of an "epidemic" of crime among young people in England. Along with four other men, Knox was knifed in a fight outside a pub. He was one of 14 teenagers who have been the victims of similar crimes in London so far this year. Murders and street violence among teenagers have approximately doubled during the past three years, robberies of



teenagers by other teenagers are reported as common, and many teenagers are reported to be scared to death to leave their neighborhoods — this, in the country whose freedom from the 2nd Amendment is often considered crucial to its record of public safety.

Perhaps if Robert Knox had been carrying a gun instead of a knife, he would be alive today. And perhaps violence increases because of violent or subtle changes in culture, not because law-abiding people are denied effective means of self-protection. Perhaps, just perhaps. — Stephen Cox

**As goes Mississippi . . .** — Democrat Travis Childers recently won a stunning victory in a heavily Republican district in Mississippi, a district once represented by Trent Lott, by stressing such themes as support for a balanced budget amendment and opposition to gun control.

A less noticed, but equally important, factor in Childers' victory in this pro-military district was his call to bring the troops home "honorably, safely, and soon."

This Republican loss reinforces the election post-mortem I wrote for *Liberty* in 2006. The best hope for a winning candidate in these times is to combine a fiscally conservative agenda with a call to extract the United States from Iraq.

— David Beito

**Suffer the children** — In late May, Texas district court judge Barbara Walther approved a deal that instructed state child welfare officials to return some 400 children to their parents.

The children had been in state custody for nearly two months; their parents are members of the Fundamentalist Church of Jesus Christ of Latter Day Saints (FLDS), a radical offshoot of the Church of Jesus Christ of Latter Day Saints — the Mormons.

Walther was working under orders from the Texas state supreme court, which had criticized Texas Child Protective Services officials for exceeding their authority in taking the children away from their parents. (FLDS members are still

under criminal investigation; and, as a condition of the children's return, the sect must cooperate with state authorities.) Whatever the provenance of her decision, it was the right resolution to some bad circumstances.

The child-welfare bureaucrats in Texas — like their counterparts in other parts of the United States — are among the most ambitious and self-righteous statist in the land. The good works that some do (getting young children out of abusive or destructive situations) is overwhelmed by the collectivist zealotry that others exhibit.

The Texas bureaucrats argued that FLDS members, living near the city of Eldorado in a compound that they called Yearning for Zion Ranch, were abusing their children. The bureaucrats were repulsed by the notion that the radical Mormons were "marrying" girls barely in their teens to men well into their 60s.

The bureaucrats let their repulsion cloud their reason and overstepped their bounds.

The episode started when Texas Child Protective Services received several telephone calls from a person claiming to be a 16-year-old girl inside Yearning for Zion Ranch who was being beaten and forced to have sex with a 50-year-old man. In March, state bureaucrats — accompanied by armed Texas Rangers — invaded the ranch, arrested some FLDS members, and forcibly separated all resident children from their mothers.

Recently, investigators have admitted that the telephone calls may have been a hoax perpetrated by critics of FLDS.

It's hard to have sympathy for FLDS. There may be truth to allegations that the sect systematically indoctrinates and dehumanizes its own members. According to some former members, sect elders examine young girls' bodies and clothes for signs that they've begun menstruating — and are therefore eligible for "marriage" to, er, sect elders. The public faces that the sect chooses to put forward — creepy, self-satisfied elders and vacant-eyed women dressed in 19th century-style clothes — don't suggest well-balanced interior lives. And the sect is no model of the self-sufficiency that mainstream Mormonism values; it manages its population by dumping "excess" teenage boys and insubordinate girls on the streets of Texas, Arizona, and Utah, leaving them for state welfare agencies to raise.

Most ironically, the sect apparently follows its own form of collectivism, keeping precise family lineage obscure even from members. In other words, Yearning for Zion Ranch is the kind of village that Hillary Clinton argues it takes to raise a child.

Maybe that's why the Texas Child Protective Services bureaucrats responded against FLDS so quickly and so excessively. They saw a competing form of child-rearing collectivism.

— Jim Walsh

**The Brazilian** — As we dig ourselves ever deeper into a self-induced energy recession, we might look around the world to see what other countries are doing to increase their energy supplies. In particular, we might ask whether ethanol is the key to solving our dependence on foreign oil, a dependence that is funneling hundreds of billions annually into the coffers of countries, many of which are intent on inflicting as much harm on us as they possibly can.



"We were hoping for something more along the lines of laissez-faire. . . ."

Now, as it happens, we have an instructive model we can examine. Decades ago, after the severe oil crisis of the 1970s, Brazil made a major effort to develop ethanol as an alternative fuel. And, Lord knows, if any country were in a good position to achieve energy independence by pushing ethanol, it would be Brazil. It has a huge amount of land with a perfect climate for the perfect plant, sugarcane. And the government pushed biofuels heavily to achieve energy independence.

But Brazil didn't abandon the search for oil. And its efforts are paying off handsomely. *Petroleo Brasileiro* (Petrobras), the state-controlled oil company, has discovered major new fields of oil offshore. Two years ago, it discovered a huge oil field — the biggest found in the Western hemisphere during the past 30 years. And recently it's found another major field in the same general area.

These finds are in deep water, which means that Petrobras will have to lease more drilling ships and semi-submersible oil platforms. But the finds make it likely that Brazil, which was an oil importer until a few years ago, will become a major oil exporter in the near future. All this has caused the price of Petrobras stock nearly to double over the last year. Its market capitalization now exceeds that of Microsoft and GE!

The message is clear: biofuels are no substitute for the continued exploration for and use of new oil fields, even under the best of circumstances. And need one add that the ethanol program in the United States is far from the best biofuel program?

— Gary Jason

**Another poseur passes** — On May 12, the artist Robert Rauschenberg died of a heart attack, aged 82. Encomiums flowed in from every corner of the art world. The *New York Times* referred to him as a "titan," one who "time and again reshaped art in the 20th century." He was, we are told, of a quality with Marcel Duchamp and Jackson Pollock. Together with Jasper Johns (his longtime boyfriend), he formed the link, the vital bridge between abstract expressionism and the art scene of today.

A giant, then — or was he but a pygmy? Rauschenberg was famous for working in many media. Examining his work, one cannot but conclude that he spread himself too thin. This is heresy in the contemporary art world, a world utterly separated from the thoughts, feelings, and indeed the lives of the remaining 99.9% of humanity. Heresy, however, sometimes equals truth. Sometimes garbage is simply garbage, no matter who the beholder may be.

Rauschenberg's black canvases and white canvases, his combine paintings and transfer drawings all resonate with the time-servers (pardon me, critics) and the pathetic poseurs (artists, I should say) who populate what passes for the world of art today. But do these works live for anyone else — does anybody in the real world find truth, beauty, or any meaning at all in these things? Of course not.

The fact is that so-called modern art — Dada, Surrealism, Abstract Expressionism, and all the movements since — is simply higher fakery. Western art had its thousand years to ripen and flower (as with the Greeks), and then it died. In the plastic arts, what followed the Post-Impressionists and the school of Rodin was (in the words of Evelyn Waugh) great bosh, nothing more.

The counterpart to modern art was the insipid classicism

of the totalitarian states — Stalin's wedding cake architecture, the soulless paintings and sculpture produced under Hitler. Western art was finished, over — but no one wanted to admit it. And so decadents and philistines vied for supremacy, with the decadents coming out on top.

In a hundred years, the works of Rauschenberg and Duchamp and Pollock will be curiosities at best. Quite possibly, they will have vanished in the garbage heap, their proper place.

— Jon Harrison

**Gas guzzlers** — Whether you believe in global warming or not, officials at all levels of government are making policies based on its existence. The latest news is a number of reports claiming — from the scantiest data — that cities should emphasize rail transit and high-density development (where have I heard that before?) to reduce their greenhouse emissions.

A dose of sanity is provided by a new report from McKinsey & Company that finds that the United States can reduce its greenhouse gas emissions by a third by 2030 if we invest in technologies that cost no more than \$50 per ton of reduced emissions. In fact, McKinsey finds, many policies will cost very little because the long-term energy savings will repay the up-front costs.

Making cars out of lighter materials, for example, will actually save car owners \$75 per ton of reduced emissions. Hybrid cars, however, will cost about \$100 per ton and so may not be a good investment.

McKinsey didn't evaluate transit or compact development strategies, and with good reason. My own calculations, based on data from U.S. DOT, reveal that most transit systems actually produce more greenhouse gases, per passenger mile, than automobiles. Many produce more than SUVs. For example, Denver's light-rail system, which is powered by electricity generated by burning fossil fuels, produces 15% more gases per passenger mile than the average SUV.

Some states, such as Oregon and Washington, get most of their electricity from hydro, and so don't contribute as much to greenhouse gases. But my calculations show that the most efficient rail systems still cost at least \$5,000 per ton of reduced emissions — well above McKinsey's threshold.

Meanwhile, my colleague Wendell Cox has used data from Australia that shows that dense housing actually generates more greenhouse gases than low-density suburbs. While compact development proponents in the United States say their figures differ, Cox estimates that, at best, compact development would reduce greenhouse emissions at a cost of \$65,000 per ton.

Next year, Congress is going to revisit the federal gas tax. The danger is that it will impose all kinds of inane rules that will make transport more costly but do little to reduce greenhouse gases. While we can argue about whether global warming is happening or whether humans can do anything about it, we should also make sure that whatever policies Congress makes are, at the least, cost effective.

— Randal O'Toole

**Source of change** — One of the first rules of writing is this: whenever possible, avoid clichés. Following close after are these: if you must use a cliché, *don't* draw attention to it by adding other words, and *do* find out what it originally meant, to make sure it really says what you think it does.

Of course, rules are made to be broken, sometimes to great effect — even if it is unintentional. Consider a recent example: for an article on how Hillary Clinton lost the Democratic presidential nomination, the London Telegraph consulted one Mark Mellman, a Democratic pollster somehow unaffiliated with either campaign. Mellman said, “We have known for two years that Democrats and voters in general are much more interested in change. Yet for reasons that are inexplicable, the Clinton campaign chose to be on the short end of that message stick.”

Mellman here introduces the overused word “message” into the cliché: can anyone picture what a message stick would look like? A bat, maybe, even though the messages it can convey are fairly limited — not to mention that the short end, or at least the narrow end, is the one held in order to hit something.

Besides, only a minority of sources derive “short end of the stick” from a bat or staff or other weapon: most dictionaries of slang have it as a softening of “shit(ty) end of the stick” — that is, the stick isn’t used to whoop ass, but rather to wipe it. This derivation would have the phrase linked to medieval times, and the conspicuous lack of toilet paper. Instead there was a stick with an end you didn’t want to grab — the “short” end.

Thus what Mellman would seem to be saying is that the Democratic message of “change” is nothing more than fecal matter. And Clinton, by insisting on her experience, had her hand on the end of the stick still encrusted with the remnants of previous Democratic “messages” — whereas Obama grabbed the clean end, and scraped away at the fresh stuff.

A poorly turned phrase? Sure. But if there’s a better description of the Democratic race out there anywhere — intentional or not — I haven’t seen it. — Andrew Ferguson

**Triangulation** — The usual explanations for the rise of the American Southeast are the advent of air conditioning, the absence of unions, and the desire of Northeasterners to escape their entrenched political and regulatory rigidities. All these are undoubtedly factors.

I recently moved to North Carolina, a star of the Southeast. United Van Lines reported that in 2007, among all the states in the country, North Carolina had the largest net in-migration (61.6% of its moves were inbound).

Once here, though, I was puzzled by North Carolina’s success. Politically, it’s a mess. Gerrymandering is blatant. The previous House majority leader went to jail for accepting bribes. The state is riddled with dubious efforts to bring in industry through costly “incentives.” The government built a “global transportation park” that finally snagged its second client after 18 years, and the state is now paying companies for merely staying in North Carolina. Taxes are high, crime rates are nothing to be proud of, and racial relations are still uneasy.

So what’s unusual about North Carolina? Well, there’s Charlotte, where two homegrown banks became aggressive and created a major national banking center. And in central North Carolina, where I live, the state’s success has a lot to do with Research Triangle Park.

This 7,000-acre area near Raleigh claims to be the nation’s largest research park and is often viewed as the third high-

tech success after Massachusetts’ Route 128 corridor and Silicon Valley. Many people probably mistake it for a government entity because it has a big government lab as a client.

But Research Triangle Park was, and is, a private effort, with something like 160 research firms and organizations. A land developer started it in the 1950s, arguing that North Carolina’s old industries (tobacco, furniture, and textiles) were dying and should be replaced. He had to persuade a reluctant governor to give even lip-service support and he had to woo the three complacent universities — UNC, Duke, and N.C. State — that had the gold he was trying to mine (faculty and facilities).

The state of North Carolina never put significant money into the project, and the stunning thing about RTP is that it has no government to speak of. It is run by a private foundation, which has special zoning rights granted by the two counties it straddles.

There is no residential property in RTP, and therefore no “town” with families worried about property values, zoning issues, schools, transportation, etc. (Families do worry about all these, just not in RTP.) Instead, it is a center of entrepreneurship, innovation, and practical research. It takes advantage of the brainpower and quality of life that universities foster, while providing the economic engine that keeps that quality of life high. Over the years, its impact on growth and lifestyle has expanded, giving much of North Carolina a university-town image that draws out-of-staters (including me).

North Carolina is a big state, and it has other advantages (as well as some downsides I haven’t mentioned). But the heart of its growth, I believe, is relatively unfettered business.

— Jane S. Shaw

**The last evil empire** — Back in the Cold War days, some perceptive people pointed out that the Soviet Union was not really a revolutionary power, but rather a traditional territorial empire. Certainly, it was far more dangerous and repressive than the European empires that fell apart after World War II (hence the well-deserved label “evil empire” given to it by Ronald Reagan), but essentially it was a traditional imperium ruling over subject peoples that yearned to be free.

When the USSR collapsed in 1991 (an event in some ways reminiscent of the fall of Nineveh — for which see the Old Testament book of Nahum), many people (including some of the clever ones mentioned above) averred that the last of the old empires had disappeared. Not so! For the empire of Han China still exists, and is growing more powerful and assertive with each passing year.

China is the last traditional imperium on earth (America is an empire in a different sense, and we are not, for all our faults, evil). Anyone unaware of this should have been disabused by the recent riots in Tibet. Tibet and Xinjiang to its north are colonial possessions of Han China. The peoples of both provinces are not ethnically Chinese, nor do they wish to be governed from Beijing. The iron hand of the People’s Liberation Army grips both provinces. The indigenous cultures in these lands are under threat, as tens of thousands of Chinese settlers pour into the region. This is imperialism, pure and simple.

It was just an accident of history that the Tiananmen Square uprising of 1989 took place before the fall of the Berlin



Wall. The George H.W. Bush administration, engaged in the Cold War end game with the Soviets, made no move to assist the Chinese students who were clamoring for a free society. In the geopolitical circumstances of the time, this was understandable. But in time, this accident of history may prove to be the seed of tragedy.

China's long-range imperial goals represent a threat to the rest of the world. These go far beyond creating the world's largest economy, or recovering Taiwan. China wants to dominate an area stretching from the Persian Gulf to the Pacific. It would like to thrust American power back to Hawaii (if not California), eliminate Japan as a potential rival, and absorb mineral-rich eastern Siberia. While it does not yet possess the ability to project power far from its shores, it cannot but look at Australia as potential *lebensraum* for its surplus population. When it possesses a blue-water fleet, only American military power will stand in the way of a Chinese conquest of the island continent.

The realization of these imperial goals would make China the superpower of Eurasia, and quite possibly the greatest power on earth. Even if this proves beyond China's reach, consider the situation that will exist only 25 years from now, when 1.5 billion Chinese will be consuming at an American level. Look at the price of oil today, with Chinese automobile use equivalent only to that of the U.S. in 1918. How will our economy hold up in a world where 1.5 billion Chinese are eating up resources at an American pace?

As the Olympics open in Beijing this month, Americans should recall the 1936 games in Berlin and the 1980 games in Moscow. The first was followed by the most catastrophic war in history, the second, fortunately, by an empire's peaceful dissolution. Now China is rising in the East. Which turn will history take this time? Personally, I'm not betting on a peaceful outcome.

— Jon Harrison

**Sicko ideal** — In the last issue of *Liberty*, where I reviewed a movie called "Indoctrinate U," I had occasion to mention the Moving Picture Institute (MPI), based in New York City. MPI is devoted to producing and distributing films that celebrate liberty, something that has been very unfashionable in Hollywood for decades.

Two of MPI's feature-length releases have already done well at the box office. "Indoctrinate U" is one of them. It's a documentary about intolerance of libertarian and conservative speech on campus. "The Singing Revolution" is the other — a powerful documentary about Estonia's peaceful struggle to be free from the Soviet Empire. Both saw modestly wide distribution, especially in large cities.

But if you want to get the flavor of MPI, I recommend that you visit the "FreeMarketCure" website. There you can download (free of charge) several compelling short documentary films by MPI fellow Stuart Browning on Canada's socialized healthcare system. Given that a big part of the upcoming presidential campaign will center on schemes for further socialization of America's healthcare system, these films couldn't be more pertinent and timely.

The first film, "A Short Course in Brain Surgery," has been viewed more than two and a half million times. It tells the story of a hapless Ontario man who suspected that he might have a brain tumor and was told by the Canadian health ser-

vice that he would have to wait four months for a simple MRI to discover the truth. Because of Ontario's "single-payer" system, he couldn't see a private physician — in Canada. So he went to the United States for his MRI, and got it immediately. The MRI did reveal a large brain tumor, and he showed that to his Canadian doc. He was told that he would get an operation — in three months! So he went back to Buffalo and was operated on immediately, and successfully. He got the appropriate care eight months quicker than under Canada's "free" system. The speed of care probably saved his life.

The moral of the story: "free" healthcare isn't all that great, if you ever actually need it. "Free" care is rationed by wait lists, and if you have a fast-growing tumor or other rapidly developing disease, that kind of care can cost you your life. Free, indeed.

The second film, "The Lemon," critiques single-payer healthcare systems, likening them to single-payer automobile industries (such as that of East Germany), which produced nothing but "lemons." The film presents the story of another real medical case. In this one, a woman with a horribly painful arterial blockage went through intense misery, waiting be given the necessary surgery in Canada; but she was able to get help in the United States within two weeks. Rationing by wait list is a cruel form of deciding who gets help.

There are two other short documentaries to the same effect. We all know that the Canadian health care system is what the Left dreams of for our country. And the criticisms of the Canadian system are fairly well known. But nothing conveys the problems with the same vivacity and power as film.

Alas, while Michael Moore's film "Sicko" — which I had at first supposed to be his autobiography, only to discover that it is a paean to socialized medicine — gets wide distribution, you have to seek out Stuart Browning's films on the internet. Unfair. Still, thank God there is some small balance here, a balance due in great measure to MPI.

— Gary Jason

**For sale: carbon footprint** — A recent cap-and-trade bill came far too close to Senate passage for my comfort, and since no major presidential candidate is willing to veto such a bill if it passes in the next Congress, perhaps I should prepare myself for the next eight years.

Carbon substitution credits could become lucrative. The idea is that someone who wants to burn a lot of fuel pays money to someone who does not, thereby lessening his impact on the environment. I know that environmentalist Robert F. Kennedy, Jr. is a big proponent of carbon substitution credits, so I've designed these with him in mind:

For a nominal fee of \$600, you can fly your private plane to anywhere in America, and I will buy a similar round trip coach ticket. If you send me \$10,000 dollars, I will buy a sailboat, and you can powerboat to your heart's content. A mere \$200,000 dollars will buy me a small cottage in Cape Cod in which I will never use the heat or air conditioning, so you can turn the thermostat way down at the sprawling Kennedy Compound this summer without a thought to how hot the planet is getting.

For those of you who don't have the resources of a Kennedy but would still like to buy a little environmental forgiveness, I could sell you some carbon sequestration. I could use a little landscaping around my house.

— Tim Slagle

**Americans for appeasement?** — John McCain and George Bush have charged that Barack Obama, who states that he will talk with adversaries, such as Iran, is guilty of appeasement.

If their goal is to paint Obama as out of step with ordinary Americans, however, they are barking up the wrong tree. On this issue it is Bush and McCain, not Obama, who are on the political fringe. According to a Gallup Poll in May, a whopping 79% of Americans (including about half of all Republicans) think it is a “good idea” for the president to meet “with leaders of foreign countries considered enemies of the United States.” — David Beito

**Fearless forecast** — Obama needs to win some states that Kerry didn’t win. Which will they be? Not New Mexico, Colorado, Nevada, or Florida — Hispanics have been stampeding to vote against him. Probably not Mississippi or Virginia — not quite enough African-Americans there. And probably not Ohio or Iowa — not after the things Obama said about small-town Americans. On that basis, he has a good chance of losing Wisconsin, Pennsylvania, and Michigan, which Kerry won.

Obama’s strategy was to beat Clinton by scooping up the Democratic ideologues in states that never vote Democratic. It worked. It also revealed his weakness. The only really large state he won was his own, Illinois. Other big states went to Hillary, by large margins.

The youth vote? In primary states there were slightly more very young voters who turned out for the Democrats, and slightly to many more 60+ voters who turned out for the Republicans. Which group would you rather have supporting you? The 60+ voters, of course. They actually *vote*.

The more Hillary campaigns for Barry, the phonier both of them look. And if the Republicans simply buy air space to play Obama’s remarks about how Americans will have to give up their precious SUVs in order to make the rest of the world stop hating us, they will have a hard time not picking up states like Michigan.

Well, maybe they’ll manage not to. The depths of the Stupid Party’s stupidity have never yet been plumbed. Still, unless McCain makes some enormous, Gerald Fordlike error, Obama will not beat him. — Stephen Cox

**In praise of Pandora** — I confess that I am a man of antique taste in music. Though I grew up in the rock era, I’ve always preferred and still listen to music from the jazz era of the 1950s and 1960s. Cool jazz (Mulligan, Getz), Latin Jazz (Puentes, Tjader), and late big band jazz (Kenton especially) still sound terrific to me. In the ‘50s and ‘60s, torch singing from the great American songbook was at its mature best: Sinatra at Capitol, Mel Tormé, Julie London, Irene Kral, and of course Tony Bennett. And Bossa Nova was at its best then too, with Tom Jobin, Joao Gilberto, and the incomparable Astrud Gilberto.

This sort of music has had something of a comeback over the last decade, with Diana Krall, Jane Monheit and many others selling well — not to mention the fact that Tony Bennett is still packing them in at his live performances. But jazz of any sort gets little airplay. What little does get played is the current highly synthesized stuff on college PBS stations — Kenny G Radio 24/7.

Here is where the internet has proven invaluable. First, of course, the internet lets you listen to jazz stations from all over the world. Even handier is a free website called Pandora Radio. This site allows you to pick out your favorite artists, for each one of which it designs a “virtual radio station” devoted to music either by that artist or by artists of a similar style.

You can listen to song after song, hour after hour — and again, all for free. The site even allows you to refine your choice by giving each song a thumbs up or thumbs down. And it allows you to click on any album for easy ordering, should you wish to do so.

If you also have arcane tastes in music, you should check out Pandora. She’ll treat you right. — Gary Jason

**Full load** — I watch a lot of movies, but they tend not to be brand-new ones because my family and I watch DVDs. The other night we watched two: “Inherit the Wind” (1960) and a newer one, “Bordertown” (2007), with Jennifer Lopez as an investigative reporter unearthing a rape-and-murder ring in Ciudad Juarez, Mexico. Much different movies, but both carried a load of propaganda.

“Inherit the Wind” turned the fascinating Scopes “evolution” case into a liberal cartoon (with much of which I agreed, but still a cartoon). “Border Town” traced the rape-and-murder problem to NAFTA, which had allowed the rise of corrupt Mexican oligarchs who liked having young women to exploit economically and, occasionally, sexually. The movie never asks: where would Mexican women, and their families, have been without NAFTA? What was the net effect on Mexico of opening up trade with the United States? Instead, it suggested that commerce equals rape.

Contrast a Hong Kong movie called “The Drummer” (2007). It’s about a gangster’s son who gets his dad, a gang boss, in trouble by bedding a rival gang leader’s wench. The rival leader demands that the son’s hands be cut off and given to him. But the young man’s dad spirits him away from Hong Kong to rural, mountainous Taiwan (the sticks), where he meets a troupe of traditional drummers, in the Japanese style. He joins them, and goes from being an immature playboy to something like a monk. Later he goes back to Hong Kong, his dad is killed, he runs down the killer and has a chance to kill him in turn. Because of the life he has learned with the drummers, he doesn’t pull the trigger. It’s a very Asian movie, and without a wide market here; but it’s a fine story, and not at all a cartoon. — Bruce Ramsey

**Tragedy of the McMansions** — Boulder, Colorado has a well-deserved reputation for boldly regulating territory that few bureaucrats have ever trod upon. Back in the 1990s, the city council explored the concept of expanding individual property rights along the south, east, and west boundary lines of real estate while at the same time restricting rights along north perimeters. The altered regimen would be based on a “right to sunshine.”

As councilman Steve Pommerance explained to me, with conventional energy sources becoming dearer, more people would be turning to solar power for a cheaper alternative. But their ability to do this might be infringed by any new, taller construction sunward of existing structures because taller buildings might block the sun. The “right to sunshine” had to be protected.

Besides the “right to sunshine,” Boulder cherishes its “freedom from unpleasant development.” For many years this freedom has been preserved through restrictive zoning that has severely limited chain stores, trailer parks, private campgrounds, and so forth, and has decisively raised the cost of what development is allowed. Unsurprisingly, this has effectively cleansed Boulder of service personnel: there’s just no affordable place for maids, janitors, waitresses, and bus boys to live.

Not that it matters too much, since most chains find the business atmosphere too restrictive, and businesses that do make a go of it tend to be sole proprietorships. When cheap help is needed though, thank the University of Colorado for an endless pool of never-on-time, pot-saturated, dreadlocked, slack-jawed employees — students, part-time students, wanna-be students, and dropouts — that businesses recycle every pay period.

But now restrictive zoning has turned around to bite the other cheek. Boulder County planners have diagnosed an epidemic of McMansions that is threatening to devour the rural character of the community. New homes in Boulder County average 6,500 square feet, versus 2,400 sq. ft. nationally. To stem the onslaught, planners are considering a cap-and-trade arrangement labeled “voluntary development-rights transfers” (DRT’s). DRT’s would be encouraged through one-time payments and reduced property tax assessments. As Michele Krezek, Boulder County land-use manager, explains, we “want to allow property owners who either have or want smaller-scale homes to be able to sell a portion of their ‘unused’ square footage” to people who want to build homes larger than the maximum permissible size (4,500 square feet on the plains or 3,000 square feet in the mountains).

When Milton Friedman first proposed a cap-and-trade scheme, it was to correct market failure inherent in “tragedy of the commons” situations. He applied market mechanisms to mitigate industrial air pollution. One wonders — is an “excess” of interior livable space a tragedy? — although we can at least be thankful that Boulder bureaucrats have discovered market forces.

Cap-and-trade is a concept whose time has come. It’s now been adapted in Europe to create a market in carbon emissions to relieve global warming. And it’s coming to the United States. Perhaps it would have been nice if New York City Health Commissioner Dr. Thomas R. Frieden had gotten on the bandwagon and followed Boulder’s lead by instituting a cap-and-trade system to regulate fast-foods’ trans-fat footprints (“gutprints”) instead of hamhandedly outlawing the guilty grease. Then gourmands could trade fat credits before ordering their fries.

Beam me up Milty!

— Robert H. Miller

**Two wheels, two sides** — Bike to Work week is held each year in Chicago during the second week of June, since it is probably the best time to be on a bike in Chicago. Cool lake breezes, bright blue skies, and extended daylight hours make a bicycle ride in Chicago a very pleasant proposition. In June it is easy to forget that not every day in Chicago is as nice.

I think that someone should organize a “Why We Drive” week in the middle of January, when icy conditions, gale force

winds, single-digit temperatures, and treacherous nighttime commutes on both sides of the workday would remind everyone how grateful they are to pay four bucks a gallon for gas.

This year’s Bike to Work week has been met with tragedy. By June 11th, two bicyclists had been killed during their commute. Rather than being an encouragement for people to ride a two-wheeler to their job, the tragedies serve as a grim reminder why a lot of people prefer the metal and glass safety cage of an automobile. Perhaps we have already hosted that “Why We Drive” week.

— Tim Slagle

**Freedom phobia** — I never pass up the opportunity to mention a free-market institution, and a recent article of interest allows me to do so now.

The James Madison Institute is a free-market thinktank based in Florida, founded 20 years ago by Dr. J. Stanley Marshall, former president of Florida State University. (Disclosure: I am a proud contributor.) The institute has done useful work publishing scholarly material.

In the current issue of its major publication — *The Journal of the James Madison Institute*, Winter/Spring 2008 (downloadable from its website) — Susan Riggs has an excellent piece on fallout from a 2005 ruling by the Supreme Court of Quebec, a ruling that roiled the Canadian healthcare system.

Suit had been brought by a Quebec doctor on behalf of a patient who needed hip replacement surgery and who had wound up on a long waiting list. The court ruled that it was unconstitutional to deny a patient the right to seek private care, in the face of the long wait times for service in the public system. The immediate effect was a modest reform: Quebec established set waiting times for certain surgeries (such as hip replacements and cataracts), after which patients may go to approved private clinics (or, if none are available, to clinics in the United States).

Considering that the long wait times in the Canadian healthcare system have been getting longer, many observers expected a cascade of similar lawsuits throughout Canada. But that hasn’t happened. Riggs’ view is that the reasons vary, from the fact that the court system in Canada isn’t as powerful as it is here, to the fact that Canada has a strong central government. But, she ruefully notes, the main reason that more Canadians haven’t challenged the government health system seems to be that they don’t welcome the new freedom. Many of them apparently fear that it will lead to a system like that of the United States.

Riggs, a Canadian herself, notes that this fear is ungrounded. She reviews the salient facts. First, wait times in Canada are generally double what doctors consider reasonable. Second, Canadians generally have fewer doctors, less modern medical equipment, and fewer cutting-edge drugs than Americans. Third, Canadians have fewer diagnostic tests (such as PSA screens and Pap smears) than Americans, and higher mortality rates for prostate, breast, and colorectal cancer. Canadian hospitals (average age, 40 years) are much older (nine years, on average) than American ones.

Basically, it appears that after twoscore years under their socialized system, Canadians are now totally dependent and too afraid to change. This is a point for Americans to consider. If we do indeed nationalize our system, as the major candidates for the Democratic presidential race all seem to favor, it



will likely be impossible to privatize it again, even after we see what a disaster we have on our hands. — Gary Jason

**Fogs of war** — The situation in Iraq deteriorated over the first three months of this year, culminating in late March with a bloody nose given to the Iraqi defense forces by Muqtada al-Sadr's Mahdi Army. April and May, however, saw an improvement in the situation. Only 21 U.S. soldiers died in May. Meanwhile, Iraqi civilian deaths fell from 1,080 in April to "only" 532 in May. Additionally, to the surprise of many observers, Iraqi forces made gains on three major fronts — Basra, Sadr City in Baghdad, and Mosul in the country's north.

In Basra, the Mahdi Army ceased fighting and let Iraqi forces occupy the city. U.S. and British technical support, and above all Allied air power, were crucial to the Iraqi success. The Sadrists and the criminal elements that had controlled the city largely blended into the background, allowing them to try for a comeback in the future.

In Sadr City, the same formula was applied. U.S. support, on the ground and in the air, tipped the battle against the Sadrists. The Iraqi troops did not fight particularly well, but they didn't run away either, and that, in the circumstances, was enough. A ceasefire was signed on May 11.

In Mosul, the enemy was al Qaeda. It too chose the path of least resistance. Its fighters, who have had the worst of it since the Anbar Awakening commenced over a year ago, slipped away from the city and found new rat holes to hide in.

So Iraq is looking up, right? Well, it's not quite that simple. On the plus side, the people of Basra seem delighted in the relative freedom they have found in life under government control. The people of Mosul, I daresay, are not unhappy that al Qaeda has left their city. Violence throughout the country is down again, but not, unfortunately, because the militias, terrorists, and criminals have been defeated. These, as I said, have chosen to live to fight another day. This is a sensible strategy on their part. They have no chance of victory so long as substantial U.S. forces remain in Iraq. To wait us out is the better course for them.

The current U.S.-Iraqi government strategy seems to be victory through the infliction of a thousand cuts. This might work against al-Qaeda. The Sadrists, however, are too numerous. To crush them would require a real fight, with U.S. troops in the lead.

The truly critical event in May was the breakdown of talks aimed at bringing Sunnis into the government. Reconciliation between Shiite, Sunni, and Kurd seems as far away as ever. That almost certainly means big trouble at some point in the future.

Meanwhile, the complex dynamic among just the Shiites, that is, the struggle for power between Prime Minister al-Maliki's Dawa Party, the Sadrists, and the Supreme Islamic Council, with Iran in the background (favoring first one group, then another, in a true wilderness of mirrors), remains the key factor in determining Iraq's future. Unfortunately, U.S.-Iranian talks on Iraq were broken off in early May by Tehran.

As the U.S. election nears, will we see violence flare up again? Continued quiet would help Republican candidate John McCain, who wants to prolong our involvement in Iraq.

Therefore, one would expect the Sadrists and al-Qaeda to try something in the fall, in order to further the election prospects of the Democrat, who will be running on a platform of withdrawal.

On the other hand, perhaps Iran would actually like to see us remain in Iraq. They may prefer to have our forces tied down there, rather than free to strike elsewhere, i.e., at them. They may seek to restrain the Shiite in order to help McCain and keep us in the country.

In any case, the one thing the next U.S. administration, be it Republican or Democratic, *must* realize, is that the road to peace and a stable Iraq leads through Tehran, and only Tehran.

— Jon Harrison

**Beautiful burqas** — One thing you realize on Zanzibar is that the mullahs have way too much say in what women wear in public. And that it doesn't do them a bit of good. The fact is, those boys could have learned a thing or two from our grandmothers. It's not what she shows that makes a woman sexy, it's what she leaves to the imagination. And the more the mullahs force the ladies to dress in bags, the sexier they become.

Every pretty woman understands how to make sure you know, and the ladies on Zanzibar must spend hours customizing their bags — until some are as form-fitting as slinky ballgowns. Crisp and black, embroidered, perhaps, in silver with vines and leaves curling around the skirt and up the sides, flared at the bottoms and the cuffs, all that cloth only exaggerates the grace and suppleness of the bodies inside. Those bags turn what, in America, would be vacuous teenaged girls at the mall strutting pudgy flesh nobody much cares to give a second glance to, into gorgeous, light-footed silhouettes skipping and traipsing and whirling down the street, awkward teenagers into a full-court tease of fluid movement and swirling cloth, of subliminal images and imagination, ordinary girls into bewitching, sparkling-eyed houris you can't stop looking at.

Quite a few sport — I kid you not — glittering tiaras around their black hoods, and kick their heels just high enough to give you a glimpse of flashing, gold slippers. Hugh Hefner never made his women half as sexy as the mullahs have managed to make theirs.

This upwelling of life must drive those old prigs nuts. Issue a fatwa that nobody can decorate her robes with embroidery and, next morning, the streets will be a-twirl with the most exquisite lace. Outlaw lace, and there will be a run on the sequin market. The dead hand of received prudery doesn't have a chance against the overflowing life of young womanhood. I love it.

— Bill Merritt

**Drained of energy** — Bush's recent combative news conference, in which he rightly attacked Congress for doing nothing about meaningful energy policy, brought to mind a few thoughts.

He hit Congress for not allowing drilling in ANWR and elsewhere, as well as doing nothing to allow more refineries and nuclear power plants to be built. He has credibility on those issues. Under Clinton, the then Republican controlled Congress voted to open up ANWR to oil development, but Clinton vetoed it, arguing that we didn't need the oil. A few years into his presidency Bush pushed to open ANWR, but

this time it was Congress that blocked it (with the votes of a handful of turncoat Republicans). Go figure.

With oil at \$120 a barrel, how much higher must it go to get people to allow development in that barren waste? Again, to give Bush credit, he has suggested building new refineries on abandoned army bases. And despite his reputation as an oil man — not to mention his inability to pronounce its moniker correctly — Bush has been staunch in his support of nuclear power.

But the Dems, as much the thralls of ecological ideologues as they are of trial lawyers, oppose nuclear, oppose oil, and oppose gas. What they want is “alternative sources of energy.” Wind, solar, and biofuels — all proven winners!

As it happens, biofuels are now prominent in the news. Specifically, our demented policy on ethanol — which, to his discredit, Bush supports — is getting increased public scrutiny. A number of recent articles, in periodicals as diverse as *The Wall Street Journal* (April 18), *The New York Times* (April 15), the *New York Sun* (April 25), and the *Weekly Standard* (April 28), have reported on the worldwide inflation in food prices. This inflation, which has caused food riots in a number of countries, is showing up as a major concern of voters in this country. And ordinary folk are beginning to notice the linkage.

The linkage is clear. Under our truly daffy ethanol program, we subsidize American farmers to divert food crops such as corn away from feeding people and livestock into making ethanol for cars. (And the American taxpayer shells out over 50 cents of subsidy for every gallon of ethanol.) At the same time, we put massive tariffs on ethanol that is produced far more efficiently in Brazil, where sugar cane is abundant and has been used to produce ethanol as fuel for decades.

Both the International Food Policy Research Institute (based in Washington, DC) and the Food and Agriculture Organization of the United Nations (based somewhere on Venus), have pointed the finger at the American and European biofuels programs as partial causes of the recent rise in food prices. The FAO estimates that these programs have caused 10–15% of the price increases; the IFPRI puts it between a quarter and a third). Indeed, a panel of environmental experts with the European Union recently advised it to suspend its biofuels goal.

The estimates make sense. Already, 20% of America's huge corn crop is used for ethanol. Remember: to produce 25 gallons of ethanol requires 400 pounds of corn. So it is no surprise that in the last few years corn prices have more than doubled. And as farmers switch fields from soy and other crops to corn, there is a shortage of these crops too (as well as the cooking oils made from them).

Ethanol takes a huge amount of energy to produce: the tractors that plow, the combines that harvest, and the trucks that haul the corn all eat diesel like crazy, and the fertilizer that is used is typically petroleum based. So it doesn't yield an impressive gain in energy — maybe 25% at best. (One researcher, David Pimentel of Cornell, says that ethanol results in a net loss in energy.) So we will have to convert vastly more lands to agricultural use, just to make a dent in our oil usage.

All this should have been bloody obvious from the jump. But not to the idiots that govern us. Dumbbell of the Year

Award has to go to Rep. Jim McGovern (D-MA), who recently admitted that Congress made a mistake in backing biofuels. No, really?

There is only one serious energy policy, and it is as simple as it is proven. Short-term, open up more of our country to oil production. To get over NIMBY opposition in the various states, do as is done already in Alaska: pay citizens a share of the proceeds. If Floridians will consent to offshore drilling — and why not, since it will soon be done by the Cubans in league with the Chinese — pay each citizen of the state a yearly bonus from the proceeds.

And long-term, start a massive nuclear plant program. Settle on one reactor design, start building plants by the hundreds, and make sure the fuel is reprocessed. Start now, and in a decade plants will begin coming on line. — Gary Jason

**Hang 'em high** — A toast is in order to Deborah Palfrey, the notorious “D.C. Madam,” who apparently committed suicide by hanging recently at her mother's home in Florida. Her suicide note recorded her rejection of a six-year prison term, the sentence expected at her pending hearing.

She may have planned her fate well in advance, for she had previously stated publicly that her escort service was a legitimate business and that she would not spend even one day in prison as a result of her “racketeering” conviction. She kept her word. That act demands some respect, quite unlike most of the actions of the “respectable” Americans who contributed to her condemnation.

It is a time-honored (if tawdry) tradition for a prosecutor to establish his reputation as a “crimefighter” by selecting some party engaged in a “sinful” business (nice enjoyable sin always being in popular demand), and persecuting him to the full extent of the law. The laws used in this career exercise are typically those written to impose the Christian community's theological concept of “sin” on the entire citizenry, whether Christian or otherwise. That such “crimes” normally occur by willing agreement between parties reflects the faith-based nature of such laws. (At least the punishments in Christianity's version of “sharia” are less extreme than Islam's — confinement or fines instead of stoning or beheading.)

The target in this particular case, Ms. Palfrey, tried to defend herself by threatening to release her customer list, including politicians and persons of public repute who might have been expected to discourage the prosecution. Unfortunately, the trial judge was apparently not among them.

Whether one considers Ms. Palfrey's last act to be one of courage or cowardice, it was certainly one of finality, an unanswerable reassertion of control over her own fate. So, more power to her. Now let us adjourn respectfully to the bar and suitably honor, with demon rum, an act of defiance by one of us base human beings against those paragons who would impose “salvation” upon us.

— Anthony Teague

**Aversion therapy** — Since Brown University is often portrayed as an incubator of PC piety, may I note that among its alumni are the conservative writer David Kinghoffer, '87; the libertarian radio personality, Larry Elder, '74; the Republican governor of Louisiana, Bobby Jindal, '92, and me, '62, as well as some other deviants, no doubt. Try as hard as PC ideologues might, they are no less effective educationally than Catholic priests, say. — Richard Kostelanetz

# The Battle for the Libertarian Party

*by Andrew Ferguson*

The 2008 LP Convention saw the party  
nominate its highest-profile candidate ever  
— and nearly tear itself in half in the process.

When Bob Barr emerged from an exploratory committee ten days before the 2008 Libertarian Party Convention and announced that he would seek the party's nomination for president, two stories were quickly and widely distributed: one, that Barr's ascent was inevitable, more coronation than nomination; two, that Barr's campaign would steal the election — and with it, the party — by busing to Denver hundreds of extra delegates solely to mark the former congressman's name on the presidential ballot. In writing style, place of publication, and level of detachment, the stories could hardly have been more different: the former appeared in mainstream newspapers, so uniform and uncaring as to crib each other's factual errors; the latter popped up on radical\* libertarian blogs and message boards, often peppered with the obsessive hyperlinking that makes it difficult to discern any signal in the noise.

But this pair of stories did have one thing in common: both were wrong. Yes, Barr would eventually stand before the delegates as the party's nominee — but not by conquest and not by chicanery. Instead, his victory came after a grueling week-end of arm-twisting, in back rooms that avoided cliché only

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\*I use "radical" throughout, not as a pejorative, but as the preferred term for those LP delegates allied (or nearly so) to the LP Radical Caucus. Their statement of purpose may be found at [lpradicals.org](http://lpradicals.org); briefly, they support an absolutist rather than a gradualist approach to achieving the LP platform.

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because Colorado's laws forbade filling them with smoke, culminating in a six-ballot slugfest that could at any moment have gone for one of Barr's rivals. The deals made — and not made — along the way to that nomination very nearly caused a major schism within the party — until, with literally seconds to spare, that disaster was averted by a hallway speech that even the most cynical, jaded observer (meaning myself) had to acknowledge as heroic.

This, then, was the LP Convention 2008, in Denver, Colorado: a battle for the party's heart and soul, for its meaning, and, perhaps, for its continued existence.

## Thursday, May 22

The convention's opening night saw it off to a slow start, with a belt of tornadoes in northern Colorado keeping planes away from the Denver airport and attendees away from the opening ceremonies. But conventional talk and Scotch were flowing freely at the Capitol, the bar in the hotel lobby that quickly became the unofficial hangout for Barr's delegates;

upon finding out that I was not yet a delegate, they offered to seat me in any one of five different states.\* I hasten to note that the offer came with no strings attached: they did not ask me to pledge for Barr; I had only to pay to join the state party of whichever state I ended up in. Deciding that money would be better spent on bourbon, I chose to remain professionally unaffiliated.

So much, then, for the influx of Barr ringers: if they were recruiting singleton delegates down in the hotel bar, surely there was no cohort on the way. True, much of the delegation from Georgia had driven the 20 hours in a van to support their state's former congressman — but they were obviously there to take in the entire convention, every last bylaw and ballot, and besides they had stopped along the way to pick up blogger Thomas Knapp, an adviser to radical candidates Dr. Mary Ruwart and Steve Kubby. Seen from the Capitol Bar patio, the conspiracy theory seemed farther and farther-fetched: how would any campaign, given ten days' time to get organized and win a nomination, at the same time coordinate bus trips (or afford plane trips) for several hundred people?

While I was pondering that, the congressman himself strolled by; seeing a group of his supporters in a festive mood, he sat down for a cigar and a quick chat. This would be the last time in the next 72 hours that I would see him without an orbital ring of black-suited staffers: had I known that, I might have tried to draw him out on his past with the CIA or his

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*With a disdainful "I'm supposed to worry about this shit?", Barr left to worry about that shit, and the chance was gone.*

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history as a drug warrior; his vote for the PATRIOT Act or his authorship of the Defense of Marriage Act — in short, the issues that, Road to Damascus moment or not, continued to make him persona non grata to many libertarians today. But it wasn't long before one of Barr's suits came over and whispered in his ear; with a disdainful "I'm supposed to worry about this shit?", Barr left to worry about that shit, and the chance was gone.

But it wasn't really a night for pestering: more a night for camaraderie, a calm (tornadoes aside) before the storm. Out on that patio I talked with libertarians from Maine, Kentucky, Arizona — almost every state, it seemed (other than North Dakota, which couldn't scrounge up a delegate), plus a couple from foreign parts. Many of these were their state's chair, which in the LP is less about prestige or pecking order than about who's willing to shoulder the load for a while. Even among the ubiquitous Georgians there was diversity: my introduction to the state chair, who would later sport a Stetson on the podium during Barr's acceptance speech, came via a

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\*This geographic flexibility is not at all unusual at LP conventions: Liberty's founder Bill Bradford, a Michigan-born resident of Washington, once found himself seated with the delegates from Missouri.

young construction worker who would, seat on the van be damned, vote for Ruwart on all six presidential ballots.

Later on, once the Bulgarian waitress had given us the "you don't have to go upstairs but you can't stay here" stare, I ran into perennial LP candidate-for-office Barry Hess, strolling out in the crisp nighttime air. Hess was talking — politicking without really meaning to — about his political evolution, about how none other than Ronald Reagan told him he was a libertarian . . . and then reined himself in. He wasn't there to run for office: he'd exchanged his presidential bid for a speaking slot at the convention, the better to spend time with his family. "They would like to see me once in a while," he said. A wise choice — Hess had next to no effect on the 2000 race against a much weaker field — and one all aspiring LPers would do well to keep in mind. The ideal level of decision-making, after all, is the individual household: while it is important that we run national candidates, our successes at that level will be measured, not by how many states we rack up, but by how many people stop and think, You know, maybe the government shouldn't make that choice for me.

### Friday, May 23

Mark Rand and I were up early on the Friday to secure press credentials — a process that should be a formality but (to the surprise of no one who has read Liberty's coverage of previous LP Cons) always seems to get complicated somehow. While we waited outside the press room for the LP's media liaison to answer his cell phone, I perused the rather confusing conference schedule, and answered a nagging question from the night before: why did the party bother cutting a deal to give Hess a speaker's timeslot? A glance over the featured speakers revealed a decided slant to the Right: though I had given little credence to the conspiratorial "conservative takeover" rhetoric, with recently-Republican fundraiser Richard Viguerie delivering the keynote address, and Barr booster (and subsequent nominator) Mike Ferguson the opening speaker, the deck seemed stacked even before taking into account the cancellation of war-hawk Neil Boortz. In a year that had brought unprecedented breadth of opinion to the LP stage, from Barr on the right to Sen. Mike Gravel on the left, the party needed a few radicals to make the schedule appear better balanced.

About then the liaison arrived; he'd gotten stuck over at the Barr campaign booth (though as an official representative of the LP, his work with Barr was of course in an unofficial capacity). After a bit of wrangling, we were officially approved, and set about loitering with purpose.

The delegates were in session discussing bylaws; between the constant calls for quorum counts, and the belief of many libertarians that freedom of speech implies an obligation to speak, it wasn't long before I fled to the comparatively more exciting world of the booths. There one could find a mini-bookshop run by Laissez-Faire Books, a Matrix-ripoff video imploring passersby to "Reform the LP!", a chess board and Go set accompanied by a bizarre topographical diagram claiming to supersede the Nolan chart, and a table full of feathered boas that on closer examination was set up to advertise Shotgun Willie's, "Denver's finest gentleman's club." Now there's a business that knows its target market.

As for the candidates, Hess' deal had brought the field down to 11, most of whom had a booth up. (There had been

14, but Robert Milnes failed to show up, despite sending desperate pleas for help and also travel money to every email address he could find, and John Finan's presence was a publicity stunt — his campaign booth consisted of the motorcycle he had driven a couple thousand miles to Denver, a handful of pictures taken along the way, and no employees to discuss any of it.) Mary Ruwart's staff had staked out a prime spot, greeting all comers and goers with her weirdly Catholic red-heart-and-Mary! logo.

Barr's booth was the only one taking up two spaces, and had enough staffers milling around that they probably could've taken over a couple more, and then at least had room for their multiple TVs. It was on this Friday that the anti-Barr push really got going, and the congressman's campaign didn't help matters: the radicals felt like the party was being invaded, and the campaign was doing its best to come off as invaders. To disguise weakness, put your strongest foot forward; treat the election as if it is already won. That might have made sense, had the voters in question not been the contrary, bloody-minded creatures known as libertarians. As it was, the dark-suit, black-hat approach came off as mere posturing and bravado, compounded by Barr's decision to skip the night's "unofficial debate" deep in the bowels of the hotel, in favor of a solo meet-and-greet.

Perhaps it was a no-win situation for him. The audience was packed with radicals: if there were any undecideds there, they were undecided between the candidates who weren't Bob Barr. But his chair was the only one of 11 that was empty; even the right-leaning Wayne Allyn Root (who, whisper whisper, could just be a Republican plant or somethin') came down into the arena to fight for votes he was unlikely to get — on the first ballot.

But then, it wasn't votes that the candidates were scraping for, not yet. The first cull of the field came in the form of scraps of paper confusingly called "tokens." Each token represented the support of a delegate; once the candidate reached the required amount — no one was quite sure yet how many that was — the tokens could be transferred by the candidate

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*The radicals felt that the party was being invaded, and the Barr campaign was doing its best to come off as invaders.*

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as seen fit. Once everyone got the hang of it, the token system was brilliant, offering intrigue — who would be kept in the race by others, and what's the quid pro quo — and keeping the field to a reasonable size. Or at least, it would have, if they hadn't ratcheted down the required number the next day. But no matter the number, some of the candidates would be left on the outside; thus was organized this "unofficial" debate, so everyone had a chance to address whichever delegates chose to attend.

The LP frowned on this subversion of debate procedure, forcing the event out of the main convention area, where a

room had been secured at a cost of \$400, into the bomb shelter across the street, where the price tag was \$2,400. The event was organized and partially funded by candidate and minimalist Liberty advertiser Jim Burns, who used his forum to give inoffensive (well, to Libertarians, anyway) answers to the moderator's softball questions.

Another donor and no-hoper was Alden Link, whose most pressing concern was the need to build more nuclear power plants, in support of which he quoted Fidel Castro. His voice was Elmer Fudd's, if Elmer Fudd ever quoted Fidel Castro. He said, at one point, "The problem of violence in the Middle

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*Christine Smith grew ever more exclamatory and orgasmic, working herself into a glassy-eyed frenzy that culminated in her shouting her real age to a group of strangers.*

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East only started recently. Saddam Hussein kept peace in his country. It was through violence, but it was peace."

Then there was Daniel Imperato, who gave and gave and gave, but only out of the wealth of his soul. A papal knight and one-time semipro hockey player, Mr. Imperato has spent all of the last 30 years on transcontinental flights, learning how to say "Pillow, please" in 75 different languages; having worked on ID cards around the world, he knows all about the 666 chips we are implanting in children, some of which, in Abu Dhabi at least, call him "Uncle Danny." Shabat shalom!

(The next day, once it was clear that Mr. Imperato would not be "marching on the White House," nor indeed entering the C-SPAN debate, he endorsed Bob Barr and then promptly announced — in a press statement exclusive to Liberty — the formation of his own new political party; however, he hadn't yet made up his mind whether he would accept the party's nomination for president.)

Throughout the debate, Christine Smith, who claimed to stand for "the libertarian wing of the Libertarian Party," grew ever more exclamatory and orgasmic, working herself into a glassy-eyed frenzy that culminated in her shouting her real age to a group of strangers during her closing statement. The suspicion that this was not the act of a sane woman, intensified by the confusion felt by the audience that anyone could have doubted Smith's constitutional qualifications in this area, made her "one to watch" once Imperato was gone. She would not disappoint.

This quartet would not make it in front of the bright lights of the C-SPAN cameras; only Smith would eventually be nominated. This was undoubtedly good for the party, in terms of the image it presents to the outside world. But it wouldn't be a proper LP Convention without some off-the-wall speechifying; the unofficial debate offered candidates, legitimate contender or not, the chance to play to a raucous libertarian audience, as opposed to a raucous libertarian audience plus whatever weird souls were tuning in to C-SPAN on a Saturday night. Thus, for instance, Dr. George Phillies could



reference, with questionable hand motions, the Nolan chart (though not, for some reason, in connection with chess or Go), without needing to explain it. The only ones who didn't seem to play the debate theatrically were the latecomers to the LP: Sen. Gravel, whose entire weekend seemed little more than a commercial for his asinine national direct-democracy initiative; and Root, who to be fair is theatrical all the time.

The winner of the debate, if there was one, was Steve Kubby, a walking advertisement for medical marijuana (check his Wikipedia page for the full story) who had the biggest applause line of the whole night, going after Barr on the PATRIOT Act; the biggest loser, obviously, was Barr, for not being there to defend himself and thus allowing the entrenchment of an anyone-but-Barr mentality among the assembled radicals. But lost among the candidates who were there was Mary Ruwart, whose quiet intensity didn't register amid the more bombastic performances of her fellow debaters. Though she was in no danger of missing the C-SPAN debate, she would certainly have to lift her performance if she was to be more than the anyone-but-Barr candidate.

Apart from being held in a death trap of a room (seriously, if Barr had been the evil overlord type that the wildest-eyed delegates depicted him as, he could've sewn up the nomination right then by simply locking the single exit and introducing the poisonous compound of his choice), and going over time (one of the biggest applause lines of the night was when the moderator announced he'd be forgoing the last few questions to go straight to closing statements), the event was a hit, exactly the sort of freewheeling affair needed to loosen up after a day of stifling professionalism. Perhaps next year the LP will see fit to allow it a place, as a "roundtable" if not a debate, in the hotel proper.

#### Saturday, May 24

In the convention hall, the delegates were hammering out the new platform; in the war rooms and among the booths, campaigns were trying to gather tokens. At 83 (10% of the registered delegates at the 2004 Atlanta convention) tokens, entry to the debate would be in the hands of the three highest-polling candidates: Barr, Root, and Ruwart. At 57 (10% of the

confirmed delegates from the present convention), there were a lot more extras to distribute, so the goal shifted from consolidation to maximum representation: Kubby and Phillies made the total with some to spare (both would likely have cleared the higher bar, Kubby through a mutual agreement with Ruwart and Phillies from across the spectrum); Gravel made it thanks to a substantial wedge from Barr's campaign (the better to siphon votes from Ruwart, for a couple ballots at least); and Michael Jingoian, an up-and-coming businessman outsider who must have thought he was done the night before, cobbled together a few extras from everyone to scrape through at the deadline.

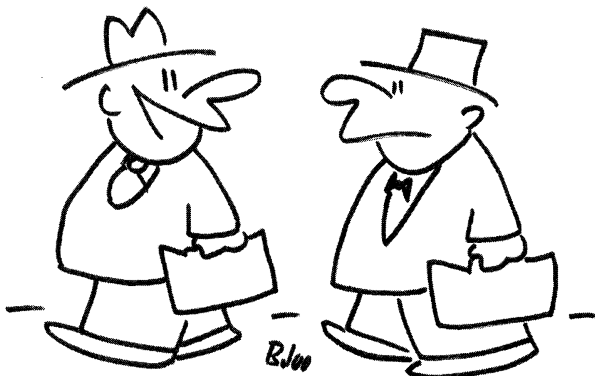
Left on the outside was Christine Smith: when I asked her if she'd made it, she said no, but insisted she "wasn't out of it" because she still had enough tokens to get nominated (a prize which required only 20-odd tickets, I mean tokens). "The debate's only a beauty contest anyway," noted her underling; as Reason's David Weigel said at the time, that's a funny argument coming from a candidate whose campaign literature is built around glamour shots that can't be less than five years old. Regardless, the crazed look in her eye made me wonder if her previous night's performance was not theater, but rather in dead earnest; if so, I thought, the LP really dodged a bullet by keeping her off of national TV. (How shortsighted I was!)

Meanwhile, Mary Ruwart was giving a speech amongst the rental booths; clearly she'd picked the time so she could answer a few questions and then lead the crowd over to triumphantly turn in her tokens. But she was completely upstaged by the Barr crowd: a few minutes before the deadline, Barr came on his booth's PA system, volume cranked way up, and organized his own black-hatted march. But again, the gesture seemed like a miscalculation: several delegates, and not just radicals, jeered the procession as it went past, one even humming the Imperial March from "The Empire Strikes Back." It smacked of overcompensation, conveying a "resistance is futile" message that would make almost any undecided libertarian determined to resist. If Barr had ended up losing the nomination, this is the moment when it would all have started to go wrong.

The imperial-march stunt, combined with the absence from the unofficial debate, left Barr needing a stellar performance in the C-SPAN debate to salvage his candidacy — and to his credit, he delivered: although the words "I'm sorry" didn't quite escape his lips, he partially repudiated his Defense of Marriage Amendment, thoroughly rebuked the domestic War on Drugs (or at least pot), and thunderously denounced the PATRIOT Act (as president he would "work with a broad coalition to put a stake through it, burn it, bury it, burn it again, and scatter the ashes"). But even as one of the night's acknowledged winners, the mood at his post-debate reception was apprehensive.

The apprehension centered around Barr's campaign manager Russ Verney, who came recommended by Ross Perot after working with that groundbreaking 1992 third-party run and guiding the 1996 follow-up. In his initial memo for the Barr campaign, Verney had laid out a schedule for replicating Perot's 19% vote total in 1992 — a tall task, especially considering how much more difficult it has become for a third-party candidate to crash the network TV debates. Yet by the Thursday night of the convention, he'd revised his

## CONGRESS



"Maybe you can't legislate morality, but you can have a lot of fun trying."

numbers upward: Verney told me that the plan now was to start by entering the national debates (which would require a level of poll support dwarfing anything the LP has ever come near), and end by making the race a genuine three-way contest, “taking 34% in a plurality of states” — one assumes the other candidates would be evenly splitting the remainder — thus installing a Libertarian in the White House.

By Saturday night, Verney — who was behind the imperial-march stunt and the in-your-face attitude more generally — could not even say with confidence that his boss would gain the party’s nomination. This was a startling shift, especially considering that the performances of the other two frontrunners, Root and Ruwart, received mixed reviews at best.

One of Root’s gimmicks, at the end of any of his public appearances, is to ask for a show of hands: “Who thinks I have energy?” — and when the inevitable 90% oblige, he takes it as a sign of approval. But when you have “the comportment of a Ronco pitchman with a squirrel in his pants,” in the words of Jesse Walker, energy is never the problem: rather, it’s knowing how to pull back when a deft touch is what’s needed. But his dynamism was unquestionable, and by gearing his campaign toward small businessmen, parents with school-age children, and online gamblers, he was aiming primarily at the same pool of Right-leaning voters, perhaps 60% of the delegates, that Barr had targeted. If Root were to outpoll Barr on the first ballot, it could signal the end of the campaign.

Whichever of Barr or Root took the lead on that side, Verney (like most people) expected the radicals to line up behind Mary Ruwart, who fit the profile that the LP had used several times for its presidential nominee: longtime party activist, given the flagship role as a reward for services rendered. And in a normal cycle, that would be enough. But Barr was a different order of candidate from what the party usually sees: the presence of cameras from CNN and MTV News, and journalists from major syndicate newspapers, testified to that. The Barr campaign’s performance had opened up the possibility of an upset, if Ruwart could keep the radicals organized (“herding cats,” the old joke goes; which was also the name of the South African wine given out to speakers at the conference) and siphon away some of the Barr and Root voters; recognizing that party service and ideological purity alone were insufficient, Ruwart found another point of emphasis: her vagina. Blunt? Yes, but no more so than Ruwart herself insisting from the platform that, with Hillary out of the race, disaffected women might turn libertarian “just to have the chance to vote for a woman for president.” This, instead of playing up her long-term experience in and expertise on health care, an issue about which average Americans worry as much as any other.\*

Of the other candidates, Jingoian was clearly along for the ride: honest and engaging if a little unsure on basic concepts, he was looking to establish himself in the party for future endeavors. And Gravel, despite a few really big hits, was treading water, on some issues barely even addressing the question that had been asked.

Phillies continued to prove a pleasant surprise, displaying noteworthy charisma for a man who had been most highly regarded before this convention as a number cruncher; without his patient scouring of spreadsheets, the full extent of the financial manipulation between the LP and the Harry Browne

campaign would likely never have been revealed. But accountants rarely make good candidates, and Phillies still shows a few signs of the personality in one-on-ones: he has a tendency toward eye-rolling, and a disconcerting hand-wringing gesture that reminds one almost of Montgomery Burns. But on stage he was a different man: he presented himself as the “moderate” candidate, “a candidate everyone can live with” — not perhaps the most inspired approach, but a niche nonetheless. He gained the endorsement of the Outreach Libertarians, the LP’s GLBT group, giving him a soapbox to hector Barr on the

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*Recognizing that party service and ideological purity alone were insufficient, Ruwart found another point of emphasis: her vagina.*

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Defense of Marriage Act. His laugh lines, on the whole, went down well; if he had a failure on stage, it was his refrain that he “started campaigning two years ago”; again, in a normal cycle this and his service (Browne loyalists aside) might have pitted him against Ruwart for the nomination, but with bigger names involved the emphasis on his campaign machine was only going to make it sound ripe for takeover.

But the night’s real winner was Steve Kubby. He got easily the biggest laugh of the night: going last on the question of the War on Drugs, hearing condemnations of it from all the other candidates, the full spectrum of libertarian thought, he started with, “I’m getting a major buzz up here.” Which pointed, as well, to the major concerns about him as a national candidate: first, his health (though he looked quite fit); and second, the reaction of middle America to Kubby’s condition. How would they take a candidate who was most certainly taking to the podium under the effects of demon weed? In the words of his adviser: “Who the fuck cares?” To them, medical marijuana is a winning issue; as even my staunchly Republican grandmother has expressed support for it in recent years, I believe that if we’re not yet at that point, we’re damn close to it.

One thing I found, in canvassing delegates on candidates’ performances, was thoroughgoing agreement on the debate as a whole: nearly everyone thought it was the best they’d seen. The seven candidates on stage were articulate and engaging; needling each other without sniping (this, however, could have been the result of a debate rule allotting a

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\*It could’ve been worse, I suppose. Ruwart was among those who signed the Libertarians for Justice pledge, which was allied if not identified with the 9/11 Truth movement. No doubt there is much to investigate about 9/11, especially the incompetence of our federal law enforcement agencies and the grotesque failure of then-Mayor Rudy Giuliani to provide adequate safety equipment to workers on the cleanup site. But in an interview with Liberty, Ruwart went further and admitted to being skeptical about the official account, mentioning the possibility of explosives in the towers in addition to two jumbo airliners. As Robert Stacy McCain, on site for the American Spectator, pointed out, one doesn’t need the definitive Popular Mechanics report to disprove the demolition theory; Occam’s Razor will suffice.

30-second rebuttal to any candidate who was directly attacked; the provision went unused), often finding themselves in full and hearty agreement on those issues — the necessity of ending the War on Drugs, the evils of the PATRIOT Act — where full and hearty agreement is most needed, not just in the LP but in society as a whole. On this night the LP showed its best face on national TV. It wouldn't last long.



Saturday night is when things actually start to happen: hospitality suites are opened, operatives are dispatched, deals are brokered rather than just kicked around. Kubby's performance had raised his stock; his night, like many others', was spent in hopping from one suite to the next, but unlike most of us who were simply hoovering up the food and drink on offer,\* he was receiving offers for vice-presidential endorsement.

At Wayne Root's suite, the candidates spotted a delegate wearing both their buttons, with the Root one first. Root asked how that sounded to him; Kubby responded it was just fine — if they were only reversed. And besides, that way it'd be the true grass-root ticket! Ah, convention humor . . .

Barr's staff went for the home run first, approaching Ruwart about a potential VP gig: an arrangement that would have settled the ballot right away. But she had no interest in propping up a ticket many of whose positions she felt philosophically unable to support; when asked later what she'd been offered in order to endorse, she would answer, "Nothing of substance." So Barr too turned to Kubby, who would certainly have brought a poetic sort of balance to a ticket with the ex-drug warrior; Rob Kampia of the Marijuana Policy Project was one of several emissaries sent to sell the medical-marijuana patient on Barr's "Road to Damascus" moment about drugs. Gravel had been working him "from day one," according to his campaign manager, but though it was not too late, it was too little: Kubby told him that the Fair Tax proposal would have to go before he could even think of supporting the senator as "standard bearer," and Gravel is nothing without grandiose ideas such as the Fair Tax and the Direct Democracy Initiative. (Have I called that asinine yet? Because it's asinine.)

Kubby's closest ties, of course, were with fellow radical Ruwart, a personal friend as well as the primary provider of his access to the debate. A joint effort (ha!) between the two of them seemed a guarantee, should Ruwart top the ticket, so there wasn't much reason for Kubby to linger at her "Alternative Hospitality Suite." Hell, Ruwart herself didn't even see out her scheduled time at the Supreme Court, a bar across the street from the hotel; on a night when all the other candidates were shaking hands well past midnight, she headed off to bed shortly after 11. It was just as well: unlike the Capitol, which catered almost exclusively to the hotel guests and thus closed down early, the Supreme Court was a full-service dance club; by the time Ruwart retired, her supporters had ceded most of

the room, save for one corner and the patio outside, to those patrons for whom it was just another Saturday night.

Back in the hotel proper, the parties wound down or, as often, migrated to other locations. The stragglers eventually wound up at Michael Jingoian's — probably because he was too polite to just tell everyone to leave. Holding court at that late hour were Starchild (an activist, scholar, and sex symbol from San Francisco), Thomas Knapp, and some random bloke from Australia who'd come to the States to visit a pair of girlfriends and thought he'd check things out. But on the whole, for a group who often had to distinguish itself from "libertines" until that word fell out of vogue, the parties were a tame affair: not a snip on the antics that take place during a major-party convention. Perhaps the Libertarians are becoming more conservative, after all.

### Sunday, May 25

The action on Sunday kicks off with a prolonged formality: the nomination speeches. It's the last chance for candidates to make an impression before balloting begins; the nominating speakers are usually chosen either to identify or reinforce a connection between the candidate and a particular organization — for instance, Barr bringing ex-adversary Rob Kampia out to underline the about-face on drug policy, and give him the opportunity to, at last, say he was wrong about much of what he supported in Congress. Another strategy is to use someone from within your own campaign — or, more cloyingly, your own family. That was Root's route, sending out his daughter Dakota (who is a couple years away from being old enough to circle her dad's name at the polls) to introduce him for a candidate speech that leaned heavily on the "plain-spoken citizen politician" rhetoric.

Christine Smith provided more unintentional humor with her extended diatribe against the neoconservative conspiracy, complete with statistics on her kill rate at the local gun range; this was prefaced by a couple of guys who didn't seem too sure who she was. Jingoian provided a bit of theater by giving his candidate speech, then turning around and speaking as a nominator for Sen. Gravel — a de facto endorsement that caught Ruwart's staff by surprise, as they had helped Jingoian into the national debate with the apparent understanding that he would throw his support to them when he was knocked out in the early balloting.

But before those ballots could get underway, Barr's supporters had time to do something stupid and juvenile: they gathered at the front of the grand ballroom, waving campaign signs before the eyes of the C-SPAN cameras — and, of course, the eyes of the other delegates. Though later I would have it confirmed that this parade was spontaneous exuberance, not organized from the top, it's hard to imagine it happening without the campaign leadership setting a precedent with Saturday's blustery march. The stunt was met, as it should have been, with a cascade of boos — thanks to the TV debate, the zone covered by the cameras had been a place for demonstrating party unity amid the wide spectrum of contemporary libertarianism. Barr's delegates invaded that space and all but staked a flag: another aggressive blunder that served, for many, as confirmation of the conspiratorial "takeover" rhetoric.

It certainly did for Christine Smith, eliminated after garnering only six votes on the first ballot; during her concession

\*I should note here that I consistently and knowingly violated a long-standing principle of R.W. Bradford's: that of never accepting anything from candidates other than access. I chose instead to accept everything from candidates — partly because camaraderie and information go hand in hand, but mostly because, at any gathering of political animals, what a man really needs is a good stiff drink.

speech, she launched into a tirade against neoconservative infiltration, and about the LP no longer being “the party of principle” if it nominated a man like Barr. She too was booed, and again justly so, but the ill feeling between the Barr and anti-Barr factions was clearly intensifying, and risked spilling over in full view of the nation.

That was not, however, an immediate concern for the congressman’s supporters: Barr took an unexpected lead, pipping Ruwart by a vote and Root by a comfortable 30. The result surprised and relieved many of the congressman’s faction who expected a three-way heat on the first ballot — or worse, a Root victory, which would have installed the self-proclaimed “King of Vegas” as the man to beat. Now Root would need help from the radicals to defy the odds: an unlikely scenario, given the disdain between the two delegations — indeed, between the two candidates. Nonetheless, Root, believing that Ruwart could not rally half the delegation behind her, attempted to make a deal from a position of power, presenting himself as the only candidate who could beat Bob Barr head-to-head.

Root-Ruwart was never a possible ticket; Ruwart was not going to be anyone’s VP. If Root’s deal with the radicals had gone through, it would’ve been in the form of a Root-Kubby pairing. In fact, it seemed at this point that Kubby would end up as right-hand man no matter the candidate, such was his rise in stature over the convention weekend. All of which highly spiced the second ballot: with delegates having fulfilled their pledges in the first round, many now began to vote as they felt the situation warranted. The results were startling: Barr picked up an extra 35 votes and Ruwart 10, while Root dropped 15. Gravel picked up only a couple; despite receiving the expected endorsement the round before, he picked up only two of the 23 Jingoian delegates now in play.\*

In this round, Steve Kubby was low man out; in his concession speech, he endorsed Ruwart, all but ending Root’s hopes for the 2008 presidency, and infuriating Gravel supporters who believed that Kubby had backed out on an earlier deal (this would be comprehensively refuted by the Gravel campaign and Kubby himself). If the radicals were going to push back, this was the time.

The third ballot had Ruwart and Barr (losing two votes!) in a dead heat, with George Phillies making way. But he endorsed no one in his concession, instead giving an impassioned speech for party unity: “The enemies are not in here. The enemies are out there!” He left to a standing ovation, a fitting end for a campaign that probably deserved better than it got. With this “centrist” libertarian gone, his delegates scattered, going half for Barr and half for Ruwart, both of whom were busying themselves making pitches to Gravel.

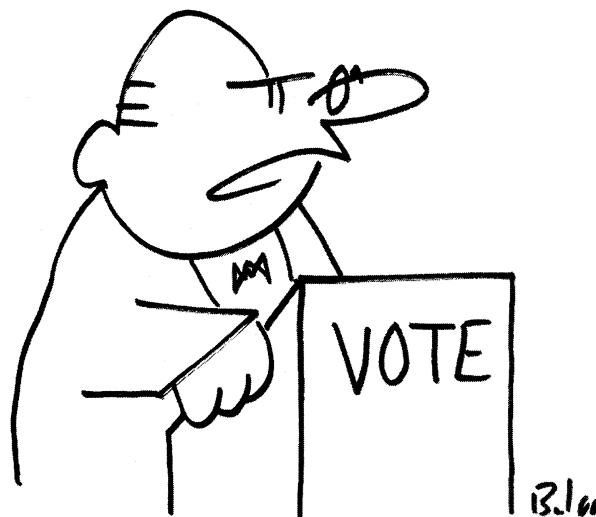
The day before, according to Independent Political Report, the senator had organized a strategy meeting in Phillies’ suite, inviting as well Kubby and Ruwart. The latter never showed; and it appeared later that she had not been informed of the summit, though her staff had. This lack of organization, as

much as anything, could have cost her Gravel’s support; though he did not make a concession speech (“Not my style,” he said), he let it be known that given a choice between the two, he would take Barr.

From that point, it should really have been academic: without Gravel’s full delegation and a chunk of Root’s, Ruwart could not assemble the majority she needed; Root would have been eliminated, and his delegates broken mostly to Barr. But a moment of panic on the congressman’s side created an opportunity Root was quick to exploit, shepherding Barr and Verney into his war room to hammer out a kingmaker’s deal: in exchange for his endorsement, Barr would in turn not only endorse Root for VP — when many thought Kubby was a better choice for party unity — but also train him to run for president in 2012.

Root’s dictation of terms was a final and forceful demonstration of the Barr campaign’s weaknesses: the relief among his supporters when he took the final ballot over Ruwart, 54–46%, obscured the fact that it should never have been that close. Yes, the campaign started late, late enough that the exploratory committee was no formality: they had to be all but certain that Barr would win the nomination before he could commit to sacrificing all his income from Republican sources — up to half a million, by one account. To run and lose would have been a calamity, and that fear of defeat must have played into the decision to approach the convention as if Barr could not be defeated. How much better it would have been, if he had apologized out front for everything, instead of waiting for the nomination speech! How much better, without the bush-league stunts and the stern black suits! He could have taken this thing on the second or third ballot.

Root’s deal points as well to the failures of Mary Ruwart’s campaign: Barry Hess pointed to it, unintentionally, while nominating her, mentioning that certain candidates (cough-BarrRootcough) were “the darling[s] of the old media. The new media has Mary.” Do they? The anti-Barr movement seemed content to express its message through well-worn forms: buttons, fliers, press statements . . . where were the video montages? The cut-ups documenting Barr’s (recent)



“Yes, I said ‘#\$\$!%’, but it was taken out of context!”

\*A contrast in styles: Jingoian, whose knowledge of libertarian doctrine was scant but who demonstrated decorum and general decency, would go on to be elected vice chair of the LNC; Christine Smith, who in her increasingly rare moments of lucidity demonstrated a solid grasp on the principles of the party of principle, would after the convention resign her party membership.

anti-Libertarian statements, juxtaposed with bits on his congressional record, designed to cast doubt on his entire "Road to Damascus" shtick? Yes, she too was a latecomer to the race, but anyone who has been heart-and-soul into libertarian politics for a few decades now, and anyone who has a technically savvy delegate base, should have been able to use that "new media" to appeal to a roomful of people whose propensities she knew and shared. Instead, contrary to Hess' assertion, Ruwart remained wedded to "old media": even during her nomination speech, the extent of her technical display was a slideshow making note of her popularity on a few internet forums, a Life Extension magazine cover, and some circled paragraphs out of a handful of newspapers — one of which was The New York Times. How "new media" is that?

The problem of organization would bite the radicals again in the vice-presidential election. In his acceptance speech,

Barr gave Root a somewhat endorsement — enough of one, anyway, that the assembled contingents could use "Barr-Root! Barr-Root!" chants to drown out the "Mary! Mary!" of the radicals. But not all, apparently, were on board: Kubby, working with endorsements from Ruwart and Gravel (though not Phillies, even though he and especially his Massachusetts delegates were dissatisfied with a Barr-Root ticket), benefited as well from a number of Barr voters working the convention floor on his behalf. But he was let down by his own core constituency: 20 to 25 Ruwart voters (who "look like they've had their heads shoved underwater," Weigel said), evidently taking the VP race as a foregone conclusion, left without voting — and therefore couldn't influence a race that was decided by 30 votes, in a room that was looking for an excuse to buck Barr's endorsement and "balance the ticket."

Defeated on both fronts, some of the radicals turned

## There and Back Again

As my return shuttle neared Denver International Airport (DIA, or more often now DEN), I got to talking with the driver about that odd, caterpillar-shaped conglomeration, which provided so much amusement for Rush and the right-wingers in the Clinton '90s. Begun in 1989 under the mayorship of Federico Peña, the airport was a money pit from day one. Between design changes, disputes with airlines, and a millwright's strike, the airport opened 16 months behind schedule and about \$2 billion over budget — almost twice the expected outlay. Typical of the airport's early days was a test run by officials in April 1994 to demonstrate the capacities of DIA's new-fangled baggage-handling system: reporters whooped as the belts ground clothes and toiletry kits into their treads, and flung entire suitcases to the floor below.

Peña, whose name adorned the airport's main access road, had by this point moved on: his reward for kick-starting the boondoggle was a cabinet appointment, first as Clinton's secretary of transportation, then as secretary of energy. Every new mishap at DIA became another stick for conservatives to use on Clinton's back — and deservedly so: Peña wasn't fit to run a shoeshine stand, much less a major infrastructure project, much more less a metropolitan area. And when he, like seemingly all of Clinton's cabinet appointments, ran into ethics problems over (what else) a shady land deal, the picture of Democratic governance was complete: DIA — Denver's Invisible Airport. Democrats in Action.

About this time the driver pointed out DIA's newest feature, a 30-foot tall sculpture of a rearing horse, bright blue in color — a piece that took, according to the Rocky Mountain News, "Sixteen years, four missed deadlines, two lawsuits and one death" to deliver. The death was the sculptor's, killed while finally assembling the sculpture when a hitch broke and the mustang's Brobdingnagian torso came tumbling down on top of him. For the city, this may almost have come as a blessing: Jimenez had failed to meet every deadline up to that point. Once the sculpture was out of escrow, the city picked it up and had it repaired

and installed, at a cost of \$350,000 on top of the initial \$300,000 grant. But because it was, obviously, Jimenez's last work, the sculpture is now valued (this according to the driver) around \$2 to 3 million.

Thus also Denver International Airport. It cost too much, it was held up for ages, and the parts never seemed to fit together right. However, it's now the 11th-busiest in the world, and up near the top in the on-time standings. Sure, the baggage system proved incorrigible, and the airport switched in 2005 to having manual laborers, rather than electric belts, hurl your bags and break your memorabilia. And of course there remains the vigorous, corrupt circlejerking that has marked every large-scale public works project since the Romans accidentally invented concrete. But if this is Democrats In Action, say this for them: once they take their slice, at least there's something left behind — if only because they're too busy bitching amongst themselves to snatch it all. Thus, too, Clinton: his (wife's) plan for a grandiose social-statist makeover of the U.S. came to naught; even with a majority in both houses and a kindly-disposed Supreme Court, they couldn't make universal health care or much of anything else stick (at least, nothing that couldn't be gotten out with a little club soda).

The driver pulled to the curb and grabbed the bags, I thanked him for the ride and the talk. I'd cut it close getting here, but figured the lack of traffic and travelers on Memorial Day would balance it out. At the ticket counter, they told me they could *just* get my bag on and I could *just* make it, if I hustled on down to sec — hmm. Well. Let's see what else we've got heading to Tulsa today!

The reason for this about-face was a couple of letters on my boarding document that meant I would be routed through one of the *other* lines at security. In my heart of hearts, I was hoping I'd get sent through the brand-new toy, the machine reported in the Denver Post of a few days earlier. I say reported, but advertised might be more apt: there's something about the mix of technology and violations of the Constitution that really sets media-syndicate hearts a-flutter — and when the machine is designed to



their attention to assuring representation on the Libertarian National Committee in the next day's elections — comedian Doug Stanhope was even passing out paper bathroom cups of Scope, "to wash the bad taste out of your mouth." But not everyone was so sanguine: suddenly, talk of a schism within the party, of turning backs on the ticket — as one delegate did, literally — no longer seemed far-fetched; as more and more disaffected radicals poured out into the halls, they began to swirl around Steve Kubby, who held the option of addressing the delegates to concede the VP race.

Over the course of the convention, Kubby had earned respect from all factions; he seemed to have answered the questions about his health, and was proving that he could be more than just a one-issue candidate. With Mary Ruwart proving an ineffective leader of men, Kubby had emerged as the *de facto* leader of the radical anti-Barr faction. Had he

gone before the assembly and refused to endorse the ticket, the radicals would have followed him out the door — and there was no shortage of people clamoring for him to do just that. Faced with the decision of a political lifetime, Kubby turned to Thomas Knapp and asked him whether he should make the speech. "If you go up on that stage and do anything other than announce your support for the ticket," Knapp said, "I will never speak to you again." Not that Knapp was any friend of the ticket; at the time he too refused to endorse Barr-Root, even claiming that he would return to his home in St. Louis and withdraw from the congressional race in which he was the Libertarian candidate (a position he would shortly back down from). But he made the point forcefully that the stage at the convention was *not* the place for such gestures, and Kubby was convinced.

Instead, it was decided that a meeting would be assembled for Kubby to address the radical rank-and-file; the question of place was made moot when the assembly gathered around him in the hallway. His speech began more as an explanation of why he wasn't going on stage even to thank his supporters, but opened up into a call for party unity, remarkable considering its spontaneity:

Because I can't get up there and endorse the ticket, and because I don't want to see people leaving this party, it's very important that we all get together and pick up the pieces, get our strategy together, get our group together. This takeover by the neocons absolutely depends on one thing: *forcing* this coalition to get out of the party so that they have a free shot at it.

And that can't happen. We have to have our *libertarian* wing of the party back in the *mainstream* of this party. I believe that this event can be a unifying experience for all of us, because we understand that this party is not for sale, and we do not accept a hostile takeover. We're not going to trash our ticket, we're not going to hurt our ticket, but we are going to do everything we need to do to recover from this setback, take back our party, and kick those goddamn neocons off to the freakin' moon!

Applause thundered through the hallway, and Kubby continued, appealing to all present to work *for* the party rather than *against* Barr and Root. "That's what they want you to do, they want you to walk out and leave this party . . . so that they can loot the mailing list and steal ten years of work on ballot access" — "Oh hell no!" said one delegate. Kubby wrapped up by asking for a show of support: "How many people are willing to remain and work to keep this party together?" At least 90% raised their hands. "You guys are awesome!"

The other 10% — those who, one assumes, were not awesome — remained unconvinced, and they have been bitching loud and long on the blogs ever since. They can generally be spotted by their support for Christine Smith, who capped her weekend of embarrassing behavior with an attempt to disrupt Barr's post-election press session; that having failed, she settled on making strident proclamations on the death of the LP to any TV camera that so much as panned across her.

But no matter how much noise her ilk made, they were clearly in the minority: all those with standing in the party — i.e., those who through long experience have learned to work for change within the bylaws when things don't go their way, rather than just tossing their toys out of the stroller and

nude X-ray everyone who goes through it, the way sunglasses in comic books promised half a century ago, other body parts might start fluttering, too. But, alas, I was routed to the puffer; after I had cleared that and the usual shoes-belt-liquids-laptop checkpoint, and had presented my papers and possessions to the bag-swabber, I passed the time pondering our reactive, overreactive security protocols. One moron with wires sticking out his shoe gets through: years later, we know to remove them without being told. One chemically improbable plot to produce, en route, liquid explosives out of unstable ingredients, is detected: a couple years on, and three-ounce plastic bottles are still the travel accessory of choice.

How soon will it be, I wondered, until we will be asked to provide spit, hair, or blood in order to board our cloud-hopping commuter flights? (After all, we're already allowed to extract blood by force at traffic checkpoints.) And what would happen if there was another actual disaster, say, someone detonating a truck bomb at the ticket counters? Would airports be locked down, garrisoned by U.S. troops newly freed from posse comitatus? Where would it end?

It wouldn't, I thought. New steps would keep getting added, while the old ones remained — if the torso falls off the statue why, just keep strapping new ones in there. Eventually we'll either find one that fits, or we'll run out of sculptors. And keep tossing those bags on the conveyor belts — sure, they'll never get to the passengers at the destination, but maybe one of them will fly off and hit a truck-bomber terrorist. It's not a failure, it's a feature!

At last I got my bags back and pulled off to the side to reorganize everything that had gotten mussed up, before strolling leisurely to the gate my new flight would leave from three hours later. I surveyed the building around me, and the TSA gauntlet behind me, and found myself thinking more kindly about DIA, and especially about the big blue horse. Hate it or love it, at least it's there, being noticeable without really bothering anyone. Not asking you questions, not stealing your consumer electronics. Not sniffing your shoes, not taking pics of you naked . . . what's that? Yes, of course, here's my license and passport right here. As you can see, I am licensed for both intrastate and state-to-state travel. Oh, no, no, no problem at all. No, thank *you* — have an excellent day, sir! — Andrew Ferguson

leaving — got behind Kubby's call for unity, announcing support for the LP (if not yet support for the ticket). Party cofounder David Nolan, despite his frustration at the unbalanced ticket, even seemed to suggest that Barr and Root could still "surprise" him.

With that possibility open, all that was left for the Barr and anti-Barr factions was to take baby steps toward each other. Kubby put in an appearance at the celebratory banquet — the only losing candidate to do so — and another at the private bash up in Barr's hospitality suite, where he received a standing ovation (well, everyone was standing already, but you get the idea). Word circulated that, as a token of thanks, Barr and his campaign would lend Kubby support for a 2010 gubernatorial bid in California — a race ideally suited for him: staying in-state, he won't have to worry about running out of the medicine that keeps him alive, or about facing uppity sheriffs who want to bust him for using that medicine.

Both banquet and bash were successes from the now all-important perspective of fundraising: the soirees pulled in somewhere between \$60,000 to \$70,000, a record for a first-night haul. But the goal Russ Verney set for the national campaign is \$30 million: to get anywhere near that, Barr will need to tap the network that earned millions for Ron Paul's ultimately quixotic run (or better yet, tap the millions themselves). Trouble is, much of that network is in the hands of radicals such as Ernest Hancock, a fiery activist from Arizona who was running for LNC chair, and who told me earlier in the convention that, whereas "Ron Paul is an A-minus libertarian, Mary Ruwart is an A-plus" — as close to an endorsement as he was allowed to give under FEC guidelines.

Arizona is a famously contentious state for the LP, with radicals and moderates generally maintaining an uneasy peace. But the convention had made that peace less easy than at any time since the party split in 1983, and rumor had it that it would be a struggle for AZLP leadership to get the ticket registered over the objections of the radicals. So Barr left his own celebration for an informal chat with Hancock,

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*Phillies went out to a standing ovation, a fitting end for a campaign that probably deserved better than it got.*

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Barry Hess, and a few others down at the Capitol patio, to see what if any agreement could be reached. The discussion ranged widely, from jury nullification to the Fed, but kept returning to the War on Drugs. Hess and Hancock good-cop, bad-copped Barr on the issue, noting that they were eager to work with the campaign, and predicted that most of the other radicals would also come around, *if* an unyielding, unequivocal statement of opposition was forthcoming in the first couple weeks of Barr's run — assurance, basically, that the campaign would not veer rightward as soon as the convention was over. The ex-congressman spoke frankly of the main points he expected to hit in the early going, but also admitted

there was much still to formulate. Barr listened more than he talked, and excused himself only when he was down to three hours of sleep before his early morning radio appearances — to be fuelled, no doubt, by his perpetual stream of quintuple Starbucks lattes.

The impromptu forum — no suits looming, at least within a ten-foot bubble — was a nice touch from the now-presidential candidate, showing that he recognized the mistakes

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*Barr has come a long way from his days as a PR-disaster-in-waiting: so long as he avoids whipped cream, supporters' handguns, and Sasha Baron Cohen, he will not bring the LP into disrepute.*

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he had made at the convention and that he was prepared to learn from them. Which is, more or less, the entire narrative of his candidacy, one that he has elaborated at many of his campaign stops since, including an appearance on "The Colbert Report." That segment is as good a confirmation as any that Barr should prove a wise choice for the LP: speaking in front of a national TV audience of 20- and 30-somethings who are interested in politics, Barr carved out a niche for himself in this election, rejecting the spoiler role that would have him pulling from McCain, insisting that the LP offered a real alternative to the two-party dominance of American politics. What other candidate would have gotten that audience, or, having gotten it, would have had the savvy or the confidence to trade jokes with Colbert, a man known for his humiliating interviews of public figures? Barr has come a long way from his days as a PR-disaster-in-waiting: so long as he avoids whipped cream, supporters' handguns, and Sasha Baron Cohen, he will not bring the LP into disrepute.

Meanwhile (and fortunately), none of the rest of us had just won a presidential nomination, and thus would not have to answer a 4 a.m. wakeup call. Instead we floated from patio to pub and back again, a party in search of a place. At last those final few of us determined to celebrate, to mourn, or to experience every last moment gathered ourselves in the hotel lobby, to drink our way resolutely through a handle of Old Crow. The talk moved as quickly as the booze, but kept coming back to the one thing rued by the radicals and puzzled over by the Barrites: given the situation on Saturday, *Mary Ruwart should have won*. But that advantage was squandered through organizational failings and a comparatively lackluster debate performance; even with the spontaneous stupidity of the sign parade reminding the delegates of the Barr campaign's blunders, the radicals still couldn't rally behind Ruwart and push the advantage home . . . and somewhere in there I fell asleep, glass in hand. Those late-nighters at the LP Cons can really pack it away!

*continued on page 54*

# Ron Paul and the Republicans

*by Bruce Ramsey*

With Ron Paul out of the Republican race,  
what's next for supporters of the rEVOLution?

In April and May at state Republican conventions, the forces of Ron Paul hit a stone of resistance. The Paulians had a naive innocence about them. They were trying to take over a political party. The party might have opened its gates had they offered a triumphant nominee, but Paul had mostly collected between 4 and 8% of the votes in the early primaries, before his more pragmatic rivals dropped out. Because Paul's supporters were fueled by ideas and were willing to attend boring meetings, he did better in the caucus states. Still, nowhere did he receive more than 25% of the votes.

By April, there was no scenario short of a comet striking the earth to make Dr. Ron Paul the Republican nominee.

The Republican Party is run by people who aim to win elections. What are they to make of the Ron Paul Revolution?

It has youth. John McCain is almost 72 and looks it. Paul is one year older, though somehow it doesn't show. His supporters occupy a much broader spectrum of age than the McCain people. Paul fired up MySpace, Facebook, and YouTube. He stunned his rivals with supporter-organized internet "money bombs." He has a book on The New York Times bestseller list.

In September 2007, I saw Luke Esser, chairman of the Washington State Republican Party, at Ron Paul's Seattle

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rally. Esser marveled at all the new people — and asked me whether I thought they would be voting for the party's nominee in 2008.

*Are they Republicans?* That was the real question, and the answer is still not obvious. You get hints of it, though, in what has happened in the states.

Nevada had been won by Mitt Romney; and in the January caucuses Paul had taken only 14% of the vote. But Romney dropped out. The Paul delegates showed up at the local conventions and, on April 26 at the state convention in Reno, the Ron Paul Revolution briefly began to roll.

The candidates for national delegates had been narrowed down by a party committee. Paul's Southwest coordinator, Jeff Greenspan, told Liberty that nobody in the Paul camp knew who was on that committee. The McCain people on the

floor didn't know, either. The Paul people didn't trust it.

Paul was at the convention and was allowed to speak. A young Paulian ("FurkDaJerk") who did a six-part YouTube video on the affair described how Paul swayed the crowd: "Ron Paul . . . changed those undecideds' minds, and we had the power." The convention rose up and heaved out the party slate by a two-thirds vote and took nominations from the floor. It accepted 112 names, which ate up time.

Late in the day the voting started for the first nine delegates, three per congressional district.

The Paul people put up three candidates in each district. The McCain people were divided. "I'm doing the math," says Furk. "There's no way we're going to lose."

But there was. The count finished on two of the districts with four Paul delegates and two local politicians winning. Halfway into the count on the third district, with Paul apparently winning two more delegates, convention chairman Bob Beers announced that time had run out. The convention was recessed.

"Didn't finish counting," says Furk. "Didn't want to."

At press time, Nevada Republicans are scheduled to reconvene July 26 — three months later — and the Paul campaign is ready to resume.

In other states, the Paul forces didn't get that far. In Oklahoma, Paul forces had taken only 5% of the vote in the March 4 primary. At the convention in early May, blogger Holly Shelves wrote:

A coalition of Ron Paul supporters and John McCain opponents had a slight majority when the folks running the show wouldn't allow a roll-call vote [on] who would be convention chairman.

The decision was delayed until after lunch, when, she writes, "the convention reconvened with about 500 more delegates" and the McCain forces had control.

On February 4 in Minnesota, Paul had won 16% of the caucus vote. At the convention on May 30, party chairman Ron Carey said he had about 25% of the state delegates. Marianne Stebbins of the Paul campaign put this figure at closer to 40%.

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*"We want the Ron Paul people to be part of the party. They are part of the party. But the game has been played, and won, by McCain."*

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As in Nevada, the party offered a vetted slate of delegate candidates. But unlike in Nevada, Paul was not allowed to speak inside — he spoke outside — and his forces weren't able to win any more delegates at the convention.

Speaking to the Minneapolis Star-Tribune, Carey defended the stacked deck. Being a delegate at the national convention, he said, "is not an entry-level job. We looked at people who truly had quality, not just people who raised their hand at the last minute." And, he said, "We have our presumptive nominee. We want the Ron Paul people to be part of the party — they are part of the party. But the game's been played, and it

was won by McCain."

I heard the same sentiments from Republicans in the state of Washington, one of what The New York Times called (along with Idaho, Montana, and North Dakota) "the libertarian strongholds." Washington had caucuses and a primary both

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*The McCain people ordered their delegates out of the hall, then asked whether there was a quorum. But many of the McCain delegates hadn't left, and there was a quorum.*

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(don't ask why) and is the best example of how a candidate of conviction does better in caucuses. In February, Paul had garnered 8% of the primary vote and 22% of the caucus vote. And the Paulians had gone on to do dramatically better than that at county conventions, mainly because of their doggedness in showing up. In Clark County (Vancouver) Paul had collected only 6% of the primary votes, but his supporters won a large majority of county delegates, running an uncommitted slate. A non-Paul delegate afterward declared this "deceptive and creepy." In most places the Paul people ran openly.

Washington's convention was held May 30–31 in Spokane, in the conservative side of the state. There was an anticipation of a fight. But the top Paul and McCain people had been talking. The McCain people cared about national convention delegates, and when the delegates were won, the national McCain people left for the airport.

The Paul people cared more about the state platform and resolutions, and would be satisfied with what they had already won: four delegates out of 40.

Modifying and approving the platform took most of the final day. Then came the resolutions, which had been vetted by a party committee. The committee had divided the resolutions into "do-pass" and "do-not-pass."

The convention was not going to have enough time to get to the do-not-pass list, where some hardcore Paul resolutions lay. But many of the McCain people had left. The Paul forces sensed an opportunity and moved to approve the remaining do-pass resolutions in one vote.

They did it.

The McCain people ordered their delegates out of the hall, then asked whether there was a quorum. But many of the McCain delegates hadn't left, and the chairman said there *was* a quorum.

A Paul delegate stood up to offer a "do-not-pass" resolution: that America involve itself in no more wars without an official declaration by Congress. Another Paul delegate moved that the convention vote immediately, with no debate. The motion passed, and the antiwar resolution passed with a hurrah.

The Paul forces had control.

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# Privatize the Profit, Socialize the Loss

*by Jim Walsh*

The Fed is not solely to blame for the housing crisis. It's a classic illustration of the unintended consequences of government regulations.

The recent meltdown of the subprime mortgage market may turn out to be the first stage of a broader social and political reckoning of America's flirtation with the welfare state. This reckoning won't be limited to the price of a four-bedroom Tudor in Burbank or a cute colonial in Bethesda.

To understand the scope of these changes, let's start a little off the beaten path.

Longboat Key, Florida, is a resort town on the Gulf of Mexico, about 90 minutes south of Tampa. The key boasts more than 20 miles of white-sand beaches. The south end is more heavily developed, with high-rise condominium towers staring out at the mild tides; the north end is a little more rustic — but “rustic” in the Ralph Lauren sense of the word.

My parents live on Longboat Key, so my family knows the area pretty well.

Bridges connect Longboat to the coast in two places: at its southern tip, to conspicuously affluent Sarasota; and, at its northern tip, to blue-collar Bradenton. Cortez Road runs between the northern tip and Bradenton, passing through a couple of fishing villages before turning into a major commercial artery lined with big box stores.

When we're visiting, we do most of our shopping in Bradenton. And we've spent more time that I'd like to admit in

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the Wal-Mart on Cortez Road. Two years ago, while we were unloading beach toys at the cash register, my wife noticed a handmade sign in front of the branch of SunTrust Bank inside the Wal-Mart. It read:

Flat Screen TV: \$4,000. Diamond Earrings: \$2,800. Sony PlayStation: \$500. Using a Home Equity Line of Credit to Get Everything Your Family Wants: Priceless.

She wondered, “Can you believe people borrow against their homes to buy PlayStations?”

They do. Borrowing is how the people in Bradenton “keep up” with the wealthier consumers in Sarasota.

That handmade sign became a refrain in our house. My wife and I try not to press adult wisdom on our kids too forcefully; but we do try to instill a few basic points about personal



finance. Chief among these: only borrow money to buy things that hold or increase their value — homes, college degrees, profitable businesses. Pay cash for things that lose value: cars, clothes, electronics. PlayStations.



What is a subprime mortgage?

There's no single answer to that question; any good definition has a that-which-is-not quality. Subprime mortgages are loans that traditional banks don't want in their portfolios. (Although, increasingly, banks don't want to carry *any* loans in their portfolios.)

Banks have gotten out of the business of holding mortgages for many reasons. Perhaps the biggest: government-supported entities like the Federal Housing Authority, Fannie Mae, and Freddie Mac buy loans and repackage them as securities sold on Wall Street. This repackaging frees up banks' capital for other activities — like originating more loans which can be repackaged and sold as securities.

But those government-backed repackagers won't take just any loan. They don't want loans that are too big or too risky. They focus on mortgages that conform to their risk management guidelines — so, the banks have to hold on to really big mortgages and really risky ones.

(Banks don't mind holding really big loans to "high-net-worth individuals." Those people tend not to default; and they tend to need lots of other financial services that mean profit for banks.)

So, subprime mortgages are loans banks don't want because the government-supported repackagers don't want them. Said another way, a subprime mortgage is one with any of the following traits:

- the borrower has a poor credit history;
- the borrower doesn't have proven income or liquid financial resources;
- the ratio of the loan amount to the value of the underlying property ("loan to value" or LTV ratio) is greater than 90%;
- the terms of the loan include an interest rate eight percentage points or more above the current rate paid on U.S. Treasury notes;
- the terms of the loan include zero or negative amortization.

Of course, there has always been a market for risky mortgages. In the old days — that is, 20 years ago — such loans were called (in declining order of credit quality) Alt-A, B, C, or D "paper." Most banks held a few of these loans; but the market was dominated by non-bank finance companies and entrepreneurial "hard money" lenders. Since banks weren't a big part of the market, bank regulations didn't usually apply. It was a Wild West realm of high interest rates, fat origination fees, and frequent defaults.

Lenders with a tolerance for risk could — and did — make a lot of money in the C and D paper market. They were finan-

cial gunslingers. In time, blinded by a fog of government assurances and *implied* assurances, the rest of the mortgage industry followed their lead.

Researching this story, I spoke with dozens of people who've worked in various aspects of the U.S. residential mortgage market over the past decade. Of these dozens, three spoke most vividly about why the subprime meltdown happened as it did.

All three insisted on anonymity in exchange for candid answers; all three made reference at some point to Quentin Tarantino movies when describing the ruthlessness of the

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*Lenders with a tolerance for risk could and did make a lot of money. They were financial gunslingers. In time, the rest of the mortgage industry followed their lead.*

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mortgage industry. Following their lead (and the colorful pseudonyms used by the characters in Tarantino's "Reservoir Dogs"), I'll call these sources Mr. Taupe, Mr. Beige, and Mr. Magenta.

Mr. Taupe and Mr. Beige are a lot alike. Both have traditional Wall Street backgrounds; they graduated from top-notch colleges, logged a few years of entry-level employment on Wall Street, went to top-notch universities for graduate degrees, and ended up on career tracks that started in New York City but eventually took them elsewhere. They don't know each other, though they travel in many of the same circles. In fact, both have worked for the brokerage and investment bank Bear Stearns & Co. (though not in the same place or at the same time).

Mr. Taupe has a trader's mentality. He's a smart guy but, when it comes to making money, he believes that it's best not to look too hard for the Big Picture. You do your job well and cash your bonus check each year with no angst.

Asked about the reasons for the subprime meltdown, he answers immediately:

What do you think it means to say we've become a debtor nation? You think it means nothing? It means people don't save to buy the things they want. They borrow. Credit card companies made a fortune on that in the '80s and '90s. Then mortgage lenders saw the chance to get in on the action. And we helped them get the most of that market, most efficiently.

How did Wall Street do that? Mr. Taupe continues, barely missing a breath:

Do you know how hard it is to get a 12% yield? Start-up companies can generate that — but start-ups are risky. And established companies? Almost never. They won't pay that kind of money to borrow and they don't generate those kinds of dividends. If you time it perfectly, you might get 12% for a year or two. These subprime loans were 30-year contracts paying 12%. Sometimes more — 13%, 15%. Incredible cash flow. There's risk, of course. But

these are people's homes we're talking about. They'll find a way to make their payments.

He goes on to retell an old story in lending circles: the "perfect loan" is one in which the borrower goes into technical default immediately but keeps making the monthly payments. *Barely*. Mr. Taupe says when a borrower is in that position, he's reached "credit equilibrium."

Though it seems hard to believe that being in default — even "technical" default — is any kind of balance.

Mr. Beige is more philosophical. He tries to see the Big Picture. Asked the same question about the reasons for the meltdown, he says:

Derivatives. We've been dealing in derivatives for 20 years — longer, really, but we've called them "derivatives" for 20 years. Now, derivatives are a good way for an airline to hedge against spikes in the cost of jet fuel. But they can be used for less noble purposes. Some people use them to separate the underlying value of a commodity from its movement in the markets. They call it "stripping." This *can be* profitable but . . . if you strip stupidly or if you strip too much, you have unintended consequences stacking up faster than you can do anything about them. Risk flight. Erosion of the underlying asset value. Bad stuff. All because you think an asset is worth X but it's trading at Z — and that you can make money on that 'cause you're smart and everyone else is dumb.

Mr. Beige believes strongly that *no one* is smarter than everyone else:

The undeniable truth about financial markets is that aggregated intelligence is always more valuable than specific intelligence. Always. But this runs against everything you're taught as a smart guy on Wall Street. With the subprime situation, you had guys at Bear [Stearns] and other places stripping the spread on these high-interest-rate home loans. They were repackaging the loans as investments that guaranteed a 10% or 12% return with no risk. If a bucket of mortgages was paying 15%, they'd buy them, hold them — and the default risk — and make a derivative that paid 12%. They figured that they could manage the default risk with the 3% or 4% they kept. The rest of the interest cash-flow they'd sell as a derivative. And *that* was pure profit.

In this version, investment banks like Bear Stearns saw an opportunity in the risky, non-confirming loans that banks couldn't sell to Fannie Mae and Freddie Mac. The smart guys at the investment banks would act like private-sector mortgage repackagers.

This was bound to be a growth market. As the U.S. became a debtor nation, the average borrower's credit was bound to worsen. And, as the Federal Reserve avoided recessions by lowering interest rates, the prices of houses and sizes of mortgages were going to go up.

Everywhere, Americans were encouraged to borrow to buy consumer goods like jewelry and video game systems. Their impatience was part of the worsening of their credit; it would drive them to loans with high interest rates. And the smart guys in Wall Street would develop investment vehicles that would push consumers to the "credit equilibrium" so close to default.

Investors grabbed up the investment vehicles — after all, they paid handsome interest and seemed to carry relatively

little risk. So, the smart Wall Street guys went looking for more "product."

That started the market bubble.



Irvine, California, is a suburb of Los Angeles. A planned community, it was essentially created by real estate mogul Donald Bren. In the manner of a rich man's child, the local government is quirky left-wing (there's a campus of the University of California nearby). Some locals describe the vibe as "BMW communist."

Mr. Magenta worked in Irvine during the critical years of the subprime mortgage market boom.

Magenta's personal background isn't as elite as Taupe's and Beige's. He went to a state university on the west coast in the early 1990s; he majored in business but doesn't like to talk much about his college days. He's vague about whether he graduated.

When he was done with school, he moved to southern California. He answered an ad in the newspaper and ended up working for a "financial services marketing company." In fact, it was a boiler room — dozens of aggressive young men on telephones, selling everything from gold coins to real estate limited partnerships. The young men worked on commission and would sell whatever the bosses gave them, even though some of the investments were shady.

Mr. Magenta didn't make as much as he expected in the boiler room. He suspected no one but the bosses was making what he considered "real money." And, in time, he realized that the bosses *expected* heavy turnover among the aggressive young men they hired. Sooner or later, they'd fire even the top performers.

All around Irvine, Mr. Magenta saw people his age driving fancy cars — Porsches, Mercedes, obscure BMWs. They were working for the various real estate companies that seemed to dominate the Irvine economy. New Century Financial, LandAmerica Title, and others. He found out that a "mortgage processor" working for a company like New Century could make \$80,000 a year easily — and six figures if he was even slightly motivated.

It didn't take him long to switch jobs. He got into the industry in 2002 as a processor specializing in loans to peo-

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*"The undeniable truth about financial markets is that aggregated intelligence is always more valuable than specific intelligence."*

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ple with bad credit. His company did the underwriting and due diligence work on mortgages — almost always refinances of existing loans — and then quickly sold the loans to big

companies like Countrywide and New Century. His company might hold on to the loans it made for as little as one day.

Most of the time, Mr. Magenta didn't have to work very hard. All he had to do was show up to work and log into the phone system. A steady stream of phone calls would come his way. (His company advertised heavily in newspapers and on websites that promised homeowners competitive bids on refinancing packages from multiple lenders.)

He'd ask the caller a series of simple questions that determined what kind of loan would work best. Then, he'd take the borrower's personal information, run a credit report, and "qualify" the prospect; he'd also arrange an appraisal of the property. When he gathered all of the documents and data, he'd hand the package over to his bosses for review. If his bosses approved the loan, he'd generate prefabricated loan documents and send them to the borrower or a local free-lance notary, as the law in each state required.

The company had about half a dozen loan programs; one would work for just about everyone who called in. It didn't matter much to the company which type of loan the borrower took. Its money came from various fees attached to the loan. Loan processors were trained to direct borrowers' attention away from those fees.

Mr. Magenta figures that three-quarters of the loans he processed took the form of 2/28 hybrid adjustable rate mortgages. The 2/28 meant that the loans had a fixed "teaser" rate for the first two years; this rate was lower than loans would normally carry. After that, the loans would switch to a much higher interest rate which would rise or fall with the Federal Reserve's prime lending rates or other benchmarks. Most borrowers didn't mind, though; they focused more on the temporary teaser rate or — more often — the cash they would take away from the new loan.

They were borrowing to buy PlayStations.

Magenta did well with this company. He was promoted to a position with some supervisory authority over other loan processors. He leased a German sports car.

He didn't ask too many questions about how his company sold the loans it originated to the secondary market. Most went to big, well-known consolidators; but some were sold to "investors" whose identities the bosses guarded.

Back on the east coast, Mr. Taupe has a good idea who was buying the loans that Mr. Magenta processed: New Century and Countrywide both had deals with Bear Stearns and five or six other banks. These deals were great for the lenders — they'd originate their own loans and pick up additional inven-

was looking for the debt instrument that pays like an equity investment. That's what these subprime things were. The thing to remember is that everyone was looking for their fee. The originators took fees. The bundlers took fees. The Wall Street firms took fees.

The focus on fees was important. When a company changes its business model from making good loans and collecting the monthly payments to processing "product" or "inventory" and passing it along for a fee, it changes from being a cautious banker to a commission-seeker hungry for volume at almost any cost. This is what happened when the lending community shifted its emphasis from mortgages to mortgage-backed securities.



What are mortgage-backed securities?

The most common kind are Collateralized Mortgage Obligations (CMOs). Technically, CMOs are bonds — that is, they are debt-related instruments that are supposed to pay reliable interest dividends on a scheduled basis. In other ways, CMOs resembled stocks; they usually paid bigger dividends than traditional bonds.

Wall Street firms like Bear Stearns created CMOs by buying portfolios of hundreds (or thousands) of individual mortgages from lenders like Countrywide, Bank of America, Washington Mutual, or New Century. The monthly payments made on these mortgages provided a stream of cash that the Wall Street sharpies could organize and pay to investors as dividends.

Most CMOs were organized and combined to create categories or "tranches" of risk and value. (Usually, the term "tranches" referred to positions within a single portfolio of mortgages; sometimes, however, the term was used more broadly to describe different portfolios.)

To simplify slightly, the riskier the tranche, the higher the dividend. Investors could buy safer tranches and earn less interest or buy riskier tranches and earn more.

For several reasons, these investors tended to underestimate the risk of the CMOs:

- since the underlying assets of a CMO were residential mortgages, investors believed there was an implied state subsidy; the belief was that the Fed "wouldn't allow" the housing market to collapse entirely;
- many investors overestimated the diversity of the loan portfolios underlying the CMOs (in fact, the organization and structuring of tranches worked against whatever diversity existed in the underlying portfolios);
- some Wall Street firms implicitly or explicitly guaranteed the safety of CMO investment by making formal contracts that seemed to limit the risks of even the riskiest tranches;
- in addition to creating the CMOs, Wall Street firms like Bear Stearns traded them — in investment circles, the firms "made a market" in the CMOs; this implied

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*Borrowers focused more on the temporary teaser rate or — more often — on the cash they would take away from the new loan.*

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tory from smaller originators. They would bundle these into buckets and resell them to Wall Street, which would slice and dice them into various mortgage-backed securities. Everyone

that the investments were liquid or easily sold should the need arise. Big investors put a lot of importance in the liquidity of exotic investments.

When a real estate market is doing well, even the riskiest mortgage investments can seem like safe bets. And, the longer a bull market lasts, the more likely investors are to buy the riskiest CMOs — since the higher interest dividends seem to come at little additional risk.

This, of course, is an illusion. All capital markets have risk; long periods of expansion and appreciation merely delay corrections and losses. Human psychology confuses this delay with actual *decrease* in risk. But the risk posed by an investment (or any market activity) rarely decreases. What it actually does is transfer to another party or another time.

It's difficult to characterize the real estate market nationally. As realtors and other industry insiders say, all real estate markets are local. But, in the United States, residential real estate markets generally follow a cycle of seven to nine years of growth and two to three years of reductions or "correction." There are variations on this model, according to local conditions and general economic factors. However, the United States experienced an unusually long real estate growth period from the early 1990s through late 2006. That's a growth period two or three times longer than historical norm; and it saw U.S. homeowners draw on the equity in their homes to spend their way through several points that might have been recessions in other circumstances.

Everyone, from Wall Street sharpies to suburban soccer moms, had grown accustomed to rising housing prices lifting all economic boats.

When the correction finally came, it was bound to be a hard one.

The psychology of traders is that a market correction isn't close until it's here. And, through 2005 and 2006, it wasn't here. Institutional investors (the big mutual funds and pension plans that buy most of the product and inventory that Wall Street firms offer) became so blind to the risks posed by mortgage-backed securities that they kept asking for more exotic versions that would pay more interest. Wall Street investment banks and brokerages obliged, coming up with

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*Everyone was looking for their fee. The originators took fees. The bundlers took fees. The Wall Street firms took fees.*

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derivative investments that were collateralized by the subprime mortgages that Fannie Mae and Freddie Mac wouldn't touch. Some, like the briefly popular Credit Default Swaps, attempted to separate the default risk inherent in subprime loans from the cash flow generated by those loans.

According to Mr. Beige:

The reason a C or D paper loan pays such high interest is that it comes with a real default risk. To try to separate

this — to get one investor to bet against the default risk while another treats a dodgy loan as if it were a good one — numbs the market to the risks posed by dodgy loans. But the big investors couldn't get enough subprime action. In fact, they were pushing for more and newer derivatives. They really believed they were so smart they could out-think the market. Bad idea.

Bear Stearns was a leader in cooking up these derivatives.

There was also a kind of risk flight within the marketplace for CMOs based on subprime loans. The more Wall Street

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*Bankers and traders started calling the subprime derivatives "toxic waste." And this kind of toxic waste flowed upstream.*

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developed exotic derivatives, the less the collateral backing up the whole market actually collateralized.

That's how the derivatives dragged standard mortgages into the subprime world.

Bankers and traders started referring to the subprime derivatives "toxic waste." And this kind of waste flowed upstream.

Like everyone else in the chain of securitization, the hedge funds tried not to hold the investments for very long. They preferred to serve as short-term market makers — assuring a liquid marketplace for the investments.

Being a market maker in a security requires two things: good credit with commercial lenders, and the full confidence of the buyers and sellers in your market. For Bear Stearns in the mortgage-backed securities market, these two requirements were often, effectively, the same thing.

Back in Irvine, Mr. Magenta started to see a change in the kind of loans he was processing. The FICO scores (FICO stands for Fair, Isaac & Co., a risk management company that sells credit-evaluation software to banks and other lenders) were getting worse. Also, the mix of loans being approved changed. There weren't so many 2/28 loans; now, there were more new programs that extended the low "teaser" rates to three or four years and loaded more expense on the back end of the mortgages. Also, the company started emphasizing the use of stated-income loans; these "no doc" mortgages didn't require proof of income — like pay stubs or tax returns. They merely required a signed statement from the borrower of how much he or she made.

The bosses told the processors that this was all part of a plan. They were seeking higher-risk borrowers because the loans made to them could justify higher fees. This made sense; but Mr. Magenta was starting to recognize some elements from his old boiler room days.

The new hires were more aggressive; they talked disparagingly about their borrowers — calling the stated-income programs "liar loans." They talked about tricks they could use

to make people with really bad credit or heavy existing debts look better to the software programs that sorted the risks. And they kept referring to their clients as “deadbeats” and “liars.”

Mr. Magenta figures he noticed the shift in his company’s business in the fall of 2006. He was thinking of buying a new house; he wondered if he was being paranoid.

He wasn’t. A few months later, in February 2007, big news rocked Irvine. New Century announced that it was restating

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*The “counterparties” to complex interest-related contracts with Bear Stearns were many — on Wall Street and around the world.*

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its financial reports for the previous several years. The mortgage-repackaging giant had improperly reduced the cash reserves it was supposed to hold against potential repurchase liabilities for mortgages it sold to the Wall Street guys.

When New Century sold its loans to Wall Street firms for slicing and dicing into mortgage-backed securities, it agreed under certain circumstances to repurchase loans that went into default or foreclosure. Working with its outside accounting firm (New York-based KMPG), it manipulated the definition of those “certain circumstances” to minimize the default risks posed by the loans.

When more loans went into default than New Century expected, it was caught without enough cash on hand to honor its commitments. Banks that had been lending money to New Century to fuel its growth quickly demanded their money back; the banking world turned against New Century and it filed for bankruptcy protection and liquidation.

Trouble quickly flowed up the chain. Within weeks, in the summer of 2007, two Bear Stearns hedge funds that had made a market in mortgage-backed securities based on New Century “product” were stuck with repurchase problems of their own — they’d guaranteed their derivatives against default, based on New Century’s guarantees to them. When New Century came up lame, the hedge funds were stuck with their guarantees.

Bear insisted its financial position was solid. But these summer 2007 problems foreshadowed more trouble to come. According to Mr. Taupe:

Really, Bear was hemorrhaging through all of 2007. By all rights, they should have announced firm-wide insolvency that fall. But the Federal Reserve kept money flowing into the system and allowed the damage to stay obscured. You’ve got to figure they had some idea what was going on. But they kept Bear alive long enough to get all of its bonuses out for 2007.

Starting in early March 2008, Bear Stearns was having trouble keeping up the good face. While many of its operations were profitable, the mortgage-backed securities trading operation was not. The trouble wasn’t so much Bear Stearns’

fundamentals as it was the discontent felt by its partners in the derivatives trading. The “counterparties” to complex interest-related contracts with Bear Stearns were many — on Wall Street and around the world.

The total direct value of (and theoretical liability caused by) the investment contracts various firms had with Bear Stearns was more than \$30 billion. If Bear filed for bankruptcy protection, these contracts would be worthless or nearly so. And the problem may have been even bigger than the direct value of the contracts. The talk on Wall Street was that Bear was counterparty to contracts that indirectly affected more than \$2 trillion in real estate and other assets. If all of those contracts had been made worthless by a bankruptcy filing, the entire banking industry would have been in danger. *That* was the real exposure the Fed was trying to avoid.

In mid-March, the Fed used an unusual procedure to bail out Bear Stearns. The deal involved a company controlled by JP Morgan Chase borrowing some \$29 billion from the Fed’s discount window — the mechanism by which the Fed can loan money directly to banks. (As a bank, JP Morgan had access to direct loans from the Fed; as a stock brokerage with some bank-like parts, Bear Stearns did not.)

A loan from the Fed’s discount window was not, by itself, unusual; but some of the terms of the deal were:

- the Fed allowed JP Morgan to use Bear Stearns assets as collateral for the loans;
- the Fed, not JP Morgan, would bear the risk if the loans were not repaid;
- the Fed would keep any profits earned from the sale of the Bear Stearns assets, after JP Morgan had recovered its costs.

Some Fed staffers referred to JP Morgan not as a borrower but as a “conduit” in the deal. And, in fact, one way of explaining the bailout was that the Fed was loaning money to JP Morgan Chase, which was in turn using the money to bail out Bear Stearns.

Some politicians — conspicuously, Sen. Christopher Dodd — complained that the Fed was acting more like a banking industry cheerleader than a regulator. But these complaints mischaracterized the problem. The real issue was the Fed’s piecemeal approach to handling the Bear Stearns collapse. While a cautious step-by-step approach often makes sense from a managerial perspective, it tends to encourage moral hazard.

Decisive, broad strokes discourage moral hazard.

These derivative investment contracts should have gone to nearly worthless, because that was the fair-market value of a contract with Bear Stearns. But the bureaucrats at the Fed believed they knew better than the markets — and that the temporary panic about Bear Stearns’ condition was an anomaly.

While the Fed was setting up its \$29 billion bailout of Bear Stearns, the other main financial regulators — including the Treasury Department, the Securities and Exchange Commission, and the local New York branch of the Federal Reserve, mostly stood by and watched. The SEC even issued a public statement that it was “in close contact” with the Fed staffers structuring the solution. “We will continue to work closely together in a way that contributes to orderly and



liquid markets," the SEC said.

There are two hard questions about financial markets for anyone dedicated to a limited state. First: is one of the legitimate purposes of financial regulators to prevent — or reduce the effects of — financial panics? Second: if so, is it possible to "manage" a panic without sliding down a slippery slope toward a "managed" economy?

Fond of Wall Street tough-guy sayings, Mr. Taupe cobbles several together when he explains the deal brokered by the Fed and JP Morgan:

There are no atheists in foxholes. There are no libertarians during financial crises. Privatize the profits; socialize the losses. Amen.

The financial markets reacted skeptically to the word of the Fed-sponsored bailout. The broad market indexes didn't crash; but smart traders predicted that the only real resolution to Bear Stearns' problems was for JP Morgan to buy it outright. Then, maybe, the counterparties could be certain that the contracts they'd made with Bear were still enforceable.

So, Fed staffers began to press for an outright acquisition. Like good negotiators, JP Morgan's senior executives threatened to back away from an acquisition unless their conditions were met. And their conditions included no exposure to financial risk from Bear's worst derivative contracts and, paradoxically, a purchase price that seemed to imply JP Morgan *was* accepting that exposure.

The Feds were desperate; the JP Morgan execs stood firm. They ended up drafting a deal in which JP Morgan would pay \$2 per share for Bear Stearns — effectively, \$240 million — and JP Morgan would be insulated from any loss related to mortgage-backed securities trading.

The terms of the deal were absurd. Bear Stearns' headquarters building on Madison Avenue in Manhattan was alone worth more than \$1 billion. And the parts of brokerage not affected by its subprime investments (including a unit that "clears" transactions for other brokerages) were worth several billion more — even by conservative standards.

After the JP Morgan/Bear Stearns deal was announced, the Fed increased and extended the funds available through its Term Auction Facility, set up to lend funds to banks on the basis of a wide range of collateral, including mortgage debt.

A few weeks later, JP Morgan caved to pressure from the Fed to raise its purchase price for Bear Stearns shares from \$2 to \$10. This was still a brutal discount from where the shares had been trading; but it gave shareholders a little more money. And it shielded the Fed from criticisms that it had forced the acquisition just days before announcing a generous credit facility that might have eliminated the urgency of the deal.

Mr. Beige says that the sale to JP Morgan wasn't a bailout of Bear Stearns:

It was a bailout of all the counterparties to Bear's mortgage derivative contracts. They're the ones getting the break. If Bear had gone bankrupt, their contracts would have been worthless. Banks all around the country would have had to write billions of dollars in assets down to zero.

Willem Buiter, a London School of Economics professor, made a more succinct criticism. He called the Fed's moves "socialism for the rich, which is both inefficient and morally objectionable."

There's fairly recent precedent for Fed actions that would

be questioned closely if they were better understood. In 1998, the big hedge fund Long Term Capital Management was saved from bankruptcy by a syndicate of Wall Street banks assembled (and some say *coerced*) by the Fed.

LTCM had invested heavily in foreign government bonds in a manner similar to Bear Stearns' investment in subprime mortgages.

In late March, as the financial and political dust from the JP Morgan acquisition of Bear Stearns settled, the Bush administration did what it has done before — and what may be its lasting legacy. It proposed a major expansion of federal regulatory powers.

Treasury Secretary Henry Paulson unveiled a 200-page plan for replacing what he called a "collection of overlapping jurisdictions" with a streamlined regulatory apparatus

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*As the dust cleared, the Bush administration did what it has done before. It proposed a major expansion of federal regulatory powers.*

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managed primarily by the Federal Reserve and the Treasury Department. The new system would centralize the activities of dozens of federal and state agencies; and it would apply federal rules to Wall Street brokerages, as well as local insurance agents and mortgage brokers.

Despite the scope of this power grab, Paulson admitted that more bureaucracy wouldn't prevent future meltdowns:

I am not suggesting that more regulation is the answer or even that more effective regulation can prevent the periods of financial market stress that seem to occur every five to ten years.

Free marketers argued that home prices needed to return to their historic relationship with incomes — which, in the United States, has usually meant a median home price of about three times the median household income. In the mid-2000s, in most markets, that ratio was over 4x; in some hot spots, it was 6x or even 8x. Subprime loans were a big part of that historical anomaly.

The recent series of Federal Reserve interventions — starting with the LTCM bail-out, moving through the forced Bear Stearns sale and into the direct loan of operating capital to banks — turns bankers into fee-seeking salesmen. Eventually, this will lead to a financial crisis that will be too big for the Fed to socialize.

This is the compounding moral hazard of interfering: government bailouts have an insidious, corrupting influence on financial choices that ordinary citizens make. The citizens believe that the Nanny State will "take care" of their losses; and they disconnect financial cause from effect. They become mindless consumers, ripe for exploitation. They borrow against their homes — traditionally, mechanisms for saving — to buy PlayStations. □

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# The Soft Touch

*by William E. Merritt*

If you feel you're being watched, it's because  
you are — by the rest of an Americanized planet.

It's not going to surprise any reader of *Liberty* that America's astonishing ability to remake the world in its own image doesn't have much to do with sending our military into unlikely places. Still, it can come as a surprise to bump headlong into the physical reality behind the cliché.

A while ago I was walking along the corniche in Dar es Salaam. Beat-up vehicles were sputtering and fuming and honking to my right. A sunlit bay on my left led to the Indian Ocean.

Not as exotic as I had imagined, but definitely a landscape to catch your eye, when something really eye-catching came down the sidewalk toward me.

She was a Masai swinging along in full, glorious, flowing, maroon tribal regalia. Tall and athletic. Early 20s, I would guess. Slender and haughty, she could have been Queen Hatshepsut, or Sheba, from the aristocratic way she carried herself.

Now Masai are famously aristocratic people and, maybe, there are ladies from other cultures who are just as elegant, but I have yet to see one. The ladies I have seen who fancy themselves something special or, more usually, the ladies I have seen pictures of — Princess Di comes to mind, along with Chyna of WWE fame — never pulled it off the way this

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Masai did. Beside her, all the actual royalty I have seen in pictures just look tawdry.

In one hand she held a short staff, like the sticks British army officers strut around with. In the other, a modest-sized boom box playing . . . "My Darling Clementine" in full-throated nasal country-western-twang American. Nobody needed to send an army to corrupt this woman out of hundreds of years of proud, ancient tradition.

All it took was the soundtrack from a 62-year-old John Ford movie.

I was thinking about her the other day when I ran into a British newspaper reporter named Steve Bevan. We were visiting the same game park in South Africa and fell to talking. He asked my opinion about various aspects of American politics and, since I have lots of opinions about the subjects,

some straightforward, some subtle, many obscure, and way too many that turn out to be contradictory, I was charmed.

After a bit, the fascination of listening to me wore off, at least as far as Steve's wife and sons were concerned, and they drifted away to more interesting pursuits: the sons to check out the action on their individual handheld PlayStations and the wife to remind them that, hey, we are in one of the great game parks on the planet, here. You might want to look around a bit. There could be animals, you know.

Steve didn't say much about himself and, looking back, I wish I had asked. At one point he mentioned he had spent time in a Zimbabwe jail along with a New York Times correspondent named Barry Bearak, then pretty much let the subject drop.

When I got home I began to wonder what I had missed by spending so much time rattling on about my own opinions, most of which I already knew, and not asking Steve more about that Zimbabwe jail and what he was doing in it. And how he got out. And what it was like. So I googled him.

What I learned was that he and Bearak had been rousted from their hotel by about 40 cops from the scary-sounding Law and Order Division of the Zimbabwe Republic Police and hauled off to the Central Harare Police Station on suspicion of "practicing journalism." That was the crime Steve was busted for: practicing journalism.

He was arrested because, in fact, the Law-And-Order cops were right. He had been practicing journalism. The London Telegraph had sent him to Harare 36 hours earlier to try and get a line on when, if ever, Robert Mugabe was going to release the results of the presidential election that had been held a few days before.

The Central Harare Police Station, né the Central Salisbury Police Station, is a grim, Orwellian fortress where the old regime used to disappear black revolutionaries in the '60s and '70s. Conditions inside were pretty much what you would imagine, at least in the generally accepted standards of cleanliness department. Bearak and Bevan spent a few long days inside, and a few much longer nights, before being released.

The proximate cause of their release was their lawyer's discovery that practicing journalism is no longer against the law in Zimbabwe. Now, the crime is "holding oneself out as an

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*The ladies I have seen who fancy themselves something special never pulled it off the way this Masai did. Beside her, all the actual royalty I have seen in pictures just look tawdry.*

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accredited journalist," and the prosecutor had charged them with the wrong thing. So, in the finest tradition of our shared common-law heritage, they skated on a technicality.

But it wasn't the sort of technicality that was going to keep them out for long. All the prosecutor had to do was refile the

charges under the right law, and as soon as Steve and Barry showed up at the airport for their flight out, they were going to be rearrested — this time, probably forever.

So, in the time-honored tradition of reporters on the run, they tried not to do what the police expected. Instead of heading for Harare International, they beat feet straight for

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*What grabbed me about Steve's story was the topic of conversation inside the prison: the Pennsylvania primary.*

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the most popular tourist border-crossing into Zambia, made themselves look as casual as they could, and scooted to freedom by land.

What grabbed me about Steve's story, other than the fact that I had no idea that anybody ever got sprung from a totalitarian prison on a technicality, was the topic of conversation inside the prison — at least the topic among the policemen who ran the place.

At a time when the inflation rate of the Zim dollar was running at 118,000% per year, and accelerating; at a time when real inflation lurked behind the artificial monetary inflation that President Robert Mugabe had set in motion because there were no goods to be had for any currency, no matter how hard; at a time four days after Chairman Bob had clearly lost his bid for reelection but showed no signs of giving up power, and the country seemed on the brink of flying into factional violence; at a time when the new president of Botswana was a couple of days away from casting Zimbabwe into outer darkness by cutting off bulk-fuel shipments; at a time when the Southern Africa Development Commission was about to say naughty-naughty to the first revolutionary leader in history it had ever said naughty-naughty to; at a time when thousands of fellow citizens were fleeing to Botswana and South Africa as fast as they could slip under the barbed wire — the hot topic in the Central Harare Police Station was . . . Obama's and Hillary's showing in the Pennsylvania primary.

Here's something just as interesting. The article that Google referred me to when I typed in Steve's name turned out to be on the Al Jazeera website. I had never logged onto Al Jazeera before, and the first thing that struck me wasn't the sober quality of its reporting. (I actually had to read some of the articles to find out that, for my money, Al Jazeera covers world news with the quality and depth of the BBC. In fact, if you don't see the fancy Arabic Al Jazeera logo, you could easily think you had logged onto the BBC.) The first thing that struck me about Al Jazeera was a big, round button with the wavy red-and-white stripes of the American flag — that's right, Old Glory, right there on Al Jazeera — superimposed with the number 08 and the words "Cast your virtual vote."

*Cast your virtual vote?*

*continued on page 54*

# Reviews

**"The Myth of the Rational Voter: Why Democracies Choose Bad Policies," by Bryan Caplan. Princeton University Press, 2007, 286 pages.**

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## Garbage In, Democracy Out

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Ross Levatter

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Americans love their democracy. Of this there can be no doubt. As to why they love it, the answer is less clear. Granted, as Churchill said, it is the worst system of political rule, except for all the others; but to say it is better than totalitarianism is not exactly a strong compliment. Beating out monarchism isn't clearing a very high bar, either. A general thrust of democratic theory, as explained to all those paying attention in high-school civics classes, is that under democracy "we the people" are the rules-makers; our representatives make rules that reflect our common judgment about how we want society to run. There are, however, some problems with that theory. There is, in fact, a growing literature about them.

Bryan Caplan's "The Myth of the Rational Voter" makes an exceptional contribution to that literature. The book is exceptional in several ways. For one, it is a book on economic theory and application that is easily accessible to those with little or no background in economics. In addition, this is a work that enlightens by using political science as well as economics, a work that delves into practice as well as theory. I think Caplan's book is a major theoretical breakthrough, extending the explana-

tory power of the Public Choice model. And through it all, Caplan makes his book an easy read.

For several centuries, it's been empirically obvious that voters are ignorant. Political scientists have copiously documented an almost incredibly high level of ignorance, with majorities of Americans being unable to name the two senators from their own state, or even to remember that their state has two senators. Many Americans think foreign aid payments are greater than Social Security payments. In a land where many have learned that "ignorance of the law is no excuse," most people are abysmally ignorant about how laws are made, what guarantees exist in the Constitution, or how to tell the Declaration of Independence from the Communist Manifesto.

A half-century ago, a book in the economics literature ("An Economic Theory of Democracy," by Anthony Downs, 1957) provided a theory to explain the mountain of empirical evidence: voters allow themselves to be "rationally ignorant" (a term coined in the 1960s by Gordon Tullock) about politics because their single vote has virtually no chance of affecting an election.

Now economists use "rational" in a technical and strict sense. To act rationally, for economists, simply means

that you allocate scarce resources available to you efficiently among competing uses, that you always use a scarce resource for a more valued end. The key is calculating the value.

When you decide between two cars that you might purchase, you assume the full cost of purchasing badly. So you have strong incentives to choose carefully and study up before making your choice. It is rational to invest time and effort in this way, given the high value attached to making the right choice.

But when you decide between two candidates, you assume virtually no cost, because your single vote has only an infinitesimal chance of changing the outcome. A rational comparison of costs and benefits, of expending time and effort in getting it right, leads to another conclusion from the one you might reach in choosing a car.

What is the value, to you, of your vote? What is the value, to you, of your lottery ticket? It's not the full value of the \$1,000,000 prize, because you're not guaranteed to win. The expected value of the ticket is the value of the ticket should you win, multiplied by the probability of your winning. If there is a 1 in 10 million chance of winning, then your ticket is worth only 10¢.

Similarly, the expected value of your vote (the value to you of your

candidate's winning over the other candidate, multiplied by the probability that your vote is determinative) asymptotically approaches zero rather quickly as the number of voters grows much beyond that of local PTA meetings. If your vote doesn't affect the outcome, there is no cost to you of voting "wrong." When the cost of ignorance is so low, people are naturally (rationally, in the economic sense) ignorant. It is rational not to expend much of one's time and effort — scarce resources that could be used on more valuable ends — to educate oneself on an election when the value of one's knowledgeable vote is so pitifully close to zero.

Yet how can democracy work when people are grossly ignorant? The last 60 years have seen a number of attempted explanations. Caplan quickly moves us through many of them — the Median Voter theory, for example: if people are ignorant, they vote randomly. Imagine, for simplicity, a national election fought not over candidates but over a particular policy. For every ignorant voter supporting a policy that is bad for the country, there is another ignorant voter opposing it. Say 90% of the electorate is ignorant. Then their votes split 45–45% on the policy at issue. As to the 10% that is knowledgeable (about, for instance, a policy such as free trade, which hurts some but benefits most): let's say it splits 60–40% in favor. Then free trade wins 51% to 49%, as we would want democratic theory to guarantee, even though 90% of the voters were ignorant.

But here's the problem. There is no evidence that voters make random mistakes; actually, they make systemic mistakes. In other words, there is no evidence that voters are simply ignorant; they are, instead, irrational. Ignorance can be easily corrected if sufficient information is provided. Irrationality is another matter entirely.

Caplan, who teaches economics at George Mason University, notes four common, routine, persistent errors that survive generation after generation of correction by economists, only to continue vibrantly alive in the hearts and minds of the "man on the street":

- Anti-market bias: "a tendency to underestimate the economic benefits of the market mechanism." As Caplan notes, "the public . . . focus[es] on the motives of business, and neglect[s] the

discipline imposed by competition."

- Anti-foreign bias: Caplan notes that even those who see the benefits of free trade domestically are often of the opinion that if trade helps other countries it must be hurting us. In part this is because they don't understand David Ricardo's famous (to economists) law of comparative advantage, so they think that if we can make a product at home it is always a loss to buy it from abroad. Non-economists, even if they themselves are only second-generation Americans, often see only the jobs that immigrants take, not the jobs that they create; see only extra mouths to feed, not extra hands to work.

- Make-work bias: "a tendency to underestimate the economic benefits of conserving labor. Where non-economists see the destruction of jobs

[through more efficient methods of production], economists see the essence of economic growth — the production of more with less."

- Pessimistic bias: "a tendency to overestimate the severity of economic problems and underestimate the (recent) past, present, and future performance of the economy." Caplan quotes Adam Smith's one-line retort to this bias: "There is a great deal of ruin in a nation."

Caplan quotes economists from the 19th century bemoaning public acceptance of these universally recognized economic fallacies; yet, as he assures us in his role as university-level economics teacher, they are just as evident today. We have all the economic theory and empirical data necessary to dispose of

## Notes on Contributors

Baloo is a *nom de plume* of Rex F. May.

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them forever, yet they persist. We may conclude that their continued acceptance does not result from ignorance, rational or otherwise. What, then, is the cause?

Caplan contends — with reasoning analogous to that tending to show that voters are rationally ignorant — that voters are also rationally irrational! They have rational incentives for maintaining irrational ideas.

How can that be? Caplan argues that beliefs are not neutral. People have preferences for certain beliefs. Certain aspects of belief that go beyond their truth value cause them to have value for us. And like other preferences, preferences for beliefs respond to economic incentives.

Changing one's beliefs is not cost free. Consider religious beliefs. On reading a book by George Smith or (the younger) Antony Flew, few religious people just up and surrender their religious beliefs, even if they cannot answer any of the objections raised by these atheist writers. Why? Because people prefer to believe in their religion.

True, there may be costs associated with maintaining false beliefs. Although the average Muslim, like the average Christian or Jew, faces little personal cost in holding a religious belief, the religiously motivated suicide bomber pays a very large cost. Caplan has written elsewhere about the empirical data supporting the claim that most Muslims, when they reach the point of choosing for or against the "career" of suicide bombing, are willing to slip somewhat in the rigidity of their belief system. Similarly, a businessman in the computer industry who because of anti-market and anti-foreign biases refuses to buy or sell across national boundaries and refuses to hire immigrants would quickly find himself at a severe competitive disadvantage. Thus, in many social contexts false beliefs are self-correcting.

But in the realm of voting, Caplan notes, there is little cost in indulging your preciously held but irrational views, just as there is little cost in being significantly uninformed about politics. In both cases your vote has essentially zero chance of impacting the outcome.

If an election leads to more free trade, you are likely to win, because free trade is better for the country in general.

But whether the election leads in that direction is not significantly affected by your single vote. If free trade is going to win, it will almost certainly win with or without your single vote. So people pay little cost for indulging their irrational preference — their belief that free trade is bad — and voting against free trade. Granted, what is individually rational, in the economic sense, may be socially unfortunate. If everyone embraces his irrational opposition to free trade, free trade will lose at the ballot box, but it will still lose if you (and only you) take the time and effort to discipline yourself rationally on this topic.

As Caplan explains throughout the text, his new theory expands logically from widely held and accepted views,

makes only very basic and logically impeccable assumptions (such as the assumption that people have preferences for certain beliefs), and explains a number of otherwise hard-to-reconcile contradictions in both economics and political science.

Since "The Myth of the Rational Voter" was published, Caplan has frequently been on radio and TV discussing the topic. This allows him to tell the public that most of them are pretty irrational as voters. I don't know Bryan Caplan personally, but I'm guessing that this opportunity is an additional subjective preference he gets to indulge as a result of writing his fascinating and (for democratic theory) devastating book. □

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**"Indiana Jones and the Kingdom of the Crystal Skull,"  
directed by Steven Spielberg. Paramount, 2008, 124 minutes.**

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# *Lots of Skull, Little Brain*

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Jo Ann Skousen

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For months I felt the thrill of anticipation whenever the trailers rolled. My heart began racing as soon as I heard John Williams' familiar score and saw that trademark hat drop into the dust. After nearly 20 years, the greatest "indie" of all time was returning — Indiana Jones, of course!

This is the kind of film that needs to be seen at 12:01 on opening day, the proverbial "midnight showing" that is becoming so popular with hyped up blockbusters and cult classics. Fans arrive early to stand in line, challenge each other to trivia matches, quote favorite lines from the original films, and show off their outlandish costumes. There's nothing like it. Tension rises as

the lights dim, cheers erupt when the famous logo appears on screen, and the fans go wild when the first strains of the score begin. It's like being at the reunion concert of your favorite band, only better.

"Indiana Jones and the Kingdom of the Crystal Skull" has enough new pizzazz and old nostalgia to satisfy most critics and fans. Twenty years later Indie's new archnemesis is a Cold War Russian (Cate Blanchett) searching for a strangely magnetic crystal skull, and the new world threat is not a Nazi takeover but aliens, atoms, and an army of ants. Indie still has his shy charm, his reluctant heroism, his hat, and his whip.

Spielberg and Lucas give so many nods to nostalgia, it's a wonder their heads haven't fallen off. A mad race through the woods between a Jeep and

an amphibious vehicle while storm-troopers — oops, I mean Russian spies — fight the good guys is lifted from “Return of the Jedi.” Pictures of characters from the previous films appear in Indie’s office and home. Indie still relies on his bullwhip for getting out of close calls, and he still hates snakes. Indy still “has a bad feeling about this,” although it’s Marion who says “Trust me” this time. The clichés are more tired than the 20-years-old professor, and made even tired by the fact that we have seen the best lines already in the trailer. But the film offers a reasonably satisfying mix of comedy and adventure for what is, after all, a high school reunion for director Spielberg, writer Lucas, composer Williams and star Ford.

Nevertheless, the film is just a little too preciously self-indulgent for my taste. Two examples will make this clear. First are those damn prairie dogs. Lucas just couldn’t learn his lesson from the “Jar Jar Binks” disaster in the first of the Star Wars prequels or the jarringly cuddly Ewok warriors of “Return of the Jedi.” And just when we think the mechanical furballs are behind us for good, Spielberg brings on the mechanical flying monkeys, with Shia LaBeouf (Indie’s blank-faced new sidekick) swinging through the trees so ridiculously that he makes Brendan Fraser’s campy Tarzan look almost classic.

Then there is the self-indulgent intrusion of the producers’ families, in a bout of hubris reminiscent of the Medicis (who commissioned works of religious art during the Renaissance with their own faces painted in the crowds). In the malt shop scene, when Mutt (LaBeouf) delivers the exposition by explaining to Indie their quest, the background is crowded with extras hamming it up and wearing lettermen jackets emblazoned with “Marshall,” ostensibly for the college where Indie teaches, but obviously the name of producer Frank Marshall and his wife, producer Kathy Kennedy. One girl was so distracting, mouthing family names (I could read “Kathy” on her lips at least three times) that I looked up the credits when I got home. On the list? Sasha Spielberg. Big surprise.

Such overindulgence has no place in a nine-figure production, no matter how famously successful its makers

have been. Pay attention to the filmmaking, and leave the family videos for the handheld video recorder back home. Moreover, figure out that George Lucas’ longlasting contribution to filmmaking is his Industrial Light & Magic

studio, not his storytelling. He hasn’t written a good script since the original “Star Wars,” and even that gets lost during the dialogue. Please, take the man’s pen away from him before he inflicts bodily harm. □

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**“Manufacturing Dissent,”** directed by Rick Caine and Debbie Melnyk. Liberation Entertainment, 2007, 97 minutes.

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# Filmmaker, Heal Thyself

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Gary Jason

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A fascinating little documentary is now available in video rental stores. Produced in Canada late last year, “Manufacturing Dissent” examines Michael Moore’s career as a documentary filmmaker. Clever idea: a documentary about a documentary maker — indeed, the most successful one around. Moore’s major movies (“Roger & Me,” “Fahrenheit 9/11,” and “Bowling for Columbine”) have generally done great at the box office, especially for documentaries.

Melnyk and Caine frame their movie along the lines of Moore’s first successful documentary, “Roger & Me,” in which Moore, a self-appointed spokesman for the downtrodden working class, tries unsuccessfully to get Roger Smith — then head of GM — to explain why GM closed its Flint, Michigan plant, crunching the town’s economy. Obviously thinking that turnabout is fair play, Melnyk and Caine followed Moore around, trying to get him to sit down to talk about his work, and got shunted away — first with bogus promises of a later interview, then with outright physical rejection.

This sort of role reversal against

Moore is nothing new. Talk-show host Larry Elder did it beautifully in “Michael & Me,” his documentary supporting gun-ownership rights in rebuttal to Moore’s “Bowling for Columbine.” However, in contrast to Larry Elder and other critics of Moore, Melnyk and Caine started out admiring Moore and sharing his general leftist political worldview before becoming disillusioned with him as they examined his life and filmmaking techniques. The result is a balanced and nuanced critique.

For example, even though Melnyk and Caine are obviously highly critical of the Bush administration, they criticize the way in which Moore’s “Fahrenheit 9/11” presents selective clips from Bush’s humorous speech at the Al Smith memorial dinner — an annual event at which major political figures are expected to poke fun at themselves — as if his remarks were intended to be serious.

Similarly, Melnyk and Caine examine the deception in Moore’s “Bowling for Columbine,” such as the scene in which he walks through a neighborhood in Ontario, trying front doors to see if they’re unlocked. His film edited out the doors that were locked, giving the impression that all Canadians feel

safe. Moore's producer has confessed that fewer than half the doors were unlocked. Moore's film also downplayed the fact that ownership of rifles and shotguns is quite prevalent and quite legal in Canada.

The most fascinating revelation in "Manufacturing Dissent" is that the whole premise of Moore's "Roger & Me" was apparently a baldfaced lie. Not only did Roger Smith not duck Moore; he in fact talked with him twice. This uncowardly footage was edited out, naturally.

The point Melnyk and Caine make is that Moore's filmmaking techniques involve outright deception. Thus their

movie raises (but alas, doesn't explore in any depth) a number of interesting questions about documentaries as a film genre. What editing and other techniques are legitimate in making a documentary? And given the fact that virtually all documentaries are made from some political or social perspective, are they all inherently just cinematic propaganda? Certainly, contemplating Moore's work would give you that impression.

"Manufacturing Dissent" is an even-handed critique of a major moviemaker, one that makes the viewer think about the obligations of documentary makers generally. It is well worth renting. □

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**"The Reluctant Fundamentalist," by Mohsin Hamid. Harcourt, 2007, 208 pages.**

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# Cultures Collide

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Jo Ann Skousen

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As this novel begins, two strangers meet, apparently by chance, on a street in Lahore, Pakistan. Changez, the bearded young Pakistani who narrates this tale, firmly but politely guides his unnamed guest to a particular cafe where the two strangers sip tea and then share dinner. As the afternoon changes to dusk and then to night, Changez relates his story to his increasingly reluctant guest. The son of a once-privileged Punjabi family, Changez studied at Princeton, landed a job as an analyst for a top Manhattan valuation firm, and fell in love with the daughter of a privileged New York family. He loved his American life.

Then, on a crisp September morning, while Changez was in the

Philippines examining a potential takeover acquisition, the Twin Towers were destroyed by Muslim fundamentalists, and Changez began to change, or to change back, reexamining who he was as he tried to understand his reaction to the news: "Despicable as it sounds, my initial reaction was to be remarkably pleased."

"The Reluctant Fundamentalist" is not about fundamentalist religion but about examining the fundamentals of what we value, and what contributes to our own value. Changez's job examining the fundamentals of companies ripe for takeover — "teasing out the true nature of those drivers that determine an asset's value" — becomes a subtle metaphor throughout the book for a new kind of war, demanding firmly but

politely that readers evaluate the fundamentals of the community in which they live, a community that just might be ripe for takeover.

Changez's name is another subtle metaphor, with more than one meaning. Obviously it refers to change, and one point of the novel is to reveal how an ally, one who felt that he was "immediately a New Yorker," changes into a terrorist sympathizer. We see our world through his eyes, eyes that look out from a bearded Pakistani face. He describes returning to New York after 9/11:

I was struck by how traditional your empire appeared. Armed sentries manned the check post at which I sought entry; being of a suspect race I was quarantined and subjected to additional inspection; once admitted I hired a charioteer who belonged to the serf class lacking the requisite permissions to abide legally and forced therefore to accept work at lower pay; I myself was a form of indentured servant whose right to remain was dependent upon the continued benevolence of my employer.

On another level, Changez's name reminds us of the currency exchange kiosks we see when traveling through foreign countries, and this is another underlying theme of the novel: America is on the cusp of being "changed" by a world increasingly reluctant to accept its domination. Changez observes that "finance was the primary means by which America exercised its power," but we are at a point of "sea change" today, when America's currency, once so strong and dominant, is being replaced by the euro as the international currency of choice. And note the double meaning of the word "currency"; it refers to money, but also to relevance. "Most people don't recognize that," he warns. "They try to resist change. Power comes from becoming change."

Nevertheless, there is no overt hostility in our narrator; his tone is gentle, polite, and considerate, reminiscent of butler Stevens in Kazuo Ishiguro's "Remains of the Day," as he urges the unidentified American to take tea and then dinner with him. The book is written entirely as a one-sided conversation, with the American's actions and words revealed through the narrator's words, in the way that comedians like Bob Newhart deliver a phone

conversation skit: "Where are you walking? The Pearl Continental you say? I will walk you. No, it is not far." The technique emphasizes the young Pakistani's complete control of the situation, despite numerous hints that the American is packing a pistol and is uneasy enough to use it.

Despite Changez's solicitous politeness toward his guest, we become increasingly aware of the tension developing between them. When the American chooses a seat "with [his] back so close to the wall," we initially relate to him as a tourist; who wouldn't be nervous, traveling through a country where allies and traitors all look alike? But there is a hint of something sinister about this American visitor with the "bulge [that] manifests itself under the lightweight fabric of [his] suit." Is it, as Changez helpfully suggests, simply his "wallet"? We don't know for sure who is the hunter and who the hunted, but we become uneasy that something sinister is afoot.

"The Reluctant Fundamentalist" is powerfully evocative, drawing the reader reluctantly toward an understanding of this likable Muslim's attitude toward the events that occurred on, and more importantly after, 9/11. "As a society you were unwilling to reflect upon the shared pain that united you with those who attacked you," Changez tells his guest, reminding us of the squandered good will that was

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*Changez's contention that his family is innocent is valid. But does that make retaliatory terrorism valid as well?*

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poured out toward the United States in the early aftermath of the attacks. "You retreated into myths of your own indifference, assumptions of your own superiority. And you acted out these beliefs on the stage of the world, so that the entire planet was rocked by the repercussions of your tantrums, not least my family, now facing war thousands of

miles away," in Pakistan, an ally of the United States.

"Tantrums" may be an unfair characterization of our community's fundamental reaction to the senseless killing of thousands of innocent people, but Changez's contention that his family members, and the families of most Iraqis for that matter, are just as innocent is disquietingly valid. But does that make retaliatory terrorism, even

reluctantly applied, valid as well?

Hamid never reveals on whose side he stands, the American's or Changez's. His narrator's polite demeanor and compelling story belies the mind of a madman as cunning and vengeful as Fortunato's foe in Edgar Allan Poe's "The Cask of Amontillado," yet he subtly suggests that behind the American's growing unease is a story just as sinister. □

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**"Nanking,"** directed by Bill Guttentag and Dan Sturman. Think-film and HBO Documentary Films, 2007, 88 minutes.

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# Forgotten Horror

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Gary Jason

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A brilliant but profoundly disturbing documentary from last year is now available in video rental stores. "Nanking," written and directed by Bill Guttentag and Dan Sturman, tells the story of the brutal conquest and violation of Nanking — then the capital of the Republic of China — by the Japanese in 1937. The project was conceived and financed by Ted Leonsis (vice-chairman of AOL) after he read Iris Chang's best-selling history of the battle for and occupation of the city. (Indeed, the movie is dedicated to her memory).

I can't recall ever seeing as well-done and moving a documentary. The directors use three mutually reinforcing and powerful techniques for advancing the story. First, they use actual news footage of the events covered in the narrative, footage that was smuggled out of the city during the pitiless occupation. Second, they interview (now quite elderly) witnesses to the events, both Chinese who recount

the horrors which they endured, and — in my view the most potent device of all — Japanese troops who participated in the atrocities who recount the horrors they inflicted. Third, they use actors, including Woody Harrelson, Mariel Hemingway, and Jurgen Prochnow, who read from the letters and diaries of Westerners who were in the city during the Japanese occupation.

These dramatic readings are crucial in driving the narrative. I don't think it is widely known among the public that there were a fairly large number of Westerners living in Nanking before the war — mainly businessmen, missionaries, and teachers. A group of them elected to stay as the Japanese conquered the city in order to help save the local population.

The story is built around the Westerners' establishment of and their attempt to maintain a neutral "Safety Zone," which angered the occupying Japanese enormously. For one thing, the presence of Westerners guaranteed there would be witnesses to the

ongoing depredations. But the Japanese were limited in what they could do, because some of the Westerners were Americans (and Japan was not yet at war with the United States), others were clergy (so hurting them would risk bad publicity), and — in one of the great ironies of history — one of them was a powerful German businessman well-connected to the Nazis (Japan's allies).

The Westerners managed to save an estimated 250,000 from being slaughtered by the depraved troops. Watching the footage and listening to the narration of the mass killings, rampant looting, and the endless orgy of raping of young women and girls is absolutely agonizing. Japanese soldiers executed tens of thousands of Chinese soldiers who had surrendered — in one case, the Japanese gave the helpless POWs the choice of being shot, bayoneted, or burned. In one memorable scene, an elderly Chinese man weeps as he tells about seeing his mother bayoneted as

she nursed his baby brother.

In another riveting scene, a Japanese ex-soldier cries as he says he can still hear the screams of the POWs who were shot and bayoneted.

Any documentary takes a strong point of view. But this one rings true to history, I believe, although many Japanese have denounced it as propaganda. In one of the closing scenes, reference is made to the enshrinement of Japanese war dead from this period. The brutalizing of China by the Japanese in World War II remains a very hot issue, with the Japanese failure to acknowledge the war crimes committed by their military causing intense resentment among the Chinese to this day. So it is no surprise that while this movie premiered in Beijing, it has yet to be shown in Japan — and likely never will be.

This is a stark, dark, emotionally unsettling movie, but a vital one. Rent it and watch it, but be prepared to be overwhelmed by sorrow. □

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**"Journals: 1952–2000,"** by Arthur M. Schlesinger, Jr., Ed. Andrew Schlesinger and Stephen Schlesinger. Penguin, 2007, 908 pages.

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# Survival After Death?

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Robert Watts Lamon

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Arthur M. Schlesinger, Jr. (1917–2007), is a name I first heard and read about in the '50s, when he was a liberal bete noir of the early editors of *National Review*. I read two volumes of his "Age of Roosevelt," never realizing that they were the frog kicks that kept him financially afloat in the brisk stream of elite-liberal social life. This tidbit and a sea of such minutiae, along with passing

comments on issues and events, are contained in Schlesinger's "Journals," a book noteworthy for the string of famous names that runs through it like Rapunzel's hair.

Well educated and with a famous father, Schlesinger entered the halls of power — there's a swinging door for Harvard graduates — which led, at length, to a multiplicity of social attachments and luncheons, dinners, and parties, including the famous

Kennedy affairs in which people leaped fully clothed into the swimming pool. Apparently, Schlesinger delighted in these saturnalias. The Kennedys took him into their circle and Adlai Stevenson into his, and he got to know Mick Jagger, Averell Harriman, Pamela Harriman, Joe Alsop, McGeorge Bundy, Antonia Fraser, George Kennan, Jean Kennedy, Fidel Castro, Yakov Malik, Margaret Thatcher, Diana Trilling, Marietta Tree, and so on, and on, and on. So great were his social entanglements that he was never able to complete the final volume of his series on FDR and the New Deal. He preferred the best food and a good supply of strong drink. He hated curry and denounced it tactlessly, and his drinking included a routine lunchtime martini — the Century Club's were hefty — and bourbon before dinner. Amazing that elite drinkers are so long-lived.

Like his hero, Franklin Roosevelt, he preferred the company of women. Toward conservative women — such as Peggy Noonan, Kay Bailey Hutchison, and, yes, the lioness Margaret Thatcher — he was forgiving. Toward conservative men, he was frequently harsh in his judgments, to the point of irrationality. He was likely to find liberal men intelligent, entertaining, with a grasp of the issues; he reserved his bile for neoconservatives like Norman Podhoretz and Charles Krauthammer. As for his Harvard '38 classmate, Cap Weinberger: "he had the quiet lucidity of a madman." There were exceptions, one of whom was William F. Buckley, Jr., whose wit and learning matched his own. Another was George Will, an "affirmative government conservative" and hence acceptable. Still, the author of "Journals" liked to repeat stories of Ronald Reagan's supposed goofiness and tendency to bore, even as he treated George Kennan with near reverence. But in the end, it was President Reagan who rescued the West from the fear and uncertainty promoted by the Kennans and the Schlesingers. On this point, Peter Schweizer's book ("Reagan's War," Doubleday, 2002) is worth reading.

Henry Kissinger is often mentioned in "Journals." Schlesinger was his apparent confidant, especially on the subject of Richard Nixon. Kissinger confides that Nixon was "both more evil and

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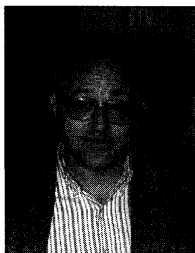
**Charles Murray** is a scholar at the American Enterprise Institute and author of the still-controversial "The Bell Curve." His most recent book is "In Our Hands."

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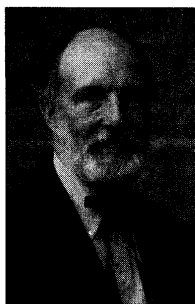
**Jo Ann Skousen** is an adjunct professor of English at Rollins College and is the entertainment editor of Liberty.

◀ **David Friedman** is a professor of law at Santa Clara University, and author of "The Machinery of Freedom," "Future Imperfect," and other books. The paperback edition of his novel "Harald" has just been released, and the first two chapters of his newest novel, "Salamander," are online at [www.DavidDFriedman.com](http://www.DavidDFriedman.com).



**Stephen Cox** is editor of Liberty and has appeared in every issue since its founding. He is a professor of literature at the University of California, San Diego, and is the author of "The Woman and the Dynamo: Isabel Paterson and the Idea of America," "The New Testament and Literature," and other books.

◀ **Randal O'Toole** is a Cato Institute Senior Fellow who specializes in transportation, land-use, and environmental policy. His latest book, "The Best-Laid Plans," calls for the repeal of "planning" laws and regulations, and offers specific reforms for social and environmental problems.



**Gary Jason** is an adjunct professor of philosophy at Cal State University, Fullerton, the author of "Critical Thinking" and "Introduction to Logic." His company, Global Access Telecom, is an independent telecom agency.

◀ **James Walsh** is an assistant editor of Liberty, and the author or co-author of several books on politics and popular economics. His latest books are "Scams & Swindles" (co-author) and "Libertarian Nation: The Call for a New Agenda" (scheduled for release in Fall 2008).





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better than people suppose," and further describes him as lazy and weird, but not weak. More: Nixon lied "without point or purpose." Yet the author worries about Kissinger's duplicity: "I cannot rid myself of the fear that he says one sort of thing to me and another sort of thing to, say, Bill Buckley." Kissinger mentions the need to preserve institutional authority. "Lugubrious ruminations," says Schlesinger, "Teutonic habits of thought."

Schlesinger takes out against Herman Wouk's "The Caine Mutiny Court Martial"; his friend Marlene Dietrich thought it was a Nazi play. Actually, it was a very fine represen-

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*Schlesinger entered the halls of power — there's a swinging door for Harvard graduates.*

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tation of the conflict between an officer's duty to rank and precedence and his immediate responsibilities to an endangered ship and crew. Schlesinger is partial to the character Tom Keefer, writer, intellectual, and officer-for-the-duration-of-the-war, who, on the witness stand, backs down rather than defend his own opinions. In the end, the defense counsel, Barney Greenwald, throws a drink in Keefer's face. Odd that Schlesinger should side with the craven intellectual, and show no sympathy for the broken old sailor, Queeg.

I noticed, with a kind of nostalgia, that Schlesinger uses the word "democracy" in the same way that conservatives and libertarians use "freedom" and "liberty." Apparently, he saw majorities as naturally infused with divine wisdom — a common attitude among campus liberals in the 1950s. Indeed, "Journals" effulges with the '50s pragmatic liberalism that radiated from Harvard like a death ray. But pragmatic solutions to whatever the liberals labeled as problems had a way of making things worse, despite the fact that they had at least the tacit approval of the majority of American voters.

The Bay of Pigs fiasco, which Schlesinger dwells on, was a bizarre example of both the pragmatic liberal mind at work and of the way in which government solutions emit unintended consequences like so many neutrons. It was a patchwork operation, relying on rusty old tubs, obsolete aircraft, and a vastly undermanned, underequipped assault force. The idea that the Cuban people would rush to support the landing brigade was a delusion. Castro knew the invasion was coming and rounded up people of questionable loyalty to himself. Once ashore, the Cuban exiles fought with great courage and skill and, man for man, were better fighters than Castro's militia. They deserved better than they got from Washington.

The new Kennedy administration wanted the operation to defeat Castro but also wanted to conceal its American support. It failed to achieve either objective. As James Burnham points out, the operation "used just enough force to assure the worst possible result from all points of view." "Liberalism," Burnham concludes, "is the ideology of Western suicide."

Indeed our foreign policy remained in the hands of nuts-and-bolts pragmatists, as half of Europe and all of China were lost, and our sworn enemies infested the Third World. Schlesinger quotes pragmatic liberal Clark Clifford: "Every other President has tried at some point to get along with the Soviet Union. This President [i.e., Reagan] has chosen not to get along with the Soviet Union." As Peggy Noonan might say — that was Reagan's secret.

But "Journals" seldom comments at length on the issues. Its tone is chatty, and its commentary more casual than detailed. Although Schlesinger resented the post-mortem gossip about President Kennedy, the sales of "Journals" will likely derive from the same curiosities that were fed by Ben Bradlee and Seymour Hersh. The Schlesinger gossip is relatively tame, although it occasionally startles, as when he reveals Adlai Stevenson's delight at the death of President Kennedy. Startling, too, but not surprising, are the insults hurled at Attorney General Robert Kennedy by James Baldwin, Lena Horne, Harry Belafonte, and their associates. The adulterous habits of Nelson Rockefeller are far more sad than interesting.

Given the tenor of "Journals," the author's omissions are curious. Perhaps he was too gallant to mention the strange case of Mary Pinchot Meyer and too much a friend to mention Philip Graham's ordeal prior to his suicide.

Mary Meyer was an elite Leftist, a follower of Timothy Leary, and the ex-wife of a CIA official. She was also the mistress of President Kennedy at the time of his death. Eleven months later, on Oct. 12, 1964, while walking along an old towpath in Georgetown, she was shot to death. The murder remains a mystery and the source of predictable speculation.

Phil Graham was married to Katharine Graham and became President and CEO of the Washington Post. Given to strong drink and mood swings, he took a mistress to an editors' convention, uttered provocative words there, and, in the process, revealed the affair between Mary Meyer and JFK. For such conduct, he was bound in a straitjacket and hauled off to a psychiatric hospital. Thus we treat unhappiness. On Aug. 3, 1963, after his release for good behavior, he took his own life with a small-bore shotgun.

Certainly, as history, the Mary Meyer and Phil Graham cases are far more interesting than Cy Coleman's opinion on the Gulf War, which, for some reason, the author (or his editors) chose to include.

Schlesinger does mention Jacqueline Kennedy's evaluation of Richard Nixon — "that scurvy little thing." Nixon is a persistent villain in "Journals," and

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*Schlesinger was likely to find liberal men intelligent, entertaining, with a grasp of the issues; he reserved his bile for neoconservatives.*

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his faux pas are always fair game. At de Gaulle's funeral, did he really say, "This is a great day for France"? As the author's new neighbor in New York City, Nixon was worthy only of scorn,

rather than a courteous welcome and a handshake. Perhaps the author's Kennedy friends had tied his hands.

Even Nixon's greatest claim to achievement — the opening of Communist China — is denied him. The two Communist powers, China and the USSR, had separated for their own reasons, "Journals" informs us; the United States had nothing to do with it.

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*Apparently, he saw majorities as naturally infused with divine wisdom — a common attitude among campus liberals in the 1950s.*

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But didn't Nixon's pilgrimage widen the schism and use it to our advantage? For some years, the Soviets and the Communist Chinese had differed over the proper posture to take toward the Free World. China under Mao Tse-Tung was actually the more bellicose. In light of this, Nixon's accomplishment becomes obvious. In a moment, he transformed our most determined enemy into a nation leaning away from the Soviets, with a tilt toward the West.

Nixon was a poor man's son. I suspect this led to the awkwardness he displayed in the sophisticated world in which he later traveled. And he lost two brothers to tuberculosis. TB is a demon that never stops pursuing the family it strikes, and it likely added to his sense of isolation. He was shy, introverted, yet he forced himself into public view, even in college, and eventually sought the most public job on earth. I've often wondered about Nixon's struggles, about how he must have steeled himself every day of his political life. By comparison, Schlesinger's life was only semi-public, a life among the educated elite begun under his father's tutelage. He was, to a degree, sheltered by the regiment of prominent people who were his friends.

He was a whisperer to the political horses of modern liberalism, especially to the Kennedys, who remained the great white hope of American liber-

als until the Chappaquiddick disaster dimmed, though didn't quite extinguish, the Kennedy glow. Ted Kennedy ran dutifully for president, even though it was clear that the incident at Dike Bridge had made victory impossible. He was nudged along by the Kennedy entourage and certainly shared their snobbish disdain for Jimmy Carter. Carter appeared too conservative and was one of those "Southern bastards." Odd that Jacqueline, who had predicted Robert Kennedy's death when he ran for president, should have been "rather thrilled" by Ted Kennedy's challenge to Carter.

Speaking of attacks on men's lives, Schlesinger manifests his anti-conservative bias in his response to the assassination attempt against President Reagan: "I could care less about Reagan and am sure Bush would make a better president, but the whole business rekindled old emotions and left me surprisingly upset." Surprisingly upset? By the shooting of President Reagan? Perhaps we should be grateful for such civilized emotions, even though they took him by surprise.

Inevitably, "Journals" takes us through the dreary debate over the Vietnam War. Schlesinger, a McGovernite dove, describes Ralph Ellison's complaints about being isolated for his hawkish position on the war. In her book "Innocents of the West," Joan Colebrook details the isolation of James T. Farrell, who believed our victory in Vietnam was essential. It may be that the elite Left wasn't granting its dissidents the same tolerance it granted to any hooligan who kicked in a storefront window.

Schlesinger reveals that Sen. J. William Fulbright — an early opponent of the war — was President Kennedy's first choice for secretary of state. But as a Southern segregationist, he could have, as a nominee, excited black and Jewish opposition. Adlai Stevenson, who wanted to be secretary of state more than he wanted to be president, was rejected as too controversial. And so, Dean Rusk assumed the office and during his long tenure, with its endless war and endless promises of victory, became a chief villain to the doves. Half a war was worse than none.

I suppose that, with all his credentials, awards, enormous writer's

oeuvre, and wide circle of friends, Arthur M. Schlesinger, Jr., spent much of his life missing the point. He certainly overestimated the stability of the Soviet Union. His deeper thinking, when it wasn't wrong, produced little that didn't arise from the obvious flow of events. The same can be said for his friend and Harvard colleague, John Kenneth Galbraith, who extended pragmatic liberalism to the point of Saint-Simonianism.

As to Schlesinger's justification for welfare — "the price we pay for social peace" — it's just plain nonsense. Paying people to be poor produced an enormous underclass, whose warrens became oceans of unrest, especially during that "slum of a decade," the '60s. When President Clinton signed the Republican welfare bill in 1996, he was simply acquiescing to the public mood, as expressed in the 1994 elections and, to a degree, created by the 1992 Los Angeles riots. Wasn't the Clinton signing an example of democracy as Schlesinger himself envisioned it?

"Journals" will appeal to New York's elite society and its buffs, the Vanity Fair readership, and their Washington counterparts. (They should beware the

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*The Schlesinger gossip occasionally startles, as when he reveals Adlai Stevenson's delight at the death of President Kennedy.*

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typos in the hardcover edition — perhaps the price of rushing a timely book into print.)

P.J. O'Rourke sees the book as on its way to being forgotten, along with its author, but his witty review for the Weekly Standard may underestimate both. The Schlesinger series on Roosevelt may well remain an important contribution to historiography and to letters. And "Journals" should thrill those who remain nostalgic for the days when the Kennedys were America's royal family, and statist liberalism was its political cynosure. □

## Ron Paul and the Republicans, *from page 30*

But it was 4:45, and the convention could not take on new business after 5:00 unless the rules were suspended by a two-thirds vote. The McCain people ordered their delegates back into the hall, and the Paul forces lost the two-thirds vote. The convention was automatically adjourned.

Few of the Paul people had ever attended a political convention before; some of them tended to interpret every loss as cheating. Many were angry at the McCain supporters' undemocratic exit from the floor. But walking out to frustrate a quorum call is a legal tactic — just as it was legal tactic for the Paul people to gain a majority by sticking around. Paul had won only 8% of Republican votes in the Washington primary; McCain had won 50%. The Paulians' claim to represent the party was not the strongest.

Then there was the question of behavior. Watching on TV, I thought the two sides seemed fairly civil. And the convention chairman, KVI-AM host Kirby Wilbur, who had been a Fred Thompson supporter, told me that from the dais it seemed as if "both sides behaved themselves pretty well."

Up close, however, it was not always decorous — and it would do libertarians good to hear some of the criticisms of the Paul people. Wrote McCain supporter Ken Howard on SoundPolitics.com: "When we voted not to add an amendment to the platform opposing animal tracking ID . . . we were called fascists and were accused of wanting the government to track each one of us."

A McCain delegate told me he saw two guys carrying a McCain sign with the "C" made into a hammer and sickle — a preposterous libel of a man who was held in a communist prison camp.

Another McCain delegate told me he had talked to seven Paul delegates for more than an hour, and was surprised at how "paranoid" four of them were — two of them saying they thought Bush was going to cancel the election, that the country was on the verge of a dictatorship, and so on. There is even a name for such people: "Ronulans."

Only a minority was like that. The average Paul person minded his manners — but still was seen as an immovable ideologue. Wrote Seattle delegate Brian White: "I appreciate

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*Few of the Paul people had attended a political convention before; some of them interpreted every loss as cheating.*

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much of what Dr. Paul stands for, and believe the GOP needs to be more attentive to the issues raised by the Paul campaign. However, the Paul supporters, in general, were not interested in being part of a compromise." White wondered whether the Paul people would continue to work for the party "or if they will drift back to their Libertarian dens."

These are criticisms worth hearing. The Republicans are a big-tent party. If they are willing to admit the Paul supporters, they have to accommodate them, and stop questioning their *bona fides*.

But the Paul people also have to make accommodations. They do not have to give up their ideas of limited government, constitutionalism, a strong dollar, and an America first foreign policy. But they can't be nutty. If they start talking about ID chips embedded in human flesh and the dollar being

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*A delegate saw two guys carrying a McCain sign with the "C" made into a hammer and sickle — a preposterous libel of a man who was held in a communist prison camp.*

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replaced by the amero, they take on an odor of weirdness. And they have to be civil. You don't use verminous names like "fascist" on somebody in *your* party.

And being in the party probably means, at the least, that they not campaign *against* the party's nominee after he is nominated.

All easily said — but ask a McCain man what accommodations cannot be made and the first thing is the war. A man on the state platform committee writes: "The Republican Party cannot put the war on the table."

He suggests that at the state level, the party might focus on "fiscal discipline, limited government, judicial restraint" and "less discretionary rulemaking power to unelected bureaucracies." Agree not to talk about the war, and the McCain and Paul people could work together at the state level. "But I don't know if the Paul people would buy that argument," he writes.

Maybe not. Paul's movement has not been *about* the states. It has been about the federal government; and at the center of Paul's criticism of America's military, fiscal, and constitutional overstretch is the war.

I asked Luke Esser, the party chairman who was at the Paul rally last year, whether he thought the Paul people are Republicans. Yes, he said. Most of them are. He welcomes them — to *join*.

I asked whether the war was debatable. Yes, he said, carefully, it was. But he added, "They have to be prepared to lose that debate." Mentally I added the words, "at least for now."

To a person in the Paul camp I suggested that the chance for a change in the party's view on the war will come after Bush is gone and America leaves Iraq. Our forces *will* leave, I said. Then the Republicans can start their foreign-policy thinking fresh, with some new Paul people in and some of the old neocons out.

"Maybe," the Paul guy said.

Better than maybe, I think, given that enough Paul supporters stay in, stay civil, and stay focused. *If they do.* □

## Letters, from page 6

universities, would that prove there was no anti-Semitism in the Third Reich? It is a fallacious argument.

Going farther afield from the point of the film, Rand defends Darwinism by declaring it to be science, and claiming that Intelligent Design is not worthy of the term. As evidence for the latter point, he states that "ID theorists . . . do not publish in peer-reviewed journals." Such as the paper published by Dr. Sternberg that drew Darwinist wrath down upon him? Little wonder Intelligent Design theorists do not publish, if the journals prejudicially deny them access because "they do not practice science." That is the point of the film.

At this juncture, it is clear Rand is not evaluating the message of the film, but is caught up in his own opposition to Intelligent Design. He concludes by condemning Intelligent Design as a "Trojan Horse" because some of its investigators have a frankly Christian motive. One could as well condemn the time-tested laws of mechanics because their discoverer, Isaac Newton, had frankly Christian motives. This is another fallacious argument. Finally, there is no film review left to consider. Rand denounces the film as dishonest, and refuses to offer even lip service to the idea that free inquiry should take precedence of Darwinist dogma. By this omission, he has identified himself as part of the problem.

Intelligent Design vs. Darwinism is only a particular example of the profoundly troubling problem of contemporary scientific dogmatism (though the film does not develop this general problem in detail). When Emmanuel Velikovsky brought out his theory of historical planetary encounters ("Worlds in Collision," 1950), the science community notoriously attempted to squelch its publication. We see it in the press today with attempts by global warming advocates to claim that "the science is settled," that "a scientific consensus" for anthropogenic global warming is established, and that critics are no better than "Holocaust deniers" (therefore, they should just shut up). It has shown up in astrophysics with the ostracism directed against Halton Arp, whose astronomical observations threatened a refutation of Big Bang theory, and who was ultimately denied observing time at American telescopes (he had to move to Germany

in order to continue his research).

Liberty in politics cannot exist without liberty in thought and speech. If any among us hold anything higher than this, they need to search their souls.

Michael J. Dunn  
Federal Way, WA

**Rand responds:** I agree with Michael Dunn that "dogmatism . . . should not stifle free inquiry." Our disagreement stems from my conviction that "free inquiry" in science involves an honest and informed search for truth. I will not here rehash the evidence that the makers of "Expelled" have no such concern; interested readers may refer to my review at [www.libertyunbound.com](http://www.libertyunbound.com). I will address those of Dunn's claims which have not already been addressed.

Dunn maintains that "Darwinism" "contributed directly to the motivations of the Nazi regime." To support his assertion, he accurately parrots the film's misquotation from Darwin's "On the Origin of Species," and makes what is to my mind a horrific assumption: that if somehow "Darwinism" entails eugenics, it's only natural that its adherents would decide to exterminate the Jews.

One might make an argument that "survival of the fittest" implies standing by while the weak perish; one might even argue that it implies actively culling the herd. I believe that even the former is mistaken, but it's irrelevant to this case, because the Jews are no weaker or unfit than any other group of humanity. What's more, neither Hitler nor the German people had any reason to believe that the Jews were weak or unfit. Hitler clearly hated the Jews (for reasons that are unclear, but cannot be blamed on Darwin) and discovered that by demonizing them he could expand his power. Persecution of the Jewish people predates the Crusades — it even predates Christ. (Probably also Darwin's fault.)

Dunn also maintains that I've "garbled the facts of" Dr. Sternberg's firing, and points out that he had "not resigned his position; he had intended to resign his editorship." First, as Dr. Sternberg's own website verifies, he had not *intended* to resign his editorship — he *had tendered* his resignation before publishing the

ID article. Second, I make no pretense (now or in my original review) of understanding which of Dr. Sternberg's three positions "Expelled" claims he lost. As I noted in my original review, and as is documented in the U.S. House of Representatives Staff Report Appendix (2006) regarding Sternberg's complaint (available online — there's a link from Sternberg's website), he resigned the editorship before the controversy, and was (and still is) an unpaid research associate at the Smithsonian, and was (and still is) an employee of the National Institute of Health. Mr. Dunn, are you claiming to have more knowledge than Dr. Sternberg about his positions? I have "hear[d] the defense of the accused"; it appears you have not.

Nowhere do I make the claim that "discussion of ID at '100+ universities and colleges' . . . disproves the film's complaint that critics of Darwinism have been unjustly treated." Although I maintain that critics of "Darwinism" have in fact been treated fairly, my claim regarding the teaching of ID at those universities and colleges is only that it demonstrates that, contra Stein, contra Dunn, ID proponents are allowed to argue their case within the walls of the academe.

I stand by my condemnation of ID as a Trojan horse designed to sneak Christian fundamentalism into public schools, but not because "some of its investigators have a frankly Christian motive." Every one of its prominent proponents belongs to the Discovery Institute, whose goal "[t]o replace materialistic explanations with the theistic understanding that nature and human beings are created by God" was obvious even before its infamous "Wedge Document" was leaked in early 1999. Even more tellingly, the first modern use of the term "Intelligent Design" was in the *public school science textbook* "Of Pandas and People," where it served as a last-minute replacement for over 100 instances of "creation," "creationism," and "creation science," (while "design proponents" replaced every instance of earlier drafts' "creation scientists").

Dunn's reference to Newton is not surprising; pseudo-scientists and their defenders are quick to claim kinship with famous scientists of old. (The scientist most often used for the purpose is Galileo; for obvious reasons, that analogy would not serve Dunn well.) Dunn

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Details are on pages 48–49.

is correct that Newton was a devout Christian whose work was motivated by his desire to understand the work of his Creator. The relevance of the comparison ends there, however, as Newton's work assumes a Creator who *never intervenes* in the workings of his creation. Among other things, Newton's work definitively removed the need for angels to keep the planets in their orbits. ID "science" is nothing more than an attempt to find new roles for those displaced angels.

The comparison with the supposed suppression of science disputing anthropogenic global warming is ideal. Why? Because prestigious journals of science continue to accept and publish papers which dispute the claim that anthropo-

genic global warming is anything to fear. The specifics of these papers vary, but they have several things in common: they make specific, testable, falsifiable predictions; they present data that supports their argument and consider alternative explanations; they refrain from depending on supernatural intervention.

As for Halton Arp, although his major hypothesis has been more or less refuted, he continues to do legitimate scientific research, and therefore still manages to have new papers published in scientific journals. As always, the criteria for publication are unrelated to the popularity of the hypothesis.

Finally, I can hardly suggest a more apt analogue for ID scientists than

Emmanuel Velikovsky. It seems we've finally found something on which we can agree.

#### Letters to the editor

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## The Battle for the Libertarian Party, *from page 28*

### Monday, May 26

By the next morning, all that was left unsettled was the election of an LNC, and the staking out of a seat on the airport shuttle. I took to the floor one last time to say goodbyes and ask for parting thoughts. Near the front of the stage I caught Mary Ruwart, with Steve Kubby alongside, waiting on the results that would see Ruwart and her campaign manager into LNC at-large seats. Any last things to say about the 2008 LP Convention? Ruwart, staring daggers, said nothing: not a word about the position she was expecting to win, not a word about how this would give her both the opportunity and the authority to keep the Barr campaign on message, not a word about how the assembly had seemingly endorsed (and the Barr-Rooters conceded) this authority by making the at-large committee majority radical. After a few awkward seconds Kubby came to the rescue in a small-scale recapitulation of his Sunday heroics: "We're here to support the ticket. It'll be a great year for the party, and a great year for liberty."

Barr-Root should deliver the biggest vote total and percentage ever for an LP presidential ticket, so Kubby ought to be proved right. If so, thanks are due him for rejecting the all-or-nothing, purge-or-walkout approach that has too

often characterized the party — and thanks are due as well to those radicals, including Mary Ruwart, who however hesitantly have followed his lead and found positions from which they can respect both the mandate of the delegates and their own consciences. With the nomination in hand, Barr's campaign could pull in votes with or without the backing of the "libertarian wing of the Libertarian Party." But any gains he realizes at the national level will never carry over to 2010 or '12, nor will they translate into gains for state and local candidates, unless all factions of the party are working toward those ends. If the LP is to mean anything, if it is to present a vision of liberty compelling enough to hold the attention of the American public, it needs both radicals and moderates, idealists and gradualists: those who can maintain the vision, and those who can show the steps it will take for that vision to become reality.

If Barr holds strong on his rhetoric, showing that his journey down the "Road to Damascus" has only just begun . . . and if the radicals can keep the schismatics from creeping back in and bringing down the alliance through snipes and purity tests . . . then the LP stands to enter 2009 the strongest it's ever been. But those are big ifs, and 2008 has a while yet to go. The battle continues. □

## The Soft Touch, *from page 40*

People in Yemen or Sudan or Iran, people who, by and large, don't seem to like America very much, care enough about our politics that the major — maybe, even, the only — universally accepted news outlet in the Muslim world gives them the opportunity to vote in a straw-version of our Democrat primaries.

Al Jazeera has discussion groups, too. Under the heading of "Most active discussions," right along with "Should the Israeli Prime minister step down?," "60 years of Israel, your views," and "What does Egypt's emergency law mean for human rights?" Al Jazeera had: "Should Clinton pull out of the Democratic nomination race?"

People from Syria use Al Jazeera to debate people from

Qatar about whether Hillary is gutsy for staying in or just a plain jackass.

I'm not sure what to make of all this. Thoughts of the corrosive soft power of our culture run through my mind. Thoughts that if we would just leave our army at home the entire planet would be American within a generation cross my mind, too. My mind could probably come across with a lot more thoughts that everybody else has already had, but the thought I like best is from Steve Bevan: "People all over the world who have no power in their own politics feel like they can participate in yours. That is something that should make you Americans very proud."

John Ford movies make me proud of America, too. □



## Denver

Forward- and upward-looking legislation, reported in the *Rocky Mountain News*:

A video that purportedly shows a living, breathing space alien was to be shown to the news media May 30.

Jeff Peckman, who is pushing a ballot initiative to create an Extraterrestrial Affairs Commission in Denver to prepare the city for close encounters of the alien kind, said the video is authentic and convinced him that aliens exist.

An instructor at the Colorado Film School in Denver scrutinized the video "very carefully" and determined it was authentic, Peckman said. "It shows an extraterrestrial's head popping up outside of a window at night, looking in the window, that's visible through an infrared camera." The alien is about 4 feet tall and can be seen blinking.

In 2003, Peckman authored an offbeat ballot initiative that would have required the city to implement stress-reduction techniques. The "Safety Through Peace" initiative failed, but garnered 32% of the vote.

## Palm City, Fla.

Hubris in the Sunshine State, from the *Port St. Lucie News*:

Margot "Peggy" Cioffi, the leader of a Treasure Coast-wide agency established to provide classes for people convicted of driving under the influence of alcohol or drugs, was suspended from her job in the wake of her DUI arrest.

An auto accident on Martin Downs Boulevard in Palm City led to Cioffi's arrest about an hour and a half later at her home in the Lighthouse Point subdivision, a deputy's report says. Cioffi was accused of striking another car with her Nissan SUV near Matheson Avenue, driving home, pulling away from a deputy as he tried to handcuff her, and screaming so loud neighbors came out of their homes.

"Peggy grew that organization from just a DUI school into a four-county program that was not only educational, but also handled probation services," Suzanne Caudell, now acting director, said. "She has done a lot of good for the community over the years."

Cioffi, whose blood alcohol level was measured in a breath test at 0.336, could not immediately be reached for comment.

## Seattle

Provision for appropriate levels of innuendo in a cultural event, in the *Seattle Times*:

After incoming executive director of the Lifelong AIDS Alliance David Richard ordered drag queen Glamazonia to clean up her act, she said she was "canned with no further comment." Lifelong disputes that, saying that the drag queen failed to complete the proper anti-harassment training.

Glammie (aka Thom Hubert) was the reigning queen of Lifelong's signature fundraiser, Gay Bingo. She was asked to ease up on the sex talk, and stop using two words that offended some Gay Bingo sponsors and participants. "I think we can still have a gay, sassy Gay Bingo without having to go to those depths," Richart said.

## Des Plaines, Ill.

Weeping and gnashing of teeth, from the *Chicago Sun-Times*:

A teacher at Maine West High School claims in a lawsuit that he was defamed and suffered "immediate emotional distress, embarrassment and humiliation" after he left a phone message on the private parish line of the Rev. Luis Alfredo Rios, who then played the phone message during two Sunday mass services.

The message: "Father Rios, this is Angel Llavona. I attended mass on Sunday and I have seen poor homilies, but yesterday broke all records."

According to Llavona, Rios told the congregation, "This is the person in charge of religious education here last year. . . . What should we do? Should we send him to hell or to another parish?"

"Disharmony or disagreement between a priest and his parishioners is always unfortunate," said diocese spokeswoman Penny Wiegert.

## Lewiston, Idaho

The high standards of investigative journalism at the *Lewiston Tribune*:

The Tribune unintentionally busted a suspect right on its own front page. An above-the-fold photo and caption identified Michael Millhouse painting Christmas signage on a store window. Below the fold, an unrelated article featured a security camera image of the same fellow, wearing the same clothes, stealing a wallet left on the counter at a convenience store.

The caption asked for help identifying the man. The police nabbed him, and the suspect confessed, shortly after the papers hit the streets that morning.

## Flitwick, England

Literal interpretation of "getting sauced," reported in the *Liverpool Echo*:

A Tesco store refused to sell barbecue sauce to a customer because it contained a tiny amount of alcohol and she couldn't prove her age.

Claire Birchell, 25, was told she could not buy the Jack Daniel's barbecue sauce which has an alcohol content of 2%. Staff at the store also refused to sell the bottle to her brother-in-law, Philip Dover, 27, who did have ID, because they believed he would just give the bottle to Miss Birchell.

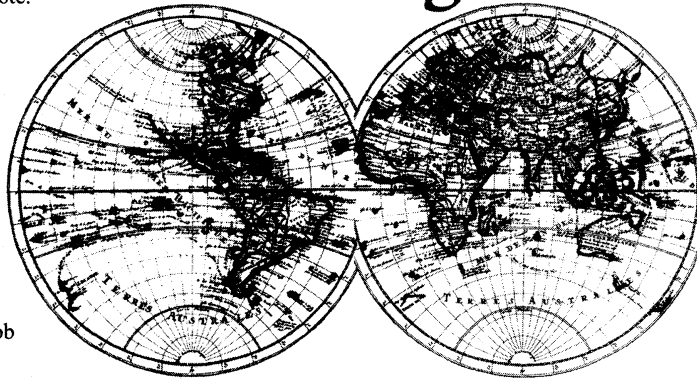
## Manhattan

Good old-fashioned police work, noted by *The New York Times'* City Room blog:

Police Commissioner Raymond W. Kelly, speaking to reporters at 1 Police Plaza, said, "I am not certain he has been arrested," then added, "He put up signs indicating the assassination of Sen. Clinton and Barack Obama. And we notified the Secret Service. This individual is being spoken to. He apparently made statements that had to do with their reputation. This is all under investigation."

The commissioner's statement was in response to a performance artist's exhibition called "The Assassination of Hillary Clinton/The Assassination of Barack Obama."

# Terra Incognita



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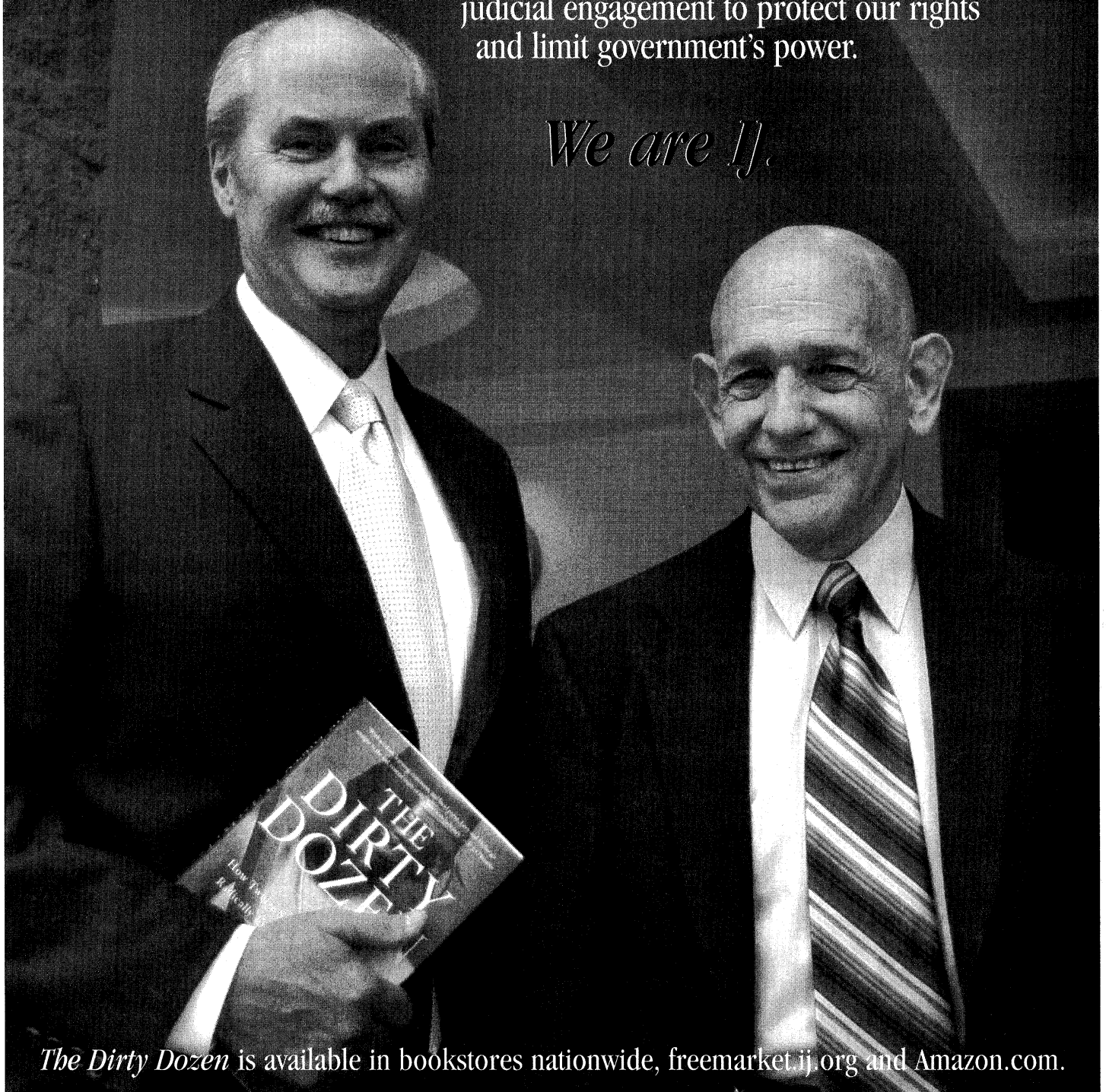
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We've challenged judicial activism where it invented new rights out of whole cloth.

We've challenged judicial passivism where it refuses to protect rights that are clearly stated in the Constitution.

And now we've written a book that calls for judicial engagement to protect our rights and limit government's power.

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