

# Liberty

July 1991

Vol 4, No 6

\$4.00

The owls  
are not what  
they seem!

(how to spot an  
endangered species)

## Say "No" to Intolerance

*by Milton Friedman*

## Is Liberalism Dead?

*by Loren Lomasky*

## Ex-Nazis Say the Darndest Things

*by Richard Kostelanetz*

## Cleaning Up After Socialism: Depolluting the USSR

*By James Robbins*

## I Am a Casualty of the War on Drugs

*by Stuart Reges*

**Also:** *David Friedman* takes capitalism for a test drive;  
*Robert Heilbroner* ponders the unplanned obsolescence of socialism;  
*John Baden* explains ecology to libertarians and liberty to ecologists;  
and other articles and reviews.

*"Liberty is generally born in stormy weather." —Alexis de Tocqueville*

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by Patick A. Heller

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# Inside Liberty

July 1991

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# Letters

## Nut-Shelled

It seems to me that the arguments of those libertarians who supported the Gulf War can be summed up in a single sentence: "As libertarians, we favor limited government—that is, government whose powers are limited to policing the world with the lives and fortunes of the American people."

Jacob G. Hornberger  
Denver, Colo.

## A Question of Balance

You should not feel compelled to print the views of those who were bamboozled into supporting America's recent orgy of death in the Middle East. I can and do read this sort of effluvia in the mainstream media, *The Wall Street Journal*, the *New Republic*, etc.

I was attracted to the libertarian movement after spending half a lifetime in the Middle East because it advocated non-intervention abroad. The essence of this is the notion that the government lacks the right, or indeed the ability, to choose friends and enemies for its citizens. The beauty of our movement is that we will not endorse a process by which our wealth, our lives, our names, or the power of the state are used to kill people whom any individual citizen may not wish to kill. Or so I thought. If James Robbins is so enamored of military adventures abroad, he has the right, and perhaps the duty, to join those adventures, preferably supported with funds voluntarily donated for the purpose.

Meanwhile, *Liberty* must be an island of sanity in a crazy world. When the government, through its powers of manipulation and deceit, manages to convince the people every few years that it is time for another war, we must be able to turn to *Liberty* for clear and unambiguous discernment of truth.

You do not "balance" your free market articles with pieces extolling communism or Nazism. Nor need you counter your own wise anti-imperialist analyses with war propaganda.

William G. Kelsey  
Elgin, Tex.

## Repugnant Arguments

Why did *Liberty* find it necessary to present a "balanced view" of the most re-

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# Stimulate

There is a world of good reading in *Liberty* . . . and there has been ever since *Liberty* began publishing! Whether you want to catch up on what you missed, stimulate your mind, or complete your collection, now is a good time to buy. Enjoy!

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## Letters (continued from page 4)

cent U.S. adventure into world politics? The popular press has presented sufficient propaganda for the war without need for airing any additional support in the leading journal of freedom.

Especially repugnant is the view down the long "professorial" nose of Stephen Cox ("The Intellectual Poverty of the Opposition to the Drug War," May 1991). Somehow Cox finds the emotional appeal of the "peace movement" less valid than the equally emotional view presented by the State. Is Cox suggesting the 1967 peace movement, of which he was admittedly a part, somehow was more logical and rational?

Cox seemed especially upset with the "war never solved anything" argument. He seeks to deal a devastating blow by citing the demise of Hitler and Jefferson Davis. He fails to mention that wiping out Hitler along with a few hundred thousand Germans made way for Stalin's almost complete domination of Eastern Europe for 40 years. Jefferson Davis was, among other things, fighting for self-determination for the South, in the spirit of the American Revolution. This little effort cost lives of only a half million or so Americans.

A libertarian need not look far for reasons to oppose this war or any war in recent history. War invariably increases the "health" of the State. If libertarianism is the promotion of liberty, then libertarians should oppose any event increasing the State's power.

C.R. Estes  
Camarillo, Calif.

## **Addressing the Real Issue**

I think the Libertarian Party platform summarizes fairly well the libertarian position on the proper role of the U.S. military:

"Any U.S. military policy should have the objective of providing security for the lives, liberty and property of the American people *in the U.S. against the risk of attack* by a foreign power." (emphasis added)

Now I could understand (and, indeed, would even enjoy and appreciate) arguments against this conception of foreign policy. However, I am incensed that your three pro-war libertarians never even made the slightest attempt to address it.

Libertarians did not object to the war out of concern for the existence (or lack

thereof) of some kind of "Arab nation," or for fear of the possibility of an Arab-Israeli conflict, or out of concern over the price of oil, as Robbins claims.

Libertarians did not object because we are pacifists, because the Bush administration continually changed rationalizations, or out of sympathy with leftist pap about gays and the homeless, correcting previous U.S. foreign policy blunders, etc. as opined by Mr Cox.

Nor are we completely lost in defining what constitutes a genuine threat in a statist world as claimed by Mr Lomasky.

I believe that it was incumbent upon the three to show evidence either that the United States was in imminent danger of attack by Iraq (and it had better be convincing to justify the extraordinary move of taking such drastic pre-emptive action) or else that libertarian non-interventionism is a mistaken policy to begin with and that "defense" should be defined more expansively (as, for example, Jimmy Carter did in declaring the free flow of oil through the gulf to be a "vital national interest"). To do neither was inexcusable in a magazine of your usual high quality.

Tim O'Brien  
Madison Heights, Mich.

## **A Parable for Our Time**

The Gulf War has shown me a libertarian phenomenon I hadn't noticed.

Imagine this: a little girl has fallen into an abandoned well. She's crying, so she's still alive, but no one knows for how long. The fire department is tunnelling nearby, trying to intersect the shaft without knocking debris into it. It's all national news, and TV crews fill every motel.

Where are the libertarians? Bringing coffee and sandwiches to the firemen and being generally helpful? You know the answer. They're picketing, posturing in front of the cameras with signs protesting this use of taxpayer dollars.

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## *Letters Policy*

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

# Reflections

**Wake up call** — Americans are obsessed with the insignificant, more concerned with the garments of power than with what power does.

Witness the brouhaha over the recent hospitalization of George Bush. Call *me* when he's dead. —TWV

**No new Taxol** — Among the more humanistic rationales presented by environmentalists for the preservation of the Amazon and other rain forests is the potential that important medical advances might be made utilizing chemicals derived from rain-forest flora and fauna. One such drug recently has been found in the United States: Taxol, a derivative of the bark of the northwestern Pacific Yew, has been used successfully to combat ovarian cancer. Because it takes fifteen kilograms of bark to produce one gram of Taxol, Pacific Yews are being hewn down with startling rapidity, and this in turn has attracted the attention of environmentalists who want to preserve the yew. The fact that the yew offers an important cancer-fighting tool would seem to guarantee its future in any case, but the environmentalists don't want it preserved in managed plantations, but rather in its natural habitat, old-growth forests. So the upshot of this situation seems to be that we have to preserve forests because they may contain miracle cures for human ailments, but if we want actually to use them, we can't, because that would mean cutting down the trees. I'm glad *that's* all straightened out. —JSR

**Actions vs words** — I don't think anyone was surprised that the Kennedy name has again been connected with abuse against women. The William Kennedy Smith rape indictment seems part of the normal course of affairs for this family. And one cannot help but be touched by the naiveté of the victim, who was surprised that no one reacted to her cries for help; after all, the Senator himself was in the next room! (Perhaps at their next Presidential convention Republicans can chant, "Where was Ted?") But what is most interesting is the relative silence among feminists on this event, particularly when NOW and other organizations have recently been attempting to raise consciousness on the "date rape" issue. Could it be that because of Kennedy patronage for their causes in the halls of Congress the feminists turn a blind eye to other, more seedy congresses in which the Kennedys are involved? One need only ask oneself what the reaction of Molly Yard would have been had a nephew of John Sununu stood accused of rape at his family's "compound" in Palm Beach, while his uncle ignored the victim's cries of help. And recall Senator Kennedy's vivid description of the alleged perils that would have faced women and minorities in "Robert Bork's America"—were they any worse than the more imme-

diat perils any woman risks who flirts with one of the Kennedy clan? —JSR

**Whose "diversity"?** — The University of Chicago Law School recently had a one-day student boycott in favor of "diversity." Two things struck me about the event. The first was the strangeness of protesting against a University by boycotting classes. It is rather as if I decided to punish my local supermarket for its misdeeds by filling up my shopping cart with groceries, paying for them, then going home without taking the groceries. Yet everyone involved, including the local media, took the idea of the boycott seriously, which suggests a rather odd idea of the relation between the students and the school.

The other interesting thing was the meaning of "diversity." For the students organizing the boycott, it pretty clearly was shorthand for "hiring more black and female professors, admitting more black and female students." This suggests the following question:

"Suppose the school is considering hiring a new faculty member. You discover that he has expressed the opinion that intelligence is to a considerable degree genetic, and that the distribution of intelligence probably varies significantly with race and gender. Is this fact an argument for or against hiring him?"

If the real objective is intellectual diversity, the answer is obviously "for." The opinion is a defensible one that is almost never expressed by faculty members, at least at my school, so a new hire willing to defend it would make the faculty more intellectually diverse. But I would give high odds that most of the students boycotting in favor of "diversity" would give the opposite answer. —DF

**It depends on which whistle is blown** — Let's see now. Progressives believe that public policy should be conducted in the open glare of public scrutiny. We learned that from Watergate and Iran-Contra and the Pentagon Papers. So now that Timothy Maguire, a student at Georgetown University Law School, has discovered, while working in the records office, that the school has a secret policy of admitting and promoting black students according to different criteria than those applied to others and has revealed this policy in a magazine article (but without giving names), left-liberals should laud him as a courageous whistle-blower and hero, right? Well, no. You see, the policy involved gives grossly preferential treatment to blacks, and is therefore politically correct. To expose and implicitly criticize the policy is to give support to racism, fascism and other bad things. Therefore the PC elements at Georgetown are unanimous in their attempt to have Maguire *expelled*, and it ap-

pears that they may succeed. So beware: If you are ever going to blow a whistle, blow it at some certifiably reactionary policy, or you may end up being politically goddam incorrect. —WPM

**Of saints and sippers** — "Take a little wine for thy stomach's sake," St. Paul advises his sidekick Timothy. To the best of my knowledge, the remark passed without repercussions. But though the apostle was intermittently waylaid throughout his career by skeptical Pharisees and exasperated Romans, he never was challenged by the Bureau of Alcohol, Tobacco and Firearms. St. Paul, meet Robert Mondavi.

For the past three years Mondavi wines have carried on their backs an encomium to the cultural and historic significance of wine:

Wine has been with us since the beginning of civilization. It is the temperate, civilized, sacred, romantic mealtime beverage recommended in the Bible. Wine has been praised for centuries by statesmen, philosophers, poets and scholars. Wine in moderation is an integral part of our culture, heritage and the gracious way of life.

But now BATF has banned the label. Why?

The bureau has adopted a policy of rejecting label copy that it may consider "untrue," "ambiguous," or tending to create a "misleading impression." According to Jerry Bowerman, BATF branch chief, the Mondavi statements run afoul of those criteria. Displaying philosophical sophistication not often evinced by federal functionaries, Bowerman notes, "Part of it says 'drinking in moderation.' The thing is, what is moderation to one person is not moderation to another." He adds, "Although we agree that it is a positive statement, it only shows one side."

Is BATF surprised that a company's advertisement would show only one side—its own? In fact, even that isn't quite accurate; per governmental orders, the label carries a prescribed warning about dangers consequent on alcohol use. Still, selling wine violates no law, and enterprises engaged in a licit trade are entitled and expected to promote their products. May they, though, use words like "moderation" that can mean different things to different people? Well, I recently

conducted a quick survey of two dozen ads in my Sunday paper, and I wasn't able to find one without a possible trace of ambiguity. In fairness, though, advertising copy is semantically spartan compared to the contents of the speeches of Mr Bowerman's boss, George Bush, or even the text of Holy Writ. Recall that it was St. Paul himself who declared, not without a hint of satisfaction, that he was "all things to all men." Mr Bowerman, I trust, would not be amused.

Is the Mondavi affair merely one further inane intrusion by meddlesome bureaucrats into the regulation of business? It is at least that, but I suspect it is more. It could not have escaped the notice of eager BATF functionaries that the administration they serve has, in recent years, offered some harsh comments on individuals' derivation of satisfaction via chemical means. Might they have suspected that an application of conspicuous zeal would hold them in good stead in

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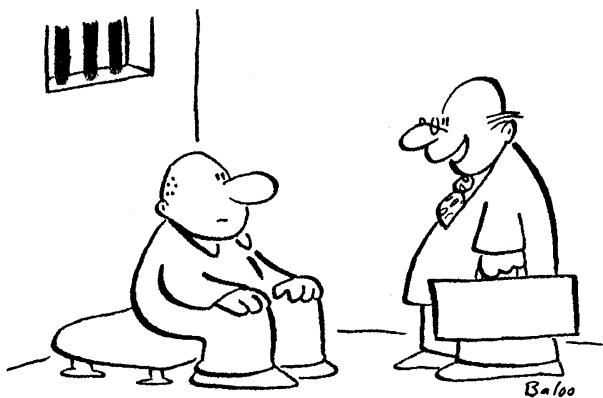
*If Robert Mondavi is at liberty to appreciate wine but not announce that fact to others, the free society has suffered another nibble. It is not only the pursuit of commerce in wine that has been impeded but also the commerce in ideas.*

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high places? Because the courts have given regulators the right to censor commercial speech, the temptation to exercise that right when it is in their own perceived self-interest is irresistible.

If Robert Mondavi is at liberty to appreciate wine but not announce that fact to others, the free society has suffered another nibble. It's not only the pursuit of commerce in wine that has been impeded but also the commerce in ideas. Although the Mondavi case is, by itself, of little significance, it stands as decisive refutation of the Court-approved theory that commercial speech is different in kind from "Constitutionally protected speech" and thus subject to the whims of governmental flunkies. Despite the Bowermans of this world, Mondavi is entitled to express their viewpoint, and when BATF refuses them that right we are all deprived of the opportunity to consider what they have to say. As St. Paul might observe, "The good that they would, they do not." —LEL

**Horse trading in the USSR** — Whatever one thinks of Mikhail Gorbachev's politics, one can't help but admire his tactical acumen. Just as it appeared that Gorbachev had been "captured" by the Stalinists in his government, he concluded a deal with Boris Yeltsin, his "main rival," thereby outflanking the Stalinists. Yeltsin threw his support behind the Gorbachev plan for Soviet Federalism and in return the Soviet President gave up control of the Siberian coal mines to Yeltsin. Such a deal! The next time the miners go on strike, which should be sometime this fall, they will be calling for Yeltsin, not Gorbachev, to step down. So in return for helping him stamp down the Communists and setting up the Federal plan favored by Gorbachev, Yeltsin received a heap of troubles of which Gorbachev was gladly rid. Gorbachev may



"Congratulations — I got your sentence reduced from tar and feathers to crazy glue and confetti."



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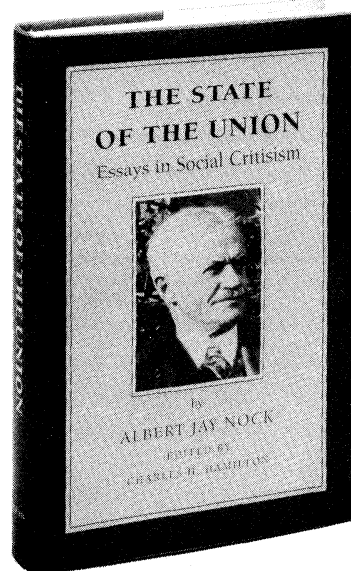
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not be a Capitalist, but he knows a thing or two about horse trading. —JSR

**Thriving Leviathan** — For nearly a decade we had to put up with complaints about something that never happened, namely, the Reagan administration's drastic dismantling of the federal welfare state. Yes, the Reaganauts did attempt a little deregulation, almost all of it during the first term and most of that a carry-over from Carter administration initiatives. Still, to be fair, one must admit that the Reagan administration did slow down the growth of regulation and discretionary nondefense spending relative to the trends established during the previous two decades. With the election of Ronnie's errand boy, one might have expected more of the same.

But no. Not even close. During the first two years of the Bush administration, discretionary nondefense spending grew faster than during any administration since FDR's. Bush's cadre of establishment Republican advisers, cabinet secretaries, and their minions have galloped stride for stride with the spendthrifts who compose the Congress.

Nor have the bureaucrats been left behind. According to the "unified agenda of federal regulations," as cited in the *New York Times* (28 April 1991), the Bushmen are preparing

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*During the first two years of the Bush administration, spending grew faster than during any administration since FDR's. Bush's cadre of establishment Republican advisers, cabinet secretaries, and their minions have galloped stride for stride with the spendthrifts who compose the Congress.*

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a record number of new rules. To be exact, 4,675, which is up from an average of about 4,000 a year between 1983 and 1988. The *Times* reports that the new rules range far and wide, including such critical areas for the government's guiding hand as "peanut marketing quotas, tobacco price supports, restrictions on imports of honeybees and zebra mussels, auto emission standards, child labor rules, restrictions on fishing for black rockfish off the coast of Washington and rules for disposing of tissue from dead whales."

Thank God for the bureaucrats. Without their beneficent intervention, we'd have dead whales everywhere—a situation almost as noxious as the politicians who spawn these stinking regulations. —RH

**Not with *my* kids you don't!** — Although Brookline, Massachusetts may compete with north-west Washington D.C. for record liberal democratic voting percentages, its citizens aren't *totally* backward. When the Brookline School Committee undertook reforms to multiculturalize the public school curriculum, parents came down hard. It seems that the sorts of reform policies that these left-liberals support in the abstract for the nation as a whole aren't the kinds of things they would like foisted on their own children in their own schools. Peggy Means McIntosh of Wellesley College, a consultant for the Brookline Schools, has

taken the most flak. In the course of laying out a one-hundred year program for reforming the school—quite an act of hubris for a collectivist—she decried education based on male-oriented vertical thinking, which focuses on "excellence, accomplishment, success and achievement," and would rather the school inculcate lateral thinking (common to women and minorities, allegedly), in which "learning is not seen as mastery, but as our connection to the world." While Ms McIntosh's lack of mastery is manifest, the situation suggests a model for any proponent of sweeping social reforms. Whenever such schemes are dreamed up, they should be applied only to the children of the reformers. If they don't work out, fine. Only the families responsible for them will suffer. If they do work out, then maybe in a hundred years other people will choose to get involved—that is, if they are tired of excellence, accomplishment, success and achievement. —JSR

**Gassing his own people, the sequel** — In the last issue of *Liberty*, I confessed that I had been fooled by the U.S. Army: its spokespersons had made numerous statements to the effect that Iraq's army was extremely potent and any U.S. invasion would take a terrible cost in American blood, and like any good patriotic American I had believed them, only to feel foolish when the U.S. Army took care of the Iraqis like a skid-row bum kills a bottle of Thunderbird. I should have realized I was being lied to, I confessed, because I knew that (a) the military had no compunctions about lying; and (b) the military had every motivation to lie.

In that same issue, I reported that, contrary to President Bush's public statement and the repeated theme of those seeking to demonize Saddam (all the better to slaughter his people), a study by the U.S. Army War College had concluded that Saddam had not, in fact, ever gassed the Kurds.

A few days ago, I got a letter from Mr John R. Carter of Earlysville, Virginia about the gassing-the-Kurds controversy:

"When the news of Halabjah [where the Kurds were gassed by someone] first appeared, Saddam Hussein was our ally and a long-time recipient of U.S. aid. Clearly the incident was an embarrassment to our government. As all governments are wont to do, ours proceeded to take steps to mitigate the blot on the escutcheon of our good friend Saddam Hussein.

"Look at the source of the study that white-washed Hussein: the U.S. Army War College. Would you care to argue with me if I were to assume that the U.S. government commissioned it?"

Mr Carter was too diplomatic to point out that I had been fooled again. But his point is well-taken: when Saddam was our "friend," he was a good guy, not the sort of fellow who would gas anybody (except maybe the Iranians, who were subhuman demons at the time); when Saddam was our enemy, he was the sort of person who would "gas his own people," a claim that helped demonize him so that the American people would not get upset at our armed forces killing 100,000 Iraqis, many of them innocent civilians.

The question remains: who did gas the Kurds? The answer, I fear, will never be known. There is testimony that the Iranian air force dropped the gas. There is also testimony that the Iraqi air force was the culprit. The parties involved all

have axes to grind, and none have moral compunctions against lying to achieve their ends. The Kurds wanted to convince the U.S. that they are helpless victims of Saddam deserv-ing U.S. assistance, which provides them with a strong motive to convince us of the Saddam-the-gasser-of-his-own-people theory. The Iraqis wanted continued U.S. aid in their war of aggression against Iran, so they had reason to blame the gassing on Iran. The Iranians wanted the U.S. to believe that Saddam was a war criminal, so they had reason to blame the gassing on him. The U.S. government, however, had a double-bladed ax to grind: When Saddam was our pal, he was innocent; when he was our enemy, he was guilty.

Which leads me to conclude with the same words as I closed my original piece. "What ought we conclude from this? At the very least, we should remember to take the statements of our government and military leaders with a grain of salt, especially when they incite us to war. Or maybe a mountain of salt." Good advice. I wish I'd taken it myself. —RWB

**Shooting down the Patriot** — No one can forget the raving about the astonishing effectiveness of the Patriot missiles, which were said—remember, all we actually saw were some lights in the televised sky—to have streaked flawlessly to intercept the Iraqi Scuds, thereby demonstrating the worth of all the high-tech weapons ever built and the wisdom of proceeding forthwith to develop Star Wars.

Like a lot of other claims dished out to a credulous public by the government's propagandists, the Patriot's performance seems to have been rather less impressive than we were led to believe. Information compiled by the Israelis shows that casualties and damage caused by Scuds increased after the deployment of the Patriots. In the pre-Patriot period, 13 Scuds arriving at Israeli cities wounded 115 persons and damaged 2,698 apartments; in the post-Patriot period, 11 Scuds arriving at Israeli cities wounded 174 persons, killed four, and damaged 9,029 apartments.

U.S. authorities claim that 45 of 47 Scuds fired at Israel and Saudi Arabia were intercepted. But these claims use a loose definition of "intercepted" that does not mean destroyed or kept from causing damage on the ground. Not only did parts of the Scuds, including in some cases the warheads, continue on their way after being "intercepted," causing great damage on impact with the ground, but the Patriots themselves sometimes fell back to earth and exploded.

According to MIT professor Theodore Postol, who has studied the Patriot for years and recently testified before the House Armed Services Committee, "It is possible that if we had not attempted to defend against Scuds, the level of resulting damage would be no worse than what actually occurred." His conclusion: "when you strip away the hoopla, there's not a lot there."

Perhaps, after all, the Patriot and Star Wars do have much in common. —RH

## **The Law of Unanticipated Consequences**

— As I write, celebration of the glorious U.S. victory in the war against Iraq seems to have quieted somewhat. Just when all red-blooded Americans were looking forward to the greatest Fourth of July festivities ever, the damned Kurds had to go and spoil it. Not content to stay put in Iraq, where

Saddam's forces could annihilate them, the troublesome Kurds insisted on fleeing into the mountains, where they deposited themselves in squalid camps and proceeded to die by the thousands from hunger, exposure, and disease.

Of course, no part of this unfortunate event should be attributed to the magnificent American military effort, which confined itself to such manifestly justified activities as (what U.S. pilots described as) the "turkey shoot" of thousands of

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*In the Oval Office all is well. The latest poll shows an 80 percent approval rating for Bush and a headline in the New York Times informs us, "Pride in Victory Lingers, if Clouded by Middle East Chaos and Kurds' Agony." Who says crime doesn't pay?*

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defenseless Iraqis trapped in an enormous traffic jam on the road from Kuwait City to Basra. Needless to say, the God-fearing U.S. leadership never intended to jeopardize the pathetic Kurds, not even when urging them to rise up against Saddam's government, clearly implying that U.S. forces would assist them in throwing off their longtime oppressor. It was just a little slip-up that the U.S. forces then stood by with arms folded while Saddam's army slaughtered the hapless Kurdish rebels.

President Bush later admitted that he had not anticipated Saddam's fierce attack on the Kurdish and Shiite rebels; nor had he expected a massive Kurdish exodus. In the words of an anonymous administration official, "How could we have anticipated this?"

How indeed? The Bush government decided to unleash the most powerful military attack in history against a country torn by ethnic and religious conflict and surrounded by hostile nations, each with its own intrigues projecting into Iraq. Yes, how could Bush and company have known what would happen after the shooting stopped? How could anyone have known?

But given this irreducible uncertainty, wouldn't a modicum of caution have been in order? Too brimming with testosterone to delay their mock-heroic rush to war, Bush and his lieutenants plunged headlong into the witch's cauldron of the Middle East, with no clear idea of what would happen next, with no plan for putting the shattered pieces back together, with no conception of the quagmire they would be stuck in after their "victory."

So now the U.S. government, supercop of the New World Order, is stuck there, too deeply involved to extricate itself. But let's be fair; if it has not succeeded completely, still it has achieved much. It has left Kuwait a fetid, burning wasteland unfit for human habitation. In the wake of the glorious American victory, hundreds of thousands of people are dead—thank God, few Americans, the only ones who really count—vast numbers wounded or sick, millions threatened by epidemic diseases; the Gulf is polluted with oil, the skies darkened by dense smoke, the land and buildings of Kuwait and Iraq devastated, hundreds of thousands (maybe mil-

lions) of Kurds and Iraqi Shiites reduced to refugees if they survive at all. And Saddam Hussein, Bush's personal reason for plunging the nation into war, is still in power.

But in the Oval Office all is well. The latest poll shows the respondents give Bush an 80 percent approval rating, so it appears that he'll still be laughing as election day approaches. The headline in the *New York Times* (21 April 1991) informs us, "Pride in Victory Lingers, if Clouded by Middle East Chaos and Kurds' Agony." Who says crime doesn't pay? —RH

**Drunk with power** — For years the coterie of professional busybodies calling themselves Mothers Against Drunk Driving (MADD) has, along with its other tactics of fear and harassment, distributed a list that purports to give the punishments meted out to drunk drivers in various foreign countries. Most of the penalties listed are considerably more severe than those which are typical in the United States. The purpose, of course, is to chastise us Americans for our hideous leniency toward this particular type of transgressor.

In its most recent form, the table includes such alleged policies as the following: In the Soviet Union, the intoxicated driver has his license revoked for life. In Turkey one is driven twenty miles into the country by the police and made to walk back to town to accompanying public chastisement. Sweden is said to impose a mandatory sentence of one year at hard labor. In France, one is presented with a one-year term plus a fine. El Salvador, in an effort to cut down on recidivism, is said to execute first offenders by firing squad. In Costa Rica, we are told, the gendarmes remove the offender's license plates for a year. The Aussies, relying on the power of public obloquy, supposedly print the names of miscreants with the heading "He's/She's drunk and in jail." And much more along these lines. These claims have been so heavily pushed that they have found their way into many other outlets, including teachers' manuals, police reports, restaurants' legal advisories, and *The Law Enforcement Journal* of the Police Officers Association of Michigan. They have been widely used in legislative debates and in informal discussion.

The problem is that upon investigation almost all of this information proves to be false. Either the penalties don't ex-

ist or they are applied only in very extreme cases involving alcohol-related fatalities or habitual offenders. Needless to say, drunk drivers are not executed in El Salvador, where the maximum sentence for such an offense is a one year suspension of one's license. The Swedes impose fines and, in more severe cases, up to six months in jail. In Turkey, although repeated offenses can earn up to three months in jail, the problem is not regarded as a serious one and there are few prosecutions. The twenty mile ride seems to be a folk myth, as is the humiliating photo caption attributed to Australian newspapers. Even the USSR, whose drunken-driving laws are complex, imposes jail time only against those who are "repeatedly found in a state of intoxication" while operating a vehicle. Licenses can, in the most serious cases, be suspended for up to five years. The gap between MADD claims and reality is similar right down the line.

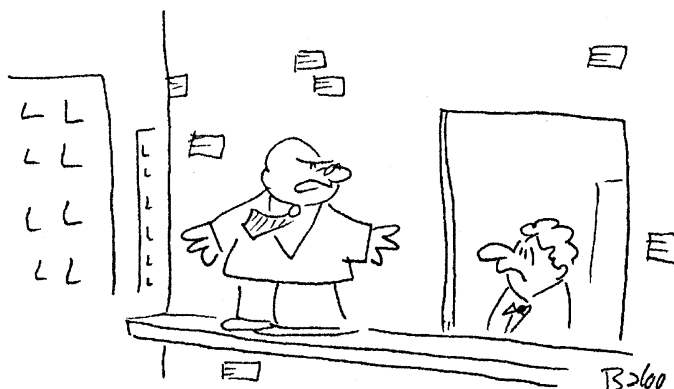
It turns out that at least some MADD officials were aware of the problems with their claims. Maria Chaloupka, assistant director for public affairs at the organization's national headquarters, told a *Detroit News* interviewer that attempts had been made in the past to verify some of the information which had been compiled by various staff members, but without success. In addition, there have been occasional letters from foreign embassies complaining about the negative images of their respective countries that the Mothers were spreading. Micky Sadoff, MADD's national president, gave the excuse that such lists have been around so long that their authenticity has been taken for granted.

One suspects that "fabricated" would be a more accurate verb than "compiled," and that the length of time that something has been "around" is not a particularly scholarly criterion. But let that go. The important question is, why do people do these things? What leads to such vulgarization of discourse and argumentation? Obviously, there is a tendency among many advocates of a cause to bolster a weak case by means of what Huck Finn called "stretchers." There is also a more sinister attitude, typified formally by Marxism but probably as old as human thought, which simply holds that if one's cause is just, one need not adhere to any standards in implementing it. In addition, many people implicitly follow a sort of "warm fuzzy" approach to belief—i.e., if I hear or read something that gives off good, non-threatening vibes, and makes me feel better, it's true, or at least it's *true enough for me*.

Whatever the mixture of motives, and whatever one thinks of this particular organization, the whole affair leaves a bad taste in the mouths of those who value truth. The use of falsehoods to bolster a cause generally proves dysfunctional over the long haul, and sometimes at once, especially in a society given to open discussion. To quote an old saw, "Everyone is entitled to his own opinion, but everyone is not entitled to his own facts." —WPM

**War weary** — In the May issue, Bill Bradford expressed some surprise at readers' reaction to *Liberty's* Gulf War coverage. He noted that readers were accusing *Liberty* of being "horribly one-sided," but, ironically, some of these outraged readers considered *Liberty* anti-war and others considered it pro-war.

I understand these readers' feelings because I, too, had



"This is your last chance, Ferguson — Get out here and jump with me or you're fired!"



some problems with *Liberty* on the war. I thought that *Liberty* opposed it; but this impression was based more on my recollections of previous writings of *Liberty* editors than on what they actually put on paper in the March issue. I think this happened because, while the war was going on, I didn't want to read very intensively about why we shouldn't have gone to war. I didn't want to be reminded by people as knowledgeable as Robert Higgs that the one constant of war is an ever-expanding state; or see Bradford point out the discrepancy between George Bush's support of a small monarchical family and his failure to support the struggling Lithuanians. Such facts are too painful and demoralizing for someone who simultaneously is thinking that, given Saddam Hussein's actions, the U.S. government may have made the right choice. Had Saddam Hussein captured Saudi Arabia, he would have had \$50 billion or so in annual oil revenues, which would have armed him for even greater harm.

Only after war was "over" (in some dimensions), and the devastating aerial bombings had receded into history, was I willing to take a more objective look. And, of course, I found out that some libertarians actually supported the war. But I also had to face up to the 667-1 kill ratio and Bradford's soul-searching over why he believed the military's claims about Iraqi strength, to mention just a few of the sad idiosyncrasies of this war.

As I see it, the fundamental moral problem is that any war leads some people to their deaths or to permanent injury, and it is unclear (at best) whether the people who make the decisions have the right to send them. The tragic deaths of innocent civilians I place on the head of Saddam Hussein, who could have prevented the deaths at any time (no one has suggested that he initiated a just war).

But the American military deaths are the result of a decision made by George Bush. The fact that our armed forces are voluntary, not based on a draft, trims the magnitude of the decision, but only slightly. Was he right to send them? I don't know.

When a war is justified, a large number of people benefit from the deaths of soldiers. They benefit because a tyrant is rebuffed and future tyrants are warned off future aggression. The Gulf War is probably such a case. But the question is whether the benefit to others justifies the coerced deaths, and I don't have a philosophical framework that tells me this is so. All I can do is be grateful for the sacrifice made by those soldiers and hope that in some very large sense they have not died in vain.

—JSS

**Wars for liberty** — There are good *a posteriori* reasons for libertarians to support a foreign policy of political neutrality, or "isolationism." For one thing, there is a very strong correlation between foreign intervention and the loss of individual liberty. For another, the costs of war often exceed the costs estimated by war's advocates, and the benefits are generally far less.

But libertarians are people of principles. Like Herbert Spencer, we are not content until our arguments are put into *a priori* form. With foreign policy, however, this is not as easy as most seem to think. It is not enough simply to make the equation "Non-interventionism equals non-aggression," and let it go at that.

This was demonstrated very well by Sheldon Richman in his essay "No Victory for Liberty," in the last issue. He provided many practical, *a posteriori* reasons to oppose the war in the Persian Gulf. But his one paragraph on first principles (pp 26-27) was spectacularly under-argued. And his conclusion was glaringly unconvincing. Consider: "The basic principle of a decent, not to mention libertarian, foreign policy must be the same as that of the physician's oath: Do no harm."

I submit that this prescription is neither decent nor libertarian. In fact, Richman himself seems to disagree with it. The first sentence of the paragraph concedes: "I am willing to stipulate that a reasonable moral code would not condemn someone for killing an innocent person when it was the only way to save his own life." Well, isn't it also okay, under certain circumstances, to put in harm's way—and even kill—

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*Libertarians are people of principles. Like Herbert Spencer, we are not content until our arguments are put into a priori form. With foreign policy, however, this is not as easy as most seem to think. It is not enough simply to make the equation "Non-interventionism equals non-aggression."*

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innocent bystanders (and what philosophers call "innocent shields") in order to repel an aggressor?

Those who give a negative answer to this question trouble me. What are they willing to fight for? Will they cave in to every cleverly contrived threat?

Those who say the question is irrelevant to the Gulf War because Americans were never threatened also trouble me. Are they so opposed to that ol' bugaboo, altruism, that they are opposed *on principle* to charitable defense? If they see a violent conflict, do they have *no* impulse to use physical force to stop the fighting? Does "live and let live" also always mean "live and let die"?

And I wonder: Are those who say my question only applies to individuals, but not states, so utopian that only the most radical of arguments applies to our current world? I respect these people only when they refuse their social security checks and cease driving on public roads (and then only for the consistency of their folly). Contrary to one of our letter-writers this month, Prof. Lomasky's "Give Bush His Due" dealt with this problem as it relates to the issue at hand. I need not rehash the good professor's argument.

For those seeking a moral rule about foreign intervention, I offer the following: "Intervene in those conflicts when a) it is in your interest to do so, and b) you have good reason to believe you can make the situation better, and the resulting peace *just*."

—TWV

**Where is John Galt?** — Twice last week, a uniformed representative of the U.S. government brought me information on the location of Galt's Gulch, the secret hideout in the mountains of Colorado for the heroes of Ayn Rand's *Atlas Shrugged*.

First, Tim W. Ferguson reported in *The Wall St Journal* that Galt's Gulch was "somewhere nearby" Colorado Springs.

Then *Freedom Network News* reported that Fort Collins is "Galt's country, located near where Ayn Rand located her retreat in *Atlas Shrugged*."

Now it's a fact that Fort Collins and Colorado Springs are about 120 miles apart, so unless the word "near" means at least 60 miles, it is pretty clear that at least one writer got it wrong. Of course, *Atlas* is a work of fiction, so one might think its author took a few liberties with geography; perhaps her description makes it impossible to figure the location of the Gulch any more precisely.

To think in such a way is to underestimate Ayn Rand, whose pride as a craftsman would not allow such inaccuracy. In fact, we know fairly accurately where Galt's Gulch was located: somewhere in southwestern Colorado, almost certainly in the San Juan Mountains, about 175 west of Colorado Springs and 250 miles southwest of Fort Collins.

We have two sources for this information:

1. Rand tells us where Galt's Gulch is in *Atlas Shrugged*. Though her description is not terribly precise, with a little

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*The next time you travel through Colorado and someone tells you that you are near "Galt's Gulch," check your premises. Or a road map.*

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analysis we can figure it out. Dagny Taggart, *Atlas's* heroine, finds herself marooned in Colorado on a train abandoned by its crew "about eighty miles from the Oklahoma line." Oklahoma's border with Colorado is only about 50 miles long; plainly, she is in southeastern Colorado. Since the train was westbound, she was likely somewhere fairly close to the New Mexico border.

Dagny finds an airport, buys a plane, and flies "northwest" to "Afton, Utah." Afton is a fictional city. But it evidently lies somewhere in extreme northeastern Utah, else a flight northwest from southeast Colorado wouldn't get there. As soon as she lands in Afton, she learns that the man she came to see had just left. She follows his aircraft, heading "southeast toward the highest mountains that obstruct the path of the sun." She follows it for some time—Rand doesn't tell us how long—until she sees the plane she is following "dropping, toward a ground she could not see and dared not think of. Like remnants of broken jaws, strings of granite dentures stood between her ship and his; she could not tell what lay at the bottom of his spiral motion. She knew only that it did not look like but was certain to be, the motion of

suicide." The plane disappeared into a valley: "The bottom of the valley looked like a stretch of the earth's crust mangled in the days when the earth was cooling, left irretrievable ever since." The level of the ground "in this part of Colorado" was 8,000 feet. As she flew lower, down to 8,700 feet, "The flash of light that hit her had no source." She had crashed into the force field that camouflaged Galt's Gulch.

So, heading southeast from northeast Utah over high mountains, where the ground level was 8,000 feet, she had found Galt's Gulch. Depending on the exact location of Afton, Utah, there are only three possible mountain ranges over which she could have been flying: the San Juan, the La Garita or the Sangre de Cristo.

2. Barbara Branden tells us in her authoritative biography of Rand, "For the location of *Atlas Shrugged's* Atlantis, the hidden valley where the men who have gone on strike spend a month together each summer—they call it 'Galt's Gulch'—Ayn had studied a Union Pacific Railroad map until she found an isolated valley high in the most uninhabited section of the Rockies. She and Frank drove to the location of the valley in Colorado—and found, to their astonishment, that there was a beautiful little town there, the town of Urey."

There are a couple of problems with Branden's account. For one thing, railroad maps generally show the locations of towns, as almost certainly would the road map that Rand and her husband used (assuming they didn't head into the wilds of Colorado without a map), so it seems unlikely that Rand was "surprised" to find the town. And there is no town or city in Colorado named "Urey."

But before we dismiss Branden's account altogether, we should consider the source of her information. A primary source of Branden's biography, and almost certainly the source of this passage, was a transcription of taped interviews with Rand that Branden made in the early 1960s. There is, in the San Juan Mountains, lying at about 8,000 feet above sea level, a beautiful town named Ouray, but pronounced "Urey." In its physical setting, Ouray almost duplicates Galt's Gulch. The country around Ouray is so wild and beautiful that it is easy to imagine how even a nature-hater like Rand could be overwhelmed by it. Nearby are several mountains of more than 14,000 feet, and the road south of Ouray rises to more than 11,000 feet. That road is US-550, a highway that could very well be incorporated into the trip from New York to Los Angeles during the course of which Rand visited "Urey."

Of course, "Galt's Gulch" is fictional, and it is impossible to identify its exact location. But we know that Rand modeled it on a place like Ouray. And we know that she located it in a place like Ouray, except more isolated. It seems very plain from Rand herself and what we know of her that Galt's Gulch was located in the San Juan Mountains, somewhere near Ouray.

So the next time you travel through Colorado and someone tells you that you are near "Galt's Gulch," check your premises. Or a road map.

—RWB



"If you think it's bad now, just consider the millions of kids growing up right now with Pee-Wee Herman as a role model!"

**The scribbling on the wall** — A teenager from Los Angeles, Daniel Bernardo Ramos, has been suspected of writing the word "Chaka" 10,000 times on other people's



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property. Soon after he was sentenced to spend 1500 hours cleaning up graffiti, he was arrested for trespassing. A wide-tip marking pen was found in his vicinity.

I don't care much about Daniel Ramos, but I do care about a remark that his mother made in an interview with the *LA Times*.

"I don't know what to do, my head is like this," Maria Ramos said, holding up a clenched fist and visibly trying not to cry. [Daniel's] friends, she said, call him up on the telephone 'every 10 seconds. They tell him, "What you do is art." He believes it."

Mrs Ramos thus characterized, as well as anyone ever has, the central problem of recent cultural phenomena—their total *lack* of defining character.

I'm not saying, of course, that contemporary culture has no characteristics. It's loud. It's ugly. Sometimes it even smells bad. We know what rap music sounds like, what Madonna looks like, what performance art sometimes smells like.

But all the characteristics in the world don't add up to defining character. This is only culture because somebody's friends say that it is—and they can say that about anything.

Coleridge observed that the question "What is poetry?" is so nearly the same question with, what is a poet? that the answer to the one is involved in the solution of the other." But

what definition of "poet" could possibly express the distinctive character of the persons whose "readings" I see advertised under such titles as

TWELVE SAN JOSE POETS

or

NINETEEN POETS AGAINST CENSORSHIP.

I'm against censorship, too, but the idea of nineteen poets in the same place at the same time strikes me as evidence either of a miracle or of an amazingly loose definition. Name, if you can, nineteen poets who lived at any time in the nineteenth century, and anywhere on this continent.

"Poet" is now a generic term.

There are other generic terms. "Artist" is one. How many "artists" live in your town? Many times more, I'll bet, than the artists who lived in fifteenth-century Florence. How many times have you seen a news story about, say, someone being run over by a truck, and the witness happened to be "Joe Jones, 39, artist"?

This does not mean that Joe performs any actual artistic work. He probably dresses like an artist, smokes like an artist, sneers like an artist, and his friends call and tell him, "What you do is art."

Some people go all the way, of course. They are willing to stand on a stage and demonstrate their opposition to "censorship" by making noise, throwing colored objects, or trying to embarrass the audience. Is this "poetry," or is it "art"? It's hard to tell. Although both "poet" and "artist" are generic terms, there's a genus that unites even these loose baggy monsters: the art person. And there's an even more inclusive category: the political person, the person who is obsessed with "political statements."

Almost all art persons are obsessed in this way, even though the statements have nothing to do with voting or any other aspect of the political system. They presuppose as little study of political ideology as contemporary "art" presupposes of Raphael or Matisse. They are merely demonstrations of the kind of person one is—a member of the "art community."

Certain members of the art community get lucky. They get noticed by rich people. They get written up in journals and get grants from the government. They spend their time talking about how the government wants to shut them up and about how Bush has "all our names on his list," pending the time when he "turns his imperialism inward."

The remaining members of the art community are indistinguishable from these people, except in their failure to get lucky. The unlucky ones spend their lives working behind the counter in coffee houses, where they talk about how the government wants to shut them up and about how Bush has "all our names on his list," pending the time when he "turns his imperialism inward."

What happens to real artists, the ones who can actually create works of art, the ones who are really distinguishable from one another and from all the people who perform the peculiar and no doubt difficult act of pretending to be something that they can't even understand.

I don't know what happens to the real artists, and when I think about it, I feel like Mrs Ramos, holding up her clenched fist.

—SC

### Guest Reflection

**The utility of envy** — Most *Liberty* readers are probably aware of the significant role of envy in laws attacking the "rich" in the U.S. and other countries and of how this emotion is playing a significant role in preventing economic reforms in Soviet bloc countries. I have often wondered how this emotion works and why it is so powerfully built into humans. What function does it serve?

A few months ago, I was listening to a news report discussing U.S. diplomats leaving Iraq, and it mentioned that they were flying first class. It raised my hackles when I heard that because I often have to fly coach because of the high cost of first class and I knew that, at least to some extent, my taxes were being used to pay for the diplomats' tickets. Feeling this envious emotion, it got me to thinking. It may be that envy is an emotion that made sense when there was a communal "pot" of available resources, because then if somebody had more, you had to have less. Such a feeling might still make sense for government wealth transfers, but not for wealth earned in a free market. Most people have not learned to distinguish between them, hence, people continue to feel envy when others become richer through market activity.

The bottom line is that, just as people can use a television without understanding anything about how it works, America has become rich but Americans don't know why. This vital knowledge must become more widespread if we are to avoid the destruction of much of our wealth.

—Sandy Shaw



# Say "No" to Intolerance

by Milton Friedman

When Prof. Friedman gave this talk at the 1990 Future of Freedom Conference, he was introduced as one of the three "great libertarians" of this century. An appropriate introduction, for his subject was the two *other* "great libertarians."

Thank you very much. I'm embarrassed by that introduction and by your welcoming of me, because I'm afraid that you might not be quite so enthusiastic at the end of the talk. The virtue of being among people with whom you agree fundamentally is that you can talk about some of the harder issues, which you don't want to talk about in other circles. I want tonight to talk about basic libertarian beliefs and values. (I refer to myself as a liberal in the true meaning of that term: a believer in freedom. Unfortunately, we've had to use the word "libertarian" because, as Schumpeter said, "As a supreme if unintended compliment, the enemies of the system of private enterprise have thought it wise to appropriate its label.") As a long-time liberal-libertarian, I am puzzled by a paradox. On the one hand, I regard the basic human value that underlies my own beliefs as tolerance, based on humility. I have no right to coerce someone else, because I cannot be sure that I am right and he is wrong. On the other hand—and this is the paradox—some of our heroes, people who have done the most to promote libertarian ideas, have been highly intolerant as human beings, and have justified their views (with which I largely agree) in ways that I regard as promoting intolerance. Equally important, as I have observed the libertarian movement, there's a related strand of utopianism in the libertarian movement that I believe is also productive of intolerance and is fundamentally inconsistent with the basic

values that I believe we stand for.

Why do I regard tolerance as the foundation of my belief in freedom? How do we justify not initiating coercion? If I asked you what is the basic philosophy of a libertarian, I believe that most of you would say that a libertarian philosophy is based on the premise that you should not initiate force, that you may not initiate coercion. Why not?

If we see someone doing something wrong, someone starting to sin (to use a theological term) let alone just make a simple mistake, how do we justify not initiating coercion? Are we not sinning if we don't stop him? Only two bases for a negative answer occur to me that make any sense. One—which I regard largely as largely an evasion—is that there's no virtue in his not sinning if he's not free to sin. That may be true. But then, that doesn't apply to me. It may be no virtue for him. That doesn't mean I should let him sin: am I not sinning when I let him sin? How do I justify letting him sin? I believe that the more persuasive answer is, can I be sure he's sinning? Can I be sure that I am right and he is wrong? That I know what sin is?

This is a complicated and difficult problem. Let me give an extreme example. I am on Golden Gate Bridge and I see someone getting ready to jump. He's going to commit suicide. Am I entitled to use physical coercion to stop him, assuming that I am capable of doing so? On the libertarian basis of not initiating coercion, one would have to say no. Yet I am sure that most of you, like me, would stop him if we could. We'd grab him. We'd justify that temporarily by saying "He doesn't really intend to do that and it's irreversible and we've got to stop him from doing something irreversible."

We grab him. We hold on to him. And he gives a perfectly plausible reason why he wants to commit suicide. Are you going to let him go? In principle you should say yes. In practice, I doubt very much that many of us, assuming that we had the power to hold him, would just let him go.

What this demonstrates, fundamentally, is that no simple principle is really adequate. We do not have all the answers, and there is no simple formula that will give us all the answers. That's why humility, tolerance, is so basic, so fundamental. Because the

only way that we can get a little closer to those fundamental principles is by being tolerant, by considering and respecting the opinions of people who disagree with us.

And yet, as I've already said, how can we square that with the intolerance demonstrated by people who deservedly are heroes to libertarians? There is no doubt in my mind that Ludwig von Mises has done more to spread the fundamental ideas of free markets than

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*It is of course desirable to have a vision of the ideal, of Utopia. But we can't stop there. If we do, we become a cult or a religion, and not a living, vital force.*

---

any other individual. There is no doubt in my mind that nobody has done more than Ayn Rand to develop a popular following for many of these ideas. And yet there is also no doubt that both of them were extremely intolerant.

I recall a personal episode, at the first meeting of the Mont Pelerin Society—the founding meeting in 1947 in Mont Pelerin, Switzerland. Ludwig von Mises was one of the people who was there. I was also. The group had a series of discussions on different topics. One afternoon, the discussion was on the distribution of income, taxes, progressive taxes, and so on. The people in that room included Friedrich von Hayek, Fritz Machlup, George Stigler, Frank Knight, Henry Hazlitt, John Jewkes, Lionel Robbins, Leonard Read—hardly a group whom you would regard as leftists. In the middle of that discussion von Mises got up and said “You’re all a bunch of socialists,” and stomped out of the room.

You need only read Barbara Branden's *The Passion of Ayn Rand*, a fascinating book, to recognize that what I've said applies to Rand as well. Barbara Branden tells a story that refers to both Rand and von Mises: “One evening, the Hazlitts [that was Henry Hazlitt, whom I mentioned] invited Ayn and Frank to dinner with Dr and Mrs von Mises. The evening was a disaster. It was the first time Ayn had dis-

cussed moral philosophy in depth with either of the two men. ‘My impression,’ she was to say, ‘was that von Mises did not care to consider moral issues, and Henry was seriously committed to altruism. . . . We argued quite violently. At one point von Mises lost his patience and screamed at me. We did not part enemies—except for von Mises at the moment; about a year later he and I met at a conservative dinner and his wife made peace between us.’”

The important thing to me is less their intolerance in personal behavior than the philosophical doctrines on which they claimed to base their views, which seem to me to be fundamentally a source of intellectual intolerance. So far as von Mises is concerned, I refer to his methodological doctrine of praxeology. That's a fancy word and it may seem highly irrelevant to my topic, but it isn't at all. Because his fundamental idea was that we knew things about “human action” (the title of his famous book) because we are human beings. As a result, he argued, we have absolutely certain knowledge of the motivations of human action and he maintained that we can derive substantive conclusions from that basic knowledge. Facts, statistical or other evidence cannot, he argued, be used to test those conclusions, but only to illustrate a theory. They cannot be used to contradict a theory, because we are not generalizing from observed evidence, but from innate knowledge of human motives and behavior.

That philosophy converts an asserted body of substantive conclusions into a religion. They do not constitute a set of scientific propositions that you can argue about in terms of empirical evidence. Suppose two people who share von Mises' praxeological view come to contradictory conclusions about anything. How can they reconcile their difference? The only way they can do so is by a purely logical argument. One has to say to the other, “You made a mistake in reasoning.” And the other has to say, “No, you made a mistake in reasoning.” Suppose neither believes he has made a mistake in reasoning. There's only one thing left to do: fight. Karl Popper—another Austrian, like Mises and Hayek—takes a different approach. If we disagree, we can say to one another, “You tell me what facts, if

they were observed, you would regard as sufficient to contradict your view.” And vice versa. Then we can go out and see which, if either, conclusion the evidence contradicts. The virtue of this modern scientific approach, as proposed by Popper, is that it provides a way in which, at least in principle, we can resolve disagreements without a conflict.

So much for von Mises. That's a very brief statement and I recognize that it doesn't do justice to either praxeology or Popper. But that's not relevant here.

The same thing is true of Ayn Rand, as her phrase about Hazlitt's supposed commitment to altruism suggests. Rand did not regard facts as relevant, as ways of testing her propositions. She derived everything from the basic proposition that  $A=A$ . And from that follows everything. But if it does, again, suppose two Objectivists, two disciples of Ayn Rand, disagree, or that a disciple disagrees with her. Both agree that  $A$  is  $A$ . There's no disagreement about that. But for one reason or another they have different views on another subject. How do they reconcile that difference? There is no way. And that's the basic reason for the stories that Barbara Branden tells in *The Passion of Ayn Rand* about what happened when people disagreed in any minute detail with Ayn Rand.

I believe that there's an enormous paradox there. But don't misunderstand me. Nothing I say lessens my admiration in any way for the role that both von Mises and Rand played in promoting the ideas of liberty and free markets. And yet I believe that they teach both a positive and a negative lesson. The negative lesson is that we must beware of intolerance if we're going to be really effective in persuading people. The writings of both Rand and Mises—and much libertarian literature—take for granted that hard questions have easy answers, that it's possible to know something about the real world, to derive substantive conclusions, from purely *a priori* principles.

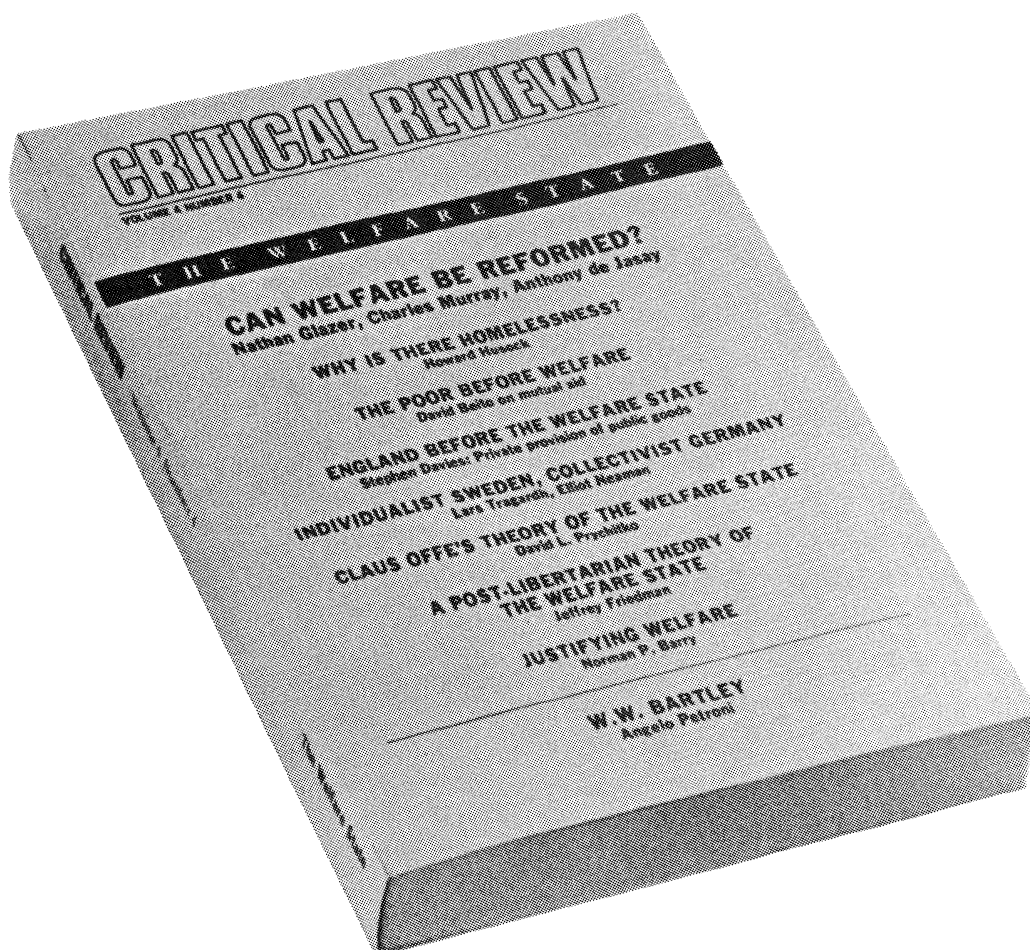
Let me take a real example. How many times have you heard someone say that the answer to a problem is that you simply have to make it private property. But is private property such an obvious notion? Does it come out of the soul?

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I have a house. It belongs to me. You fly an airplane over my house, 20,000 feet up. Are you violating my private property? You fly over at 50 feet. You might give a different answer. Your house is next door. You have a hi-fi system. You play your hi-fi at an enormously high decibel count. Are you violating my private property? Those are questions to which you can't get answers by introspection or asking whether A is A or not. They are practical questions that require an-

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*Am I a statist, as I have been labelled by a number of libertarians, because some thirty years ago I suggested the use of educational vouchers as a way of easing the transition from socialism to freedom?*

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swers based on experience. Before there were airplanes, nobody thought of the problem of trespass through air. So simply saying "private property" is a mantra, not an answer. Simply saying "use the market" is not an answer.

Let me give you two recent examples that also are relevant to the same theme—utopianism. I'll touch on them very briefly: vouchers and negative income tax. Re vouchers—and I'm now speaking of schooling vouchers—schooling is, next only to national defense, the largest socialist enterprise in the United States. And it is clearly as much of a failure as the socialist enterprises in Poland or Hungary or Czechoslovakia or East Germany. It shares the characteristic features of those failures. The characteristic feature of socialist failure is that you have a group, the *nomenklatura*, who do very well, you have masses who do very poorly, and the system as a whole is highly inefficient. That's exactly the case with our school system. Those of us who happen to live in high-income suburbs, as well as high-paid teachers and teacher-administrators, do very well out of the system. The poor suckers who live in the ghetto or who don't have any money, they do very poorly out of the system. The system as a whole takes two or three times as

much resources to operate as are necessary, and it doesn't do a good job when it does. So it's clearly a failure.

In the *Future of Freedom Foundation's Freedom Daily*, for September 1990—again, a group that is doing good work and is making an impact—Jacob Hornberger wrote, "What is the answer to socialism in public schools? Freedom." Correct. But how do we get from here to there? Is that somebody else's problem? Is that a purely practical problem that we can dismiss? The ultimate goal we would like to get to is a society in which people are responsible for themselves and for their children's schooling. And in which you do not have a governmental system. But am I a statist, as I have been labelled by a number of libertarians, because some thirty years ago I suggested the use of educational vouchers as a way of easing the transition? Is that, and I quote Hornberger again, "simply a futile attempt to make socialism work more efficiently"? I don't believe it. I don't believe that you can simply say what the ideal is. This is what I mean by the utopian strand in libertarianism. You cannot simply describe the utopian solution, and leave it to somebody else how we get from here to there. That's not only a practical problem. It's a problem of the responsibilities that we have.

The same issue arises with respect to welfare, social security and the rest. It may be that the ideal is—and I believe that it is—to have a society in which you do not have any kind of major or substantial governmental system of welfare. Again, nearly thirty years ago I suggested, as a way of promoting a transition from here to there, a negative income tax as a substitute for and alternative to the present rag bag of welfare and redistributionist measures. Again, is that a statist solution? I believe not. We have participated in a society in which people have become dependent on government hand-outs. It is irresponsible, immoral I would say, simply to say, "Oh well, somehow or other we'll overnight drop the whole thing." You have to have some mechanism of going from here to there. I believe that we lose a lot of plausibility for our ideas by not

facing up to that responsibility.

It is of course desirable to have a vision of the ideal, of Utopia. Far be it from me to denigrate that. But we can't stop there. If we do, we become a cult or a religion, and not a living, vital force. These comments apply, I believe, to the largest socialist enterprise in the U.S. as well. That is, of course, national defense. Like everyone else in this room, I am appalled by the waste of the defense industry. I am sure that if you and I could only run it, we could do it for half the money, and do it a lot better. But although I have tried for many years to figure out a way in which we could run defense as a private enterprise, and despite the hopes of some anarchist libertarians like my son, that we can, I have to admit that after some 30 years now, he's never been able to persuade me that we could. I suppose that just shows how intolerant I am. At any rate, simple slogans like "The market will take care of it" or "noninterventionism" do not resolve the hard problems. We may very well agree on the direction we want to go in, but just how we're going to go there and how far we're going to go, that's a much more difficult problem.

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*The writings of both Rand and Mises—and much libertarian literature—take for granted that hard questions have easy answers, that it's possible to know something about the real world, to derive substantive conclusions, from purely a priori principles.*

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Let me close by noting that admirers of von Mises seldom quote the following of his statements: "Government as such is not only not an evil but the most necessary and beneficial institution, as without it no lasting cooperation and no civilization could be developed and preserved." Now that's an idea to chew over. Thank you very much. □

*The foregoing is an edited transcript of a talk given to the International Society for Individual Liberty in August, 1990.*



## Essay

# The Owls Are Not What They Seem

by R. W. Bradford

Extinction of a species is a horrible thing, and no decent human being would want to be part of it. The northern owl has been declared "threatened" and an area the size of four states set aside for its survival. What could be wrong with that?

Extinction is forever. When the final breeding pair of a species dies, that species will never exist again.

This fact is profoundly moving to most people. If a species becomes extinct, it means that we will never again see it, never be able to benefit from it.

And more. Extinction means that a species is lost not only to man, but to the entire ecosystem of which it is a part. The extinction of a species might mean environmental disaster.

When we were children we learned of fantastic creatures of long ago, strange flying creatures with wingspans of Learjets, giant reptiles of awesome visage, predators armed with tusk, tooth and claw, an astounding variety of creatures with all sorts of odd anatomies. We also learned of species that became extinct recently because of man: the passenger pigeon, whose flocks once blackened the skies of America's midwest, the dodo bird of the Indian Ocean. We saw films of the whooping crane, big, goofy looking birds of strange beauty; we were told that they were nearly extinct, but that we were working to save them.

We are glad to learn that the whooping crane is surviving, because we find the prospect of extinction—particularly extinction caused by man—to be odious. We feel sorrow for the species lost. We will never again enjoy their beauty. We will never know whether an extinct species might have contained in its body a substance that could cure cancer.

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Extinction is forever.

That is why most of us support government action to protect species facing extinction. That is why there is a broad consensus in support of the Endangered Species Act, which empowers the federal government to take action to prevent extinction.

I live on the edge of America's most magnificent forest, the temperate rainforest of majestic Douglas fir, hemlock, ferns and mosses that blankets the Olympic Mountains. This forest is the home of a few thousand people who earn their living from harvesting timber and from tourism. It is also the home of the northern spotted owl.

It is said the northern spotted owl is threatened with extinction. Last summer, the U.S. Fish and Wildlife Service determined that the northern spotted owl is a "threatened species," meaning that its survival as a species will be protected by the U.S. government. The northern spotted owl is a shy creature; it lives only in the old growth forest. Its survival is threatened by human encroachment. When loggers harvest an area, that area is no longer habitat for the northern spotted owl.

To protect the owl from the threat of extinction, the U.S. Fish and Wildlife Service last year declared approximately 3.2 million acres off-limits to logging and development establishing a permanent old-growth habitat to ensure the survival of the northern spotted owl as a species. An official of a timber association, worried about the livelihood of loggers and their families, suggested that perhaps the lumberman should be declared an "endangered species." His suggestion—which may have been a joke for all I know—was quickly denounced by spokespersons for several environmental preservationist organizations. After all, loggers and their families are not a separate species; they are *Homo sapiens*, just like other Americans.

On April 26, the Fish and Wildlife Service declared another 11.6 million acres protected. People who earn their living from the timber industry were outraged. The area closed to human activity is as big as Massachusetts, New Hampshire, Connecticut, and Rhode Island combined. According to timber industry experts, the move will put 100,000 people out of work. Government experts estimate that

30,000 jobs will be lost. I don't have much faith in either of these "expert" estimates—the "science" of economic prediction seems bogus to me—but it does seem plain that the impact of the exclusion of human beings from this huge area will have dramatic and unpleasant consequences for a lot of human beings.

The spotted owl has been in the news a lot longer in the northwest, where I live, than it has nationally be-

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*Secretary Lujan is not aware that the northern spotted owl—in whose defense his department is willing to ban human beings from an area the size of four states—is a not a separate species at all.*

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cause the people liable to be hurt live around here. When it first cropped up, I was curious to know whether I had ever seen a northern spotted owl while hiking in the mountains. Bird-watching is a hobby of mine and owls are among my favorites, hard-to-find and rather mysterious. So I got out my copy of Roger Tory Peterson's *A Field Guide to Western Birds*. To my surprise, I could find no listing for the northern spotted owl. The closest I could find was the "spotted owl," or *Strix occidentalis*. So I checked my copy of *The Audubon Society Master Guide to Birding*, a three volume set. In volume 2, I again found the spotted owl (*Strix occidentalis*), but no mention of the northern spotted owl. The habitat of *Strix occidentalis* seemed to include that of the northern spotted owl: "Pacific Coast from S.W. British Columbia to S. California. Also in mountains of S. Colorado, extreme W. Texas, Utah, Arizona and New Mexico; Mexico south to Michoacán." This seemed confusing: was *Strix occidentalis* the bird that was the subject of controversy?

Bird-watching is only a minor hobby for me, however, and I have no particular connection to the timber industry—aside from cursing the hard-driving logging trucks on forest roads when I am driving in the mountains to

one of my favorite trailheads. So I put the matter aside as one of life's small mysteries.

When the government closed the additional 11.6 million acres to protect the northern spotted owl, I remembered my curiosity over the matter. I called my local library for a copy of the Endangered Species Act, and was referred to a law library. The ESA is lengthy and verbose, too expensive to copy, so I spent an hour or two looking through it.

The law contained the key to the mystery of the northern spotted owl:

A "species" includes any subspecies of fish or wildlife or plants, and any distinct population segment of any species of vertebrate fish or wildlife that interbreeds in nature . . . "endangered species" means any species which is in danger of extinction . . .

There you have it. According to the Act, "species" does not refer to what a biologist means when he says "species" or what ordinary people speaking the English language mean. The survival of the spotted owl, aka *Strix occidentalis*, is in no way endangered or threatened. But the habitat of the spotted owls who live in the Pacific Northwest is receding. This is all the ESA requires.

As Congress sees it, a "subspecies" or a "distinct population" is a "species." By this same logic, I suppose, a subcommittee is the same thing as a committee, a submarine is the same as a marine, and substandard is the same as standard. We may not like it, but like they say in those public service announcements about draft registration, "it's the law."

Now it may be that I should not have been surprised to learn that "species" as used in the Endangered Species Act has a different meaning from the term as used by biologists or ordinary people. Perhaps I am just ignorant: as a public citizen, I ought to keep up on Congressionally-mandated linguistic legerdemain.

But one thing is plain: I had a lot of company in my ignorance.

According to an article in *The Economist*, Secretary of the Interior Manuel Lujan, the man in charge of enforcing the Endangered Species Act, has responded to the crisis with a "suggestion to net some of the birds and

breed them in zoos." Since the spotted owl of the Northwest is the same as the spotted owl that is prospering in Colorado, Texas, Utah, Arizona, New Mexico and Mexico, breeding them in captivity isn't necessary to save the species. Apparently, Secretary Lujan is not aware that *Strix occidentalis*—in whose defense his department is willing to ban human beings from an area the size of four states—is not a separate species. He made the same mistake that I (and probably most Americans) made: he inferred from the fact that the northern spotted owl has been considered for protection under the Endangered Species Act that the northern spotted owl is a *separate* species, which might be able to be saved by captive breeding.

What will be the fate of the loggers and owls of the Pacific Northwest? Not surprisingly, loggers are incensed by the loss of their livelihood. Northwest Congresspeople have raised a hue and cry on their behalf, and many people are beginning to see the folly of some aspects of the Endangered Species Act. If construed and wielded properly the ESA can prevent just about any human activity anywhere, just as it has in this case.

By including "subspecies" and "distinct population" in the definition of "species" and by defining "harm" to a species to include encroachment on its habitat, all that one needs to do is identify a single species that cannot survive changes in its habitat in a given area, and the Fish and Wildlife Service can regulate human activity (or ban it altogether) in that area in order to ensure the survival of the "distinct population."

This is exactly what is happening. Buoyed by their success in closing the forests of the Northwest, preservationists are pushing to remove human habitation elsewhere. The salmon that spend most of their lives in the Pacific Ocean return to spawn to the same streams in which they were bred; therefore they constitute a "distinct population." There are streams in Idaho in which the population of salmon has declined sharply since civilization came to the Columbia River basin. To protect each of these many "species," the dams on the Columbia River that provide



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both power and water will need to be removed. Without power or water, the people of the Columbia River basin won't last long.

The radical preservationists may be overplaying their hand. They *may* pull off the ban on logging, but I doubt they will get all the dams along the Columbia removed. The more pressure they put to use the Endangered Species Act to prohibit human activity, the more they endanger the law itself. Already, they have managed to annoy *The Economist*, normally quite sympathetic to environmental concerns. In a report on the controversy headlined "Owlageddon," it noted that "environmentalists have grown increasingly shrill" and described the situation as a "tragi-comedy in which the spotted owl has been mysteriously transformed into a sacred cow."

The same line of thinking that the radical environmentalists have used to close 14.8 million acres to human activity could be used to perpetuate slums. Just imagine: the "inner-city rat," a distinct population group, depends on its habitat of rundown housing, unhealthy sanitary conditions, and the wide availability of garbage. Any action that alleviates these conditions would impact the habitat of the inner-

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*The argument that preservationists are using, if applied consistently to its logical conclusion, has the effect of pretty much banning all human activity everywhere.*

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city rat, thereby threatening its survival as a distinct population. Therefore, every sort of change—from government slum clearance to gentrification—must be prohibited.

The argument that preservationists are using, if applied consistently to its logical conclusion, has the effect of pretty much banning all human activity everywhere. Every activity of human beings has an effect on the environment for the simple reason that we are a part of the eco-system. And "distinct populations" of various ani-

mals and plants live everywhere. To protect every "distinct population" of every species or subspecies is tantamount to prohibiting human activity altogether.

How are those of us who treasure wilderness to react to all this? The first thing we must do is reject the radical preservationist argument on environmentalist as well as humanist grounds. It is simply not viable in the long term: we cannot reasonably expect human beings to sacrifice their own lives and prosperity in favor of other animals. We have to realize that the decisions we make are economic decisions: there are advantages and disadvantages to the alternatives we choose between, and some of the choices we make will have the effect of changing the animal populations with which we live. The radical preservationist argument is fundamentally anti-human.

We must also remember that rejection of the radical preservationist argument does not mean that we must accept the other extreme. It is quite possible to appreciate the beauty in nature, to enjoy wilderness at a profound level, to be sensitive to the possible harm from environmental damage, while eschewing the absurdities of the radical preservationists. We should remember that to preserve wilderness, we need not preserve *all* wilderness or roll-back civilization; we can preserve nature on a selective basis; we can respect nature, work hard to learn its mysteries, and do our best to preserve what we increasingly value.

We should also remember that as wilderness recedes, civilized people will value what remains more highly, and will preserve it if they can afford to. The problem of diminishing wilderness is self-limiting. Similarly, as species—not subspecies or distinct populations—are threatened with extinction, the incentives to save them will increase. These incentives to protect wilderness and wild species work only in a prosperous society.

In a poor society, wilderness doesn't really have a chance. As the population grows, the wilderness is inexorably destroyed: when the alternative is starvation, people prefer to clear land in order to harvest its timber and animals and to bring it under cultiva-

tion. The social and private cost of preservation of wilderness is simply too high for people on the margin of subsistence.

This process has pretty well exterminated wilderness in China and India, and threatens the remaining wilderness elsewhere. At the present time, the wilderness of Madagascar—and the unique endangered species

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*The pre-civilized practitioners of radical preservationism—unlike their civilized analogs—have an economic incentive for their beliefs: for hunter-gatherers, failure to preserve the wilderness means starvation, since the wilderness is the sole source of the food and other products that they hunt and gather.*

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that it harbors—is being rapidly destroyed. The only way of protecting the remainder that seems to show any promise of success is subsidy from wealthy Western nations.

In a certain sense, wilderness preservation is a luxury good; that is to say, only those who are prosperous will care enough to preserve wilderness. For this reason, those concerned with survival of wilderness should also be concerned with the prosperity of mankind. "Environmental sensitivity," as John Baden has observed, "is hostage to human prosperity and security."

Of course, there exist pre-civilized human beings who practice religions that revere wilderness as much as do the radical preservationists. The pre-civilized practitioners of radical preservationism—unlike their civilized analogs—have an economic incentive for their beliefs: for hunter-gatherers, failure to preserve the wilderness means starvation, since the wilderness is the sole source of the food and other products that they hunt and gather.

Some radical preservationists—those who understand the full implications of their beliefs—advocate a re-

*continued on page 26*

## Guide

# Libertarians and Environmentalists

*by John Baden*

How we see them, how they see us, what they can learn from us, what we can learn from them, and why we are natural allies.

Why are so many people who are sincerely concerned about the environment put off by what we classical liberals and libertarians have to say about environmental issues? The reason, I think, lies in the ways that classical liberals approach environmental issues. Classical liberals tend to see environmental issues primarily in the context of their social philosophy, a social philosophy that most environmentalists find sterile or outright mysterious.

Like most Americans, environmentalists are mystified by the notion of individual rights that many classical liberals see at the root of their social philosophy. Whether this is the result of our failure to enunciate that philosophy adequately or their failure to give individual rights theory sufficient consideration or of the inadequacy of individual rights theory itself remains open to question. But the fact remains that when classical liberals or libertarians respond to a specific environmental concern (e.g. the deterioration of the ozone layer) with talk of individual rights, we may as well be speaking Sumerian as far as most environmentalists (and most other people as well) are concerned. Happily, libertarians and classical liberals realize this, and seldom respond to environmentalist concerns with the theoretical case for an ethic of individual rights.

Environmentalists start with goals and evaluate proposals for reform largely in accord with the intentions of the advocates.

Yet we often criticize environmental thinking on political, scientific or eco-

nomic grounds. These approaches are seldom constructive and rarely win allies.

**The Watermelon approach.** We note that some environmentalists have a Marxist-collectivist agenda, that they are "watermelons"—green on the outside but red on the inside. In this view, enviros use green paint to camouflage and legitimize an authoritarian, often "red" agenda. These "watermelons" use environmental concerns to legitimize the imposition of their preferences upon others by means of political coercion. If citizens see huge impending ecological losses, they are much more amenable to expanding the power and authority of government.

This response holds some validity: certainly Barry Commoner, Lester Brown, and other prominent environmentalists assert that today's environmental crisis demands extreme actions backed by governmental force. But it is also plain that many environmentalists are not championing the growth of government—Randall O'Toole, for example, has been severely critical of the National Forest Service because of its bureaucratic short-sightedness. By viewing all enviros as "watermelons,"

classical liberals not only are wrong—they are wrong in a way that often alienates them from potentially constructive cooperation with people who support environmental groups.

**The Scientific Critique approach.** Many classical liberals note that some enviros grossly exaggerate ecological problems, thereby kindling and exploiting people's fears. And this charge is undeniably true, in some cases. For example, the Natural Resource Defense Council exploited alar (and the celebrity status of Meryl Streep) to expand its membership and budget, and when it had finished the job, its public relations firm boasted about its successful enviro flim-flam.

Classical liberals observe that advocates of immediate and radical environmental reform often discount the benefit of scientific research; they neglect, for instance, the substantial disagreement among scientists on issues like global warming, and simply declare the issue settled and demand action now. But good science is cautious and modest in its claims, and is not inclined to issue dire warnings of catastrophe or even significant change.

This response to the environmental



challenge is often valid, and though it is certainly intellectually respectable, it is not always appropriate: most environmental criticisms have scientific foundation. To many environmentalists, scientific criticism sometimes sounds like an apology for environmental degradation.

**The Economic approach.** Many classical liberals observe that environmentalists don't appreciate the power and value of economics in understanding and solving environmental problems. Their preference for government intervention betrays an ignorance of the types of incentives that governmental managers face when managing an institution, enterprise, or eco-system. They tend to classify environmental disasters as market failures rather than political failures. Thus the catastrophic management of so-called "National Forests" by the Department of Agriculture is blamed not on the perverse bureaucratic incentives forced on the forests' managers, but on the private enterprise system.

Once again, there is considerable validity to this criticism, but it is not terribly convincing to environmentalists, who fear that environmental damage would continue unabated in the sort of society that liberals advocate. Their worries are not without foundation: some who claim the mantle of classical liberal economics seem to argue for the right to pollute.

This approach also often alienates environmentalists with its apparent sterility. The economic approach seems to neglect the importance of considering communitarian or ecological values.

What economists think of as the strength of their discipline—its *wertfreiheit*, or value-free-ness—is perceived as cold-heartedness and indifference. And environmentalists are moved more by the

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*Classical liberals should remember that they share an intellectual heritage with most environmentalists: the concepts of spontaneous order, adaptation and evolution are central to both. We also share a healthy skepticism toward politics and large institutions and concentrated power.*

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spiritual and ethereal than by considerations of efficiency and productivity.

### **What is needed: an integrated approach**

Classical liberals should remember that they share an intellectual heritage with most environmentalists: the concepts of spontaneous order, adaptation and evolution are central to both. We also share a healthy skepticism toward politics and large institutions and concentrated power. And most of us are seeking the same goal: the freedom of self-actualization in an environment of ecological integrity.

Classical liberals have important insights into how society and govern-

ments function; most environmentalists have insight into how the natural world functions. Classical liberals are more sensitive to issues of human freedom; environmentalists to ecological integrity. I am convinced that each group can learn from the other, that environmentalists can benefit from liberal insights into economics and politics and that classical liberals can benefit from environmental insights into ecology.

As classical liberals, we seek institutions that value honor and civility while holding the individual accountable for his or her actions. We should also support incentives and voluntary cooperation as means to ecological integrity. We should promote a more environmentally sensitive culture for reasons of liberty as well as ecology.

When working with environmentalists, we must be modest in our claims of authority and sensitive to their wisdom and insight. This is basic decency, and eminently liberal. We understand that "watermelons" exist as a minority within the environmental community and we understand the importance of science as a check upon unconstrained visions of ecotopians. However, when working with environmentalists we need not belabor these points. Instead, we should stress how our approach yields environmental quality while promoting individual liberty.

The key task for classical liberals is to foster institutions that harmonize liberty with ecology. Success requires the cooperation of environmentalists. □

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### **Bradford, "The Owls Are Not What They Seem," continued from page 24**

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turn to such a society. But the likelihood that civilized people will choose to return to pre-civilization is negligible, if the demonstrated preferences of human beings, whether newly civilized or long-civilized, are any indication. The challenge we face is not how to drive humanity back into pre-civilization as recommended by the Earth First! bumpersticker "Back to the Pleistocene!", but how to maximize environmental values in a way consonant with the survival and prosperity of civilized human beings.

In my view, the best way to do so is to maximize the ethos of liberty and the legal protection of private property. The destruction of wilderness, for example,

has been stimulated by the existence of taxes on land and by the subversion of property values. Vesting government with control of land can preserve wilderness only so long as those who want wilderness preserved are in political control of the state. You can't buy political control, you can only rent it, and the rent must be paid over and over.\*

As population grows, the constituency favoring development will increase;

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\* This was illustrated nicely by the experience of those opposing building the Alaskan pipeline. The proposed pipeline had been stalled for years when the 1973 Arab oil embargo occurred, but in a matter of a few days, Congress authorized the pipeline under political and economic pressure, and environmentalists lost all they had gained.

as their numbers and political power grow, wilderness will tend to recede. But private owners determined to keep their land wild can do so irrespective of the political situation, provided they have absolute title to their land, free from taxation and the threat of confiscation. The assault on private ownership and control of land that seems pandemic in the Western world shortens the time horizons of landowners, encouraging them to develop in order to gain benefits that may be lost if they lose title to their land. And taxes on real property increase the cost of owning wilderness to a point where few landowners can afford it, and provide constant and vivid reminders of that cost. □

## Report

# Cleaning Up After Socialism: Depolluting the USSR

by James S. Robbins

Socialism spelled ecologic disaster of a magnitude dreamed of only by anti-*capitalist* doom-sayers. Now that capitalism has a chance in the Soviet Union, it is time to see whether the environment does, too.

With the collapse of socialism in the Soviet Union and Eastern Europe, and in the wake of Mikhail Gorbachev's campaign for openness and economic reforms, an ecological catastrophe has come to light that dwarfs any of the pollution problems faced by the United States or Western Europe. Seventy years of state ownership of the means of production has wasted resources, polluted and dried up waterways, made air unbreatheable and brought radiation sickness to the peasants and workers of the proletarian paradise. Those environmentalists in the West who lay the blame for worldwide environmental damage on capitalist development and call for stringent state controls might benefit from looking at the cumulative effects on the environment of the most complete form of government control in history.

### The Environment under Central Planning

The Soviet pollution problem is partially the result of the sheer size of the Soviet Union. With such expansive territories to exploit, Moscow probably did not believe that pollution would ever be much of a problem. Waste products, solid, liquid or gaseous, would simply be swallowed up in the Soviet fastness. In the early days of Soviet industrialization, this may have been true: production levels were relatively low, and cumulative effects of pollution had yet to come into play. Perhaps the lack of immediate, severe negative results encouraged Soviet planners to

push the environment further. But there were more important factors at work.

In contrast to the Marxist argument that centralized, socialized industry is more efficient and thus less polluting than industries working in the "anarchical" market order stands one of the oldest arguments against communal property: what belongs to all belongs to none, and instead of all caring for the common property, none will. This was Aristotle's argument against the communalism of Plato's *Republic*.<sup>1</sup> In fact, because no one owns it, common property will be the first to be abused, and at the highest cost to both the environment and the people. This generally was the case in the Soviet Union.

The emphasis on production over all other factors began with the organization of the centralized, socialist economic structure during the first years of the Stalin regime. Since the death of Lenin, factions within the Communist Party had debated the future course of the Soviet economy. The "geneticists" (whose ranks included Stalin, at first) believed that state economies were organic entities that could not be shaped

by the will of man, but rather could at best be guided towards socialistic goals. They favored continuing the semi-free New Economic Policy; some, including Bukharin, wanted even fewer economic restrictions. The "teleologists," on the other hand, were of the opinion that markets were the creation of man, whether unconsciously or not, and thus could be shaped as humans dictated. They favored rapid industrialization, collectivization of agriculture, and a completely centralized, planned economy.<sup>2</sup>

After eliminating his rivals, Stalin abandoned NEP and took up the teleological program, which guided Soviet economic thinking until the Gorbachev era. Five-year-plans were drawn up, forcing industrialization and collectivization upon the Soviet population. Thereafter, Moscow directed every facet of economic life, in theory at least. (Soviet black markets always provided a significant portion of foodstuffs and some light manufactured goods.) The Party composed the Plan, giving individual ministries control over whole sectors of the economy. At the end of

the state organizational chains were the plant managers and other overseers, upon whose shoulders fell the inglorious task of making production levels meet the Plan. If they met or exceeded goals, they were given bonuses; if they failed, they were disciplined or sacked. Thus the self-interest of every plant manager was to raise his output regardless of the method or the costs to other plants, the community, or the environment.

Here was the root of the problem. Stalin had put in place a system geared towards increasing production (and supporting the Party/State apparatus) with no appreciable oversight except that which monitored output. Managers were allowed to use practically any means to achieve their goals; the state

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*The Bolsheviks set the tone of Soviet resource policy by determining that all resources were a "free gift of Nature," thus the state's for the taking.*

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simply didn't care about external costs like environmental pollution. As a consequence, although environmental degradation was pandemic in the Soviet Union, it was not even viewed as a problem for most of the Soviet era.

When ecology became an internationally sensitive topic during the 1970s, the Soviets claimed to be in the vanguard in environmental protection. In their view, capitalism was less organized, more exploitative, more wasteful and thus less environmentally healthy than socialism. This theme quickly became a central theme in Soviet "green" propaganda, and was a part of its integrated campaign against the Western democracies.<sup>3</sup>

Although the Soviets claim that their environmental protection policies began with Lenin, the first broad-based environmental laws were passed in 1972, when the need for some sort of protection became manifest.<sup>4</sup> By the early 1980s, the Soviet leadership could point to the most complete set of environmental protection laws of any industrialized state. Soviet ecology was ostensibly protected by a series of "Fundamental

Laws" each focused on specific sectors of the environment, e.g. the Fundamental Law on Water Pollution Control (1970), the Fundamental Forestry Law (1977), the Fundamental Law on Protection of Wild Animals (1980) and the Fundamental Law on Air Pollution Control (1980). These laws were passed in the Presidium (the pre-*perestroika* Soviet Parliament) and implemented through regulations by the various Soviet state ministries represented in the Council of Ministers.

But there was a vast gulf between the laws and actual practices. The detailed environmental protection code had practically no effect on polluters or pollution. Often the agency charged with enforcement was the same ministry responsible for the problem. Ministries were not allowed to compromise production targets for environmental reasons, and the persistent failure to achieve those targets provided further disincentives to curb pollution (since expending ultra-scarce resources in the attempt further decreased production). Those few independent agencies in charge of monitoring pollution had no power or means of enforcement.

Overlapping administrations created bureaucratic paralysis; there were over 25 agencies involved in environmental management at the Union level in 1984. (Lake Ladoga, near Leningrad, fell under the jurisdiction of about 100 different agencies.) Most enforcement was left to local agencies, which were either subordinated to powerful Ministries, or powerless to stop them. Some Ministers who failed to apply the laws to protect the environment were publicly chastised and occasionally sacked—especially if they were in political trouble for other reasons—but they never had the opportunities, the powers, the incentives, or even the inclinations to meet the standards of Soviet environmental laws. And with no independent judiciary (or any judiciary in the proper sense of the word), there was no way for private citizens to bring about change from below.

An additional problem was the Soviet military, whose production of both conventional and nuclear armaments accounted for a great deal of pollution. Maintaining a sizable military force was a top priority for Moscow throughout the post-war period, and though the military factory system was not wholly independent (it came under

Party and KGB purview, after all), it was not about to face production limitations because of environmental concerns.

In sum, Soviet environmental laws have had little effect, and it is doubtful whether they were ever intended to be anything more than a propaganda device. Like the pre-Gorbachev laws on immigration (which promised free movement of peoples), or Republic membership in the Soviet Union (which allowed secession), Soviet environmental legislation promised a great deal, but lost most of its force in the administrative process. Despite the claims of the Communist leadership, saving the environment was not a primary concern of the Soviet state; maximizing industrial and agricultural production, the primary enemies of the environment, was.

## The Scope of Environmental Damage

Environmental degradation in the Soviet Union dwarfs that in any non-socialist industrialized country; the only comparable damage can be found in the Soviet-dominated states of eastern Europe.

Water pollution is the most immediate ecological problem in the Soviet Union. In 1988, only about thirty percent of the USSR's sewage was treated to standards that would be considered minimal in the West. Fifty percent was improperly purified, and twenty percent not treated at all.<sup>5</sup> As a consequence, it is risky to drink the tap water in many Soviet cities, which lack the necessary treatment technology. Investment in pollution control or treatment devices has never been high on the Party list of priorities, and where facilities are available, they are often not properly maintained or even functioning.

The Soviet Union has plenty of water, but most of it is located in Siberia; 75% of the population and 70% of Soviet industry is located in an area that contains only 16% of the Soviet Union's water. The centrally planned, bureaucratic ministries have been unable to redistribute water economically. Even greater strains are placed on the Soviet water supply by the inability of the Soviets to recycle water: although the United States actually uses more water than the Soviet Union (551.2 cubic kilometers in 1985, compared to 364.9 cubic kilometers in the Soviet Union in

1988), 77% of the water used by the United States is returned to the environment after processing; in the Soviet Union, half the water is rendered totally unrecoverable, which places greater strains on the water supply.<sup>6</sup>

The Soviet Union irrigates as much cropland as the United States, but the irrigation canals are of poor design. In some areas, 60% is lost. Furthermore, irrigation is poorly monitored and uneven; some areas have been over-irrigated and turned into swamps, while

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*With no independent judiciary (or any judiciary in the proper sense of the word), there was no way for private citizens to bring about change from below.*

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others receive too little water. The Soviet irrigation system was constructed primarily to support cash crops, most importantly cotton, which is grown across the south of the Soviet Union. The most dramatic victim of this policy has been the Aral Sea.

The Aral Sea, which is mostly in Uzbekistan, was once home to a respectable fishing industry and the center of Uzbek agricultural life. This changed with the coming of cotton, which was introduced by the Tsar after conquering Central Asia, then re-imposed by Lenin after the Revolution. The social structure of the entire region was reshaped towards one goal: maximizing cotton production. The major consumer of cotton was and is the Soviet military. Cotton is also an important hard-currency export crop. The Soviet imposition of the monocultural cultivation of cotton was no different than any other colonial regime in which a European power harnessed an Asian or African people to produce the agricultural raw materials to feed production at the center of empire.

The Aral Sea and its tributaries, the Amu Darya and Syr Darya rivers, seemed a limitless source of water for irrigation, and in the 1950s Soviet engineers began rerouting water to open new lands for cultivation. But by the 1980s the limits had been reached. Current diversion of tributary waters is

nearly 100%, and the Aral Sea has lost over two-thirds its original volume, and nearly 40% of its surface area. Forty years ago, the Aral Sea was the world's fourth largest lake; now it ranks sixth and is continuing to shrink. Toxic salt-dust blown up from the exposed seabed has been deposited 1000 kilometers distant, and airborne dust has been cited as the cause of eye and throat diseases. Some of the diverted water becomes contaminated in the cotton fields by fertilizers and pesticides, and instead of flowing to the Aral Sea, enters the water table. This has created severe health problems, including rising local infant mortality rates (often from contaminated breast-milk).<sup>7</sup> Ironically, the decreased size of the Sea has reduced its ameliorating effect on the local weather, and the growing season has contracted, forcing some cotton growers to switch to cultivating rice. Thus the subordination of the environment to production has harmed both. Uzbek nationalists have protested the cotton monoculture and called for its overthrow.<sup>8</sup> Moscow has relented somewhat on cotton production levels (bringing them down to rates that are at least realistic, i.e., those that the region had been fulfilling anyway), but the Aral Sea continues to shrink, and Soviet experts believe it will disappear around 2010.<sup>9</sup>

The Soviets planned even more environmentally disastrous hydrological projects, the most notable of which was the Water Diversion Project. First conceived by Stalin, it would have diverted the courses of entire rivers in Siberia, so that those now flowing to the north and emptying into the Arctic Ocean would instead flow south to Central Asia. This idea was left dormant until the Brezhnev era, when detailed plans were drawn up for the construction of the necessary canals. But political debate over the necessity and reasonableness of the plan sharpened. Russian nationalists objected that many historic sites would be flooded, and ecologists warned against damage to fish habitats and increased levels of salinization in areas bereft of fresh water. Western scientists became concerned about the effects on the arctic region; with drastically decreased fresh water input, salt concentrations could melt portions of the polar ice cap and have severe effects on worldwide climate patterns and ocean levels.<sup>10</sup> With the accession of

Gorbachev the plan was dropped, and though it occasionally reappears in the academic press, few take it seriously. It is, however, illustrative of the lengths to which the "teleological" mentality will go to attempt to bend nature to its will.

The Aral Sea is not the only body of water facing peril in the Soviet Union. Pesticides, heavy metals, and oil products have taken a heavy toll on the Caspian Sea, severely threatening the sturgeon in the world's largest lake. This is an important consideration for the Soviet Union, since caviar earns the Soviets \$1-\$2 billion annually in hard currency. (The Soviets have attempted to ameliorate the loss of the sturgeon by introducing hardier Mississippi River paddlefish.) The Black Sea is mostly dead, killed by pesticide and fertilizer runoff from the Dnieper and the Danube, industrial wastes from surrounding factories, and pollution from intense naval operations.

Not all major bodies of water in the Soviet Union have been severely degraded, however. Lake Baikal, the deepest lake in the world (5,712 ft) and home to several unique species of animal life including the world's only freshwater seal, has survived relatively unscathed by pollution. But waste water and debris from two nearby pulp and paper

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*In 1988, only about thirty percent of the USSR's sewage was treated to standards that would be considered minimal in the West.*

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combines have raised concerns. The facilities were constructed in the early 1960s as part of an effort to exploit nearby timber resources (20% of all the world's trees are in the Soviet Union). However, the effort met unexpected public opposition; only two of the planned combines were constructed, and they were fitted with special pollution control devices to protect the lake.<sup>11</sup> Whether Baikal was saved by aroused citizens is moot, however. Baikal is dotted with the vacation dachas of powerful government officials, as it has been since before the Revolution. The worries of these politicians that their private retreats would be fouled by industrial pol-

lution may have had more influence than the complaints of environmentally sensitive people.

Because of these limits, and its remoteness, Lake Baikal has so far been spared most of the problems faced by the Aral, Black and Caspian seas. While it has not been turned into a chemical

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*Heavily polluted water has been diverted to settling ponds in the nearby Solzan gully, which is now filled with toxic sludge. A mudslide or an earthquake (real possibilities in this area of high seismic activity), or heavy rains and spring flooding, could send the sludge directly into Lake Baikal, with disastrous consequences.*

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bath, Lake Baikal still faces environmental problems. Wastewater from the paper combines, even after treatment, has harmed Baikal's animal life. The epishura crayfish, for example, which itself acts as a cleansing agent by filtering water through its gills, has been endangered by the pollution, and "crayfish cleansing" has dropped by 7%.<sup>12</sup> Some of the untreated or untreatable water has been diverted to settling ponds in the nearby Solzan gully, which is now filled with toxic sludge. A mudslide or an earthquake (real possibilities in this area of high seismic activity), or heavy rains and spring flooding, could send the sludge directly into Lake Baikal, with disastrous consequences. One possible approach to the problem (mentioned in *Pravda*) is diverting the pulp mills' effluents into the Irkut River, where a higher silt content would help absorb impurities. Local Party officials want to change the combines' specialization to something people in the region can use, such as furniture. But environmentalists would just as soon close them down.<sup>13</sup> Air pollution is a serious problem in the Baikal region. Dust and gas emission from the paper combines cover over 2,000 square kilometers. The dust is killing broad stands of fir trees in the area, the very resource that the combines were constructed to exploit.

Air pollution is a greater problem in Soviet cities. A 1979 Soviet environmental publication stated, "Of all the other national capitals, Moscow, the largest industrial and cultural centre of the Soviet Union, has the cleanest air."<sup>14</sup> Ten years later, the Soviet government admitted that 50 million people in 102 Soviet cities were exposed to air pollutants that exceeded national standards. Industries have become cleaner recently by switching from coal to natural gas, but pollution rates are still high. There are some smoke and particle control systems operating at Soviet power stations, but there are few systems for neutralizing sulfuric and nitrous gasses, so while the quantity of particulate matter in the air is declining, the quantity of gasses is increasing.<sup>15</sup>

Transportation accounts for approximately 60% of Soviet air pollution. Soviet cars run on leaded gas without emission control devices, and emission standards are rarely if ever enforced. Attempts to deal with the problem have ranged from increasing the use of tunnels under cities (to trap pollutants) to banning some forms of motor transport.

Solid waste, mainly produced by the mining industry, accumulates at the rate of over a billion tons annually, and the total accumulation has displaced and rendered useless about 40,000 square kilometers of agricultural land.<sup>16</sup> Because Soviet agriculture is already overextended and is not likely to be expanding into new areas soon, and because much of the solid waste problem is centered near the Siberian coal mines, this is not as desperate a problem as the other forms of pollution. However, the seepage of waste into the water table will have long-term negative effects on the surrounding wilderness areas, as well as more immediate effects on the health of the miners and those who live nearby.

The Chernobyl nuclear disaster continues to produce environmental policy fallout. In January, 1990, the Ukrainian government issued a decree authorizing the evacuation of radiation-contaminated villages in the Zhitomir and Kiev oblasts. These areas were at first thought to have escaped contamination, but persistently abnormal background radiation levels, high levels of cesium in milk and mounting incidences of radiation-related diseases forced the government to take action.<sup>17</sup>

Because of the long-term effects of

Chernobyl, nuclear power has come under increasing scrutiny both in Moscow and at the local level. New projects have been halted, and power stations under construction have been placed on hold, particularly in the Ukraine, which hosts one-third of Soviet nuclear plants. In the fall of 1989, the Ministry of Nuclear Power and the Ministry of Medium Machine Building (the agency in charge of the production of nuclear weapons) were merged to form the Ministry of Nuclear Power Generation and the Nuclear Industry. This Ministry, like most of the products of *perestroika*, was supposed to be more open and responsive to environmental problems, but reform has been slow because of pressures from the military, which uses breeder-reactors in power stations as its source for plutonium for nuclear weapons. The Soviet Union has recently allowed international inspection of its nuclear facilities, and when plants have passed minimum standards, the international approval has been used against local governments and anti-nuclear groups, countering their claims that power plants are unsafe.

Where nuclear projects have been scuttled, the Soviets have turned to coal and hydro-power to make up for the deficiency. This has posed new challenges. Soviet coal plants are notoriously dirty, and increased coal mining amplifies environmental and health woes associated with the mining industry. While hydro-power is normally considered a "clean" alternative source of energy, decaying wood debris in areas flooded by dam construction have raised phenol levels in the water to as much as ten times accepted concentrations. (Phenol is absorbed through the skin and can cause damage to the central nervous system, liver and kidneys). Furthermore, ill-timed releases of water from the dams have altered the natural currents of streams and rivers, damaging season-sensitive plants and animals, especially migratory birds and fish.

## Recent Reform Efforts

Efforts to change Soviet ecological priorities began in the early 1980s, when members of the Writer's Union of the USSR, most notably Russian Nationalist Valentin Rasputin, began publicly to oppose the River Diversion Project.<sup>18</sup> After the disaster at Chernobyl, international scrutiny was brought to bear on Soviet



environmental conditions, and the Soviet domestic press took a new, reform-oriented line. Grass roots environmental groups began to form nationwide, and Gorbachev, in his drive to make the Soviet economy more productive, and perhaps realizing that economic reform could not be pressed without attention to the looming ecological catastrophe, began to institute administrative reforms.

In 1988, the Soviet Union took its most important steps towards coming to grips with its pollution problems. A joint Central Committee and Council of Ministers resolution from January ("On the Radical Transformation of the System of Natural Conservation in the Country") identified several major problems in the Soviet Union's environmental policy, such as the failure to consider environmental factors when formulating development goals, insufficient coordination of protective agencies, failure to hold enterprises responsible for the pollution they cause, the absence of environmentally sound technologies, lack of commitment in central government agencies, inadequate prosecution of violators of environmental laws, and insuf-

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*Soviet environmental laws have had little effect, and it is doubtful whether they were ever intended to be anything more than a propaganda device.*

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ficient attention to the problem paid by mass media and the educational system. In order to counter these deficiencies and implement the new policies, the State Committee for Environmental Protection (*Goskompriroda*) was formed, centralizing most of the duties which previously had been spread among various agencies.<sup>19</sup> *Goskompriroda* was empowered to require detailed analyses, similar to environmental impact statements, before major projects are undertaken. It was also given the power to bring action against polluters, the first such agency ever to have that prerogative. Since its Moscow staff totals less than five hundred, *Goskompriroda* relies heavily on regional officials. New incentives for local action have been put in

place, especially allowing local governments to keep funds raised from fines imposed on polluters. (Under the old system, the money was placed in a general fund, which discouraged local enforcement.)

Fyodor Morgun, the agency's first director, told the 19th Party Conference in July, 1988, that "for a whole era our party and professional propaganda have been intolerably passive as far as ecology is concerned. For many decades, the environment has been undergoing catastrophic pollution. . . ." <sup>20</sup> However, Morgun, a Party *apparachik*, was not particularly well-suited for the task of overhauling the environmental protection system, and in 1990 he was replaced by Nikolai Vorontsov, a zoologist who had opposed the Lake Baikal pulp mills as President of the Conservation Section of the Moscow Society of Naturalists. Vorontsov became the highest-ranking non-Party Soviet official since the Revolution. His appointment has raised hopes among environmental activists, but without corresponding changes at the lower levels in *Goskompriroda*, the outlook is not terribly good.

It is doubtful that simply passing more government regulations will mitigate the problem. As political scientist Barbara Jancar has written, "the Stalinist regimes with their one-party monopolies are at the extreme end of a regulatory philosophical spectrum which has dominated environmental thinking since the 1970s."<sup>21</sup> The Soviet Union did not get into its current situation because of a lack of regulation or state power. Rather, it was the centralized government, which adopted policies based on the needs of the ruling oligarchy without consideration of long-term effects or local concerns, which caused the Soviet environmental nightmare.

Although the formation of *Goskompriroda* was a step forward in environmental regulation, so far no action has been taken to reduce the powers of the polluters to damage the environment in the first place, which would entail abolishing the Ministries that control Soviet industry and agriculture, and turning control over to private owners. This would not of itself end pollution—capitalistic states have suffered environmental damage from private action—but it would make the violators of the law more accessible to the regulatory authorities and to the courts, since no

longer would the offender be an untouchable state Ministry, but a private owner. This would also give the owners incentives to find less polluting methods of production, and thereby avoid sanctions and legal remedies. Even a half-way measure, like turning over control of enterprises to local governments could have substantial impact, since they would also lack the power and remoteness that characterizes State ministries.

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*The Soviet Union did not get into its current situation because of a lack of regulation or state power.*

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Gorbachev's campaign for restructuring the Soviet economy promises some of these changes. The 1987 Law on State Enterprise contained some positive measures, such as raising charges for the use of natural resources (which will discourage waste), and establishing fines for toxic discharge. The state monopoly on the production of pollution abatement technology will be eliminated in hopes of fostering competition and stimulating development. But like so many of the *perestroika*-based innovations, these changes haven't been sufficiently or completely implemented by the central government and have met with resistance from lower levels.

Further market-sensitive reforms would do a great deal towards solving the Soviet Union's pollution problems. The lack of a rational system of prices encourages waste, because natural resources are not distributed according to their true value, but by fiat. The Bolsheviks set the tone of Soviet resource policy by determining that all resources were a "free gift of Nature," thus the state's for the taking.<sup>22</sup> The inefficiency of the Soviet system is reflected by relative rates of resource use: compared to the United States in raw materials per unit of national income, the Soviet Union uses 2.3 times more oil and natural gas, 3.1 times more steel, 2.8 times more chemical fertilizers and twice the electrical power.<sup>23</sup> Allocation based on private ownership and real prices would encourage enterprises not to waste resources, but to find more effi-

cient ways of using them. And with the elimination of central economic planning, enterprises would be freed of production quotas imposed by Moscow, which engendered waste through the promise of "bonuses" for overproduction, and allowed to find rational market niches.

In the meantime, local environmental groups continue to be the most effective

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*Cleaning up after socialism will be a difficult task, but not an impossible one. Americans can play an important part in seeing that the job is done right, and by helping reform the Soviet economic system from the bottom up.*

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agents for change, if only by stopping new projects that threaten to pollute, and calling into question the need for those currently under operation. "Green" candidates have also been elected to the Congress of People's Deputies. They don't wield effective power, but they do use the Congress as a forum for discussion of environmental issues, helping prevent ecological problems from being censored or ignored.

### Aid From Abroad

The United States and Western European countries have taken some interest in the environmental problems plaguing the Soviet Union. This is the result, in part, of Western interest in seeing the Soviet economy move towards a market orientation, and, particularly in the case of Europeans, of an attempt to forestall the Soviet problem from spreading over the border any more than it has. (Eastern European nations have been the primary recipient of aid for pollution control thus far, because of their proximity to Western Europe and the relative amenability of their governments to cooperate in reducing pollution.)

The Soviet Union provides a potentially vast market for United States pollution abatement technology and expertise. Pollution cleanup is a longer-term but still viable enterprise in which U.S. companies may seek to invest.

While increased foreign aid to the Soviet Union will no doubt help stem the worst of the pollution problems, the long term solution must be found in market mechanisms, not state-to-state programs.

Joint-ventures between Soviet government- or privately-owned anti-pollution enterprises and United States firms would give Americans an opening into this developing market, while also guaranteeing capable oversight and quality control. Allocation of cleanup funds by the United States government or by corporations to independent environmental groups in the Soviet Union (instead of to Moscow) would help see to it that the funds are actually used in the projects for which they were intended. As in any dealings with the Soviet Union, there are few clear roads for free market action. The best that can be done, for now, is to try to minimize the damage caused by state interference in private efforts to deal with the ecological dilemma.

Continued support for democratic reforms in the Soviet Union is another important aspect of the environmental program. More democratization will have the effect of making certain the problems are not swept under the rug, as they had been in the past; so long as local governments, special interest groups and private citizens in the Soviet Union have some access to the reins of power, they will be able to keep public debate alive, and to press for necessary reforms. In the long term, democratic reforms will open the way for private conservation action, which is the only true solution to the problems the Soviet Union faces.

Cleaning up after socialism will be a difficult task, but not an impossible one. The long-term solution to the problem of pollution lies in privatization of property and the creation of an independent judiciary, so that every perpetrator of environmental damage can be taken to court by those he harms. Americans can play an important part in seeing that the job is done right through helping reform the Soviet economic system from the bottom up. □

### Notes

1. See Aristotle, *The Politics*, Ernest Barker translation, London: Oxford University Press (1982), pp. 48-56.
2. Alec Nove, *An Economic History of the USSR*, Middlesex, England: Penguin

Books (1969), pp. 119-223.

3. See Joan DeBardleben, *The Environment and Marxism-Leninism*, Boulder, CO: Westview Press (1985).
4. Vladimir Chudnov, *Nature Conservation in the USSR*, Moscow: Novosti Press Agency Publishing House (1975).
5. D.J. Peterson, "The State of the Environment: the Water," *Report on the USSR* 2(11), March 16, 1990, pp. 14-19.
6. *Ibid.*
7. James Critchlow, "Desertification of the Aral Region: Economic and Human Damage," *Radio Liberty Research Bulletin*, August 26, 1987.
8. "Central Asia Without Siberian Water," *Environmental Policy Review* 1(1), June, 1987, pp. 23-32.
9. See R.W. Bradford, "We Will Bury the Environment," *Liberty* 3(5), May, 1990, pp. 11-12.
10. Peter Sinnot, "Water Diversion Politics," *Radio Liberty Research Bulletin*, August 17, 1988.
11. "Lake Baikal: The Pollution Continues," *Current Digest of the Soviet Press* 38(2), pp. 12,19.
12. *Ibid.* No doubt many epishura have been killed because of concentrations wood pulp and other impurities which have clogged their gills during the "cleansing" process.
13. "Writer vs. Minister on Baikal Pollution," *Current Digest of the Soviet Press* 38(7), pp. 5-7,22. Even *Pravda* admits the Irkut diversion scheme would be a "lesser of evils" approach.
14. Yuri Sinyakov, *Standing Up for Nature*, Moscow: Novosti Press Agency Publishing House (1979), p. 29.
15. "Environmental Budgets in the USSR and Various East European Countries," *Environmental Policy Review* 1(1), June, 1987, pp. 33-37.
16. Barbara Jancar, "Democracy and the Environment in Eastern Europe and the Soviet Union," *Harvard International Review*, Summer, 1990, p. 13.
17. David Marples, "Zhitomir Residents Express Concern Over Radioactive Fallout," *Report on the USSR* 2(4), January 26, 1990, pp. 25-27.
18. "1986: The Year of Public Criticism," *Environmental Policy Review* 1(1), June, 1987, pp. 12-22.
19. *Pravda*, January 17, 1988, pp. 1-2.
20. Quoted in Marjorie Sun, "Environmental Awakening in the Soviet Union," *Science*, 26 August 1988, pp. 1033-1035.
21. Jancar, *op. cit.*, p. 59.
22. DeBardleben, *op. cit.*, pp. 248-252.
23. Igor I. Altshuler and Iurii N. Golubchikov, "Ecological Semi-Glasnost," *Environmental Policy Review* 4(2), July, 1990, p.5. Given problems of GDP calculation and currency conversion difficulties, these figures can only be used as rough indicators.

## Explanation

# Giving Capitalism a Test Drive

*by David Friedman*

The advantages of limited government — or even *private* government — need not be explained by recourse to confusing philosophical jargon. Simple, practical economics does the job quite nicely.

One argument often made against complete laissez-faire is that government intervention is needed to provide commonly used facilities such as roads and sidewalks and to deal with such mundane externality problems as the conflict between my desire to play loud music at night and

my neighbor's desire to sleep. One reply sometimes made by libertarians is that most such problems can be dealt with by proprietary communities. The developer who builds a group of houses also builds the local streets and sidewalks; each purchaser receives, along with his house, the right to use the common facilities and to have them maintained. Each purchaser also agrees, when purchasing, to pay his share of the cost of such maintenance, according to some pre-set formula.

Such private arrangements, which are in fact quite common, can deal with externalities as well. A colleague of mine used to point out that in his (private) community he could not repaint his front door without the permission of his neighbors—that being one of the terms of the contract for that particular community. In a condominium, which is essentially the same arrangement packed into a single building, the contract is likely to include procedures for resolving disputes among neighbors as to what behavior in one apartment inflicts unreasonable costs on adjacent apart-

ments. In any proprietary community, the contract is likely to contain arrangements by which the signatories can jointly modify it in order to deal with new circumstances.

The existence of such institutions raises an interesting question: In what sense are they not governments? As a British acquaintance put it to me, his relationship with his condominium association and his local authority are essentially the same. Each of them has authority over his behavior as a result of his decision to live in a particular place—an apartment in the condominium in the local authority. Each imposes rules on him. Each "taxes" him—although the condominium does not call the money it collects for maintenance and repairs taxes. Each can change the rules and the taxes imposed on him by similar, democratic methods—a vote of his fellow citizens in the one case, his fellow residents in the other. While the condominium association may be a useful solution to a set of problems, in what sense is it a private solution? Or, to turn the argu-

ment around, if libertarians approve of such institutions when they are called condominium associations or proprietary communities, why do we disapprove of them when they are called governments?

One possible answer to this question is to invoke libertarian ideas of natural rights by arguing that the proprietary community, unlike the government, came into existence without violating anyone's rights. The developer bought the land from its owners and resold it to purchasers who had agreed to the government-like restrictions included in the purchase contract. The local government, on the other hand, came into existence because, at some point in time, a majority of the inhabitants (or possibly a majority of the citizens of some larger political body within which it is located) decided to create it—thus imposing their rules on everyone already living there, whether or not he agreed.

That is a possible answer, but I do not think it is one likely to convince many non-libertarians, nor is it one

that I find terribly interesting. The purpose of this essay is to offer another answer, and one that does not depend on our particular view of rights. There are good practical reasons why the way in which the "government-like" institutions came into existence matters, quite aside from the question of whether anyone's rights were violated in the process.

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*My suspicion is that local governments are bigger than proprietary communities for much the same reason that communist trucks are heavier than capitalist trucks.*

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To see the reasons, consider the following question: You wish to buy a truck, and have a choice of two. One was built in Detroit, one was built in the Soviet Union. Which do you choose?

Most people would choose the capitalist truck. Why? Both are trucks. If they are identically built, they should function in exactly the same way—why does their history matter? Why should we care about the ideology of a truck?

The answer, of course, is that the two trucks are not identically built. The capitalist truck was built under a system of institutions in which people who build bad trucks are likely to lose money. The communist truck was built under institutions in which people

who build good trucks are likely to lose money, and often other things as well—since the result of building good trucks is likely to be not meeting your assigned quota for the month. Even before checking out the trucks, we have a good reason to expect that the communist truck will be worse built. In particular, we can expect that it will be heavier—since quotas were frequently set, not in number of trucks, but in tons of trucks.

Precisely the same answer can be made for the difference between the "government" of a condominium or proprietary community and the larger government within which it is located. The private developer who created the former had a private incentive to design the best possible political institutions. What he was selling, after all, was both a house and a share in a "government." The more attractive the form of the community association appeared to the purchaser, the higher the price he would be willing to pay for the house.

It could be argued that a similar constraint applies to the political institutions that create and modify local governments. The voters, after all, also want to live under desirable institutions, so the political entrepreneur who is creating a new local government or modifying an old one also has an incentive to try to create attractive institutions. That is true to some degree, but much less than in the case of the proprietary community. There are reasons why democracy does not work nearly as well as capitalism.

For one thing, the individual voter has very little incentive to try to find out whether the proposed political changes are actually in his interest, since his vote has only a small chance of determining what actually happens. The individual purchaser, on the other hand, "votes" by buying or not buying a house in the community. If he

votes no, he will not be under that particular set of institutions, if he votes yes he will, so he has a substantial incentive to investigate the institutions before he buys—or at least to check out current property values and the current condition of common facilities in previous communities sold by the same developer. That argument is one of the reasons why not only communist trucks but even democratic socialist trucks are likely to run worse than capitalist trucks.

One of the most important characteristics of a government is its size. The average American lives under a local government ruling at least tens of thousands, perhaps hundreds of thou-

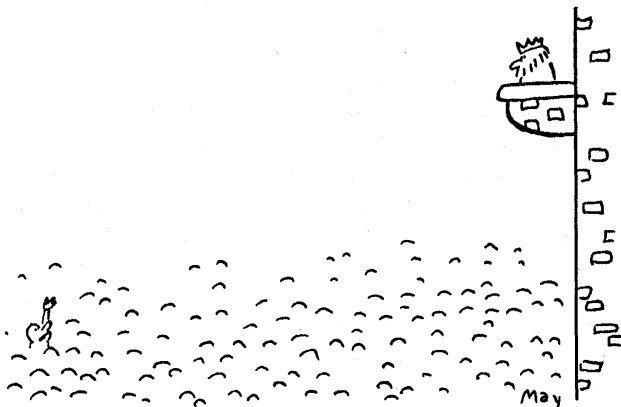
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*The preference for capitalist trucks is not merely a matter of ideology. A sensible communist would also prefer capitalist trucks. Indeed, communists who had the opportunity to shop in the West routinely demonstrated their preference for capitalist goods.*

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sands, of citizens. The average inhabitant of a condominium or proprietary community, I would guess, lives under a "private government" of about a hundred citizens. I doubt this is an accident. My suspicion is that local governments are bigger than proprietary communities for much the same reason that communist trucks are heavier than capitalist trucks.

The preference for capitalist trucks is not merely a matter of libertarian ideology. A sensible communist would also prefer capitalist trucks. Indeed, communists who had the opportunity to shop in the West—an opportunity frequently given as a reward for party loyalty and other communist virtues—routinely demonstrated their preference for capitalist goods by buying them in as large a quantity as possible. More recently, what used to be the Communist world has demonstrated its preference for capitalist trucks on a somewhat larger scale. □



"Sire, some of us feel that we're not getting enough individual attention..."

# Class Warfare in Italy Or: How I Became a Libertarian on My Honeymoon

by Scott J. Reid

In this benighted age of complacent statism, those who explore or profess liberal ideas tend to the intellectual end of the personality spectrum. They are far more inclined to read a book than to watch sports on TV or go shopping at the local mall. I am no exception to this rule. When my bride, Poh Lan, and I went to Italy on our honeymoon, I dragged along two fat books on social theory. By the time we were halfway through our visit, I had read enough, and I had seen enough ancient fortresses, dungeons and torture chambers to arrive at the rather conventional liberal realization that politics is, and always has been, about the struggle of competing interest groups to use the coercive apparatus of the state to milk each other and the rest of the population. By the time we arrived at the little hilltop town of San Gimignano in Tuscany, I found that I had become sophisticated enough to read the story of the clash of long-dead classes and interest groups just by looking at the architecture they had left behind. This means, I suppose, that I was well on my way to becoming a full-blown bore at cocktail parties.

San Gimignano's fifteen stone towers are its claim to fame and tourist success. There once were seventy-two, so I was assured, although it is hard to imagine that so many relatively large buildings could have been stuffed into such a confined space. The whole town, which is tidily nestled within the confines of an ancient stone wall, covers an area equivalent to five or six

blocks in downtown New York City. Perhaps the definition of tower was being used somewhat generously in making this claim. On the other hand, if you visit the crypt of the young girl, Saint Fina, who was made into the town's patron saint, it is possible to gaze upon the nearest thing to a photographic view of the town as it appeared in the days of the early Renaissance. There, upon the walls of the tomb, is a fresco by no less an artist than Ghirlandaio of the young saint upon her deathbed, and through a painted window it is possible to gaze out onto the town as it looked in the 1400s. Ghirlandaio, like all of the early Italian discoverers of the magic of perspective, was fascinated with his newfound ability to reproduce scenery and cityscapes exactly as he saw them. So there is a very good chance that what he preserved in paint is a near-photographic vision of San Gimignano as it appeared over 500 hundred years ago. The town was in those days a forest of towers, a miniature premonition, in brick and stone, of Manhattan or downtown Montreal.

The towers were built by the families of the local nobility. At first I won-

dered how there could have been so many noble families in such a small town, but it seems that these were the aristocrats of the entire surrounding countryside—perhaps even of an area as great as that of the nearby Republic of San Marino, for San Gimignano was as much an independent city-state in the era of the towers (c. 1100-1350 A.D.) as San Marino is today. In those days, every city in Tuscany was a forest of towers. Bologna still has two of them, although they have started to lean precariously over the centuries, and may not stay upright much longer.

The towers have survived here, said *Let's Go* (my travel book), because the city-state of San Gimignano lost its independence to Florence before the *popolani* (the "people," i.e. the merchant class) could take power as they eventually did in most of the other city-states of Italy. Upon gaining control of the state, one of their first acts was to tear down the towers which had been both status symbols and fortresses for their rivals, the landed aristocrats. *San Gimignano, Town of Fair Towers* (a colorful and overpriced picture-book) informed me that the tow-



ers were saved again at a later date by a punitive zoning law passed by the occupying Spaniards against new construction within the city walls. Were it not for this injunction, the towers would have been replaced by baroque *palazzi*. This may be the only recorded instance in history of any good coming out of a municipal zoning law.

The rest of the story of San Gimignano's towers I had to piece together on my own. In medieval, agrari-

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*It must have been most distressing to see your noble family's country palazzo burned down every time there was a petty war. Medieval Italy had no equivalent to the united (if tyrannical) governments of France or England, under which the magnates could build sprawling country houses like Hampton Court before getting their heads lopped off by the king.*

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an, feuding Italy, the nobles could not live securely on their estates because of the perpetual danger of war between the dozens of petty city-states of the day. The aristocrats wanted to live well. It could probably be stated as a general rule that they would, whenever possible, spend the entire surplus of their serfs' production upon themselves—probably mainly on luxury and prestige, since it seems unlikely that the unstable economy provided many opportunities for the productive investment of this surplus. Since, as Adam Smith notes in one of his tangential observations in *The Wealth of Nations*, the purchase of expensive baubles such as jewels and works of art was difficult in the fragmented feudal economy, the nobility had to devote their efforts to other forms of consumption. One possibility was the holding of great feasts, and any student of medieval European history must naturally think of gratuitous warfare, crusading, and the like as ways of

burning off the equivalent of what we would call government surpluses. But in addition, a landed aristocrat could not be without his family seat, his country manor.

Of course, it would have been most distressing to see your family's country *palazzo* burned down every time there was a petty war. This was a perennial problem in medieval Italy, which had no equivalent to the united (if tyrannical) governments of France or England, under which the magnates could build sprawling country houses like Hampton Court before getting their heads lopped off by the king. The only spot where a grand house could be safely built was within the walls of a fortress, which is what San Gimignano more or less was.

The town's location was well chosen, providing both security and wealth. It was on an easily defensible hilltop, and standing along what was in those days the main road between Rome and the north, with the result, presumably, that tolls could be generated.

Within the confines of the town walls, space was at a premium and grand villas on the Roman or Florentine models could not be constructed. Nor, indeed, could anything that took up space. Thus, prestige accommodation could only be provided by building *up*. This same phenomenon produced, at a somewhat later date, the tall narrow *palazzi* of Venice, that Poh Lan and I had been much amazed by when we had first seen them the week before. The buildings of San Gimignano predate those of Venice, however; the techniques of the day did not permit the creation of the great works of architectural art which the Venetians made their homes. So, building for size and prestige was the only way to go. This was one reason for the construction of towers. If the family next door had a tower 100 feet tall, there simply was no question of you settling for one which was only 80 feet tall. One particularly ambitious individual planned to set a new height record with a pair of perfectly matched twin towers—which still stand and bear a remarkable resemblance in miniature to New York's World Trade Center—only to be thwarted part way

through by an injunction of the municipal/national government that nobody could build higher than the *Torre Grande* (big tower), which is attached to the town hall/national legislature, and stands over 170 feet tall—high enough to give me asthma for a week, when I tried climbing it. This law was, incidentally, the earliest non-biblical height-limitation statute of which I am aware.

The other, and equally intriguing, reason for the construction of the towers was San Gimignano's splendid commercial success. Its position on the main road would seem to have yielded substantial rewards, for the town expanded sufficiently to necessitate the construction of a second wall outside the first. The merchants who profited from the trade along the road presumably brought wealth to the entire community. However, they were after a bigger prize than just increased profits (and the attendant increased taxes): they would have liked to seize control of the government.

I come from the merchant class myself, so I can sympathize with them. No doubt the old landed aristocracy was milking the commerce of San Gimignano for all it was worth. Having lived off the backs of their serfs for so long, they could conceive of nothing more natural than enjoying the fruits of the merchants' labor as well.

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*Not ideally constructed for warfare, the towers were not meant to dispel armies, just rioters. In the same way modern states place steel plates on their tanks but only relatively light body armor on their riot police.*

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But here was a problem. The serfs lived outside of the city walls. Should they rebel, they would have been no more of a threat to the aristocrats than the Florentines and Siennese whom the walls had been built to hold back. Indeed, poorly armed and poorly organized, they would have seemed a great deal less threatening. The merchants, however, lived within the walls. In

such a small town there was no hope of segregating the merchants into a ghetto or of driving them entirely out of the town.

With the *popolani* perpetually on the verge of launching a *coup d'état*, the homes of the aristocratic oligarchs had to be transformed into miniature fortresses. This was the second function of the towers. No matter that they were not ideally constructed for warfare (for example, the arrow-slits at the summit of the Torre Grande afford a clear view of the neighboring square, but not of the base of the tower itself)—they were not meant to dispel armies, just rioters. In the same way that modern states must place steel plates on their tanks but only relatively light body armor on their riot police, the rulers of San Gimignano were willing to use lighter and less efficient protections against their internal enemies than against their international rivals, who had to face the truly formidable city wall. Nonetheless, in recognition of the danger that the merchants could gain control of the streets, the towers were interconnected by a system of aerial walkways, some of them fifty feet or more above street

level. The doorways that led to these are still visible, high above the ground, and the Torre Grande is to this day connected to the next building by an enclosed pedestrian bridge over a stone archway.

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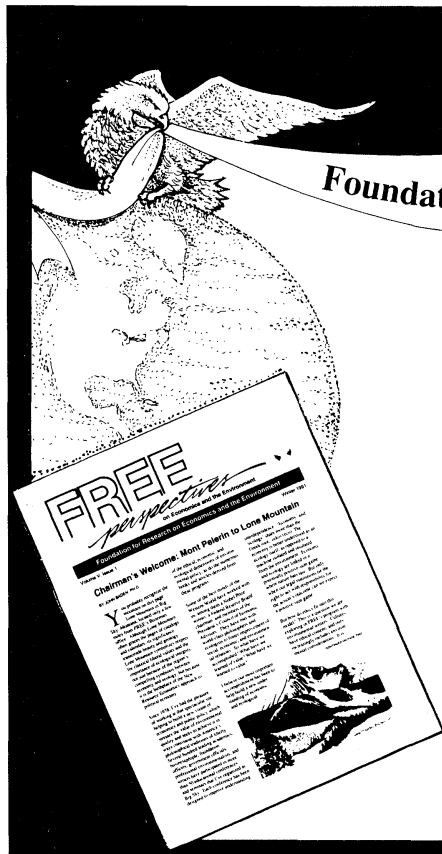
*Given sufficient knowledge of the way the world works, it is possible to read the architecture of a dead society like one reads the Congressional Record: between the lines.*

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What I found most interesting was the way in which the conflicts defining the state apparatus and the economic environment came to be written in the artifacts left behind. Given sufficient knowledge of the way the world works, it is possible to read the architecture of a dead society the same way one reads the Congressional Record: between the lines. The long-passed Republic of San Gimignano seems like a metaphor for the societies of the modern world.

Nothing has really changed since

San Gimignano's days of glory, except the technology of exploitation. A state must still defend itself on two fronts, against the outer world of competing states and against its own citizens as well. However the modern state, thousands of times larger than the tiny republics of medieval Italy, is able to hide its apparatus of coercion behind the vastness of geography. We only heard that we were strangling Iraq; we did not see it in person; we did not smell the burned flesh. The water canons that will keep us in line if we get too rambunctious are tidily kept out of eyeshot until needed. The state still rules, as it always has, through the threat of violence, but it is the extortionist's threat, vague and menacing, never fully in our view. How very different and wonderful it was to visit a place constructed in the days when the tools of oppression had been solid and immobile, and where the true relationship of man and state was plain for all to see. By the time we left San Gimignano for our next destination, I was a confirmed libertarian, and Poh Lan was probably wondering what she had gotten herself into, marrying such a peculiar bird. □



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## Confession

# I Am a Casualty of the War on Drugs

by Stuart Reges

What happens when a university teacher challenges the authority of the state? Not much, unless you get the ear of Drug Czar Bob Martinez, in which case you lose your job.

Six months ago I set out to test the limits of government control over universities by speaking out in favor of the right to use drugs. Drugs have been a positive influence in my life and I know from my own experience that the government's propaganda campaign grossly distorts the realities of drug use. The final straw came for me last October when the federal government, under the provisions of the Drug-Free Schools and Communities Act, forced Stanford University to adopt a new stricter alcohol and drug policy in order to continue to qualify for federal funds.

My experiment became very real on April 12th, when national drug "czar" Bob Martinez all but demanded that Stanford University, my employer, fire me. Today I find myself at the center of a controversy about drugs, free speech, the relationship between universities and government, and the relationship between universities and their faculties.

I have been at Stanford for over ten years. One of the elements of the Stanford philosophy that I have come to appreciate most is its decision to treat students as adults. Stanford's previous policy on alcohol and drug use was to respect the privacy of students, faculty, and staff—as long as people behaved responsibly. This, I think, is a libertarian attitude and Stanford's definition of responsible behavior was almost always drawn along libertarian lines (i.e., individuals

were not allowed to threaten the rights or property of others). This policy has worked extremely well at Stanford, illustrating that when you give people freedom, they behave more responsibly than they do in an atmosphere of mistrust and regulation.

To protest the new policy, I wrote an article for *The Stanford Daily* in which I discussed my views on drugs, my opposition to the new policy, and my intention to violate it. I chose my backpack as a battleground, because it seemed to be a good symbol of my concern over privacy. If they can limit what's in my backpack, I reasoned, then they can require me to take a drug test and they can limit what students do in their dorm rooms (actions that I consider incompatible with the university's mission). So I mentioned in the article that I had carried illegal drugs in my backpack while on campus and that I would do so in the future.

Stanford ignored my article, as I expected. Nobody at Stanford wanted the new policy anyway and I think everyone hoped to ignore it. Some

even argued that Stanford should respond to the government's political move by enacting the new policy but not enforcing it.

Coincidentally, another incident that has become important to my story happened just after Thanksgiving. I was at the airport waiting for the bus that goes to Stanford when a former student asked me whether I'd be willing to advise him about whether to experiment with a drug called MDA that I had mentioned in my article. We had an hour-long conversation in which he told me about his previous experiences with LSD and marijuana and his particular fears about MDA. I told him that his two fears (addiction and loss of control) were bad reasons to avoid MDA and that my own experiences with the drug were excellent. In essence, I advised him to try it. This conversation on the bus, which occurred off school property and at the initiation of the student, became the focus of the public controversy—even though it is not covered by Stanford's alcohol and drug policy or by the Drug-Free Schools and Communities Act.

I decided to test the waters a bit more by writing a letter to several government officials to see whether they could prod Stanford into taking action. I enclosed my article and, to make them angry, I mentioned that the university had not responded to it.

I heard second-hand that Ronald Bucknam of the Drug Prevention Program in Higher Education was very angry about my letter and that he was trying to get people in Washington to do something. But nothing happened. Drug Czar William Bennett left office the same week I launched my letter campaign, so I never wrote him. I did nothing further for several months, mostly because my attention was diverted by the Gulf War. But towards the end of March I wrote Bucknam another letter to let him know that Stanford still had not taken action and that I was giving dorm talks explaining my views on drugs.

Shortly after Bob Martinez was sworn in as the new national drug czar, I sent him a letter as well, telling him that it was "about time that I included you on my list of government officials to harass." I was in a whimsical mood that day and went on to say that "I am doing everything I can to make fools of you." Much has been made of the "rudeness" of my letter to Martinez, so let me quote a bit to give you an idea of the challenge I posed to him:

The students that I talk to find it very encouraging that I can so openly defy government and Stanford policy without reprisal, proving my point that such policies have an effect only to the extent that people, out of fear, voluntarily change their behavior. I do not fear any of you, I have not changed my behavior, and nothing bad has happened to me. On the contrary, my stand against you has brought me additional respect, new friends, and an apparently endless stream of invitations to discuss my beliefs with students who are trying to make tough decisions about whether or not to experiment with drugs and/or whether or not to take the risk of continuing to use drugs in light of government persecution.

If your office gives you any power to try to force me to change my behavior, I suggest that you apply it immediately, because right at the

moment you look rather silly at Stanford to me and the numerous students that I talk to.

I included all of my correspondence to Bucknam in my letter to Martinez and a copy of my previous article.

Three weeks later I received a phone call from a reporter for The Washington Post, asking for my comment on Martinez' letter to our university president. I hadn't heard of the letter, so he explained the situation to me. Martinez had written to Stanford expressing concern about me and reminding the university of its legal responsibility: "In all candor, I would find it beyond comprehension that a man who openly professes to have encouraged an undergraduate to ingest MDA could continue to enjoy faculty privileges at a pace-setting institution like Stanford University. I was myself a teacher for many years. I can think of no action more radically at odds with the responsibilities an educator has to his students."

As I walked out of my class on the afternoon of Friday, April 19, I was handed a letter explaining that I had been placed on administrative leave pending an investigation. Within an hour, the university had broadcast a press release announcing my suspension (oddly, they hadn't even bothered to inform my boss or the chairman of my department).

The whirlwind of national attention began on Sunday when the Washington Post ran an article on my protest and the government's response. Fortunately, Mike Isikoff, the reporter for the Post, framed the debate as a question of how the war on drugs will be waged at universities, particularly as it relates to freedom of speech and academic freedom. The next week and a half was one of the most hectic times of my life. The Washington Post begat National Public Radio, The Los Angeles Times, and The New York Times, who begat CNN news, who begat CBS Evening News, who begat CNN's "Crier and Company" and "Crossfire," and so on. I quickly became the most popular speaker on campus. I have spoken at nineteen dorms since the story broke, with an average attendance of 50-60 people and the discussion going on for an av-

erage of two and a half hours.

My backpack is probably the most photographed backpack in history, but almost all of the news stories and debate has centered on advocacy.

In responding to an editorial in *The Stanford Daily* that supported my right to express my opinion on drugs, Stanford President Donald Kennedy said that "we are talking about conduct and riot protected speech. While the distinction is not always simple, it

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*Stanford has been coerced into becoming a partner in the war on drugs, extending the government's ability to punish drug users. That is a big step backward for this institution and for the future of freedom in this country.*

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is not—as *The Daily* editorial suggests—true that words, or even 'personal conversation,' necessarily constitute protected speech. Criminal conspiracy, incitement and other long-established crimes are primarily verbal, but that does not protect those who commit them from prosecution and punishment . . . It seems unconscionable for responsible persons on this campus to recommend the use of illicit drugs."

House Narcotics Chairman Charles Rangel issued a press release about me on April 24th arguing that "free speech is one thing, but speaking freely about an illegal activity such as drug abuse and drug possession should not in any way be rewarded." (Of course, I never asked to be rewarded; I suspect Rangel wanted me punished.)

The media did a fairly good job of reporting what I had done and why I did it. But my critics (for example, Congressman Rangel) have distorted my words and done their best to sidetrack the issue. They tried to reduce my case to an argument about crack cocaine and heroin, even though I am not a user of either, nor have I ever publicly or privately advocated their use. In an attempt to portray the issue as government protection of the weak

and helpless, they talk about the "kids" and "impressionable youngsters" at Stanford whom I might lead astray.

I'm sure they would have attacked my professional record had they been able, even though it is not really relevant to the fundamental questions in my case, but they have been frustrated to find that my job performance is quite good. Stanford President Kennedy gave me an award six years ago for "Outstanding Service to Undergraduate Education"; the following year, the Dean of Engineering gave me the "School of Engineering Distinguished Advisor Award"; and the undergraduates recently voted me one of their top twelve favorite instructors.

I stirred up this controversy because I think the government is going about the business of purveying its view of the truth in a way that is entirely wrong. I share Jefferson's view that ideas should compete freely with each other and that if you perceive that someone is spreading untruth, you should fight him by telling the truth, not by resorting to coercion. As Jefferson eloquently argued in *Notes on Virginia*:

Reason and free inquiry are the only effectual agents against error. . . . They are the natural enemies of error, and of error only. Had not the Roman government permitted free inquiry, Christianity could never have been introduced. Had not free inquiry been indulged at the era of the Reformation, the corruptions of Christianity could not have been purged away. If it be restrained now, the present corruptions will be protected, and new ones encouraged. Was the government to prescribe to us our medicine and diet, our bodies would be in such keeping as our souls are now. Thus in France the emetic was once forbidden as a medicine, the potatoe as an article of food. Government is just as infallible, too, when it comes to systems in physics. Galileo was sent to the inquisition for affirming that the earth was a sphere: the government had declared it to be as flat as a trencher, and Galileo was obliged to abjure his error. . . . It is error alone which needs the support of government. Truth can stand by itself.

Universities should be the citadels of "reason and free inquiry." Faculty members should never be censured for the opinions they express, even if those opinions involve recommending the breaking of university policies or laws. In certain circumstances, I suppose, speech can cross over into conduct in cases of libel or incitement. But such cases should be handled by the court system and not by the university. (My legal advisor, incidentally, has told me that I am not guilty of any such crime).

Unfortunately, many faculty members do not share this view. In a recent poll Stanford faculty members were asked, "Do you think that recommending that a student should use an illegal drug is punishable conduct or protected free speech?" The results were: 54% punishable conduct, 28% don't know, and 18% free speech. Things haven't changed all that much since the McCarthy era. In 1949 Stanford's president Wallace Sterling explained why communists ought to be excluded from Stanford's faculty: "I doubt very much that a member of the Communist Party is a free agent. If he is not a free agent, then it would seem to follow that he cannot be objective. If he cannot be objective, he is by definition precluded from being an educator."

At the same time his administration was pressuring Stanford to fire me, President Bush was making a speech defending free speech on campuses at the graduation ceremony for the University of Michigan. "Ironically, on the 200th anniversary of our Bill of Rights, we find free speech under assault throughout the United States, including on some college campuses," he said. "Disputants treat sheer force—getting their foes punished or expelled, for instance—as a substitute for the power of ideas. Throughout history, attempts to micromanage casual conversation have only incited distrust . . . We all should be alarmed at the rise of intolerance in our land, and by the growing tendency to use intimidation rather than reason in settling disputes."

Had Bush changed administration policy? For a fleeting moment, the thought occurred to me that Bush had come to appreciate the importance of

free speech. But, of course, Bush was denouncing only attempts by leftists to intimidate free speech. Suppression of free speech by rightists and by Republicans is just fine, as subsequent events were to demonstrate.

On May 10, the university informed me that my employment would be terminated effective May 15th. They chose not to fire me over the advocacy issue, although they expressed concern about it. They fired me because of my admission that I had

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*All I have done is talk, and the government can't take me to court for that. So they have punished me by forcing Stanford to fire me.*

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carried illegal drugs in my backpack and the fact that I had once not prevented two underage students from ordering a before-dinner drink at a restaurant. I will file a grievance, but I doubt that I will manage to change their minds.

The backpack and the issue of my not preventing students from drinking are just excuses. This is most evident from the fact that they did nothing in November—not even write a letter of concern—even though I had broadcast to the entire campus that I was carrying illegal drugs in my backpack. They didn't act until Bob Martinez wrote a letter five months later. It seems clear that their action was motivated by government pressure, not by a desire on their part to censure me over the backpack.

I have never been found guilty of a drug-related crime. The head of the Stanford Police stated publicly that he can't even get a search warrant issued based on what I've said. All I have done is talk, and the government can't take me to court for that. So they have punished me by forcing Stanford to fire me. Stanford has been coerced into becoming a partner in the war on drugs, extending the government's ability to punish drug users. That is a big step backward for this institution and for the future of freedom in this country. □



## Travel

# A Long Way from Philadelphia

by Sheldon L. Richman

In the halls of the Communist Party Central Committee, supporters of individual liberty plot the transformation of the evil empire into a free society.

You know you're in a different world the moment you enter the Moscow airport. The walls are a dingy brown and the lighting is too dim. When we arrived at mid-afternoon, there was hardly anyone about. It felt like a ghost town. The contrast with the airport in Frankfurt, where I had switched planes, couldn't be more stark. Frankfurt airport is like a popular shopping mall. There are shops of all kinds, even a pornography shop. Crowds bustle all over. The atmosphere is bright and lively.

My first emotion in the Soviet Union was anxiety. A Soviet officer looked at my passport and visa for the first time, then raised his hand and told me to wait. "Uh oh, what does he want from me?" I thought. I hadn't noticed a group of people approaching the door. He was stopping me to let them in first. He waved me on. I felt relieved.

I went to Moscow to attend a conference on *perestroika* co-sponsored by the Cato Institute, along with the Independent University and *Komsomolskaya Pravda*, the newspaper of the Young Communist League. Because we were there on quasi-official business, we were afforded VIP treatment at the airport. This meant our luggage would not be searched. We didn't know this until we arrived and I was immensely relieved to hear it. It's not that I had anything in my bags I shouldn't have had (just loads of food and bottled water), but I found the thought of some Soviet goon rummag-

ing through my belongings revolting. I would not make a good Soviet citizen.

A week earlier I did not even know I would be going to the Soviet Union. I had joined the Cato Institute staff just weeks before. Ed Crane, Cato's president, mentioned the upcoming conference and casually asked if I'd like to go. I confess that I experienced mixed emotions. A chance to see the USSR on the eve of its capitalist revolution was too tempting to turn down. But I'm not one who likes to rough it. I've heard enough about the conditions there to know that a visit is no luxury vacation. The water should not be used even for brushing teeth. Their food is of dubious quality. And the chance of being caught in an upheaval always exists. I prefer to watch such things on CNN. At any rate, I did not expect to actually be invited to go. I had no role in the conference; the trip didn't seem like a perk one is liable to get a couple of weeks into a new job.

One week before departure, I got a call at my home from Cato's conference director, Julie Riggs, instructing

me to bring four passport photos to work the following day so that my visa application could be submitted. Time was short. The application would have to be sent in immediately. I felt a rush of excitement, until I recalled that my passport had long expired; I had not been out of the country for about 15 years. Besides, it was in a safe-deposit box somewhere in Philadelphia. I had heard that you could get a passport in one day if you were willing to stand in line for hours. So first thing the next morning I headed to the passport office in Washington, D.C., and told the clerk that I needed one-day service. "You will need a letter from your employer saying that you must have it," she said. Okay, I thought, I'll play their game. In about an hour I had an impressive letter signed by Ed Crane explaining that my presence at the conference was indispensable. I had the passport by 3:30 that afternoon. Ed Crane's name can move bureaucracies. At least, in the USA . . .

So there I was standing in the VIP lounge at Moscow airport being greeted, along with my traveling compan-

ions, our co-sponsors and several students who would graciously be at our service for the next few days. They offered coffee. Hmm, I thought, coffee is made with water. "No thanks," I said. (Silly me. It is made with boiled water. Soviet coffee turned out to be quite good, if you like it strong.)

When our visas and customs declarations were checked (we had to state that we had no guns or narcotics) and our bags retrieved, we were led to

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*By Moscow standards, the rooms of the Oktyabrskaya might be the tops, but they would have a hard time beating your local Motel 6 out on the highway: one narrow bed, no wall-to-wall carpet, a couple of ugly towels in the bathroom, and the worst toilet paper you have ever seen.*

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a bus for the trip to our hotel. You'd think that if any thoroughfare in a major city would get special attention it would be the one from the airport to the heart of town. Not in Moscow. As we traversed this main road, we were appalled by the sheer ugliness all around. Run-down housing projects squatted on every block. Mortar was crumbling. Windows were broken. There were no lawns; just mud. Dazed people trudged to who-knows-where. *Nothing* was attractive. The Visible Hand was everywhere in evidence. About the only thing that stood out was a newly opened Pizza Hut. The day was overcast. Just as well: sunlight would have been out of place here.

In a while, the bus passed through a gate and up a drive to our hotel, the Oktyabrskaya, built in the Brezhnev years for the Central Committee of the Communist Party and said to be the best hotel in Moscow. Lately it has been open to Westerners, as a source of badly needed hard currency. The Oktyabrskaya had a stately look to it. Yet I noticed little things. Over each door at the entrance, for example, was

what looked like a camera pointing toward the ground. In the United States this would indicate automatic doors. These doors you had to open yourself. Were the door openers broken? Or were the cameras watching us? Inside the hotel, an ivory-colored staircase climbed to the lobby. On either side was an escalator: neither was operable during our stay. The lobby had a grandeur about it. Another ivory staircase swept to the second floor. On the first landing was a white bust of Lenin.

We checked into our rooms. By Moscow standards, the rooms of the Oktyabrskaya might be the tops, but they would have a hard time beating your local Motel 6 out on the highway: one narrow bed, no wall-to-wall carpet, a couple of ugly towels in the bathroom, and the worst toilet paper you have ever seen. (That's another thing you bring with you.) The room was clean, however, and some interesting accoutrements were provided: both regular and shortwave radios besides the rotary telephone, television (Soviet programming stinks), and a refrigerator.

After nosing around the room, I unpacked my clothes, freshened up, changed, and headed down to the hall where our conference would be held. The Cato people—Crane, Roger Pilon, and Jim Dorn, who put the conference together—were going over the program, which had to be revamped to accommodate the Soviet speakers. I was expecting at most to chair a panel on foreign policy. (Cato's foreign policy director, Ted Carpenter, was supposed to do that, but he became ill the day we were to leave. I was prepared to pinch hit.) But on entering the hall, I learned that the foreign policy panel had been scratched. Only one foreign policy expert was originally on the program and he didn't show. Instead, we would have three panels on economics over two days. This was appropriate; the conference title from the beginning was "All the President's Men: Perestroika Yesterday, Today, and Tomorrow."

Ed turned to me when I entered. "Could you give a ten-minute talk tomorrow on the knowledge problem?" he asked. Happily, it was one of the three or four topics I can speak on at

the drop of a hat. (The problem would be getting me to stop.) "Sure," I said. The meeting ended. I returned to my room and scribbled some notes on my topic. It was nearly time for the opening reception.

The reception room was actually charming, with porcelain chandeliers and wall fixtures. In the middle of the room was a table laid out with caviar, ham, other foods, Stolichnaya vodka, and a delightful lightly carbonated pear drink. I picked over the food carefully—maybe too carefully—knowing that I had a jar of Skippy chunky peanut butter upstairs in case I didn't get enough to eat. Aside from our traveling party, which included Cato friends from around the country and one from South Africa, the reception was for the Soviet citizens and journalists who would be attending the conference. Our guest speaker was Vladimir Bukovsky, the famed Soviet dissident and exile who had recently been allowed to return to Moscow for his first visit in over 15 years. Bukovsky is an earthy, friendly man, who regaled us with stories of his visit to his boyhood school. He told us the latest Gorbachev joke: Gorbachev looks at a portrait of himself and says, "Well, do you think they will remove us?" The portrait responds, "Me they will remove. You they will hang." There is talk in Moscow about a proposal for a "round-table discussion" on the country's crisis involving all the factions. Bukovsky is against it. He ends his talk by saying he's glad he "never negotiated with communists." (This didn't sit well with another reformer, who later would snipe that the view of the Soviet Union must be much better in Cambridge, England, where Bukovsky lives.)

Our conference formally began the next morning. The turn-out was fabulous. The room was filled and news cameras lined up across its width along a center aisle. The first panel, titled "What Is To Be Done?" featured both good guys and bad guys: Gavriil Popov, the free-market mayor of Moscow; Grigori Yavlinsky, former deputy to the Russian prime minister; Vadim Bakatin, former minister of internal affairs and a member of the Presidential Council; and Yegor

Ligachev, former member of the Politburo and the leading reactionary.

Ed Crane greeted the audience, saying it was time to get beyond "Gorbachev's tired old statist clichés." This prompted Bakatin to shoot back that there was no need for "Mr Crane's clichés" either. About all Bakatin could do was urge the country to "calm down." Ligachev, the unreconstructed communist, said that the country had been doing fine before Gorbachev tinkered with it and that the Communist Party could solve the problems. No one in the audience appeared to take this seriously. Bakatin and Ligachev, who were invited by the Soviet sponsors, said what was expected of them. What disappointed us was what the good guys had to say. Popov, who had become known as a radical free-market advocate, said that the government must protect the people "from the extremes of the market." He called for an "administrative state," like the Japanese state, which would "interfere" to combat monopoly and other bad things. He said the country is not prepared for a "long and painful transition" to a market economy. Yavlinsky made similar statements.

The morning session, in sum, was a downer. If the good guys were this bad, what hope was there? How could the liberal forces decide on means if they couldn't agree on ends? Things picked up in the afternoon, however. Boris Pugo, the minister of internal affairs, didn't show. That left Roger Pilon, who would chair the panel; Ruslan Khazbulatov, Russian President Boris Yeltsin's first deputy; and me. Pilon opened with an important statement laying out the legal requirements of a private-property economy: an independent judiciary, protection of property and contracts, etc. Khazbulatov followed with remarks praising Adam Smith. I was next, with my talk on the calculation problem, pointing out that without property there was no exchange, without exchange there were no (true) prices, and without prices there could be no economic calculation. Hence the failure of socialism.

It was an unforgettable experience. There I was, sitting on the stage of a

hall built for the Soviet Communist Party's Central Committee, lecturing on why socialism cannot be reformed and why, as Mises and Hayek had long ago explained, an industrial economy was doomed without private ownership of the means of production. I couldn't tell how my remarks were being received, but I could hear the translator turning my English into Russian as his voice was piped into the spectators' ear pieces. All I could think of was how far—literally and figuratively—this Jewish kid from Philly had come.

I explained to the audience that since the market, through prices, uses knowledge held by all members of society, capitalism embodies respect for the people, unlike socialism, which operates as if the people know nothing worth knowing. As I closed my remarks, I noted that there will be many excuses for not privatizing the country, but that the reformers must clearly articulate the necessity of property rights. "Take the advice," I said, "of that great capitalist company Nike, whose slogan is 'Just Do It.' Ladies and gentlemen, Just Do It!"

During the question-and-answer session, an American reporter for United Press International said that when business is left alone you get things like the S&L crisis. Roger Pilon leaned over to me and whispered, "Leave it to an American reporter to be the biggest jerk at the conference." He explained to the reporter the role of government deposit insurance in indemnifying the S&L managers against loss. The reporter responded that it sounded like the government had indeed left business alone. Later he refused to listen when I tried to explain that the problem was that the government had failed to leave the rest of us alone.

At the end of the session many Soviets came to me to ask questions: Was I ever a communist? How long had I been studying communism? Should the government have any role in the economy beyond protecting property rights and contracts? They were eager to get books on the subject and learn more. Two young men said they would like to become businessmen, but they could not. Don't let the

system crush you, I said. "This system could crush anyone," one of the men said. "The fucking communists," the other added. I offered to send them copies of Ayn Rand's *We The Living*. They had never heard of Ayn Rand.

That night we were taken to the Kremlin to see a ballet. It was nice, but many of us were restless and wished to walk around. We left at intermission

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*There I was, sitting on the stage of a hall built for the Soviet Communist Party's Central Committee, lecturing on why socialism cannot be reformed and why an industrial economy was doomed without private ownership of the means of production. All I could think of was how far this Jewish kid from Philly had come.*

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and walked to Red Square, where we made wisecracks in front of Lenin's mausoleum. (One of the Russians assisting us during the conference, a charming young woman named Irena, told me that some students had been arrested a few weeks earlier for using their bodies to spell out the Russian equivalent of "Fuck Lenin" outside the mausoleum.) We had a beer at the bar of the Intourist Hotel before heading back to the hotel.

The next day, at the final session, we finally heard what we came to hear: radical free-market declarations. The panel, chaired by Jim Dorn, consisted of Stanislav Shatalin, author of the 500-day plan for a market economy that was rejected by Gorbachev last September; Nikolai Petrakov, former chief economic adviser to Gorbachev, who resigned because he had been ignored; Alexei Emelyanov, a pro-market reformer; Vasily Selyunin, a liberal economist; Larisa Piyasheva, a radical liberal economist and a Cato adjunct scholar; and Ilya Zaslavsky, a local legislator and liberal activist. Some highlights: Emelyanov: "We swerved from the natural road in 1917. . . . We robbed the peasants of

their land." Selyunin: "The industries belong to the people and should be returned to them. . . . No, we don't need socialism." Shatalin: "I say an unequivocal yes to private property. . . . We must de-ideologize the economy." Zaslavsky: "Capitalism should be built in this country. It cannot be done without pushing the Communist Party out of power." Petrakov: "I am opposed to economic dictatorship. I support economic freedom."

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*A bust of Lenin was two rubles, or eight cents. It sits on my desk at the Cato Institute; I tell people it is Mitch Miller.*

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The session was exhilarating. There might be hope for this country yet!

Our afternoon was free. Some of us went to the Arbat, a pedestrian street where people sell souvenirs, primarily lacquer boxes and "matryoshka" dolls, those nesting wooden dolls. Certain merchants would accept dollars, but only on the sly. There was no lack of entrepreneurship. Men and women vigorously hawked their wares, pointed out the advantages of shopping at their table, and kids tried to sell "military watches" or to bum chewing gum. (I carried lots of Nestle's Crunch for these occasions.) When I told one vendor that he was a capitalist, he told me in broken English that this was not so: capitalism meant high prices; his prices were low. I gave him a Cato button that said, in Russian, private property and capitalism. (People all over Moscow were wearing these buttons by the time we left.) We saw a few people making speeches or satirizing Gorbachev along the street, indicating a nonchalance that presumably did not exist before *glasnost*.

That evening we held the closing reception, but the guest speaker, former foreign minister Eduard Shevardnadze, never showed. Why, I do not know. It was nonetheless a memorable evening. With the help of *Fortune* magazine's bureau chief, Paul Hofheinz, I chatted with Petrokov, a jovial man who also betrays a pessimistic fatalism. He explained that he took

his wife and child to the McDonald's in Moscow, where it cost him an average Russian's weekly salary to dine. Later that evening our traveling party went to a state-owned restaurant where we were served excellent appetizers and then steak and limp french fries. The company made up for what the cuisine lacked.

The cab ride home provided one of the best anecdotes of the trip. Our driver, a 65-ish man, was wearing a Philadelphia Phillies cap. I pointed to it and said I was from Philadelphia. I didn't expect him to understand, but he replied in broken English that his niece lives in the suburb of Bala Cynwyd. Ed Crane asked him if there would be a revolution in the country. His face lit up as he said, "June," adding, "Yeltsin!" He explained, I think, that Nostradamus had predicted the revolution. Ed then asked if he had ever heard of Larisa Piyasheva. "Economist," he said. He then started naming the radicals, as though he had been to our conference: Selyunin, Zaslavsky, and so on. But this wasn't all. He next picked up from his seat an article he was apparently reading and said, "Brutzkus." Boris Brutzkus was a Russian critic of the Soviet system who understood Mises' refutation of socialism. If this is typical of the cab drivers, the country may straighten itself out quickly.

For Americans everything was cheap. The official exchange rate has been raised from 6 rubles to the dollar to 27 rubles to the dollar. A large meal might cost 100 rubles or under four dollars. Souvenirs were also a steal. I bought a large "matryoshka" doll for 300 rubles, about 11 bucks. A bust of Lenin was two rubles, or eight cents. (It sits on my desk at Cato; I tell people it is Mitch Miller.) With the help of a Russian I bought two beautiful military officer's hats—at about 40 cents apiece. When I was totalling up my buys for the U.S. customs declaration, I realized that the souvenirs I bought, including several toys for my three kids, came to about 15 dollars. (In defiance of Soviet law, I brought about 330 rubles home with me, primarily because it wasn't worth the 12 bucks to stand in line to reconvert them.)

On our last day in the Soviet Union,

Lenin's birthday, my South African friend Hylton Appelbaum, Irena, her boyfriend Kiril and I tooled around Moscow, seeing the sights—the KGB building, the Bolshoi Theater—and stopping at stores where real Muscovites shop. How depressing: dim and decrepit, the selection pitifully limited, the lines long. People stand in the stores trying to resell at marked up prices what they just stood in line to buy. This saves others from waiting. Who said the Russians need to learn entrepreneurship? We lunched on cheese-bread and dumplings at a private co-op Czech restaurant. Irena, a translator, and Kiril, a physician, are young and idealistic. Naturally they want out of the Soviet Union. They would like to get married, but they can't afford an apartment. "I don't want my children to grow up here," Irena says. The American immigration quotas are tight, so they plan to try for South Africa.

Later that afternoon, we went to the office of *Komsomolskaya Pravda* for a meeting with the editorial staff. They greeted us with espresso and pastries. They were eager to learn about the requirements of a free market. We were eager to hear what they are thinking. The editor said their goal is the economic education of the people. We left fearing that they feel they have all the time in the world to debate their problems and that they can discuss means without first agreeing on ends.

Our flight from Moscow was scheduled for 6:15 the next morning. We had to leave the hotel at 4 o'clock. I didn't get much sleep. Before checking out of the room I spread out on the desk all the food and candy I was leaving. A surprise for the maid. I also left my American toilet paper.

There was snow on the ground as we made the trek by bus to the airport. Lines at customs were long, but we got VIP treatment again. Because of the weather, the airport had been closed, and they had to de-ice the Lufthansa DC-10. As we took off I felt some relief to be departing. A short while after take-off the German pilot came on the public-address system with welcome words: we were leaving Soviet airspace. All of us burst into applause. □

# Economics after Socialism:

## Mark Skousen interviews Robert Heilbroner

*Last September, economist Robert Heilbroner resigned from the socialist movement, saying "Socialism has been a great tragedy of this century . . . Mises has won." Libertarian economist Mark Skousen wanted to know more about Heilbroner's change of mind.*

In a recent series of articles in *The New Yorker*, Robert Heilbroner shocked the socialist world by announcing his resignation. The debate between capitalism and socialism is over, he declared. "Capitalism has won!" Later, he boldly stated, "Socialism has been a great tragedy this century." Such statements would not make headlines if they were made by a free-market economist, but when they come from the Norman Thomas Professor of Economics at the New School for Social Research, we all take notice. Heilbroner, a respected thinker, is the author of many influential books, including *The Worldly Philosophers*, the most popular book ever written on the history of economics.

Mark Skousen is an economist of a very different sort. After receiving his PhD. from George Washington University in 1977, Skousen made an unorthodox career choice: he became a financial writer. He advanced very quickly in the field, and by 1980, he was editor of one of the most-widely-circulated investment advisory newsletters and remains today one of the most influential investment writers. Along the way, he has written a number of best-selling investment books. He is currently Adjunct Professor of Economics and Finance at Rollins College in Winter Park, Florida, and is also the author of two books of serious economic thinking, *Economics on Trial* and *The Structure of Production*.

Skousen and Heilbroner met in Heilbroner's beautiful 2-story apartment on Park Avenue in Manhattan, on April 8, 1991.

**Skousen:** You've made some startling statements recently about the collapse of socialism. "The debate between socialism and capitalism is over. Capitalism has won." Also, "Socialism has been a great tragedy this century," and "Mises was right." Doesn't this represent a dramatic reversal in your philosophy?

**Heilbroner:** There's no question about it. These are statements I wouldn't have written five years ago.

**Skousen:** Did you expect communism to collapse economically?

**Heilbroner:** I never had any particular high expectations for the Soviet Union. I had been to the Soviet Union and I envisioned this very creaky bureaucratic inefficient operation. The Soviets seemed to be in a steady state, just clicking along, producing small quantities of bad consumer goods and large quantities of quite good military goods. That's what everyone, including me, thought. But no one expected a collapse! Nobody—not the CIA, not any foreign intelligence—foresaw this collapse. So it took me by surprise.

**Skousen:** You wrote your first article about the collapse of socialism and the triumph of capitalism before the Berlin Wall was torn down.

**Heilbroner:** I think it was very clear from 1988 that things were going poorly in the Soviet Union and the Eastern Bloc. I remember having dinner with Peter Bernstein [co-author of *The Debt and the Deficit*] and we were talking about what's going on in the Soviet Union. He said the system there just doesn't work. And I said, that's right, that's right! That's what really sparked my first piece. We are witnessing an extraordinary living example of a system breaking down. Mises was right. My article made a big splash.

In Eastern Europe, there began talk about some kind of radical transformation from a planned society to a market society—market society is a euphemism for capitalism. What was unforeseen was Gorbachev giving the green light. I didn't expect the move to a market society without having a revolution. I thought there'd be a gradual deterioration of planning.

**Skousen:** In Paul Samuelson's 1989 edition of his famous textbook, *Economics*, he wrote, "The Soviet economy is proof that, contrary to what many skeptics had earlier believed, a socialist economy can function and even thrive." Do you think this kind of statement is an embarrassment to the economics profession?

**Heilbroner:** We felt, and I still do feel, that a command economy is like the military. The army is very good at moving mountains and doing what the Pharaohs did,

building large scale monuments. They build thousands of miles of railroads and large dams. They brought about massive industrialization and mobilized the masses, and they did it very well and very rapidly, or else they never would have held off Hitler.

Socialism can do that. What socialism can't do is to produce the complex array of goods required once a society leaps from a peasant society to an early industrial society. It's very hard to run the damn thing with the absence of market signals.

**Skousen:** Isn't that what the Austrian economist Ludwig von Mises predicted fifty years ago?

**Heilbroner:** I went back and read Mises and Hayek. They

*"I'm certainly not as naive as I was. But I'm just as skeptical as I ever was about the difficulties of capitalism."*

said that central planning couldn't work, but I don't think they're really clear about why it breaks down. Oskar Lange and other socialists had naive notions about the way the command economy could function, that when inventories would go up, they'd cut prices, and that would solve the problem. That's not the way it works.

**Skousen:** You are really the first one in the socialist camp to admit that your views about capitalism have changed. Here you are the Norman Thomas Professor of Economics at the New School of Social Research, a hot bed of socialist thinking . . .

**Heilbroner:** Socialist, I don't know. It certainly is a hot bed of institutionalist thinking, New Deal thinking.

**Skousen:** What has been the reaction to your articles about the triumph of capitalism over socialism?

**Heilbroner:** It made me either famous or infamous. Many conservatives quoted me, I got a lot of favorable letters. But I knew I was going to run this risk of being considered a turncoat.

**Skousen:** In the 1930s, the Keynesian revolution really caught on when several influential economists, such as Alvin Hansen at Harvard . . .

**Heilbroner:** He was one of my professors when I was an undergraduate there.

**Skousen:** . . . changed sides from being a classical economist to being a Keynesian. Do you see yourself in the same role, except in the other direction?

**Heilbroner:** That's a hard question. I'm not trying to hedge it, I'm trying to find the right way to answer it. I'm certainly not as naive as I was. But I'm just as skeptical as I ever was about the difficulties of capitalism. I think there's a range of outlets for capitalism. I don't think economic growth is the only criteria for success. Fairness and justice are essential, too. I think of some of these modern-day welfare states which can produce very remarkable results. Austria is very welfarish, very state managed, very conservative and very successful. But there isn't a socialist left in Austria. That's what I call successful capitalism. I'm a great believer in welfare capitalism.

**Skousen:** Have your socialist colleagues been very critical of

your change of heart? In a recent issue of *Dissent*, a forum for radical thinkers, they seemed to be . . .

**Heilbroner:** No. I'm a member of the board of *Dissent*. I made the point that just because socialism has lost does not mean that capitalism has won. We're not out of the woods yet.

**Skousen:** Isn't it true that the socialist camp is in a state of crisis, and they are groping to redefine socialism in this post-socialist era? One suggested that socialism is nothing more than market capitalism with a sense of community.

**Heilbroner:** Well, the question is, what's left of the idea of socialism? We know it's not what was in the Soviet Union, not Hungary or Czechoslovakia. Maybe it's Sweden. That's closer to my idea of socialism. But there's really no answer right now.

Maybe socialism is nothing more than the best kind of capitalism. I'm not afraid of the word socialism. Socialism has always had very high moral objectives even though it has been besmirched by Soviet atrocities and belligerence. To me socialism as a democratic ideal has always stood for equality and justice.

**Skousen:** You've written the most popular book ever on the story of economics, *The Worldly Philosophers*. I believe it's sold 3 million copies. Based on your new views, what would you change?

**Heilbroner:** Very little. There's almost nothing in the book about socialism.

**Skousen:** But maybe there should be.

**Heilbroner:** I don't think so. I revised it rather recently.

**Skousen:** In your latest edition, you quote Joseph

Schumpeter, one of your teachers at Harvard, who was very pessimistic about the future of capitalism and predicted that socialism was the wave of the future.

**Heilbroner:** In the 1940s, he said, "Can capitalism survive? No, I do not think it can."

**Skousen:** Obviously he was wrong.

**Heilbroner:** Oh, yes, very wrong. Schumpeter was convinced that socialism was the wave of the future because corporate management would be afraid of taking market risks. The game wouldn't be worth the gamble. But Schumpeter really didn't care about the demise of capitalism. He considered himself a preferred member of the talented elite, who could make socialism run even better than capitalism. I now have an entire chapter devoted to Schumpeter and his contradictions. He's a wonderful man.

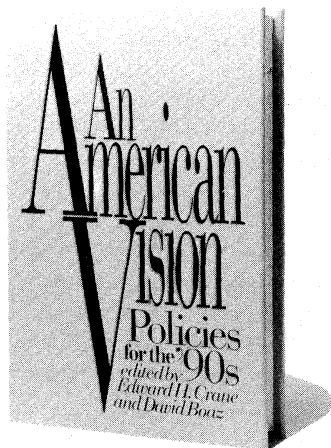
**Skousen:** Your book has a chapter on Marx, a chapter on Keynes, and a chapter on Schumpeter, but you do not even mention Mises, and hardly quote Hayek at all, yet these Austrian economists have proven to be prescient. Don't they deserve greater exposure to students of economics?

**Heilbroner:** There's two characters here, Mises and Hayek. I spent the summer reading Hayek, his book *The Constitution of Liberty*. He doesn't call himself a conservative, and he doesn't sound at all like a conventional economist. Hayek rationalizes; he has this remarkable picture of the market system generating information so that people can do the things they need to do. He writes very beautifully. I find that when Hayek is good, he's very good. But it's slow, hard reading.



# // The high-beta think tank of the '90s will be the free-market libertarians at the Cato Institute. //

— Lawrence Kudlow, "Money Politics," March 25, 1990



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On the other hand, I find Mises impossible. I just don't buy the practicality of his theory of praxeology. I can't take his book, *Human Action*, seriously. He said that socialism is impossible, but he was not terribly convincing to me. He was so dogmatic.

**Skousen:** Aren't all the great economists dogmatic? Is that an excuse for you and Samuelson and others to ignore the Austrians? Students can go through an entire course in economics and never hear the names of Mises and Hayek.

**Heilbroner:** I doubt that about Hayek. Mises is a special case.

**Skousen:** Haven't you contributed to the neglect of Mises?

**Heilbroner:** In my day, hardly anyone read Mises and

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*"What socialism can't do is to produce the complex array of goods required once a society leaps from a peasant society to an early industrial society. It's very hard to run the damn thing with the absence of market signals."*

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*Human Action*, nobody that I can know of. His book on socialism is generally regarded by most people as so ill tempered, so overdone.

**Skousen:** You don't think you were biased in *The Worldly Philosophers* by failing to include the free-market movement (the Chicago School and the Austrians) in the 20th century?

**Heilbroner:** The purpose of *The Worldly Philosophers* was to represent, as best I can, the existing body of thinking out there. I could have included all sorts of crazy people lurking in the shadows of economics . . .

**Skousen:** But you chose Veblen over Mises, over Friedman.

**Heilbroner:** Veblen is a major personality in the history of economics. You can't say that about Mises. I can show you a library full of books on Veblen. It isn't that I made it up. It wasn't arbitrary. I mentioned Galbraith in passing, but I'm not a big fan of Galbraith.

**Skousen:** So you don't feel you were biased in your selection of economists?

**Heilbroner:** I have my biases, my beliefs. When I went to college I was a liberal . . . *everybody* was a liberal in the 1930s. Later on in my thirties and forties I became more of a radical. I felt that liberal analysis was too shallow. Later on yet in the fifties and sixties, I became more conservative. And I've been all three ever since.

**Skousen:** In your recent articles about the triumph of capitalism and the tragedy of socialism, you make constant mention of Mises and Hayek.

**Heilbroner:** That's true. Just recently now, there has been a reemphasis in the Austrian school. Economists like Don Lavoie [at George Mason University] are doing some interesting things. He's very bright.

I don't know the Austrians that well. I grew up at a time when the Austrians were ignored. As social philosophers, they never had any impact.

**Skousen:** I hear that Mises and Hayek are having a big influence in Eastern Europe.

**Heilbroner:** Yes, they are quoted a lot. And so is Friedman. I don't know what's going to happen in Eastern Europe.

**Skousen:** Speaking of Friedman, you also ignore the Chicago

school in your book. Why?

**Heilbroner:** The trouble with Friedman is that his approach is completely non-revolutionary. For Friedman, capitalism has no past and no future. It has no tendencies, no trends. It always lives within the shadow of being subverted by some power-crazy bureaucrat. So I don't take Friedman seriously as an historical economist.

**Skousen:** How do you view the future of capitalism over the next 30 years?

**Heilbroner:** Capitalism is, and always has been, in a state of crisis. This is the great problem of our age. Capitalism is going to continue to produce dynamic results, both good and bad. If it works very badly, I don't know what to do next.

**Skousen:** To what extent do you think the government rather than the capitalist system is responsible for these crises? Do you buy any of that argument?

**Heilbroner:** Not much.

**Skousen:** Take Friedman's argument that the Great Depression was not caused by the market, but by monumental blunders by the government's central bank. The money supply shrunk by a third. Do you accept his thesis?

**Heilbroner:** I think it's very close to what happened. I'm quite sure that many government efforts backfire. When government pushes button A, you don't always get result A. They push B, and get something else. On the other hand, what Friedman, Hayek, and Mises don't say, and what I do say is that tremendous problems come out of the workings of the market. Problems from ecology to the banking crisis. To deal with these problems, you have one of two choices. You can do nothing and let the problems run their course, which may be very dangerous, or you do something. It's either laissez faire or intervention by the state.

We know that intervention never produces quite the results we expect. Take deregulation. It produces both good and bad results. We have the hub system in the airlines, which a lot of people don't like. We have deregulation of AT&T, which I hate.

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*"Hayek has this remarkable picture of the market system generating information so that people can do the things they need to do. He writes very beautifully. I find that when Hayek is good, he's very good. On the other hand, I find Mises impossible."*

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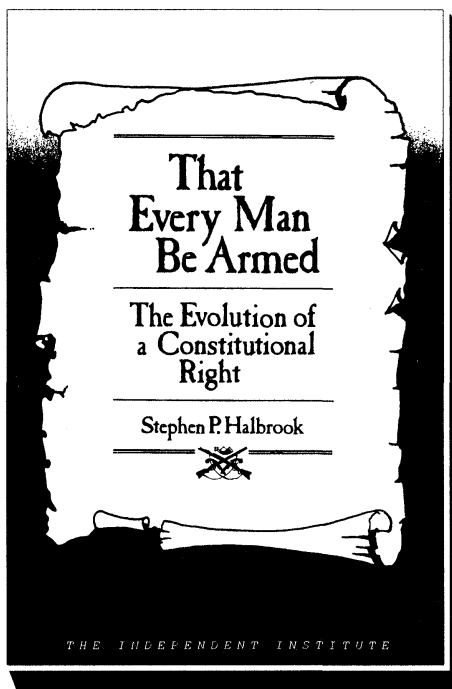
I always come back to the dynamics of the system, which is not always foreseeable. I dimly foresaw an ecological crisis coming. There seems to be an increasing concern that something is going on. It's not being produced by the government, it's part of the natural workings of the system. Is the market going to take care of this by itself?

**Skousen:** Peter Drucker argues that in order for a nation to solve environmental problems it must be wealthy. You become wealthy through market capitalism and then you deal with the environmental issues.

**Heilbroner:** Yes, he might be right.

**Skousen:** You have said that socialism as a theory is dead. Is Marxism also dead?

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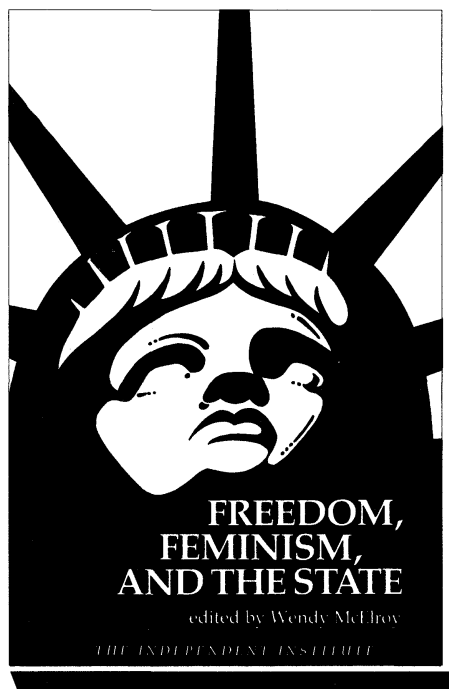
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**Heilbroner:** No, I don't think Marx is dead. The Soviet system is dead. There isn't really anything left to it. But of Marx's entire opus of writings, only one percent is about socialism. He was primarily interested in capitalism, and what he said about capitalism is I think very profoundly important.

I came to terms with Marx when I wrote a little book, *Marxism: For and Against*. What got me into trouble with both the right and the left was the word "and." I was both for and against Marx. What I like about Marx is his view of philosophy and history. Marx stressed capitalism's internal dynamics, the essence of capitalism. I don't see how you can be an economist unless you've absorbed that. But

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*"The trouble with Friedman is that his approach is completely non-revolutionary. For Friedman, capitalism has no past and no future. It has no tendencies, no trends. It always lives within the shadow of being subverted by some power-crazy bureaucrat. So I don't take Friedman seriously as an economist."*

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what I'm against is the *Marxisms*, the connection with socialism. The revolution toward socialism, I've never bought that. What comes out of this process, as Marx describes it, could be very ugly.

But Marx has a lot to say about the capitalist system. There is a tremendous tendency today by conventional economists to see most problems descending out of the blue. On the conservative side, they descend from the government. On the liberal side, they descend from an oil shock or something outside the system. But it's really all the workings of the system, the technology of the market, the striving, the pushing, the shoving, and all that.

I wrote a column a long time ago in which I said that it's common to speak about inflation as an ailment. But it's not an ailment. It's the way the system works. It isn't sick or well. That's just the way the system works around the world. You see how it works and then you change the dynamics.

**Skousen:** You mentioned inflation, which brings up the book you wrote with Peter Bernstein, which has had a profound impact. When it first came out in 1963, it was called *A Primer on Government Spending*. The new edition is called *The Debt and the Deficit*. The Federal deficit is now approach \$500 billion a year, if you include off-budget items. Haven't we reached a crisis stage because you and other economists are apologists for the deficit, saying that it really doesn't matter?

**Heilbroner:** Not quite. The deficit is a very scary word. But I've always felt that you have to look at it from the perspective of national wealth. How big is it compared to national wealth? And, you know, we're right in the middle of the range, same as Canada and Japan.

**Skousen:** But it's moving up as a percentage of national wealth.

**Heilbroner:** All capitalist governments borrow money. The

real question is, what do they borrow it for? If you could show that we borrow money for good things, such as rebuilding the cities, who would complain? Then you wouldn't have this silly business about crowding out. It isn't crowding out, it's just shifting over. Instead of building a private plant you build a public plant.

**Skousen:** But what if the government is spending most of the deficit on the military? It's just poured down the sands of the Arabic desert. . . .

**Heilbroner:** By the same token, when you reach the end of a dish of ice cream, that's it.

**Skousen:** It's consumed, but nobody's being killed or destroyed. Somebody's enjoying the ice cream. There's a big difference.

**Heilbroner:** It isn't that I pooh pooh the deficit. I pooh pooh the alarmists, people wringing their hands about the deficit. What I really call for is an examination of what the deficit is spent on. We may disagree on what is good. Herbert Stein is a conservative economist who thinks you should count military assets like tanks as a part of capital public wealth. I don't think so.

**Skousen:** You're not bothered by the fact that the Treasury can raise all the money it wants at 8%, while major corporations, who are in the business of providing consumer goods and capital, have to pay 10%, 12%, even 15% and are struggling to raise funds? Aren't you concerned about the crowding out effect of large Treasury financing?

**Heilbroner:** It's a question of risk differential.

**Skousen:** No, it's also a question of supply of capital.

**Heilbroner:** American corporations can get capital anywhere in the world these days.

**Skousen:** Not if they can't afford the interest payments.

**Heilbroner:** Don't kid yourself. Companies who have to pay 13% just don't have good bonds. They aren't safe.

**Skousen:** A recent study found that 80% of all new capital financed in the 1980s was government related. You don't think that's a problem for corporate financing trying to compete with the government?

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*"I don't think Marx is dead. The Soviet system is dead. There isn't really anything left to it. But of Marx's entire opus of writings, only one percent is about socialism. He was primarily interested in capitalism, and what he said about capitalism is I think very profoundly important."*

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**Heilbroner:** One of the reasons the Treasury market is so large is that there's tremendous demand for government securities. The New School for Social Research as well as other institutions park money there because it's sure money.

When Britain reduced its national debt under Thatcher a few years ago, there was a tremendous liquidity squeeze in London. People need those pieces of Treasury paper to do business!

**Skousen:** What's your vision of the world in the beginning of the 21st century?

*continued on page 69*

## Contention

# Tools vs Philosophy

by Karl Hess

Ideas have consequences. And a life of their own. But tools are the embodiment of ideas so practical that their "own life" is, inevitably, ours as well.

Social and political philosophers analyze the world and try to clarify aberrations in the way we behave. They collect and interpret raw data on group behavior. Economists, especially those who actually are interested in economics and not in ward politics, help us understand why we cannot get rich by taking in each other's laundry or why we are unable to build a solid customer base by cheating and overcharging if there is market entry for competition.

The various sorts of social scientists provide the contentions among different ways of controlling or liberating tools, property, and produced wealth. But not one of them, so far as I can see, has ever by a theoretical statement, or opinion, fundamentally changed the way we live together.

They formalize the rhetoric of history's vocabulary. They are the most highly lauded of intellectuals and even seem to define the term itself.

But consider: What was the first great transforming *idea* that turned humans from draught animals to creatures with enough time on their hands to contemplate rhymed speech and develop civil manners, the common law, music, and space travel?

It was not Plato's notion of a philosopher prince. It was not Aristotle's common stonemason's notion that A is A.

The great idea—the one that made human ascent to the stars *inevitable*—was the horsecollar or ox yoke. It was the agency of the first transfer of human need for energy to a non-human source. Once the ox was yoked, the nuclear turbine could not be far ahead! The princi-

ple had been established. Humans could derive energy to do work from non-human, even inanimate sources. Even the discovery of fire seems pallid beside this. Fire did not become a source for energetic work, as a replacement for the ox, until years and years later, when technologies of smelting and then the steam engine were developed. One brought the Iron Age. The other brought the Industrial Revolution. Now *those* were changes.

Social and political scientists tell us why we should live differently. Philosophers try to explain the scientist's prescriptions.

Tools *change* the way we live.

Philosophies are powerfully held opinions. They can organize systems to command the use of the tools in this way or that way, to how they are to be used by this bunch of people or some other bunch.

No tool, once conceived, has ever been known to have been successfully banned or monopolized except locally and temporarily, by any philosophy, law, or any other sort of opinion—no matter how powerful or popular the opinion.

Tools eventually prevail whether you or your political theory like it or not.

The Chinese nobility was said to have rejected the use of gunpowder for war (perhaps to keep the warring field safe from gun-toting peasants.) The Europeans did not reject firearms. They were worried about the egalitarian English long bow. And neither ban nor bother stood a chance against the roaring whirlwind of human ingenuity, whence came the boom of the powder and the swoosh of the shaft.

If all nuclear weapons finally are banned, this will not contradict the point. The energy source will persist—safer, cleaner. The missile delivery systems will endure—perhaps to carry the mail, tourists, and ores back from the asteroids. Only a particular mechanism of nuclear detonation will be banned—and even that could be quickly revived in some political windshift or fairly easily stored away in some high-tech survivalist's cabin in the woods. Tools are immortal.

None of the great philosophers have had the impact on *this* living world as has the mass production of the automobile—the inevitable development of merging the first nonhuman motor, the non-human animal, with the altogether human device, the cart (whether the cart was intended to roll on wheels, skids, oiled logs or the

bones of dead slaves).

There may be 73,000 PhDs granted to prove that unless we had kings, queens, the Magna Carta, or the U.S. Constitution, we never would even have *had* the automobile.

I disagree. I believe that once a tool is demonstrated, and once that someone finds that it makes his or her work easier or more effective, the tool will, like it or not, *be used*.

Engineers devise things that do work for us and they can do this, often, without understanding exactly how all of the parts work or why.

If it works, it works.

Do I think that social and political scientists should be banned from even *having* opinions about tools? Absolutely not. Do I resent that they, more than any other intellectuals, easily promulgate those opinions and cajole or force others to follow them? Damn right I do.

Do I want my buddies in the tool room to make all of the decisions about tools? Don't be a ninny. Tool *users* should form their own opinions and then have to negotiate with other users as to what to do about it—in roughly the way the rules of the road at sea were worked out by merchant seamen who had far more important work to do than to be harassed by pet behavioral theories, conflicting signals, and collisions. (Incidentally, the arena in which such negotiations are carried out could be called a marketplace.)

I yearn to redirect to the people who *change* the world, the praise they deserve.

Three hundred years before the birth of Christ, Euclid stated his *Elements*, making it more practical to measure land for ownership, to design better sails, to make navigation more dependable. Euclid could be said to have opened the door to the modern world. Christ has influenced millions, of course. But the behavior of those millions has not changed much. They still lie, cheat, steal, and kill with abandon—ironically, often in Christ's own name.

In about 1000 AD, Venice consolidated its empire in the Adriatic. Ho hum, just more empire building made lofty with some new political rhetoric. At the same time, the mathematician Sridhara proposed the concept of the zero in number theory. Zero is one important reason you can count to twenty without taking off your shoes.

In the 1660s there were at least 50 major treaties and wars. Politics was sweeping the earth. At the same time, Isaac Newton described the differential calculus. When war becomes just a dim memory, some part of some mission into deep space probably will be enhanced by the calculus. If war persists, the calculus will help us hit targets better. Of ideas developed at the time it has clearly more clout than the socio-political ones.

In 1760 the British imposed the Stamp Act on Americans while Watt perfected the condenser that made the steam engine possible, the Industrial Revolution inevitable, and America a productive powerhouse. But score a big one for an idea here. America was founded on the idea of individual liberty. No wonder it perfected the Industrial Revolution.

*Perhaps the American Revolution is the only social-political idea that can equal the world changing ideas of science and technology.*

The French Revolution? I do not feel it can stand up as a world-changing force against even one of the technological developments of the time, say Whitney's cotton gin or, a few years later, his development of the manufacturing technique of interchangeable parts for mass-produced machinery.

The Russian Revolution and subsequent tyranny was not diminished by ideas so much as by appetites and practicalities. People wanted material things. Free markets provide such things. They are proven practices more than ideologies.

*The market and owned property is more ancient than any currently popular ideology, even Christianity.*

A substantial black market in cars and car repairs surely helped pave the way for *perestroika* which, in turn, must now face the truly radical pressures of material appetites fanned by faxed, photocopied, video-taped and personally computed information. The Eastern European peoples yearning for freedom are yearning for, admittedly, an abstract idea; but they are yearning for it in hope of using today's marvelous tools and earning the material rewards associated with the tools.

In 1903, when Lenin and Trotsky formed the Bolshevik faction of the Russian Social Democratic Party, the Wright brothers' plane successfully

flew. The Bolsheviks gave us their version of Oriental despotism (how neat!); the Wright brothers showed us that highways could be almost infinitely flexible skyways. Any real arguments about the world changing going on there? Certainly, the thousands killed by thugs had their lives changed. Certainly the airplane was a major killing tool. But the world, and all who survived, moved just a tad closer to human understanding through human contact—and also a bit closer to leaping off into space itself. Who really had the long-term right stuff, the Dayton mechanics or the Kremlin killers?

The most powerful contrast for me is between two events in 1962: while the U.S. mission was being established to "save Vietnam," Crick, Wilkins, and Watson got their Nobel Prizes for describing the molecular structure of DNA. Thanks to those three peaceful men, not to raging armies, the world will never be the same again. Speaking merely as a member of the race involved, I could not be more exalted or excited by the prospect.

Ordinary people in the ordinary communities of their lives change the way they behave on the basis of the tools available to them or that they develop for their special purposes.

The tidal change in the status of women, at least in the Western world, had been an idea for centuries. But only when computers unisexed symbol manipulation, when machine shops became cybernated, when muscle was replaced by mind in more and more of the work we do, did the change actually happen.

The idea of throwing off collectivist totalitarianism certainly galvanized resistance in Eastern Europe where people obviously want to change the way they behave. But it has been phones, faxes, copying machines, modems and computers, tape recorders, radio, and television—the tools—that made it possible for the idea to become effective, and in a relatively peaceful manner. The pacification of revolution through the tools of communication is an epic change in the way humans behave.

At any rate, for what it's worth, I urge consideration of this proposition: Listen to the ideas, of course, but *follow the tools* to see if and how the way we work and live is going to change. □



# Reviews

*The End of Laissez-Faire: National Purpose and the Global Economy After the Cold War*, by Robert Kuttner. Knopf, 1991, xii + 304pp., \$22.95.

## Socialism With a Drooling Face

William P. Moulton

We older libertarians, for whom the Goldwater campaign is a living memory rather than an historical footnote, always had a special place in our hearts for John Kenneth Galbraith. I mean, we really hated the sonofabitch. Well, JKG is still around, but he's old now, and does possess a certain style and wit. People a lot worse have come down the intellectual pike since then, so some of us have moderated our rancor toward the towering Scots-Canadian economist. I, for one, simply don't think about him much anymore.

I'm no longer one of those people who have a psychological need to concentrate their perception of evil and error on a specific human focus. If I were so inclined, however, one contemporary candidate for my focus would be syndicated columnist (and former economics professor) Robert Kuttner. His previous books include an attack on the tax revolt of the 1970s (*Revolt of the Haves*, 1980), an argument on behalf of egalitarianism as the key to economic prosperity (*The Economic Illusion*, 1984), and a passionate plea for leftist academicians and media people to drop their pretense of nonpartisanship and neutrality and become open activists on behalf of the Democratic Party (*The Life of the Party*, 1987). He is also economics editor of *The New Republic*.

Kuttner's books are always a mite difficult to review, since they contain very little fact or analysis. Rather, they are works of passion. Kuttner is a man with a very strong commitment to a few core ideas. These ideas, rather than (or at least more than) any particular facts or events or reasoning, animate his conclusions. Of course he is not unique in this. And in fairness to Kuttner we must grant that—though statist to the core—he is not in the extreme constructivist tradition of St Simon, George Bernard Shaw, or Sidney and Beatrice Webb. He does not demand that the world be entirely remade according to the dictates of an abstract concept; in fact, he considers himself to be a highly practical man, evincing a strong disdain for economic theory. He does, however, accept the basic statist assumption that central control and direction are desirable. This seems to be more an attitude on Kuttner's part than a formal ideology, but he applies this prejudice throughout his writings.

Among the core beliefs that permeate and animate *The End of Laissez-Faire* is the notion that statist institutions and policies are good in themselves—that they promote our sense of community, bind us together within a penumbra of shared values, experiences, and emotions and, in fact, make us what we are as citizens. (In other writings, Kuttner has especially emphasized Social Security and the Post

Office in these regards.) The institutions and policies may have other benefits, in terms of efficiency or humanity, but such factors are secondary.

Another Kuttner belief is that the absence or uncertainty or inapplicability of economic theory in any particular situation automatically devolves to a need for massive government intervention. Since he thinks that theory is pretty much a chimera, such "need" for intervention is well-nigh constant and total.

Kuttner also believes that America suffers from a peculiar inability to strike a balance between central economic planning and a certain necessary amount of personal and entrepreneurial freedom. "In most modern economies, the instruments of government have been refined to make constructive social partnerships possible. . . . Foreign governments, far more explicitly enmeshed in their private economies than ours is, have proven that it is possible . . . to pursue a broad public good." This is a very Galbraithian notion—foreigners are said somehow to have a talent for "rationalizing" their economies and societies, while Americans stumble along in a fog of chaos, waste, and uncertainty. What is needed, Kuttner suggests, is a reinvestigation of government "as a dispenser of services but more fundamentally as an instrument of democratic decision making" in governing the economy.

The prosperity and free markets of the Pacific rim nations present a problem for conventional left liberals, which Kuttner solves by arguing that the success of these economies is the result of central planning of a protectionist and quasi-mercantilist nature. His attempts to isolate the aspects of central economic control which, supposedly, are the causative agents of the success of Japan, Korea, Singapore, Taiwan, Malaysia, and Hong Kong are feeble and diffuse. He seems only dimly aware of the serious and extensive economic scholarship indicating that government-

tal planning in these countries, whatever its intentions, has been a hindrance, not a boon, to their development.

Much more importantly, he fails to deal with an obvious question: why do many Third World nations combine central planning and massive economic intervention with poverty and stagnation? According to the Kuttner thesis, Tanzania, Cuba and India should be prosperous. The answer, of course, is obvious. Economies with a strong free-market orientation do well; those with-

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*Foreigners are said somehow to have a talent for "rationalizing" their economies and societies, while Americans stumble along in a fog of chaos, waste, and uncertainty.*

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out such a policy do not. All of the mercantilism, protectionism, subsidies, credit allocation, cartelization, and the like advocated by Kuttner are, to the extent they are applied, just screw-ups and irritants in relation to the overall picture. They help a few industries, but hinder many, and contribute nothing positive to economic performance.

Which brings us to the final big Kuttner idea: protectionism, or more precisely in his case, the use of protectionist policies as a primary tool of a national industrial policy. His arguments on behalf of "managed trade," as he prefers to call it, are stale and commonplace. Most seem to be slogans left over from Dick Gephardt's abortive presidential campaign: We need fair trade, not free trade. Japan has trade barriers, so why shouldn't we? Uncle Sam is being played for Uncle Sucker. Free trade keeps unemployment, and the threat thereof, acute enough to ensure labor discipline. We are exporting decent American jobs and McDonaldizing the domestic work force.

The primitivism of Kuttner's thinking is especially evident in his arguments for protectionism and for a national policy of picking "winners" and "losers" among industries and technologies. Although he is not in the same class as those aging Marxoids

who are still in the thrall of a vision of ever-larger factories and mills churning out a few basic products, Kuttner has trouble dealing with the knowledge and communications revolution that has largely erased the significance of national borders and has turned the planet into an economic community in which nations can run but cannot hide from the rigors of international competition. Kuttner believes that it's both possible and desirable for major economies to achieve some sort of stability and wage-price balance by hunkering down behind trade barriers. His contempt for economic theory seems to leave him confused and lost here, as it does so often.

Virtually all economists recognize the mutual benefits of free trade, but Kuttner is blind to this understanding. He wallows in a sea of disparate policy recommendations, thanks to his historicism and concrete-boundedness. Thus he alleges that in the case of semiconductors, "for the moment, retaining and restoring U.S. capacity in that crucial sector takes priority over liberalization of markets as a systemic goal." On the other hand, "in other countries and at other times nations may decide that interventionist subsidies and other market manipulations are imposing costs that exceed benefits."

Kuttner's confusion here perfectly illustrates the problem of argumentation with those who dispense with theory altogether. In the absence of theory, or at least an examination of the context of any given economic phenomenon, interventionism in any given area *seems* to make sense. After all, if people are poor, whip up some extra money and give it to them. If prices then rise, impose price controls. If jobs then begin to disappear, create new ones. And so on. After all, if nothing is connected and everything is possible, why not mandate the minimum wage at \$50 per hour and the price of bread at 5¢ a loaf? When one abandons any attempt at comprehensive theoretical understanding, one also abandons any hope of grasping the intricacies of concrete situations.

What, finally, does Kuttner advocate in terms of American economic policy? Let's call it a kind of retarded Marxism—"socialism with a drooling

face." Economic matters should be treated as part of a unified national, and even global, policy. This means restrictions not only on domestic entrepreneurship, but on the free movement of goods among nations. We need comprehensive industrial policy. Strong industries must be fostered, weak ones either protected or eased out of their misery. Everything must, of course, be reregulated. Credit must be allocated by central authority. And on and on. The astute reader can pretty much flesh out the rest.

If all this sounds like a hodgepodge, it is. When one rejects the notion of the market as a natural order, the advocacy of piecemeal, jerry-built policies is virtually demanded. In classical Marxist terms, Kuttner is a "reformist"; that is, he believes that capitalism can be gradually mutated into something else without sudden revolutionary change. And of course it can be. The irony is that people such as Robert Kuttner, who reject the horrors of the fully implemented Soviet-style command economy, tend nevertheless to outdistance Marxists in terms of belief in the omniscience of the state to bring about perfection. Marxists at least believe in certain ineluctable laws

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*His arguments against free trade seem to be slogans left over from Dick Gephardt's abortive presidential campaign: We need fair trade, not free trade. Japan has trade barriers, so why shouldn't we? Uncle Sam is being played for Uncle Sucker. . .*

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of historical development, while left-liberals of the Kuttner type tend to assume the state can accomplish anything and everything, providing of course that experts like themselves are in charge. This may be termed the "If only I and a few people just like me were given absolute power, everything would turn out all right" syndrome.

*The End of Laissez-Faire* provides a marvelous illustration of how the rejec-

tion of any such principles leads to an interlocking directorate of error (and terror). Richard Weaver remarked that ideas have consequences, and John Maynard Keynes observed that so-

called practical men of affairs are usually in the unknowing grip of the ideas of long-dead academics. The example of Robert Kuttner lends strong support to both aphorisms. □

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*Liberalisms: Essays in Political Philosophy*,  
by John Gray. Routledge, 1989, ix + 273 pp., \$29.95.

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## Liberal Obituary?

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Loren E. Lomasky

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It is my melancholy duty to inform the readers of *Liberty* that, for the second times in recent months, a notable exponent of libertarianism recants. (The other is Robert Nozick, *The Examined Life: Philosophical Meditations*).\* John Gray is best known for his Mill scholarship, culminating in *Mill on Liberty: A Defence* (London: Routledge & Kegan Paul, 1983), in which he advances a strikingly original interpretation of Mill's advocacy of the liberty principle, finding it both consistent with the consequentialism of *Utilitarianism* and intrinsically well-conceived. His search for foundations adequate to a liberal order next focused on Hayek, whose work he characterized as an "attempt to restate liberal principles in a form appropriate to the circumstances and temper of the twentieth century [which] has yielded a body of insights wholly comparable in profundity and power with those of his forbears in the classical liberal tradition."<sup>†</sup> The twelve previously published essays of *Liberalisms* appraise the contributions to liberal thought of Isaiah Berlin, Karl Popper, Herbert Spencer, John Rawls, and Michael Oakeshott, as well as providing reexaminations of Mill and Hayek. In the first eleven of these, Gray extracts themes that he finds supportive of the

institutions of a liberal polity. It is only in the twelfth, "Mill's and other liberalisms," originally published in 1988, that he begins to display serious reservations with the liberal project as such. That dissatisfaction is brought to a head in the volume's "Postscript: after liberalism" in which he purports to "exhibit in a systematic and detailed way the failure of liberal ideology" (p. 240) and sketch the contours of a viable post-liberalism. Precisely because Gray's engagement with liberal thought has been so continuous and substantial, the capital sentence he now pronounces over it merits attention.

### Gray Areas

Although Gray has oscillated under the sway of diverse influences, the two thinkers whose impact has been most pronounced and persistent are Isaiah Berlin and Michael Oakeshott. From Berlin, whose works include the enormously influential "Two Concepts of Liberty," Gray adopts Berlin's understanding of moral life as necessitating a choice among values that are *incommensurable* and *impossible*. Though these words may not be part of ordinary vocabulary, the concepts are easily understood. "Commensurable" means "judged by a common standard," or, roughly speaking, "measurable." Moralists from the dawn of philosophy have thought that life's goods can be weighed against one another or ranked on a scale of better and worse. "Compossible," on the other hand, means "compatible." Moral thinkers often argue that a maximally satisfactory life

is one that gives expression to the whole gamut of virtues: "a sound mind in a sound body" and all that. This conception of the *compossibility* of values is underscored by Socrates' assertion that all the virtues are one and, more than two millennia later, romanticism's insistence that the full flourishing of an individual is the development of all his potentials. A life in which some capacities are developed at the expense of others is thereby stunted.

Berlin rejects both commensurability and compossibility. Neither within an individual life nor a political order, he maintains, is a frictionless harmony among all goods attainable. One necessarily makes choices that close off some options as they open others. For example, the pious humility of a monk cannot be combined with a freebooting warrior's courage. To opt for one sort of life—and its accompanying virtues—is necessarily to reject others. Moreover, this setting of a personal direction cannot be charted via a convenient mapping of values that displays their relative preferability. No monolithic standard of value can guide choice be-

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*Like a suitor finally grown disenchanted after a long courtship, Gray is inclined to magnify newly perceived flaws.*

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cause each mode of life embodies a standard distinctly particular to it. One must, willy-nilly, choose—and do so in the face of the fact that what one forgoes are genuine human goods. Commitment to a mode of life is thereby costly and, because that is so, choices are momentous, sometimes tragic.

What do incommensurability and impossibility entail for political structures? Berlin maintains that they are supportive of liberal society; although liberalism is no more able than any alternative political structure to secure the totality of value, it is uniquely open and receptive to value-competition. That is, the preeminence of liberty, conceived as nonrestriction of options, does not represent an arbi-

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\* Cf "Beyond Philosophy," by Loren E. Lomasky, *Liberty*, November 1989, pp 61–64.

† *Hayek on Liberty* (Oxford: Basil Blackwell, 1984), pp. 1–2.

trary placement of the value of liberty vis-a-vis all others but rather the disposition at a political level to countenance rather than cut off competition among values. This disposition is sustained by an understanding that there can exist no Olympian height from which all contending forms of life can be neutrally and dispassionately evaluated. Rather, any alleged Archimedean point itself encapsulates a distinctive commitment to some virtues and principles at

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*Liberal principles rule out paternalistic or perfectionistic appeals, but they neither can nor should be expected to sketch once and for all the boundaries of impermissible interference.*

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the expense of others. Liberal society is the repudiation of both the moral monism of Plato's Form of the Good and a millenarianism in which all discord is ultimately swallowed up in a perfect and complete harmony.

Unlike Berlin, Gray does not accept the proposition that liberalism is the most appropriate political response to the plurality of incommensurable value. Already in the 1980 essay, "On negative and positive liberty," he suggests, "It might be thought, for example, that the advocacy of value-pluralism and of the priority of liberty are not mutually supportive . . . but rather pull in different directions" (65-6). This will be so if sanctioning a perpetual competition among a diversity of values itself competes with the advocacy of other values as primary: that of communal solidarity, perhaps, or of equality.

Gray's suspicion of liberal credentials deepens under the influence of Oakeshott. For Oakeshott, as for Berlin, diversity among modes of human experience is the primary datum. But Oakeshott rejects as vain the attempt to formulate a principle of liberty that will definitively regulate the interplay of contending practices. This is not because of any disinclination on Oakeshott's part to prize liberty but is rather the consequence of an abiding conviction

that the manufacture of commanding principles for the conduct of politics is an illicit trade, amounting to the intrusion of *rationalism* into politics. By "rationalism" Oakeshott means the view that only what can be stated in explicit, theoretical terms merits recognition as genuine knowledge; it is the product of an imperialistic scientism (epitomized by the logical positivism of the 1930s) that condemns as irrational practices not hewing tightly to the model of the natural sciences. Those institutions, customs, and ways of life unable to produce on demand a comprehensive justification of their fittingness are classified by the rationalist as superstitious recrudescences meriting neither regard nor preservation.

In *Liberalisms'* pivotal essay, "Mill's and other liberalisms," Gray turns the Oakeshottian critique of rationalism against Mill, whom Gray characterizes as vacillating uneasily between two liberal doctrines. The strand predominant in *On Liberty* and *Principles of Political Economy*, culminating in the attempt to formulate "one very simple principle" for the regulation of liberty within civil society, is found to be bankrupt, failing for at least three reasons. First, Mill's harm principle provides at best only necessary and not sufficient conditions for the restriction of liberty; it tells us that we may limit individual liberty only to prevent harm to others, but it neither indicates which circumstances constitute harms of the relevant sort nor does it specify how great an imposition on liberty is justifiable in order to preclude those harms. Thus it "tells us what we may not do, but not what we ought to do" (221). Second, Mill's indirect utilitarianism presupposes our ability to make well-founded judgments concerning aggregate social welfare. That contention is notoriously troubled by the problem of interpersonal utility comparisons but, as argued by Berlin and Joseph Raz, it is impugned at an even more fundamental level by the existence of incommensurable and incompatible possibilities within an individual life. Third, Mill's liberty principle is vulnerable to infiltration by claims of aggregate welfare. Although we have reason to believe that adherence to noninterference will generate a lesser sum of utility when more is at-

tainable, it is difficult to provide a rationale for not acting directly to achieve maximum overall utility. This is a general disability of theories that attempt to combine a theory of rights that prohibits sacrificing the interest of some persons for the sake of others with a consequentialism that aims at maximizing overall well-being. The upshot of these three considerations is that "no 'one very simple principle,' of the sort Mill tried to state and defend in *On Liberty*, can possibly be derived" (224).

Gray is more sympathetic to Mill's "other liberalism," characterized as those elements congruent with the philosophies of Scottish enlightenment thinkers and such French liberals as Tocqueville and Constant. Despite Gray's announcement that he will set out the contours of this alternate strain, that promise remains curiously unfulfilled; instead, he presents Rawls' theory as the preferable, yet still unavailing, alternative. Reprising the discussion of "Contractarian method, private property and the market economy" (161-198), Gray credits Rawls with avoiding the pitfalls of a maximizing consequentialism, substituting for Mill's harm principle the greatest equal liberty requirement (and, in writings subsequent to *A Theory of Justice*, moving to a

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*Evidently Gray believes that the superficial hospitality liberalism extends to value pluralism conceals a deeper-seated intolerance.*

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disaggregated listing of basic liberties), and with constructing a genuinely political doctrine that avoids moral provinciality. Nonetheless, claims Gray, "Rawls' move fails, and its failure carries with it the coherence of liberalism as that political philosophy devoted to the priority of liberty, however conceived" (231).

It fails for three reasons. First, there is no reason to attribute *fixity* to Rawls' list of basic liberties. Within any particular political culture, the importance of various liberties waxes and wanes; privileging in theory those that enjoy

predominance at some (inevitably arbitrary) one time is unduly conservative. Second, the contents of basic liberties are underdetermined by the theory of justice as fairness; it provides no counsel for ascertaining whether, for example, pornography falls under the protection of freedom of expression. Third, it is disputable whether even for a societal time-slice, one may nonarbitrarily order liberties into the two exclusive categories of basic and non-basic. In that case, claims Gray, "liberalism itself becomes indeterminate and barely coherent." This, he adds, is "a result that undermines liberalism in both its revisionary and its classical formulations" (232-3).

Gray's retreat from liberalism is brought to provisional closure in his "Postscript: after liberalism." Three liberal strategies, exemplified in the writings of more than a dozen theorists, are sketched and criticized. Each is held to fall short of justifying its pretensions of providing universally valid foundations for political practice. Gray diagnoses the upshot to be a liberal reason at the end of its tether, forced to recognize itself as no more than the outcropping of one ungeneralizable moment of the development of Western political life. It is, however, *our* particular inheritance, and were its products simply excised from post-liberal politics, the result would be a shambles. Instead, Gray commends what he calls a "Post-Pyrrhonian" mode of political inquiry, to be characterized by a finely-grained "phenomenology of the forms of moral and political life we find among us" (263), but minus recourse to the abstractions and counterfeit systematicity that have heretofore gripped liberal political culture. He prescribes, crediting Oakeshott and David Hume, attention to the conventions of primordial moral practice combined with a pragmatically Hobbesian quest for sustainable articles of peace that might modulate conflicts among inescapably plural conceptions of the good. Individual liberty is, of course, one of the moral ideals that infuse our inherited institutions, but it is not automatically to be assigned priority over all others. The task, to borrow Oakeshott's metaphor, is that of achieving ongoing balance so as to remain afloat among the perpetually

shifting currents of political life, rather than mechanically steering by a navigational chart into safe harbor.

## Life Without Principles

Like a suitor finally grown disenchanted after a long courtship, Gray is inclined to magnify newly perceived flaws. For example, against the Hayekian claim that a liberal order is most conducive to the growth of welfare-enhancing knowledge, he responds, "it is far from clear that developments in medicine . . . have tended to enhance the quality of human life on balance" (241). Such hyperbolic skepticism is inherently unconvincing and tends to obscure his more interesting contention that growth of theoretical knowledge may be conjoined with, indeed encourage, a diminution of practical knowledge. Moreover, his newly-found conviction that the liberal project is bankrupt prompts a string of off-handed dismissals of liberal variants. The force of these single-sentence verdicts is more epigrammatic than argumentative. Yet despite the frenetic pace of the "Postscript," Gray's second thoughts present what may reasonably be taken to be the single most serious contemporary challenge to liberal thought. Unlike communitarian nostalgia for a fabricated era of unquestioned moral certainty, Gray's post-liberalism forthrightly acknowledges that it is our destiny to live amidst a plurality of moral conceptions and that political life for us must be an exercise in accommodating diversity rather than a retreat to neo-medieval cloisters. If this is a form of conservatism, it is neither a God-and-Country Know-nothingism, nor supportive of an oppressive central state apparatus, nor a doctrine of society as a hierarchically structured social organism. What it seeks to conserve are predominantly practices formed under the sway of liberal individualism, dispensing only with their illegitimate philosophical progeny.

The following four charges seem to be at the heart of Gray's indictment of liberalism:

1. *Spurious universality* — Liberalism represents itself as prescribing universally valid principles for the organization of political life when it is instead no more than the distillation of one localized form of civil life.

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2. *Value pluralism* — Although liberal theory ostensibly embraces diversity, there exist intrinsically valuable forms of human life that can neither be accommodated by a liberal order nor accommodate it.

3. *Inversion of theory and practice* — Liberalism professes faith in the adequacy of a set of regulative principles for the governance of political life, but whatever cogency principles enjoy derives from particular practical judgments.

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*To suppose that liberals must be blind to goods that thrive under other forms of government is to misconceive the logic of liberal justification.*

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4. *Indeterminacy* — A liberty principle is inevitably indeterminate, unable to distinguish in nonarbitrary fashion between protected activities and those liable to curtailment.

The objections are mutually reinforcing. If all possible forms of human flourishing were able to coexist within a liberal order, then a claim on its behalf to universality would be plausible. However, because individuals may have reason to value modes of life to which liberal sociality is necessarily antagonistic, they similarly have reason to reject the proclaimed bindingness of liberal principles. Modern Western individualism is one among a multitude of structures within which human beings have lived worthwhile lives, giving us reason to preserve and extend its traditions. These, however, do not ascribe unvarying priority to liberty but rather incorporate a diversity of moral goods that resist Procrustean theorizing. No "one very simple principle" can do justice to the internal complexity of civil association and the strain of trying to adjudicate all conflicts in terms of such a monolithic maxim is palpable.

If these charges constitute an integrated package, they nonetheless are in tension with each other. Gray faults liberalism both for a hubristic universality and for a lack of determinate applica-

tion. How any political system could satisfy both demands is hard to see. If the scope of normative standards is very broad, then it cannot reasonably be demanded of them that they provide an algorithmic decision procedure for the resolution of all possible conflicts. Whether or not liberalism should be understood as claiming to prescribe universally (a question to which I turn below), Gray correctly notes that it presents itself as considerably more than a synopsis of local procedures. What degree of determinateness can it be expected to display? If liberal principles were entirely neutral among competing moral demands, then they would indeed be a practical nullity. It does not follow that liberalism must ape a Benthamite calculus to avoid vacuity. Principles can carry weight without uniquely prescribing. They do so in virtue of functioning as a *normative filtering device* that allows passage to certain considerations but not others. Such principles do not, however, obviate the need for prudence and fine-grained discrimination at the level of ground-floor decision-making.

An example may help clarify this point. Gray faults liberal theory for its inability decisively to resolve disputed questions surrounding issues such as pornography, euthanasia, and abortion. This is to misconstrue significantly the status of foundational normative principles. The priority of liberty does not, by itself, establish which actions are to count as illicit intrusions into individuals' protected sphere. What it does adjudicate with tolerable clarity is the admissibility of reasons submitted as bearing on the disputed issue. The contention, say, that a taste for pornography is debased and therefore merits no protection, or that immersion in pornography harms its consumer, are summarily rejectable irrespective of whatever evidence can be gathered to support their truth, while a claim that pornography harms women and thus merits restraint is at least the sort of proposition which, if true, can be acknowledged in a liberal society as a justification for a ban on pornography.

Nothing, of course, is easier than simply to assert the existence of some vaguely specified harm and I do not mean to suggest that every artful effort

in this direction overcomes the liberal presumption against interference; the alleged harmfulness of pornography seems to me an instance in which that burden conspicuously fails to be satisfied. The point, though, is that such determinations cannot be made at the level of abstract theory and that taking this lack of determinateness as in any way damaging to liberal credentials is unreasonable. Reflection on how the pornography debate actually tends to be framed within a liberal individualistic political culture illustrates quite clearly the error of Gray's claim that a principle of free expression is impotent. We observe that a premium is placed on construing the trade in pornography, however implausibly, as one in which specifiable harms are imposed on assignable, nonconsenting victims. That way one can be both liberal and a smiter of smut. The principle is not vacuous, but it does not adjudicate issues of who is harmed by what. There is, we might say, a division of labor in political life between high-level theory and particular application, and it is obtuse to expect the former to do the job of the latter. Liberal principles rule out paternalistic or perfectionistic appeals, but they neither can nor should be expected to sketch once and for all the boundaries of impermissible interference.

I turn next to Gray's allegation that liberalism professes a universalism it is unable to substantiate. The cogency of the criticism varies depending on which liberal theorist is under consideration. Admittedly, a strain of Wilsonian optimism exists, commending always and everywhere the institutions of liberal democracy. Mill edges closer to this position than most political philosophers, but even he denies application of the liberty principle to "those backward states of society in which the race itself may be considered as in its non-age," leaving their governance instead to "an Akbar or a Charlemagne, if they are so fortunate as to find one."<sup>\*</sup> Others, including Kant, Rawls, Hayek, and James Buchanan are yet more circumspect in their cautions concerning the prior buildup of social capital requisite for a stable liberal order.

Gray can, then, ascribe to liberal the-

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\* J. S. Mill, *On Liberty*, Chapter 1.



ory at most an avowal of *conditional* universality, the desirability of a liberal order for any society capable of instituting and maintaining it. A Weimar Republic, fatally riven with cancers rendering it unable to ward off the Brown Shirts, need not be counted politically successful no matter how hospitable it may have been to liberty during its brief lifespan. This is not in any obvious sense to fall into Polyan-naish optimism.

More plausible is the diagnosis that liberalism suffers from incurable valuational myopia—and this seems to be the gravamen of Gray's indictment:

Liberalism, which in its applications to personal conduct aims for toleration and even [sic] pluralism is in its political demands an expression of intolerance, since it denies the evident truth that many very different forms of government may, each in its own way, contribute to an authentic mode of human well-being. From the first, liberalism has always strenuously resisted this commonplace observation, since it cannot but undermine the claim to universal authority of liberalism as a political faith—a claim which exhibits the structural similarity of liberalism to the evangelizing Christianity of which it is the legitimate offspring. (239)

Gray finds liberalism hoist by its own tolerationist petard insofar as it refuses to accord legitimacy to nonliberal or illiberal governmental forms. In at

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*Against misanthropes within and Ayatollahs without, armaments offer better defense than arguments. So far, so good. But Gray is mistaken in supposing that this spotlights a lacuna peculiar to liberalism.*

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least three respects the accusation is contestable. First, as noted above, any universality claimed by liberalism is conditional. The analogy to evangelizing Christianity is, in that respect, not sustainable.

Second, Gray cites no text exhibiting a denial of "the evident truth" and one

may believe that the omission is not accidental. I am unaware of any credible liberal theorist who maintains that *no* authentic human good may be served by a nonliberal regime. Human beings need security of person and property; provision of these is not, of course, the monopoly of one form of government: a justification of *liberal* government is, simultaneously, a justification of *liberal government*. Nor is an ability to surmount the state of nature the only positive attribute of illiberal regimes. Tyrannies may address themselves, often more successfully than free societies, to patronage of the fine arts, sustenance of meaning-conferring religious faith, promotion of the martial virtues, and making the trains run on time. Although they thereby promote authentic human values, they nonetheless remain tyrannies.

Advocacy of liberalism need not deny all value to these accomplishments. Indeed, to acknowledge rights that serve as side constraints is necessarily to commit oneself to forgoing valuable outcomes that might otherwise be attained (for example, those that could be achieved via making people do what's good for themselves, whether they want to or not). To suppose that liberals must be blind to goods that thrive under other forms of government is to misconceive the logic of liberal justification.

Third, and most fundamental, Gray fails to support his characterization of liberalism as a distinctive "faith" aiming to advance its own projects under the guise of a bogus tolerationism. Libertarianism, as well as most other liberal variants, explicitly withholds from the state an entitlement to favor differentially some rights-respecting projects at the expense of others. Individuals, acting severally or jointly, are, it goes without saying, free to do so. Here is another respect in which liberal politics essentially incorporates a normative division of labor. Liberalism does not, of course, maintain a studied neutrality among all projects: a display of impartiality between the would-be murderer and his intended victim is no part of the liberal prospectus. The positive role of the state is understood to be the protection of individual rights, primarily or exclusively understood as

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claims to noninterference within a morally protected zone in which individuals are free to pursue those projects that are distinctively their own.

This is not an unfamiliar conception; indeed it is the one that Gray endorses in the early essays of *Liberalisms*. Evidently he now believes that the superficial hospitality liberalism extends to value pluralism conceals a deeper-seated intolerance. "It is obvious," he writes, "that many virtues and excellences are weak or absent from liberal

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*The absence of a vibrant trade in buggy whips does not mean that trust-busters ought to be on the lookout for a transportation cartel.*

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societies. The virtues of a courtier, of a warrior, or of a pious peasant, presuppose a social order which cannot coexist with a liberal society" (260).

Gray's point appears to be that professions of openness by a political culture to diverse manifestations of human flourishing are falsified if there are modes that fail to find accommodation within it. Even restricting attention to forms of flourishing that do not inherently incorporate encroachments on the like flourishing of others—Carlos the Terrorist; Batman's nemesis, the Joker—the claim is unpersuasive. In free regimes as well as in free markets, some enterprises wax and others wane. Open entry is not rendered a sham even when it is largely predictable that certain products will not enjoy sufficient market demand to prosper; the absence of a vibrant trade in buggy whips does not mean that trust-busters ought to be on the lookout for a transportation cartel. Similarly, a shortage of pious peasants is not a reliable sign of intolerance to that form of life. (It would, if the shortage were the consequence of a ban or prohibitive tax on piety, but that is not Gray's claim.) To shift metaphors, an open society is not committed to making itself into a museum for the preservation of fragile social forms.

Gray's point may at bottom be this: to individuals who are wedded to a

mode of life that is unable to thrive within a liberal milieu, no argument (whether concerning the universality of human rights or the knowledge-enhancing attributes of civil society or the principles of justice to which individuals would assent behind a veil of ignorance) will provide them sufficient reason to abandon the way of life that is theirs. Ever since Socrates attempted to demonstrate in *The Republic* that "justice pays," political philosophy has sought for the perfect reformatory argument, one capable of placing reluctant compliants in a logical armlock of "Be moral or be miserable!" from which no egress is possible. However, notes Gray, "the spectacle of the retired torturer or well-defended tyrant basking like a lizard in the sun of his self-esteem and the affection of his family tells another story." It is, he charges, "one to which the liberal mind is deaf" (260). So construed, the charge of spurious universality accuses liberals of advertising their credo as one that provides to every rational person conclusive reasons for acceptance when, in fact, the liberal package suits no more than one localized moment of political life. The advertisement is deceptive; more than that, it is self-deceptive.

If this is indeed Gray's argument, it seems to me to be correct in every respect but one. He aptly diagnoses liberalism's susceptibility to the illusion that the form of civility it champions necessarily commends itself to all rational agents. Liberal thinking may simply afford no handle to grasp the preferences of some individuals. This is a hard fact, but not a fatal flaw in liberalism. Against misanthropes within and Ayatollahs without, armaments offer better defense than arguments. So far, so good. Gray is mistaken, though, in supposing that this spotlights a lacuna peculiar to liberalism. Normative justification cannot move the immobile; every polity confronts the necessity of protecting itself against those who are deaf to appeals of reciprocal forbearance. A more realistic standard for justification is that it provide, to each person with an interest in cooperating with those who are themselves amenable to cooperation, terms each has reason to acknowledge as satisfying that interest. This is not the occa-

sion to argue that liberal civil association satisfies this standard, or that illiberal forms of government necessarily fail to do so. I note only that Gray's charge of spurious universality is beside the point. Whatever may be the case for evangelizing Christianity, political philosophers need not accept as an article of faith that all souls are salvageable.

I turn finally to Gray's post-liberal Pyrrhonism. Despite the presence of a few evocative remarks, these half dozen paragraphs of constructive political theory are too sketchy and impressionistic to support more than the most cautious critique. Clearly they are meant to be an elucidation of the Oakeshottian primacy of practice over theory, the negative half of which is to be accomplished by exorcising the myths that have heretofore sustained liberal institutions. The positive component is a "return to history, in which we seek to uncover the genealogy or archaeology of our present forms of life and to understand them as historical creations" (263).

Suppose that the archaeological project were carried off with virtuoso flair: how would that resolve the problem of political decision-making? To catalog every nuance and wrinkle of the traditions we have inherited (and, in an era of free cultural trade, those that we have imported) does not inform us which of these have historically promoted welfare and which retarded it, let alone which today remain vital.\* Protagonists on all sides of sharply disputed issues will be able to muster elements of tradition that may credibly be

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\* It may be useful to imagine Mr. Gorbachev surveying the residue of Soviet history in search of guidance for how to move to the next state of his policy of *perestroika*. If he finds—as indeed he would—that the gulags, Lubyanka executions, and Katyn Forest massacres dominate whatever shreds of freedom may have briefly characterized Lenin's New Economic Policy, should that incline him toward a reaffirmation of Stalinist practice? Would a demonstration of the rarity of civil association within the Russian experience imply that liberalization is an illegitimate foreign import? (I hasten to note that a consistent theme of Gray's writings is an unqualified opposition to totalitarian barbarisms. These queries are not meant to suggest otherwise, but neither is their *ad hominem* thrust entirely accidental.)

taken as supporting their case. Conservatism is one authentic response to tradition, but so also are reform and reaction. (And for societies that claim revolutionary antecedents, a return to history may take a distinctly radical shape.) This is indeterminacy with a vengeance!

Gray faults liberalism for its inability to resolve definitively debates surrounding pornography, abortion, and euthanasia, yet is there reason to believe that a post-liberal politics will enjoy more success in this regard? If anything, one might suspect, it will be more deeply enmired in perplexity. I argued previously that liberal principles can at least filter out inadmissible reasons, but moral phenomenology is unreservedly promiscuous. Thus it is normatively barren. To catalog everything is to adjudicate nothing. It is vain to hope that by bringing a microscope to traditions our quandaries will find themselves resolved. Rather, what is required are both high-level and intermediate principles through which assessments of relative justificatory weight can be made. These principles are, I remain convinced, fundamentally liberal.

### Final Verdicts

What we have here, I believe, are the provocative yet unformed thoughts of a theorist very much in transition. Gray, after years of patiently winnowing libertarian themes, has come to despair of a successful consummation and leaps forthwith into a moral phenomenology from which principles have been exiled. His headlong rush in the "Postscript" through more than a dozen liberal formulations is laced with one-line summary verdicts that are elegantly barbed yet quite resistible. I do not see that they do any lasting damage to liberal aspirations.

Despite its too-precipitous verdicts, *Liberalisms* is a significant work of substantive political philosophy. Its previously published essays are subtle and searching treatments of important liberal thinkers and liberal motifs. Our understandings of Mill, Berlin, and Hayek are notably enriched as a consequence of Gray's investigations. His concluding second thoughts are no less instructive. Although the proclamation of the bankruptcy of liberal theory in all its

modes is overly ambitious and underly sustained, Gray has identified several junctures at which reconsideration is called for. I am convinced that, despite

the emptiness of his post-liberal phenomenology of morals, John Gray has given us the most trenchant critique of liberal theory that we possess. □

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*Signs of the Times*, by David Lehman. Poseidon, 1991, \$21.95.

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## Ex-Nazis Say the Darndest Things

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Richard Kostelanetz

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Sub-titled "Deconstruction and the Fall of Paul de Man," David Lehman's *Signs of the Times* is engaging literary journalism, where the author is allotted sufficient space to present a wealth of research, along with his own opinions, in a generally readable style. His first subject is the growth in America of a French-born literary theory called Deconstruction; his second, more remarkable subject is the curious career of its principal American advocate, Paul de Man.

Born in Belgium in 1919, de Man showed up in New York City in the late 1940s, working at a Doubleday bookstore. He befriended literary powerhouses who recommended him to one another until he became, successively, an instructor at Bard College, a Junior Fellow at Harvard, a professor of Comparative Literature at Cornell, and, even though his publications were remarkably few, a Sterling Professor at Yale. Just after he died of cancer late in 1983, a younger colleague, Jonathan Culler, once of Yale, then and now of Cornell, told the professors gathered at the annual year-end meeting of the Modern Languages Association that de Man's passing was a major cultural tragedy.

Four years later, a Belgian graduate student, who initially admired de Man, discovered that from mid-1940 to November 1942 de Man had contributed over 170 articles to the principal French-language collaborationist newspaper and a dozen more to the principal Flemish-language pro-Nazi

newspaper. More than one of these articles expressed antisemitic sentiments typical of that time and place and, alas, not too different from those found in scattered writings by Ezra Pound and T. S. Eliot, among other modernist heroes. Were that not scandalous enough, further research revealed that, once in America, de Man had lied about his wartime past, not only portraying himself as a participant in the antifascist resistance, but also identifying himself as the son, rather than the nephew, of the quisling intellectual, Hendrik de Man. It was also discovered that the younger de Man left behind in Belgium a wife with three of his sons, as well as a bankrupt art-book business that had put his father into debt. Though he may not have legally married this mother of his sons, he clearly did not obtain a divorce before marrying an American student in the early 1950s. The irony is that these revelations made de Man far more famous in death than he had ever been in his life.

While Lehman is fairly knowledgeable about American cultural life, he misses a central Belgian truth, which is the traditional antagonism between the Flemish-speakers and the French. Most European radio stations are friendly concerns, whose employees regularly greet one another in the hallways. But the one in Brussels is different: its headquarters is divided into two wings, with the French on one side and the Flemish on the other. The French wing is RTBF, the Flemish, BRT, and you're advised to address your letter to a Flemish-speaking employee at BRT (and a Frenchman at RTBF); otherwise, your letter won't be delivered. I once

asked the French producer of new music programs about his Flemish counterpart, whom I met separately. He replied curtly, "It is easier to work with Bulgarians." Employees in the hallways look at the floor sooner than greet one another, I guess for fear of using the wrong language. In such a divisive culture it is scarcely surprising that, as one young Flemish colleague told me recently,

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*Lehman attributes de Man's rise to two factors—his personal charm and the publication of articles so difficult they must be taught. I think there is a third reason: de Man's ability to marshall the support of powerful people whose own reputations would be jeopardized if the truth about his past got out.*

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"Many Flemish intellectuals supported the Germans at the beginning of the War, because the French [Belgians] treated us so badly." In this context, the most indicative essay in the posthumously published collection of de Man's *Wartime Journalism, 1939-1943* (University of Nebraska, 1988), is the last, "Northern and Southern Dutch Literature of Today," in which de Man, whose mother tongue was Flemish, praises southern Dutch (i.e., Belgian) as "a healthier stem" than northern (Netherlands) for having resisted French influences.

Regardless of whether young de Man was an antisemite, he was surely an opportunist, articulating the prejudices of his immediate circumstances. As his pre-war colleague Edouard Colinet put it in *Responses: On Paul de Man's Wartime Journalism* (Univ. of Nebraska, 1989), "Paul was convinced, as were the majority of Belgians at the time, that the Germans had won the war." With this thought in mind, consider what I take to be the most revealing fact about his American career—that most of his articles appeared in magazines or commemorative volumes that extended invitations. Few of

his publishers followed the predominant scholarly process of accepting only unsolicited manuscripts that are then submitted to editorial committees. This reluctance to risk peer-review leads me to believe that de Man must have been one of those writers who think they should precede their work into publishing situations, rather than letting their work precede them, which means that even in America de Man must have been, and thought of himself as, a professional butt-kisser.

To my mind, de Man's principal sin was not his succumbing to the demands of collaborationist newspapers but propagating subterfuges that survived his lifetime. That they were hidden so long brings up what I, in contrast to Lehman, take to be the bigger, more collective scandal of this history—that de Man was not caught before he died. Why hadn't another literate Belgian connected the Yale professor to the author of articles that were written under the same prominent name? (Remember that all this happened within our lifetimes.) What should we make of the silence of Georges Poulet, a distinguished literary scholar and frequent guest-professor here, whose half-brother Robert Poulet, de Man's newspaper colleague during the war, was sentenced to death in July 1945 and then, after the sentence was commuted, exiled? (Lehman mentions neither Poulet.) And what about J. Hillis Miller, who popularized Poulet before becoming a proponent of deconstruction and, after the revelations, a fierce point man in the attack on de Man's critics?

Buried in footnote 20 of Cynthia Chase's contribution to *Responses* is the remarkable revelation that de Man in 1969, just prior to coming to Yale, told Harold Bloom about his wartime antisemitic article, even offering to make a copy for Bloom, who refused it. Why hadn't authorities at such reputed "research institutions" as Harvard, Cornell, and Yale investigated de Man's wartime past? Or at least suspected his reticence about those years? After all, American intellectual life is a fairly critical world, thanks to our continuing commitment to free speech, with reputations being continually questioned, as well as promoted and demoted. The

truth is that a lot of people are guilty of the simple sin of failing to use their heads.

Lehman attributes de Man's rise to two factors—his personal charm and the publication of articles so difficult they must be taught. The first explanation is insufficient, as many people are charming (while hierarchical academia seems more comfortable with both butt-kissers and egregiously difficult personalities than other American institutions); the second is more credible. It has often been said of post-T. S. Eliot poetry that it was obscure enough to be destined for the classroom; it would not be read otherwise. De Man's essays have a similar quality, which accounts for why they appeared not in intellectual periodicals comparable to *Partisan Review* or *Liberty* but publications whose subscribers are 99% professors or their institutions. This accounts for why deconstruction has had no visible impact upon the writing of contemporary literature or even the frontline criticism of it.

I think there is a third reason, which was de Man's evident ability to marshall the support of powerful people whose own reputations would be jeopardized if the truth about his past got out. I see him as another example of

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*De Man must have thought of himself as a professional butt-kisser.*

---

that pantheon of basically speckled people who succeed because they persuade enough colleagues to take a vested interest in their success. In the literary world, such colleagues are usually publishers, like Jean-Paul Sartre's Gallimard or his associates on the monthly *Les Temps Modernes*. Here the collaborators were other professors, beginning with Theodore Weiss, who recommended de Man to Harry Levin, who had de Man appointed a Junior Fellow at Harvard, then as now America's most prestigious grant for a young scholar. Later supporters included Geoffrey Hartman, who campaigned for de Man's coming to Yale, and Jacques Derrida, the North-African-born

founder of French deconstruction, who made de Man his principal American spokesman. (Lehman fails to note that all these backers were Jewish in background and that, to my recollection, none has ever lost his job for courageously challenging his immediate circumstances, which is what in retrospect we think de Man should have done.) Once the wartime scandals were re-

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*To my mind, de Man's principal sin was not his succumbing to the demands of collaborationist newspapers but propagating subterfuges that survived his lifetime.*

---

vealed, the latter two, especially, rushed to defend their colleague's memory; they had to do so to protect their investments.

I would be remiss if I did not say something about deconstruction. To my Anglo-Saxon head, the books of Derrida, as well as his followers, are unreadable. They become less impenetrable, I'm told, if you are accustomed to reading French theory, especially in the original but even in translation; for experience of frogthink, or in this case frogwrite, especially in the authoritarian setting of a classroom, becomes the best preparation for further frogspeak. I think deconstruction has something to do with highly speculative, if not fanciful, analyses that find a subtext in conflict with the main text, one interpretation being as good as another in a purportedly anti-authoritarian spirit. Since most American proponents are securely tenured, you can be sure that the one hierarchy not challenged is that of the universities and that this fundamental hypocrisy limits their "radicalism" to rhetorical gestures aimed exclusively at the peanut galleries of academia. It is in such authoritarian hypocrisy, and precisely in such hypocrisy, that I see a connection between academic deconstruction and the other purportedly anti-authoritarian opportunisms of our time, among them fascism and, let's be frank, communism—all of whose prac-

tices diverge dramatically from their promises.

In Jerusalem several years ago, I witnessed a question-and-answer performance between the great god Derrida and a mostly academic audience, all speaking non-native English. It was quite a lively show. Whenever Derrida got a question, you could see him fumble for the beginnings of an answer, but once he got on track, an elaborate digression followed, at once elegant and idiosyncratic, until he reached a pause. You wondered whether he would then turn to the left or to the right, each seeming equally valid, only to admire the next verbal flight that led to another roadstop, with similarly arbitrary choices before continuing or concluding. Question after question, he improvised similar rhetorical gymnastics.

This form is familiar, I thought to myself. It resembles 1950s jazz, epitomized by Charlie Parker's solos—elegant in individual riffs, but ultimately inimitable and pointless. (Remembering Derrida's origins, I had the image of him in North Africa listening to Voice

of America's most popular program from the 1950s to the 1980s, Willis Conover's *Jazz Hour*, which has always favored 1950s jazz with minimal announcer commentary, and then wondering whether he could talk, and think, as Parker played.) What separates Derrida and his followers from traditional literary criticism is this commitment to improvisatory thinking, with all of its possibilities and, alas, limitations.

This book is about "signs," to be sure, but less about the times in general than the universities and individuals involved. You wonder what might have happened if evidence of the lies had emerged during de Man's lifetime? My suspicion is that the same vested interests would have come to his defense, because American academia today is less a profession with self-correcting mechanisms designed to remove the bad apples than the air-headed equivalent of the teamsters' union, prepared to go to bat for a fellow worker, no matter his sins—all illustrating the nihilism of the tenure system. □

## Booknotes

### *Beware the Bogus Insight* —

The frequent reader of biographies and character sketches soon realizes that there are certain boilerplate phrases and descriptions that can be trotted out on almost any occasion. Though these pre-digested analyses can be positive in nature, they are perhaps more frequently used when the writer is trying to denigrate a subject . . . and realizes his case is weak. Thus, if a man is successful and prosperous he can be said to be greedy and materialistic. If he is sober, clean-living and free of scandal (e.g., David Souter) it can be alleged that he is aloof and distant from the concerns of ordinary people. If a woman (e.g., a certain recent First Lady) is neat and meticulous in her dress and appearance, it is easy to portray her as a glitzy airhead with no concern for substance. The list could be extended almost indefinitely.

In reading former White House correspondent Lou Cannon's *President Reagan: The Role of a Lifetime* (Simon & Schuster, 1991, 948pp., \$24.95), I was struck by a couple of examples of this technique. Cannon places considerable emphasis, as have a few other Reagan observers, on the fact that Reagan, though a friendly man, has few close friends. This is always given as a criticism, with an underlying assumption of the subject's coldness and insincerity. Yet I wonder: how many people have more than a few "close friends"? Is it really possible to have a multitude of close friends? After all, there are only 24 hours in a day. In the case of Reagan we are, in addition, dealing with a man who has led a busy life for over fifty years. Isn't his having only a few intimates merely what one would expect?

As an extension of this theme, Cannon states that aides, speechwriters, and the like "came and went in Wash-

and Sacramento, without altering his purposes or changing his conception of himself." Think about this for a moment. Isn't Cannon merely saying that Ronald Reagan is steadfast in his views and character? Would we really want a president who "altered his purposes" or "changed his conception of himself" every time a new staffer got his ear?

If there is a lesson here, it may be this: when you read about a public person, look for real insights, if the author has any to offer. Beware the all-purpose, pre-fabricated analysis.

—William P. Moulton

**Another Father For Us All** — I first read about Karl Kraus (1874–1936) in the concluding chapter of Erich Heller's *The Disinherited Mind* (1957), an introduction to modern German literature that was popular in colleges thirty years ago. As the editor of his own magazine, *Die Fackel* ("The Torch"), Kraus was the equivalent of H. L. Mencken, roughly his contemporary, and yet more versatile, producing satire, plays, and translations, in addition to a steady stream of iconoclastic essays.

Heller made great claims for this figure, a Viennese writer who was a successor to Sigmund Freud and a precursor of Ludwig Wittgenstein. Heller indulged such superlatives as "an elemental spiritual force in the beauty-parlor of the soul" and "an untranslatable rare fusion of spontaneity and subtlety, of ethical integrity and intellectual complexity" equal to Kierkegaard and Kafka. In the years since I read that Heller essay, Kraus became one of those names that flashed in my mind as I entered a bookstore, prepared to buy and especially read.

Though nearly every German-speaking intellectual has in his or her library a handsomely boxed recent reprint

of perhaps a dozen volumes of *Die Fackel*, the first Kraus book to appear here, *No Compromise* (1977), came from the publisher Frederick Unger, likewise a Viennese. Though its translations, by several hands, were often inept (the opening essay should be titled "Acronyms," rather than, as it is, "Initials"), certain sentences strike me as classic even with dashes of clumsiness: "People would rather catch venereal diseases than forego their cause, for it is still easier to be cured of them than of the inclination unintentionally to catch them."

*In These Great Times* (Harry Zohn, ed., University of Chicago, 1990, 263 pp., \$14.95) is the first American edition of a collection that, though edited by a Brandeis professor, was published initially in Montreal in 1976 and then reprinted in Great Britain in 1984 before its appearance here. For anyone who has not read Kraus before, a good place to start is "In Praise of a Topsy-Turvy Life-Style," in which he portrays his personal habit of sleeping during the day while writing through the night. His principal rationale is that "stupidity gets up early; that is why events are accustomed to happening in the morning." As a result, by the time he arises and visits his favorite café for the evening newspapers (remember he is writing *before* the advent of continuous radio news), he is able to get a longer, less hysterical perspective on the day's activities.

Given such procedures of epistemology, it is scarcely surprising that Kraus is particularly piqued with the sins of journalists, beginning with reporters who described WWI battles without actually seeing them. As Unger explained, "He pinpointed and attacked abuses in politics, in the administration of justice, as well as in art and literature, as they were presented in the press. He held the press accountable for these abuses because it was the press that aided and abetted the all but universal corruption." It is also important to note that he customarily attacked individuals who exemplified sins, rather than pursuing the safer, always more fashionable but ultimately less effective path of dueling with abstractions. No wonder I find in Kraus an intellectual father I'd known about but had not recognized before.

While pleased to have this

essay in English, I wonder about the quality of translations, also by several hands, in the Zohn book. Whereas the most famous Kraus aphorism is known to me (through Thomas Szasz) as "Psychoanalysis is the disease of which it claims to be the cure," here the rendering is, "Psychoanalysis is that mental illness for which it regards itself as therapy." That is so inferior there is reason to question everything else. Indeed, given Kraus' commitment to clear expression as a moral imperative, inept translations are doubly sinful.

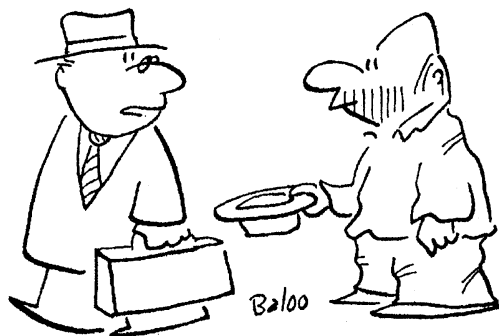
Szasz's book, *Anti-Freud* (Syracuse University, 1990, 180 pp., \$12.95), which originally appeared in 1976 as *Karl Kraus and the Soul Doctors*, provides a fuller introduction to Kraus' activity, focusing upon the continuing quarrel with Freud and his followers. An appendix to *Anti-Freud* is fresh translations, by Szasz and his brother residing in Germany, of only a few aphorisms. These are superior enough to suggest that, more than a half-century after Kraus' death, we are still waiting for a definitive English translation of his rich and terribly sympathetic intelligence.

—Richard Kostelanetz

### **A Contribution to the Critique of Political Economy** —

The concept of Mark Skousen's new book *Economics on Trial: Lies, Myths and Realities* (Business One Irwin, 1991, 314pp, \$21.95) sounded like a dream come true: he set out, he explains in his acknowledgments, to "simply but thoroughly dissect the large number of dubious theories and questionable doctrines taught in the [economics] classroom." Toward this end, he surveyed the top 10 most used economics textbooks on the college level, and set out to debunk the mistakes and distortions contained therein.

I took a course in economics using one of the books on Skousen's hit list, five years ago, during my freshman year of college. I came out relatively unscathed. But this was mostly because I let nearly all of it (a standard muddle of Keynesianism and econometrics) slip from my brain over the next two years before developing a genuine interest in learning about economics. Skousen's book, happily for me, is organized to hit concepts in the same order I hit them in my coursework, so this book would make a good companion for someone taking collegiate economics in the standard manner.



"I have some change, yes, but it's hardly loose."



Skousen's approach, which he is careful not to ideologically label, is largely Austrian. This is the approach of choice for most libertarians, because of its insistence on individualism and subjectivism in economic analysis, and its insistence that forceful interference with the free expression of subjective values in economic choices will result in a lessening of prosperity and a misallocation of resources.

Skousen is not the world's clearest or most engaging writer, and *Economics on Trial* definitely assumes some previous exposure to economics, as its concept implies, so it shouldn't be anyone's introduction to free market economics; if it is, it will probably not convince. It would be useful, though, to the intelligent student who takes Econ 101 and wonders how it is that savings can be good for individuals yet bad for the aggregate "economy." (Skousen exposes the Keynesian paradox of thrift as being not paradoxical at all, but simply muddled, mistaken thinking based on a misunderstanding of the linkage between saving and investment and a simplistic, demand-side view of how businesses make production decisions.)

Skousen also makes hay of standard explanations of inflationary recessions, multipliers and the real value of a gold standard. He also discusses subjects more concrete and empirical: national debt, income inequality, investment prediction and the real record of socialist economies.

The book ends with a chapter extolling the value of Austrian thinking and positing it as a possible "next wave" of economic thinking. This is too optimistic of Skousen, it seems to me; he himself explains why Austrian thinking is ignored by most modern economic thinkers (its free-market orientation, its disdain for mathematical models, and the "bitter *ad hominem* attacks" in which Mises sometimes engaged, which has poisoned the whole method in the eyes of most economists). —Brian Doherty

**The Epitome of the Fake** — In his newest book, *Selected Writings* (Harcourt Brace Jovanovich, 1990, 490 pp., \$30.95), Irving Howe demonstrates once again that he is the epitome of the fake—the guy who isn't what he says he is. A proponent of the independent intellectual life (epitomized by his touchstone Edmund Wilson), he has spent half of his

seventy years in the academy and an equal amount of time editing a political quarterly that is perennially begging for money, both positions surely at the cost of intellectual independence. A professed radical, he conveys in these pages profoundly conservative views of art and behavior. A professed literary modernist, he dislikes most of the most innovative writers of the 20th century (the exceptions being William Faulkner and James Joyce, the academics' favorites), instead preferring variations on nineteenth-century social realism. Perhaps this taste accounts for his noticeably limited appreciation of irony, among other subtleties of modern literary art.

Though a city-certified "distinguished professor," purportedly setting an example for aspiring scholars, Howe doesn't have sufficient scholarly integrity in reprinting a 1950s essay on the

French writer L.-F. Celine to include quotations from more recent, superior Celine translations. (The truest mark of privilege is, of course, that you can get away with faults for which the underclass—in this case students—would be penalized.) In spite of his repeated claims in the preface to wide interests, Howe's criticism is limited, on one hand, to modern literature, to the exclusion of the other arts, and, on the other, to unexceptional left-wing complaints.

He reveals a similar limitation in equating American Jewish history with his own group—the descendants of Yiddish-speaking immigrants from Eastern Europe—to the neglect of other Jewish Americans. (Compare this to, differences in ratios notwithstanding, a history of Black Americans that focused only on West Indians.) The implicit assumption is that the other Jews aren't worth acknowl-

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edging. Similarly, for all his appearances as a publicist for Jewish-American literature, he acknowledges remarkably few of the writers belonging to that category, typically missing many of the best (beginning with Gertrude Stein and Irvin Faust). A proponent of social opportunity, he has participated in efforts to eliminate competition in his own profession, beginning with attacks on the Communist writers (mostly Jewish) in the fifties, continuing with attacks on younger writers (again mostly Jewish) in the sixties and seventies.

A self-described "born outsider," he had regarded the business of writing as a vehicle for being accepted, for "making it," typically flattering persistently the powers upon whom his success depends. His career prescription is simply saying strongly, at times colorfully, what his audience wants to hear—sort of the liberal literati's Jesse Jackson. A professed socialist, he has long earned enough money to place him in the top 5%, if not higher; and he lives, indicatively, not among the working or bohemian classes but on New York's Upper East Side. That explains why, for all of his purported identification with the underclasses, he has sought the machinery of personal power and its abuses.

Having succeeded, he now has the outlook of someone professionally authoritarian, knocking down competitors as you would ambitious students with views contrary to your own, toward the end of wishing to expand or at minimum to preserve one's privileges. That economic anomaly accounts, as well, for why he should be a socialist with little understanding of economics, beginning with the economics of his own life. Nor does he risk an education in economics, because that would force him to ask self-disturbing questions. His mind-set is

less that of an intellectual, exploring issues relating to one's own life (or those similarly situated), than a publicist, whose most natural format nowadays is not the critical review but the book introduction.

An admirer of writers who have taken professional risks (epitomized by George Orwell, another touchstone), he has shown remarkably little courage in challenging his faithful audience or immediate editors; rarely does he risk any professional move they might find unacceptable. (Contrast him to Allen Ginsberg, say, or, more closely, Leslie A. Fiedler or even Murray Rothbard.) What is thus disagreeable is not his individual opinions, which are piously "humanistic" and thus rarely unacceptable, but the inflationary pretense encasing them. Characteristically, he opens his commercially published autobiography *A Margin of Error* (1982) in conversation with a fellow "democratic socialist," the courageous and independent Italian writer Ignazio Silone, with whom Howe has little in common other than his political beliefs.

Though preaching to the converted may fatten a critic's wallet, it eventually limits his or her influence. The principal professional achievement of *Selected Writings* is that certain essays are reprinted for the second and third time by a commercial publisher. In the end Howe has had not a literary career, but a publishing career. The two are not the same. The former should be based upon significant thought and discovery; the basis of the latter is the production of prose that fits snugly into the columns of whatever magazine and can later be sold between hard covers. There is nothing intrinsically wrong with devoting your life to giving publishers what they want, but there is something disingenuous about claiming you are really doing something else. Interestingly, though Howe speaks constantly of his intellectual career, his name does not appear in any general (nonsectarian) intellectual history known to me.

One would like to think Howe has learned something in the forty years of writing selected here; but absent from his upwardly mobile life has been the kind of professional suffering that shocks a more humane intellectual into questioning whether he may have been wrong or inconsistent or unnecessarily

authoritarian or hypocritical. It is not surprising that Howe is particularly beloved by those who can hold similar contradictions in their heads, successful sometime lefties whose lives differ drastically from their professed values, whose doings deviate regularly from their sayings, who read him mostly to find the hypocrisies of their outlook reaffirmed. By now Irving Howe has become a litmus test for discovering readers who are, shall we be frank, likewise fakes.

—Richard Kostelanetz

**Mises for the Millions** — Ludwig von Mises is, I believe, the most important social theorist of this century. His contributions to our understanding of how society functions are enormous, and his development of praxeology is a magnificent achievement. Happily, most of his writing is readily available. *Human Action*, his magnum opus, has been in print more or less continuously for more than forty years, and his other important works are also nearly all in print.

Mises' life was long and extraordinarily productive. In addition to his scholarly writing, he also wrote for the general public. This is a good thing, for much of his academic writing is . . . well . . . a bit recondite. Curiously, his most readable book, *Liberalism* (Jena: Gustav Fischer, 1927; New York: Van Nostrand, 1962) is one of his most radical. In it, for example, one will find no hint of the peculiar justification of the military draft that somehow found its way into *Human Action*. It also contains an eloquent argument for the legalization of drugs, explicitly including hard drugs like heroin. For some reason, *Liberalism* seems less widely read than his other works, which is too bad: *Liberalism* belongs on the reading list of every person who values human liberty or wants to understand how a free society functions.

Mises also occasionally wrote articles and essays for newspapers and magazines. Bettina Bien Graves has collected and the Foundation on Economic Education has just published a valuable anthology of Mises' journalistic efforts, along with a few miscellaneous previously unpublished (in English, anyway) papers and addresses. *Economic Freedom and Intervention* (FEE, 1991, 263pp, \$29.95 hc, \$14.95 sc) may not be Mises at his best, but even second-rate Mises is

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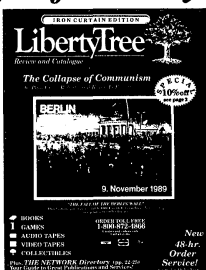
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better than the writing of most economists or social thinkers.

This is not to say that *Economic Freedom and Intervention* is mostly second-rate Mises. Much of it is very valuable. For example, his 1956 essay "The Plight of Business Forecasting" presents a concise discussion of why neither economists nor anyone else can make scientific predictions of the future. Mises made the

case a bit more rigorously in *Human Action*, but this piece is more readable. It certainly should give pause to economic advisors or investors who think an understanding of Austrian economics will help them with their investments.

Also very valuable is a compilation of Mises' reviews, introductions and comments on books. Here we find Mises' comments on Adam Smith, Frie-

drich von Hayek, W. H. Hutt, Israel Kirzner, Murray Rothbard and others.

*Economic Freedom and Intervention* is a valuable collection of the miscellaneous Mises, of value to every serious student of Mises or Austrian economics, and—thanks to its incorporation of many journalistic pieces—of interest to anyone who cares about human liberty.

—R. W. Bradford

## Letters, continued from page 6

Taxation is surely wrong, but something else is wrong too. What is it?

Tom Porter  
Reseda, Calif.

### Money Where the Mouth Is

Please cancel my subscription. I was surprised and dismayed to find in your May issue four articles supporting the U.S. military intervention in the Persian Gulf. Statist viewpoints of course abound in magazines everywhere. I expected *Liberty* to be my singular source of the libertarian perspective.

Libertarians oppose the initiation of the use of force except in self-defense. The four authors, all self-proclaimed "libertarians," support extorting my money in the form of taxes to pay for their war. If they love intervening in the Persian Gulf so much, why don't they fly to the Middle East and join the fight, or at least pay for the action themselves?

Why force me to pay against my will?

John Wahl, M.D.  
Columbus, Ga.

### The Last Refuge

Just what is wrong with defining "patriotism" as expressing one's blind obedience to the commands of one's rulers, rather than belief in the philosophies upon which one's nation was founded, as Robert Higgs argues? ("Two Kinds of Patriotism," May 1991)

After all, doesn't "patriotism" literally mean "love of father"? Most Americans are, frankly, latent homosexuals and sado-masochists. They continue to re-elect by 98% the very rulers who screw them. And Americans are literally aroused as they watch the President standing so straight and narrow on TV, like an erect penis. And they revere their phallic-shaped missile, named after a word meaning "love of male authority."

Scott Garfinkel  
Brookline, Mass.

### Well, Maybe Next to Last

In "Only in Albania" (Reflections, May 1991) J. S. Robbins describes Albania as "the last Stalinist state." What about North Korea, Cuba, Ethiopia?

name withheld by request  
Ann Arbor, Mich.

### Another Casualty

Thank you for the excellent article by David Boaz "Journalists and the Drug War" in the May 1991 issue. The "War on Drugs" is in reality a war on American civil liberties. It is the most serious threat to liberty since McCarthy and so far appears to be an unopposed juggernaut. It's only a matter of time before the remake of "Reefer Madness" with the cast of "21 Jump Street" shows up at our neighborhood theaters.

Recently, I have heard a barrage of "public service" messages from the "Partnership for a Drug-Free America" on the local radio station. These spots show a contempt for truth that would turn Paul Joseph Goebbels, propaganda minister of the Third Reich, green with envy. They are run so frequently that I have stopped listening to the station. I find it especially offensive that as "public service" announcements these spots can run unchallenged, unlike the "political announcements" they actually are.

Charles S. Reavis  
Dallas, Tex.

### Not My Problem . . .

As a new subscriber, I missed all of the letters and articles that prompted the first four letters in the May 1991 issue concerning abortion. From the names, it appears that all four writers are male. I have news for you guys—abortion is not your problem and it is not your business.

I concluded years ago that I would never have an abortion and that if anyone else wanted one, it was a matter between that person and her doctor.

The willingness—nay, eagerness—of these writers to determine the moral correctness of someone else's private and personal medical decisions seems out of place in a publication called *Liberty*.

Richard B. Allen  
Houston, Tex.

### Labor Theory of Value?

In the letter you titled "Moral Corruption, Anyone?" (January 1991), William Vandersteel explains that rational people have no desire for unearned wealth because wealth derives its value from the work embodied in it, therefore unearned wealth has no value, therefore no rational person wants anything he didn't earn.

I take it that Mr Vandersteel never, ever stoops to pick up a quarter lying in the street, and indignantly returns all gifts.

Joy Beeson  
Voorheesville, N.Y.

### Ruth vs Haugen

Babe Ruth's drinking was never "in violation of the U.S. Constitution" ("Who do you think you are, Babe Ruth?" May 1991) because the 18th Amendment did not outlaw the use or possession of alcohol, but only its manufacture, transportation and sale.

The foundation for current law on possession of marijuana lay on an international treaty, the Single Convention on Narcotic Drugs, which was devised by the Federal Bureau of Narcotics with the specific intent of shoring up its constitutional authority.

Dale Gieringer  
Oakland, Calif.

## Final Words

### Ludwig M. Lachmann 1906–1990

On December 17, 1990, Ludwig M. Lachmann, one of the most important influences in the contemporary revival of Austrian economics, passed away in Johannesburg, South Africa, after a long illness, just weeks short of his 85th birthday. Ludwig Lachmann spent a long, productive life pursuing the study of the social sciences in general, and of economics in particular, with single-minded dedication, penetrating insight, and utter intellectual honesty.

Born in Berlin in 1906, Lachmann studied in Berlin and Zurich, obtaining the degree of Doctor rerum politicarum from the University of Berlin in 1930. He came to England in 1933, and pursued research under Hayek at the London School of Economics and subsequently at the University of London. A period of service as a faculty member at the University College of Hull was followed by his appointment, in 1949, to the chair of Economics and Economic History at the University of Witwatersrand, Johannesburg, South Africa. In 1972 Lachmann became Professor Emeritus, and spent a substantial part of the subsequent fifteen years (until the spring semester of 1987) as a visiting Research Professor in the Austrian Economics Program at New York University, this having been made possible by farsighted Moorman Foundation financial support. At a gathering held at New York University celebrating his eightieth birthday in February 1986, Professor Lachmann was presented with a festschrift (*Subjectivism, Intelligibility, and Economic Understanding*, New York University Press, 1986) in which twenty-four scholars from around the world paid him tribute. In the course of more than a full half century of vigorous research activity, Lachmann wrote five books and monographs, and scores of journal articles. (A valuable survey of that work up until 1976 was provided by Walter E. Grinder as the Introduction to Ludwig M. Lachmann, *Capital, Expectations, and the Market Process*, Kansas City: Sheed, Andrews and McMeel, 1977).

Though it is far too early to attempt any full assessment of the emergence, development, and completion of Ludwig Lachmann's work, I shall endeavor in what follows to capture cer-

tain central elements in his rich, lifelong exploration of the social sciences. I am abundantly aware of the additional difficulties surrounding this hasty, preliminary statement; my feelings of profound affection and admiration for Ludwig Lachmann, recollecting some thirty years of personal friendship and correspondence, render me a most imperfect judge; to complicate matters even further, I had, for twenty out of these thirty years found myself locked in a friendly (but quite insoluble) disagreement with Lachmann on certain fundamental points of economic understanding. It will be for future scholars to provide the full scale, dispassionate historical and critical assessment that the prolific work of Ludwig M. Lachmann so richly deserves and demands.

The central thread running through Lachmann's work is, unquestionably, his radical subjectivism. He believed that economic understanding calls for recognition, not merely that external events influence human action only as they have been filtered through the human mind, but also that each human mind is active and idiosyncratic in interpreting external events and in thus arriving at what it knows and what it expects. It was this conviction that led him, as early as 1959, to assert that as "soon as we permit time to elapse we must permit knowledge to change, and knowledge cannot be regarded as a function of anything else." In his most recent works, Lachmann pursued the implications of this insight with a consistency undeterred by what some have considered the nihilism towards which he appeared to be gravitating. Lachmann was never one to concern himself with conforming to current intellectual fashions and fads. Even where intellectual honesty led him to question the positions maintained by writers for whom he had enormous regard, he never flinched.

In fact there seems to have occurred a steady deepening, or radicalization, of Lachmann's subjectivism during the last forty years of his life. In 1950, in his inaugural lecture at the University of

Witwatersrand, Lachmann was clearly expressing a view of economics largely built upon Mises (whose recently published *Human Action* he was to review enthusiastically a year later in *Economica*). When, in an act of rare kindness to a lonely young Misesian, Lachmann first wrote to me in 1961, he was most explicit in his commitment to "praxeology" and to its Misesian character. Yet, as the years passed, it became clear that for Lachmann the subjectivism of Mises (and even more so, the subjectivism of Hayek) came to seem incomplete. The focus of Lachmann's intellectual attention began to shift from Mises to Shackle. In his letters to me of the sixties Lachmann had described Shackle as an important writer who should be seen as a potentially valuable ally; but after Shackle's *Epistemics and Economics* (1972) it was clear that Lachmann saw its author as embodying that perfection of subjectivist insight towards which Mises provided only the first approach. (See Ludwig M. Lachmann, "From Mises to Shackle: An Essay," *Journal of Economic Literature*, March 1976). The major shortcoming in the Austrian literature, Lachmann maintained, was its failure to extend subjectivism to encompass expectations. It was Shackle's great virtue, in Lachmann's eyes, that, by underscoring the subjectivism of expectations, he decisively unmoored human action from any deterministic constraints imposed by external events.

Despite his differences with the Austrians, it should be emphasized that his enormous personal and professional admiration and respect for both Mises and Hayek were never in question. Neither, oddly enough, was his dedication to the classical liberal ideals of free markets and limited government, though it often seemed even to his friends that his own radical subjectivism undermined support for these institutions. It was with the Austrians that Lachmann found the common ground needed to accomplish what he saw as his overriding intellectual and scholarly duty—the nurturing of a younger generation of economists impervious to what he held to be the blight of late twentieth century economics, the distortions wrought by viewing economic phenomena through the spectacles of determin-

istic, mechanical, general equilibrium models. This he saw as his life's goal. In the sixties he could have been pardoned for seeing this goal as almost beyond reach. (In a poignant passage in a 1969 letter to me, Lachmann wrote: "If we two start quarrelling, what becomes of praxeology?") Yet at the time of his death, barely twenty years later, he could (and did!) look with calm satisfaction at the scores of younger Austrian scholars and colleagues in this country and abroad including especially, Gerald O'Driscoll, Mario Rizzo, Don Lavoie, and Stephan Boehm whose economic perspective had been profoundly affected by his patient, sparkling teaching and writing. He could point to the revival, in universities around the world, of appreciation for those subtleties in economic understanding that emerge from a recognition of the need to proceed beyond "subjectivism as the expression of 'human disposition' to subjectivism as a manifestation of spontaneous action."

Ludwig Lachmann was the eternal intellectual optimist. In his voracious and extraordinarily retentive reading, he discovered nuggets of truth in the writings of thinkers with whom he disagreed most vehemently. Out of these, building on the work of his intellectual heroes, Weber, Mises, Hayek, Hicks, and Shackle, Ludwig Lachmann constructed an edifice of economic understanding peculiarly his own. In erecting this edifice and actively nurturing a sympathetic audience for subjectivist economics until only weeks before his passing, Lachmann made his lasting intellectual contribution to the understanding of society and—perhaps in ways that he did not himself always quite appreciate—to the understanding of how the market society can systematically foster that social coordination upon which human well-being depends.

We have lost a delightful, encyclopedic colleague who told us the truth with white-hot passion discreetly clothed in the most elegant old-world courtesy. How we shall miss this stern but beloved teacher, this warm, but ever-honest friend!

—Israel M. Kirzner

*An earlier version of this obituary appeared in the Winter 1991 Institute Scholar, a publication of the Institute for Humane Studies.*

## Notes on Contributors

**John Baden** is chairman of the Foundation for Research on Economics and the Environment and a rancher from Gallatin Gateway, Montana.

"Baloo" is the *nom de plume* of Rex F. May, a cartoonist whose works frequently appear in *The Wall Street Journal* and other publications.

**R. W. Bradford** is editor of *Liberty*.

**Stephen Cox** is Associate Professor of Literature at the University of California, San Diego.

**Brian Doherty** is a journalist and musician living in Gainesville, Florida.

**David Friedman** is the author of *The Machinery of Freedom*, *Price Theory: An Intermediate Text*, and numerous articles.

**Milton Friedman**, a Nobel Laureate in Economics, is a fellow of the Hoover Institution on War, Revolution, and Peace at Stanford University.

**Karl Hess** is the only editor of *Liberty* quoted in *Bartlett's Familiar Quotations*.

**Robert Higgs** is Thomas F. Gleed Professor of Business Administration at the Albers School of Business, Seattle University, and the author of *Crisis and Leviathan*.

**Israel M. Kirzner** is Professor of Economics at New York University, and the author of *The Economic Point of View*, *Competition & Entrepreneurship* and other books and articles.

**Richard Kostelanetz**, a resident of New York's

Soho district, has written many books and articles about contemporary culture and art.

**Loren E. Lomasky** is Professor of Philosophy at Bowling Green State University, and author of *Persons, Rights, and the Moral Community*.

**William P. Moulton** works with words and trilobites in a quaint town in northern Michigan.

**Stuart Reges** is a computer scientist, formerly employed as a lecturer at Stanford University.

**Scott J. Reid**, a vice president of a Canadian department store chain, has travelled with his wife to many exotic places, including Asia, Europe, and Port Townsend, Washington.

**Sheldon L. Richman** is Senior Editor with the Cato Institute.

**James S. Robbins** is a writer and foreign policy analyst living in Massachusetts.

**Jane S. Shaw**, former economics editor of *Business Week*, lives and writes in Bozeman, Montana.

**Sandy Shaw** is a research scientist and co-author of the best-selling book *Life Extension*.

**Mark Skousen** is an investment advisor and economist living in Florida. His most recent books include *The Structure of Production* and *Economics on Trial*.

**Timothy Virkkala** is assistant editor of *Liberty*.

### Skousen, "Economics After Socialism," continued from page 50

**Heilbroner:** Who the hell knows? I do take ecology very seriously.

**Skousen:** Do you envision an Orwellian future with a totalitarian government monitoring every citizen's action?

**Heilbroner:** No. I have a picture in which humanity around the globe faces enormous challenges having to do with ecological survival. It will have to make radical changes in its energy sources.

**Skousen:** Are you optimistic about a new Europe, with the breaking down of political and military barriers, an open economy?

**Heilbroner:** I'm very bullish on Europe.

**Skousen:** Is Keynesianism dead?

**Heilbroner:** Oh, I don't think so. Keynes is a major figure. He changed the vocabulary of economics. He made two significant contributions: First, that the

national economy could be open to manipulation. Second, Keynes's rather benign view of the future of capitalism, you know, interest rates will go down, more goods will be produced, and so forth. I think it's a little shallow, but I like it.

Schumpeter is more interesting and more imaginative, but I don't think he ever had the policy impact Keynes has had. And now in this modern era, there is no successor to Schumpeter. Not even the people on the left have any scenario. They have scenarios of capitalist breakdown. They have scenarios of mounting tensions in the world. But they have absolutely no vision beyond the present scene. □

*The foregoing is an extended version of an interview that appeared in the May 27, 1991 issue of Forbes magazine.*

# Terra Incognita

## Prince Edward Island, Canada

Horticultural note from Canada's smallest province, as reported by *Maclean's: Canada's Weekly Newsmagazine*:

Residents of Prince Edward Island can be fined up to \$25,000 for growing potatoes without government permission under a new law. Special "Potato Police" have been given the right to use force to search without warrant the backyards of residents of the province.

## United States of America

The sad state of American public policy, as reported by the *Detroit News*:

AFL-CIO chairperson Lane Kirkland described the proposal to reduce tariffs and trade barriers between the United States and Mexico as "a disaster worthy of Stalin's worst."

## Aspen Hill, Md.

Advance in the humanitarian treatment of animals, as reported by the *Milwaukee Journal*:

The organization People for the Ethical Treatment of Animals (PETA) rescued 76 rabbits from Montgomery Village Intermediate School in Gaithersburg, Md, where it claimed the animals were treated inhumanely. PETA found homes for 28 of the rabbits, placed 29 in an animal sanctuary, and killed the remaining 18 rabbits. "The euthanasia was carried out with a great deal of concern," a spokesperson said. In a related move, PETA sued to prevent the euthanasia of two monkeys at a research laboratory in Louisiana.

## Traverse City, Mich.

Bad news for good little boys and girls, as reported by the *Traverse City Record-Eagle*:

Police here arrested the Easter Bunny during his morning break at the Cherryland Mall, charging the famous bunny with failure to pay child support. The Bunny was not handcuffed.

## Alexandra, New Zealand

More bad news for bunnies, as reported by the *Associated Press*:

The city of Alexandra, which calls itself "the rabbit capital of the world," held a mass shooting of bunnies as part of its annual Easter Festival. Cash awards were made to those who killed the most.

## Fort Lauderdale, Fla.

A new challenge for court procedure, as reported by the *Associated Press*:

After Penny Pellito, of Miramar, sued the Home Depot on grounds that an injury she sustained in its hardware store had "impaired her ability to 'block out pain,'" defense attorney James Zloch asked the judge to order her not to use her "psychic powers to read the thoughts of witnesses and jurors." Judge Paul Marko III refused the motion.

## Auckland, New Zealand

The consequences of neglecting household safety, as reported by the *Detroit News*:

Brian Arthur Fumell, 46, who cut his little finger in a domestic accident two years ago, and receives state support because of the disability, has filed a claim for additional disability payments with the State Accident Compensation Corporation: "I cannot play 10-pin bowling because it is painful to hold the ball, lovemaking is impaired because of the irritating pain in my hand, and I am also concerned I could break the finger in a fight or something, so I keep out of the bars I used to go in."

## New York

Evidence that multi-national corporations believe in the afterlife, as reported in the *Seattle Times*:

Sony Corporation invited ragtime pianist Eubie Blake to accept its "first Legendary Innovator Award," adding that his presence at the award ceremony would enable him to be "introduced to industry people who can be instrumental in furthering" his career.

Blake, however, could not attend the ceremony. He died in 1983 at the age of 100.

## Tokyo

Breakthrough in the science of psychology, as reported by NHK-TV:

Research scientists have proven that the application of eye makeup is an effective treatment for clinical depression.

## Dallas

Scientific note from the Lone Star State, as reported in the *Dallas Morning News*:

Gail Huitt, hairdresser for Texas governor Ann Richards, explains the secret of Gov. Richards' extraordinary hairdo: "I rat the tar out of it. I spray the hell out of it. We get it up there. We defy gravity."

## Shihezi Province, China

Sociological advancement in the workers' paradise, as reported in the *Farmer's Daily*:

A man and wife who had moved into a pigpen in order to evade government regulations limiting their offspring to one, were evicted along with their four children, and the pigsty bulldozed. They were practicing "illegal birth warfare."

## Birmingham, Ala.

Evidence that proportionality and sober judgment may not be the sole guides in American jurisprudence, as presented by the *Associated Press*:

District Judge Jack Montgomery, in response to Mayor Richard Arrington's charge that he is soft on criminals, raised the bail for Isaac Peterson from \$5,000 to \$9,000,000,000,000, or about three times the national debt.

## Washington, D.C.

The Army discovers reasons to sympathize with ancient scribes, whose errors were written in stone, as displayed in the non-cuneiform columns of the *Detroit Free Press*:

Fourteen survivors of the Vietnam War are listed among the dead at the Vietnam Veterans Memorial. A spokesman for the Army said that the errors appear to be the result of "typing mistakes," and would not be corrected.

## Easton, Pa.

How trial by jury protects citizens' rights, as reported in the *Easton (Pa.) Press*:

When shoppers attempted to enter several local stores, they were stopped by deputy sheriffs and forced to identify themselves and show proof of their identity. They were then asked whether they were county residents and whether they had immediate vacation plans. Those who answered yes to the first question and no to the second were taken into custody and taken to court where they were impaneled on a jury.

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



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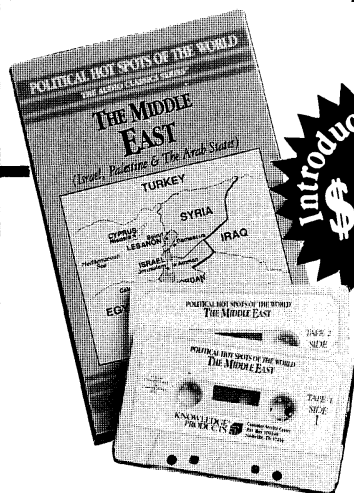
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### Panels

*Liberty in the Post-Socialist World*, with Sheldon Richman, David Friedman, Robert Higgs, Stephen Cox and R.W. Bradford. (Video: V101; Audio: A101)

*Spending the Peace Dividend*, with Robert Higgs, Sheldon Richman, James Robbins and Richard Stroup. (Video: V102; Audio: A102)

*Beyond MADness: foreign policy without the "Evil Empire"* with Stephen Cox, Robert Higgs, Sheldon Richman and James Robbins. (Video: V103; Audio: A103)

*The Revolution in Eastern Europe*. with Ron Lipp and James Robbins. (Video: V104; Audio: A104)

*Right and Wrong in an Unfree World*, with R.W. Bradford, David Friedman, John Hospers, Loren Lomasky and Sheldon Richman. (Video: V105; Audio: A105)

*Heroes of Liberty: Chodorov, Paterson, Mencken, Conan the Barbarian, Tannehill, Cage, others*, with R.W. Bradford, Doug Casey, Richard Kostelanetz, Sheldon Richman and Stephen Cox. (Video: V106; Audio: A106)

*Liberty and the Environment*, with Jane Shaw, Richard Stroup, John Hospers, R.W. Bradford and David Friedman. (Video: V107; Audio: A107)

*Do Rights Make Sense?* with David Friedman, Timothy Virkkala, John Hospers, R.W. Bradford, David Ramsay Steele, and Loren Lomasky. (Video: V108; Audio: A108)

### Seminars

*The Economic Case For and Against Anarchy*, by David Friedman with comments by Richard Kostelanetz. (Video: V109; Audio: A109)

*Did the Libertarian Movement Really Start in Murray Rothbard's Living Room?* by R.W. Bradford, with comments by Stephen Cox. (Video: V110; Audio: A110)

*The Politics of the Avant Garde*, by Richard Kostelanetz, with comments by Stephen Cox. (Video: V111; Audio: A111)

*Does Economics Make Sense?* by David Friedman with comments by Robert Higgs. (Video: V112; Audio: A112)

*Children's Rights* by Loren Lomasky with comments by Timothy Virkkala. (Video: V113; Audio: A113)

*The Poverty of Libertarian Fiction* by Stephen Cox with comments by Douglas Casey. (Video: V114; Audio: A114)

*Game Theory, Evolution, and Freedom*, by Ross Overbeek with comments by David Ramsay Steele. (Video: V115; Audio: A115)

*War and Prosperity: Did World War II Cure the Great Depression?* by Robert Higgs. (Video: V116; Audio: A116)

*Agent or Victim: Reconsidering the Insanity Plea* by John Hospers. (Video: V117; Audio: A117)

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