

Liberty

September 2001

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Jenna Bush
and
Gary Condit:
The Ominous Parallels

The Plot to Cram Six Billion People into Kentucky

by Randal O'Toole

Hell in the Caribbean

by Douglas Casey

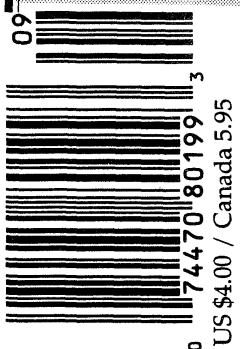
Rewarding Criminals for Their Crimes

by Timothy Sandefur

When Hackers Saved the World

by William E. Merritt

Also: Bettina Bien Greaves on the man who paved the road to freedom, Christopher Chantrill on the new "spiritual egalitarianism," Otto Guevarra on the rise of liberty in sunny Costa Rica . . . plus other articles, reviews, and humor.



"All of our greatness was born of Liberty." —John P. Altgeld

Michael Cloud

Libertarian for U.S. Senate • Massachusetts

Personal Responsibility is the Issue

"Personal Responsibility is the Price of Liberty," said Michael Cloud in his Nationally Televised C-SPAN speech.

Why Personal Responsibility?

Everybody wants to be free, but who wants to be responsible?

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Individual Liberty and Personal Responsibility are two sides of the same gold coin. We cannot surrender one side of the coin without losing the other.

We must take back our Personal Responsibility to restore our Individual Liberty.

Michael Cloud vs. John Kerry.

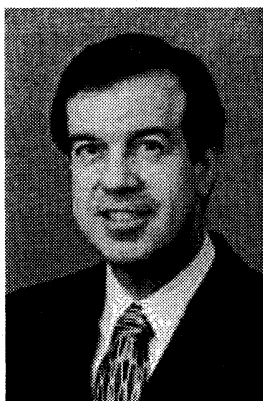
U.S. Senator John Kerry (D-MA) is toying with a Presidential bid for 2004. But first there's a minor inconvenience: he has to run for re-election in Massachusetts in 2002.

Democrat John Kerry always votes Big Government.

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More Big Government.

Every time John Kerry votes, we lose Personal Responsibility.



Michael Cloud

Libertarian Michael Cloud will vote to restore Personal Responsibility.

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No Exceptions. No Excuses.

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Small government is the key.

Individual Liberty is the reward.

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A vote to dismantle Big Government is a vote for Personal Responsibility.

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Personal Responsibility is the Issue

Michael Cloud

Libertarian for U.S. Senate

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Inside Liberty

September 2001
Volume 15, Number 9

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Letters

A Question of Fraud?

Jeff Kradin (*Letters*, August) asks if the Libertarian Party would be better off "without" Browne and Willis, even if they are guilty of fraud. That's the wrong question. When we overlook fraud (and other dishonest activities) by using this old "better off" argument, we lose by becoming no better than the major parties. I certainly don't want a future LP campaign motto to be "He may be a crook, but he's 'our' crook."

Bob Tiernan
Portland, Ore.

It Hurts So Bad

Why do you expend every waking hour trying to tear down the Libertarian Party?

Andrew Sullivan
Omaha, Neb.

Look Ahead

Enough already regarding Harry Browne and the presidential election campaigns of 1996 and 2000. Let the Libertarian Party concentrate on ballot access issues and find for the 2004 election a candidate who can energize some interest among the "infidels" rather than preaching to the "congregation." Michael Cloud comes to mind.

Dan Sotler
West Palm Beach, Fla.

Time to Wash Up

I am an economist, lawyer, long-time libertarian, reader of *Liberty*, and a rank-and-file member of the Libertarian Party. I have followed, with interest and often amazement, the articles on troubles in the LP, both in *Liberty* (July & August) and on Jacob Hornberger's Web site.

It is, of course, difficult to know, without evidence in front of me and the ability to observe and question the

entire cast of characters, precisely where the truth lies on many of the issues. It is also difficult to assess the extent of damage done to the LP by Browne (who, I confess, I've long thought to be interested principally in self-aggrandizement) and his associates.

However, one thing is perfectly clear: the hanky-panky and/or perceptions of hanky-panky do this small party no good. It is not sufficient to have clean hands; one must be seen to have clean hands. This the LP lacks.

Hugh High
Hingham, Mass.

¡Ole, Toro!

Admittedly, I'm not one of the "informed elite" on the topic of bullfighting as spelled out by Coleman Cooney and Michael Christian ("In Defense of Bullfighting," August). I've never been to a bullfight in person, but from what I have seen, the sport is more than just tradition. It can be quite a beautiful spectacle. From a libertarian perspective, there is nothing more breathtaking than the sight of a highly-skilled, jewel-encrusted matador getting the shit gored out of him by the underdog.

Paul Marsden
Garden Grove, Calif.

Death, Sport, and Food

I believe it is morally wrong to kill an animal merely because we like the taste of its flesh, not because we need it to survive or for proper health. To kill an animal merely for sport is even more morally wrong. It is repugnant.

Granted, there are those fringe cultures in which the killing of animals is necessary for survival. But I don't think they toy with the animals they kill out of necessity. I am a vegetarian, but I do not believe animals have rights, although there is an argument

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to be made that humans should treat animals "humanely," to the extent possible.

Of course, carnivores kill and eat flesh. But, again, that is a matter of strict necessity and, in the larger scheme of things, the predator keeps the prey population healthy and alert from a survival-of-the-fittest point of view.

But to kill a bull merely for the "art" of it, the sport, is truly a remnant of our not so wonderful past.

David A. Nichols
Tucson, Ariz.

Cruelty Thy Name Is Bullfighting

Cooney and Christian put forth no actual arguments to defend bullfighting.

They claim that bulls are strong, and are admired for their vitality and bravery. So therefore, fighting them is good sport. This is a defense? Are they joking? They suggest that if the masses weren't so ignorant, they too would enjoy bullfighting. They even compare it to opera, since the upper and middle classes pay a lot for bullfight tickets.

Opponents of bullfighting might mock it as an unsophisticated, anachronistic tourist show, but the main beef is that it's cruel. Even if bullfighting opponents were to become enlightened about the bravery and competitive artistry of the sport, and even if they were more informed about bullfighting, they'd still have the same claim: that taunting the animals, sticking spears into them, and cutting off their ears is cruel.

Hal Dunn
Wesley Chapel, Fla.

Opinions Outed

Edward Feser's defense of traditional morality and normal sexuality in the pages of *Liberty* seems to have outraged every living libertarian homosexual or defender of homosexuality ("In Defense of Virtue," June, *Letters*, June & July). It is presumed that any belief in principles of sexual morality ought to be interpreted as an attack on libertarian principles. This is untrue. One can be completely consistent in holding that homosexuality is perverse, sinful, and debilitating on the one hand, and that, on the other, as consensual behaviors, such practices

ought not be legally proscribed. Libertarians who regard sexual morality to be every bit as essential to civilized society as honesty, civility, limited government, and private property, and who regard themselves as having every right (and perhaps even a moral obligation) to express such views, are not engaged in any contradiction.

James R. Edwards
Havre, Mont.

Shades of Brown

I was a student at Brown University at about the same time as Richard Kostelanetz ("Education of an Intellectual," August), and my memories of the experience differ quite a bit from his. His remarks are personal and anecdotal, and it would be unfair to Brown not to give the other side.

In the first place, as a lowly freshman I was assigned a full professor as a mentor/counselor. We met informally, and I could discuss anything I wanted with him. He was very helpful, and this was an experience I never forgot. Could Kostelanetz have gotten that kind of attention at Harvard or Yale?

Secondly, the "IC" seminars (the "IC" stands for "Identification and Criticism" of ideas) were, to use Robert Bork's description of being a judge on the Supreme Court, an intellectual feast. Imagine the excitement of 16 or so bright undergraduates meeting around octagon tables with someone (usually an associate professor or higher) who had spent his whole professional life studying the text and related issues. Further-more, contrary to what Kostelanetz implies, no one was precluded from also enrolling in survey classes in addition to the IC classes.

Thirdly, I don't know what Kostelanetz means by writing that Harvard, Yale, and Columbia are in cities that offer "corrective reality."

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Brown is indeed on a hill overlooking the city, but an invigorating walk of about 15 minutes will take you to a downtown much like that of any other eastern city of the same size. How does it differ from a walk beyond the gates at Harvard or Yale? I gather that the tension between "town and gown" has been much greater in New Haven than it was in Providence.

Finally, I don't know where he got the idea that the University Christian Association dominated intellectual life. Although the college was founded by Protestants, the intellectual aura was basically atheistic and agnostic, with each religious denomination having its own group (for example, the Newman Club, Hillel, etc.) to cater to students with those beliefs. Everything else was an intellectual free-for-all.

Kostelanetz wasted an opportunity to say something meaningful about Brown. He could have contrasted the intellectually stimulating place it was during the late '50s and early '60s with the bastion of political correctness it has become today. In the recent fracas regarding the publication of David Horowitz's ad against reparations for slavery, 57 faculty members thought it acceptable to control information if it offended some members of the community. This would have been unthinkable when Kostelanetz and I were there in the late '50s. Then, it was an exciting place to get a college education.

William Nadeau
San Diego, Calif.

Three Questions

Over the course of more than 5,000 words Richard Kostelanetz enlightened readers on the following facts: he went to Brown. He considered it a second-rate school. So did everyone else there. And proof of Brown's second-rate nature can be found in the fact that Brown has not been more pro-active in inviting back to campus a very, very minor author.

I intended to insert in this letter something along the lines of "If Mr. Kostelanetz's fiction is as rambling and ill-disciplined as his essay, then it's no surprise that I've never heard of him." Instead I hunted down his Web site (www.richardkostelanetz.com) and

discovered that it makes my point very effectively. His works include:

- a novella with no more than two words per paragraph (and, in one published form, no more than two words to a page),
- eight stories composed of cut-up photographs whose chips move symmetrically through narrative cycles, and
- ten circular stories that flow from point to point but lack beginnings or ends.

Please, no more whining.

Travis J. I. Corcoran
Arlington, Mass.

Davidian Despair

As much as I enjoy reading the pair of Davids (Brin and Friedman), I must protest. My academic training was as a cultural anthropologist; Messrs. Brin and Friedman are physicists. This is horribly depressing, as they do cultural anthropology a hell of a lot better than I could do physics.

Stephen Browne
Warsaw, Poland

Libertarian Solutions

In "Good Politics, Bad Medicine," (*Reflections*, August) Bruce Ramsey states that "freedom does not solve all problems, and may make some of them worse." A strange statement. Does he mean that slavery may solve some problems? He goes on to say that "Medicine is not the same as it was when people paid for it out-of-pocket. Whatever solution libertarians offer . . . has to work, and provide a world that people want."

I disagree. I think that libertarians don't have to offer any solution at all. Libertarians have only to point out that "solutions" that impose force on others are morally wrong and should be stopped — it doesn't really matter whether those claimed solutions "work" or not. People can devise solutions that work if left free to do so, though their solutions may not prove effective for everyone under all conditions. Libertarians should concentrate on analyzing laws and policies to determine whether or not they are proper — that is, whether they violate anyone's inalienable rights. Libertarians don't have to know how

to build highways — that's for engineers to do. They have only to advise that it is morally wrong to steal from some in order to finance the building of highways.

Darrell E. McGuire
Oceanside, Calif.

DNA Police

Bruce Ramsey notes the seeming inequity of health insurance premiums reflecting information from DNA testing. An apparent solution to this perceived inequity would be for the patient to buy bad-DNA insurance before having the test done. (Though how the insurance company might assure that the patient had not already seen the results of a secret test is not immediately apparent. Maybe there's a good answer to that.)

It should also be apparent that if we the taxpayers are to be expected to compensate for the medical costs of bad DNA, then we the taxpayers also thereby would seem to acquire the moral standing to prohibit the propagation of that bad DNA, and that is a result that is more than a little troubling.

Bill Bunn
Arcata, Calif.

Justice for Ramsey Clark

Reading William E. Merritt's article "Justice, at Last, for Vicki Weaver?" (August) reminded me of my only encounter with Ramsey Clark. Circa 1980 I attended a symposium at which Ramsey Clark was one of the speakers. Afterwards I cornered him and we were engaged in a discussion about government responsibility. I contended that government was not sufficiently accountable for actions which were detrimental to its citizens and he was strongly arguing the opposite. Finally he challenged me by asking me what I thought should be done. I said that government officials should be personally responsible for the injuries to citizens caused by their actions. He replied, "You can't do that." I surprisingly found myself responding, "Oh, what were the Nuremberg trials all about?" There was a long pause, then he turned and walked away.

Fred G. Hewitt
Eagan, Minn.

Reflections

Don't worry, congressman, we're tolerant of ax murderers here — What I like best about the Gary Condit case is its flamboyant revelation of good-natured tolerance, of a true laissez-faire attitude on the part of the police. This is a cheering sight for all foes of intrusive government.

The only trouble is, the D.C. cops' idea of laissez-faire isn't keeping their hands off drugs or prostitution; their idea is keeping their hands off abduction and murder. And is it only where congressmen are concerned that this libertarian sentiment emerges? — Stephen Cox

Puff, the magic federalist — I was pretty miffed with the Supreme Court decision on medical marijuana. In retrospect, I am more miffed at the people who argued the case. They should have based their case on the Tenth Amendment issue: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." I've read the entire Constitution and can't find a single word about the federal government having the power to decide what we smoke or what medicine we take. I'm not crazy for state regulation, either, but leaving such power to the states allows more diversity and even experimentation with legalizing some activities that current national hysteria prohibits at the federal level. Justices Thomas and Stevens mentioned the outstanding issue of states' rights in their concurring opinions. — Tim Slagle

Live from Capitol Hill, "Who Wants to be a Defendant?" — John McCain was on Fox News Sunday, June 24, touting his "patient's bill of rights." Asked if he would modify his bill (aka the Trial Lawyer's Permanent Employment Act) to prevent HMO suits, he said something like "People in this country can sue their doctor, sue their nurse, even sue their hospital. A recent poll indicated that 77% of Americans would like to be able to sue their HMO if it prevents them from getting the care they need."

Unfortunately, Tony Snow didn't ask him if he would support a bill allowing people to sue individual senators for

sponsoring legislation that has unacknowledged but predictable consequences that negatively impact them. I suspect more than 77% of Americans would support such legislation. — Ross Levatter

"You bastards, you killed Bambi!" — After recently watching *Bambi*, I worry that I may never again have an intelligent thought about man and nature. First we killed Bambi's mother, then we shot Bambi himself, and then we burned down the forest. Every time man entered the forest somber music soared and ravens blackened the sky.

As an antidote, my staff provided me a videotape of a recent *South Park* episode about a children's glee club's crusade to "save the rainforest!" It began with the sappy pabulum that so dominates environmental education today: kids parroting the views that "we're bulldozing X acres per day" and "the rain forest is delicate and vital to our lives." The teacher was a typical brain-dead liberal — a walking travelogue for the Rainforest Alliance.

But then they get to Costa Rica, find themselves in the "rainforest" (i.e., jungle) and are beset by poisonous snakes (their guide is killed off swiftly) and insurgents (the teacher immediately talks of her sympathy with these fighters against the "fascist" central powers). They are captured by "the peace-loving indigenous peoples of the rainforest" (i.e., cannibals) and are about to die when . . . they're rescued by a team of American roughnecks on bulldozers who're there to clear out the rainforest. The teacher is elated and says cut it all down.

The segment ends with a typical message of the style tacked onto the end of "educational" films: "Over two thousand people die annually in the rainforest," "over 700 substances that cause cancer are found in the rainforest," and finally "help us destroy the rainforest before it's too late!"

Maybe pop culture isn't so bad.

— Fred L. Smith

Hug a tree, exploit a child — John Stossel raised the hackles of environmentalists once again by quizzing school children on what they learned about environmentalism in school. He was accused of exploiting children. What a strange case of doublethink, that a person reporting bad teaching is more evil than the actual teachers. It is an



ironic twist, considering how environmentalists have exploited children for years by citing them as the reason we need to save the planet. — Tim Slagle

¡El jefe es muerto, viva la revolución! — In late June, Fidel Castro, dictator of Cuba these past 42 years, collapsed while delivering a speech. Castro later commented that "it was a rehearsal for death." This, I believe, is the only clever or witty thing he has ever said, so it deserves to be remembered.

When Castro finally goes on from rehearsals and actually dies, he will be remembered in a lot of ways, deserved or not. I can predict the reactions now; tear out this column and attach it to your refrigerator.

Raul Castro: "A world leader died today. Fidel Castro is gone."

Dan Rather: "A world leader died today. Fidel Castro is gone."

CNN Headline News: "Fighting to the end against the illegal American embargo of his country, Cuban Premier Fidel Castro died today."

Barbra Streisand: "Fidel Castro will remain a hero as long as people anywhere strive to achieve free and universal health care."

Jimmy Carter: "On Sunday, former Premier Gorbachev and I will join other world leaders in Havana to attend the funeral observances of Premier Castro. The important thing is to maintain stability in Cuba during this important period of transition, and to make sure the normal functions of the Cuban government continue unimpeded by agitation or turmoil. We caution all thoughtful observers to avoid upsetting the delicate balance of political forces now at work in the region."

Francisco Avila, Assistant Director of Special Projects, Ministry of Interior, Havana, Cuba: "Listen, I have money. No, not Cuban money, you asshole — gold! Listen, I gotta get outta this country!"

Oliver Stone: "The position of the United States government is that Fidel Castro died of 'a massive heart attack.' The facts do not support that finding. Mr. Castro was only 74 years old, and according to Cuban government officials, he enjoyed excellent health. No dispassionate look at the evidence will support any conclusion except the obvious: George Bush killed Fidel

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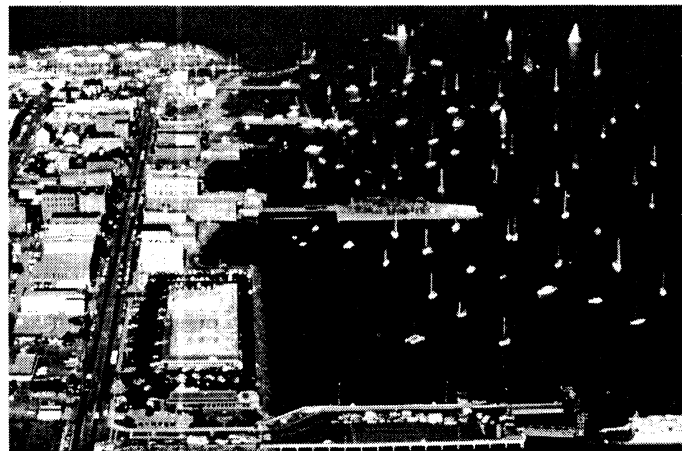
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Castro."

Gyorgy Tarentov, Major General, Red Army, Retired: "Yes, I was there! Kennedy was demanding that we remove our missiles from Cuba. He claimed that they constituted a threat to the security of the United States. Well, who could say otherwise? But this Castro, he said, 'You must bomb Miami! I insist on it!' What can you say? The man was a lunatic, a hopeless lunatic."

The New York Times: "CASTRO DIES AFTER LIFETIME OF SERVICE."

Terry Brent-Stevenson, Education Director, National Coalition for Lesbian, Gay, Bisexual, and Transgendered Identity and Recognition (NCLGBTIR): "Despite Premier Castro's early liquidation of lesbian, gay, bisexual, and transgendered people in Cuba, we have long been impressed by his efforts to bring education, health care, and true human dignity to the whole of the Cuban population. We take this opportunity to mourn his death."

Andreas Monteon, Cuban homosexual: "Castro? Viejo loco! Hijo de puta!"

Sixth-grade schoolteacher, Palo Alto, Calif.: "Someone famous died today, children. It was Fidel Castro. Do you know who he was? Thank you, Monica, that's a good comment. That's right, he was a man. But does anyone know what country he was a man in? Derek? Yes, that's *almost* right. He was a man in Cuba, not Kuwait, but you were very close, Derek. Now, Mr. Castro did an important thing. Do you know what it was? Anybody? He taught all the people in his country to *read*! Isn't that wonderful, children?!"

Information officer, Cuban legation, Washington, D.C.: "It is totally untrue that 'rioting' has broken out in Havana. The Cuban people are currently engaged in mourning the death of their national hero, and the Cuban people would certainly tolerate no such 'rioting' as has been described by right-wing media in this country. What you see in Cuba is merely the expression of grief."

Elian Gonzalez, somewhere in Cuba: "Whoopee!"

Janet Reno, somewhere: "I can only say that while not endorsing his politics, I had immense respect for the professionalism of Premier Castro."

George Foster Stanton, Distinguished Professor of International Studies, Patrick Henry University: "What we need, at this point, is a careful rethinking of our assumptions about the Cuban experiment and the role of the United States in polarizing a situation that is resolvable only in terms of mutual understanding of the demands of international rela-

tions as these have matured since the failure of the Cold War as an instrument of national policy. Clearly, a new generation has grown up in Cuba, a generation that is not prepared to return to the days when the United States and its allies in the so-called Cuban American community exerted hegemonic control over aspects of relations among peoples that can properly be handled only by mutual and mutually informed negotiations. In short, the Cuban people are united: they will not be ruled by Miami."

Cuban-American businessman, Miami, Fla.: "Hello? American Airlines? I want to charter twenty 747s . . ."

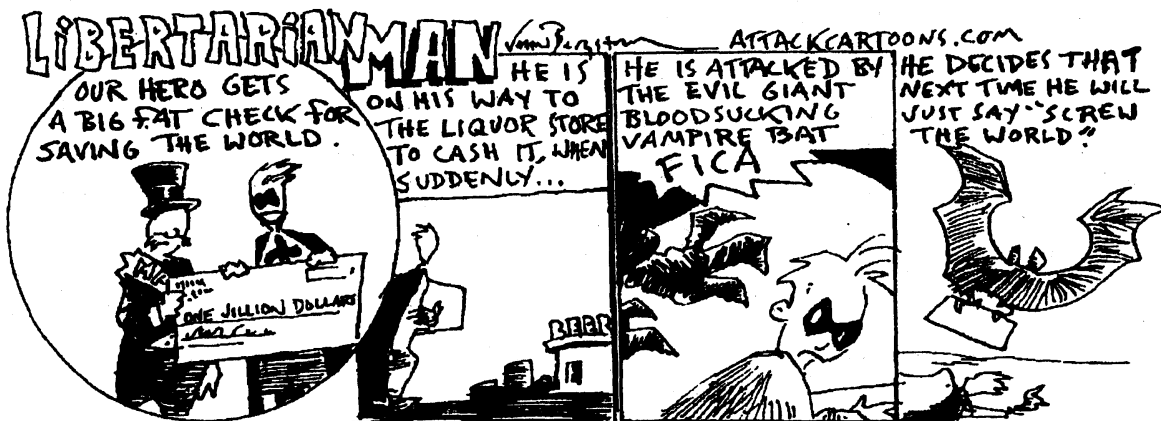
— Stephen Cox

Young lady, go to your room and don't come out until you're a conservative —

In a recent article in *National Review Online*, Jonah Goldberg argued that libertarianism isn't just wrong, it's immature. After a speech to a group of Koch Seminar students, Goldberg was approached by a young woman who asked him to more thoroughly defend his conservatism. She "started talking about the use of force being illegitimate and I decided to break out my tried-and-true trick question. I asked her something to the effect of: 'Imagine a very close friend of yours were suicidal. She just broke up with her boyfriend, lost her job, had been drinking, and is depressed. If you knew she would feel better in the morning, would you physically restrain her to keep her from killing herself?'"

Now, one might at first be surprised that, rather than addressing the arguments of libertarianism's most eloquent spokesmen, say, Roger Pilon or Virginia Postrel, the sage Goldberg would instead base his critique on a conversation with an undergraduate college student, but let's stick with him. For you see, he has set a clever trap, because of course a person will say *yes, stop her from killing herself*, and "usually, it's an easy walk from there. If it's moral for one person to use force to keep a friend from committing suicide . . . [then] how about one person — called a 'police officer' — whom [a] thousand people ha[ve] hired to handle precisely such situations? Is he morally barred from doing the right thing because he gets a government paycheck? . . . Government action, at its best, is a mixture of doing the right thing and representing the popular will at the same time." Unfortunately, though, the young lady would have none of Goldberg's trap. "Instead, she steadfastly insisted — no matter how I changed the hypothetical — that she would never use force to keep a friend or family member from committing

suicide." Goldberg's conclusion from this encounter? Why, libertarianism is "a philosophy for teenagers," because it "compellingly tells kids everything they want to be told. Self-interest is not merely indulged; it is sanctified. Experience — represented either in



Will Carla Howell's Libertarian Campaign for Governor of Massachusetts Create More National Impact than the last 5 Libertarian Presidential Campaigns?

Carla Howell earned 308,860 votes against Senator Ted Kennedy just 10 months ago.

Campaigns and Elections Magazine called Carla Howell's "small government is beautifulSM" campaign in Massachusetts the most successful third party U.S. Senate effort in 2000.

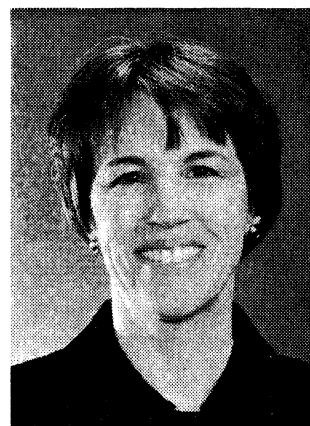
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4. Carla Howell in the Media. The O'Reilly Factor. Front Page Sunday Boston Globe. Nationally Televised C-SPAN. PBS campaign documentary. Boston-area ABC, CBS, and NBC nightly news.
5. Carla Howell has worked for 25 years in the private sector in high tech and health care. She has a BS in Math/Computer Science, and an MBA from Babson.



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the traditions accumulated over the centuries or simply in the lessons learned by one's elders — has no greater authority than the self-gratifying whims of a single person. In the world of these young libertarians, the utopian future is one where they get to share with the world the full benefit of their inexperience."

Methinks I hear the whisper of a lesson learned from my elder, James Madison, who wrote (in *Federalist* 14):

Is it not the glory of the people of America, that, whilst they have paid a decent regard to the opinions of former times and other nations, they have not suffered a blind veneration for antiquity, for custom, or for names, to overrule the suggestions of their own good sense, the knowledge of their own situation, and the lessons of their own experience? To this manly spirit, posterity will be indebted for the possession, and the world for the example, of the numerous innovations displayed on the American theatre, in favor of private rights and public happiness. . . . Happily for America, happily, we trust, for the whole human race, they pursued a new and more noble course. They accomplished a revolution which has no parallel in the annals of human society.

But let's put Madison's discomfiting individualism aside. Evidently Goldberg's view works like this: because it's right to forcibly restrain a person who is not in command of her rational faculties, we must therefore adopt the conservative program of telling perfectly rational adults what they may put in their bodies, whom they may sleep with, and

If anyone has failed to learn from his elders, it is Goldberg, who continues to prescribe the failed politics of centuries past, which would make men good by force. Conservatism, Mr. Goldberg, may be old, but the one thing it has never done, is learn from the past.

what churches they shall support with their tax money. In fact, Goldberg's argument confesses the poverty of conservatism: a philosophy which looks upon mankind as a race of lost souls, desperately in need of police officers to prevent them from committing various forms of suicide. Happily, those officers will have the benefit of Goldberg's insights on morality: they will prevent us from, say, using drugs, having "unnatural" sex, or perhaps praying to the wrong God. It was precisely on the pretext of protecting people from "damaging themselves" in such ways that centuries of religious warfare and persecution prevailed on the European continent — and precisely for that reason that people fled to America.

The whole point of libertarianism, Mr. Goldberg, is that human beings in the main are not only capable of running their own lives, but are entitled to do so by the liberty which is naturally theirs by birthright. That lesson is taught to us by four centuries of English Whig philosophy, and its American descendants: from John Milton to John Locke to Thomas Jefferson to James Madison to Abraham Lincoln.

In fact, how's this for "the learning of their elders"? In a letter to James Monroe, Jefferson wrote a beautiful summation of libertarianism: "If we are made in some degree for others, yet in a greater degree are we made for ourselves. It were contrary to feeling and indeed ridiculous to suppose that a man had less right in himself than one of his neighbors or indeed all of them put together. This would be slavery and not that liberty which the [English] bill of rights has made inviolable and for the preservation of which our government has been charged. Nothing could so completely divest us of that liberty as the establishment of the opinion that the state has a perpetual right to the services of all its members." Jefferson — who, I know, has never much appealed to conservatives — was no teenager when he wrote this; he was 39 years of age.

If anyone has failed to learn from his elders, it is Goldberg, who continues to prescribe the failed politics of centuries past, which would make men good by force. Conservatism, Mr. Goldberg, may be old, but the one thing it has never done, is *learn from the past*. Then again, stripped of its rhetorical conclusion jumping, Goldberg's article says nothing more than that young idealists will often say rash things. An unoriginal observation, to say the least — but then, being original wouldn't be very conservative.

— Timothy Sandefur

I'm sorry sir, you'll have to use the special entrance — Over the past decade that I've been purchasing "Tier Reserved" tickets for the upper deck at Yankee Stadium, I've noticed a decreasing number of "people of color" around me. The only way I can account for this decline is the great increase in the price of individual tickets from less than ten bucks to the current level of \$17. This means that anyone who plans to bring his wife and two kids must consider shelling out a hundred bucks for a night at the ballpark with hot dogs and soda. My conclusion is that colored people must be more reluctant, or smarter, than whites to accept this high cost, even for the pleasure of seeing the live Yankees win most of the time. Consider the general rule that the most visible result of raising the price precipitously, as in the cost of Manhattan real estate, is driving out not just poor people but colored people.

The only exception to this rule appears to be universities, which compensate for galloping tuition increases with scholarships and other grants to people whose presence on campus fulfills the goal of "diversity." In the admissions and financial aid programs at universities there are different doors for different folks.

The only way to make the colors of the fans resemble the colors of the players on the baseball field — a goal for the likes of Al Sharpton — would require "affirmative action," inviting darker skinned customers to pay a lower price, probably requiring them to enter the stadium through different doors (not to confuse the ticket-takers). However, that practice would revive ancient American customs long ago deemed unacceptable.

— Richard Kostelanetz

Fox, CBS, and what's news — Two current front-page stories illustrate a change in the manufacture of news.

Two months ago, *The Wall Street Journal's* editorial page

began reporting the government-induced plight of farmers in Oregon's Klamath River basin. It seems that the federal government had encouraged World War II veterans to establish farms in the area, promising them water for irrigation; but this spring, under pressure from environmentalists, it cut off the water in order to save the — get this — endangered suckerfish. Farming in southern Oregon is never an easy proposition, and farming there without water is simply impossible. Apparently, you could have the suckerfish (at least right there) or you could have the farmers, but you could not have both. So the government decided to kill the farmers.

The story of the fish and the farmers was picked up by *Fox News* a week or so later. Two weeks ago, it was the headline story in the Sunday edition of the *Seattle Times*.

I proceed to the second story. Ten weeks ago, the *New York Post* and *Fox News* began to report on a missing person case in the nation's capital. A young woman named Chandra Levy had left her apartment on May 1, mysteriously taking her keys but leaving her purse, her clothes, and the dishes in her sink. She hadn't been heard from since. Friends believed she was having an affair with Congressman Gary Condit of California. *The Post*, *Fox News* and the tabloids harped on the story so much that police eventually stepped up their investigation. Condit denied having a sexual relationship with Levy, but took the precaution of having his attorney try to get another woman to sign an affidavit falsely claiming that she had not had an affair with him. As I write, he has admitted the affair and taken a lie detector test, and the police are busy trampling the multitudinous spots in Washington, D.C. where people seem to enjoy hiding bodies. The story is on the front page of almost every newspaper in the country. And last week, even *CBS Evening News* finally mentioned it, after a long, self-righteous attempt to treat it as beneath the dignity of its nightly performances. (Curiously, CBS News considered it newsworthy that Jenna Bush, the president's 19-year-old daughter, tried to buy a margarita to go with her meal at a Mexican restaurant.)

Now, what's interesting about these stories is that they are the kind of stories that as recently as a few years ago would probably not have been reported at all. The major media just weren't interested in stories that might reflect unfavorably on Democratic congresspersons or the plight of farmers who got in the way of environmental "progress." Viewers and readers could go through life secure in their belief that Democratic congressfolk were all fine people, that sparsely-populated areas of the country had no problems worth knowing about, and that environmentalism had no ill effects whatever.

Today, viewers and readers are finding out how Washington, D.C. politicians enjoy what appear to be their

many idle hours, and how they keep their constituents from learning about their enjoyments. And these audiences are finally learning something about the hitherto unknown consequences of the Endangered Species Act and its ability to be manipulated by dishonest scientists. They are hearing how every distinct population of fish is treated as a separate "species" in the name of conservation, so that Oregon alone has hundreds or thousands of species of salmon. And they are learning that government officials consider it worth destroying farms to save a fish so bony that it isn't worth eating and can be easily reintroduced in Klamath Lake if by some chance it manages to die off there. (I remember a recipe for cooking suckerfish from my childhood in Michigan: Build a campfire of dry maple. Nail the (dead) suckerfish to a board, and when the fire burns itself down to coals, set the board about six inches above the coals. Cook for 45 minutes. Remove the fish from the board. Eat the board.)

Today, every television in the nation is displaying the facts about Washington, D.C. social life; and today I heard a talk show on National Public Radio actually considering the topic of the suckerfish and its human victims. When one caller said that the farmers should simply be sacrificed for the suckerfish, the host inquired, to my astonishment, "Don't the farmers have property rights?"

— R.W. Bradford



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Classified for your protection — Under pressure from special inter-

est groups, the Census Bureau announced it won't release data on state homeless populations for fear it may be "misused" in formulating homeless policy. This comes after states already spent millions on extraordinary measures to collect homeless data for the Census Bureau.

"There was good reason after what happened after the '90 census to think that the numbers would be misused," said Edison Gore of the 2000 Census, reflecting on the decision. The dynamic nature of homeless populations makes them notoriously hard to measure. As a result, homeless advocates fear policy makers will look at undersized counts and slash programs for the homeless.

"It's misleading to have such a count," Barbara Duffield of the National Council for the Homeless told *The New York Times*, roundly dismissing attempts to even count homeless. "It's virtually impossible and leads to distortion as to . . . the magnitude of the problem." Other activists urged homeless shelters to bar census takers from collecting any data at all. The argument seems to be: the count is not perfect, therefore it is useless. Q.E.D.

But this problem of miscounting isn't an intractable one. There are statistical techniques available to correct it. And even if these aren't used, the obvious next-best solution is to educate policy makers about the limitations of census data. Instead, activists have opted for the worst solution of all: cen-

sorship. Instead of openly arguing about the merits of homeless policy, activists have declared war on scientific methodology because it gives the "wrong" answers.

The danger in this is obvious. If homeless data can be suppressed for political gain, what's to stop data on, say, the improving status of women from being suppressed to preserve support for, say, comparable worth laws?

As a taxpayer-funded institution, the Census Bureau's mission is to provide data impartially, not censor it. Maybe if the Census Bureau did a better job of withholding data on its own ineptitude there'd be fewer calls for its abolition.

— Andrew Chamberlain

Stamp collectors unite, you have nothing to lose but your private property! —

In June the U.S. Postal Service issued a commemorative stamp of artist Frida Kahlo. There were pictures of it in both my daily newspapers, because Kahlo was a Mexican, and Mexican groups made a big deal of it. It's a pretty stamp. It was nowhere mentioned, though, that Kahlo was a communist, married to another communist, Diego Rivera, who had been secretary general of the Communist Party of Mexico, and that Kahlo was a lover of Leon Trotsky.

Think of the stink if the U.S. Postal Service put Leni Riefenstahl or some other Nazi artist on a U.S. postage stamp. The head of the agency would lose his job. But a Red — even a Red during the Stalin terror, the show trials, the purges, and the alliance with Hitler — sails by under the radar. Neither of my newspapers mentioned her political affiliation, if the editors even knew about it — and knowing newspaper folk (I am one myself), they would be unlikely to mention it if they did know. The official usps.com Web page merely identifies Kahlo as a Mexican artist who "has significantly influenced Chicana artists in the United States" and has been "a role model for women in the Mexican-American and feminist communities." This, from the government of George W. Bush.

— Bruce Ramsey

Making the world safe for hypocrisy —

The most effervescent bubble percolating up from this politically torpid summer has been the arrest of Jenna Bush (accompanied by twin sister Barbara) for attempting to order drinks in an Austin, Texas restaurant. The broth is liable to start simmering more briskly, though, as policy makers deliberate concerning whether to allow research on stem cells extracted from human embryos. The administration is visibly pained by the necessity of taking a position on an issue where crucial

constituencies are arrayed in opposition.

Stem cells are unformed protoplasmic material that have a remarkable capacity to morph into virtually any sort of tissue. Researchers are drooling at the prospect of experimenting with stem cells to ameliorate a wide variety of pathologies ranging from Alzheimer's to cancer to Parkinson's disease. Although stem cells are found in adults, availability and malleability is greatest in new embryos. However, because extraction of the cells destroys the embryo, stem-cell research generates the kind of political heat that has long inflamed abortion debates. Predictably, then, we find the biomedical research industry plumping for relaxation of regulations governing federally funded stem-cell research while "right to life" groups oppose.

Surprisingly, though, fissures have emerged in the usually-solid conservative front. A number of otherwise stalwartly pro-life Republican solons, including South Carolina's Strom Thurmond, Oregon Sen. Gordon Smith, and former Florida Sen. Connie Mack have broken ranks with their comrades over the issue. What these lawmakers have in common besides party affiliation is a personal stake in the prospects of stem-cell technology. Thurmond's daughter suffers from juvenile diabetes, Smith's family displays a high incidence of Parkinson's, and Mack is himself a cancer survivor. Each has regularly lined up in the anti-abortion camp, but stem-cell research hits them where they live. Although under intense fire from Catholic groups and their own congressional colleagues, they persist in massaging their pro-life principles so as to find room for stem-cell experimentation. Even those who are inclined to more than a little cynicism concerning politicians' posturing in arenas where votes are up for grabs may believe in this case that these public contortions manifest no small measure of personal unease.

It is too soon to predict how the controversy will play itself out, although we can be sure that the administration will employ every resource of casuistry and compromise to carve out for itself a minimally uncomfortable perch on which to stand while praying for relief by a technological *deus ex machina*. In the meantime, we may draw the moral that even the most rock-ribbed ideologies are susceptible to fracturing by the force of urgent personal experience.

The senior American ideology, older even than the inalienable rights announced by the Declaration or the Constitution's division of powers, is Puritanism. Age has not withered it, nor have disastrous experiments such as Prohibition blighted its charms to the heirs of the Mayflower Compact. Thus the United States continues to wage a fruitless yet enormously destructive War on Drugs despite overwhelming reason to call a retreat. Because that war's cannon fodder is most often residents of impoverished inner-city communities or destabilized foreign regimes, those carrying the guns and passing the laws have not felt any pressing need to replot their wayward course.

For many of us the drug of choice is alcohol, and since 1933 federal law has allowed us to savor its manifold charms. Some of our fellow citizens, however, are denied such free enjoyment. In this country 18-year-olds are adults; they are entitled to vote, serve in the armed forces, marry, raise children, abort children, hold down a job, and enter into contracts. What they may not enter into, however, are



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bars in which strong drink is dispensed. Is this singular exception to the perquisites of adults coherent? Clearly it is not. Nonetheless, we obdurately persist in maintaining a mutant offspring of Prohibition that engenders the wholesale flouting of law in every city and on every college campus of the nation, and that annually foists criminal records on thousands of young men and women whose intent was merely to quench their thirst and have some fun.

Now Jenna Bush has, for a second time, been caught in that net. Her arrest was a boon to pundits in need of a column. Fatuously they delved for deep connections to the president's own well-known history of skirmishes with drink. The real story, though, is that there is no story. Jenna is, by all accounts, a reasonably intelligent and well-adjusted young lady who is not averse to party moments. That she wished to wash down her enchiladas with some suds is about as remarkable as, well, you or me or the columnists who breathlessly wrote up the incident doing so. She is a ludicrous target either for columnists or narcs.

George W. Bush cannot be happy that his daughter has

In this country 18-year-olds are adults; they are entitled to vote, serve in the armed forces, marry, raise children, abort children, hold down a job, enter into contracts. What they may not enter into, however, are bars in which strong drink is dispensed.

been busted. We may be sure that he has had some private words for her. Unless consumed by terminal hypocrisy, he would have chided her for the foolishness of allowing herself to get caught rather than for the attempt to get a drink. Even when a president is involved, chats between a father and daughter ought to be sequestered from public view. Bush does, however, now have a marvelous opportunity to utilize the incident as stimulus for a public declaration concerning American alcohol policy. Like the senators mugged by reality into rethinking stem-cell research regulations, Bush ought to tell the nation that he finds insupportable a policy that brands his grown daughters lawbreakers for enjoying a harmless night out.

"My fellow Americans," he might say, "Ours is a country grounded on the fundamental right of individuals freely to lead their lives as they themselves see fit. That right is enshrined in our founding documents, and our ancestors fought and died to secure it for us. My own Republican party was born in the struggle to extend freedom to those who had been trapped in abject servitude, and one of its nominees for the office in which I now serve famously declared 'Extremism in the defense of liberty is no vice.' President Reagan and then my own father presided over the dismantling of communism in Europe and the planting there of seeds of freedom. We are a people that admires virtue, but we do not believe that it can be nurtured by quashing personal responsibility. Historically, we have been especially

suspicious of attempts by Washington, D.C. to impose it from above. That is why using the lure of federal highway funds during the 1980s to extort from the states legislation to raise the drinking age to 21 was well-meaning but doubly misguided. Even for good causes we may not impugn the liberties of our adult citizens, and let me remind you that freedom is the best cause of all. It is, then, time to complete the job of repeal."

If the Jenna bust elicits such a response, we will have ample reason to raise a glass in toasting her as a genuine albeit inadvertent heroine of liberty. Will this come to pass? To be sure, reversals of ideological direction do not come easily, but if Bush can show himself to be as intellectually flexible and open to new ideas as, say, Sen. Thurmond, who knows?

— Loren Lomasky

The call of the wind — Well, it looks as though the progressive politics of Seattle may force another longtime member of the business community to relocate. *The Seattle Times*, in business since 1896, may be leaving the Emerald City. I might suggest that the *Times* follow Boeing, and find a more friendly atmosphere here in Chicago. We could use a real newspaper. I wonder how many more businesses will follow suit before Seattle residents understand the destructive anti-business nature of the environmental movement. The flight from the city is probably the largest since the recession of the '70s. This time however, there will be no need for "the last person out of Seattle to turn off the lights": the environmentalists will have done that for them long before the last moving van leaves.

— Tim Slagle

Nighty night, don't let the Democrats bite — According to a study presented at the 18th Annual International Conference of the Association for the Study of Dreams in Santa Cruz, Calif., Republicans have nightmares far more often than Democrats. The author, a theology professor named Kelly Bulkeley, claims that half of the dreams of GOP members were nightmares, while only about 18% of the dreams of Democrats could be considered nightmares. Asked to comment, Kevin Sheridan, deputy press secretary for the Republican National Committee, replied "What do you expect after eight years of William Jefferson Clinton?" I dread a similar study being done on libertarians!

— Timothy Sandefur

Today's rolling blackout is brought to you by conservation — In May, Vice President Dick Cheney proposed that conservation was not a sufficient energy policy, and that the nation needed to allow more production of oil and gas. This notion so outraged Democrats, environmental activists, and the media elite that they volubly began promoting conservation as the policy of choice. Now, piece by piece, congressional Democrats are dismantling the production side of Bush's policy.

They are succeeding even though it is increasingly obvious that conservation ("negawatts") and "eco-energy" (reliance on alternate fuels) are major reasons behind California's energy fiasco. In conservation, California's success has been spectacular. William Tucker has pointed out in *the Weekly Standard* (May 21) that the state ranks "dead last" in per capita electrical consumption. And it outdoes the rest of the

country in "small-scale renewables" such as windmill, geothermal, solar-electric, and hydroelectric power. They contribute 12% of its electricity, more than ten times the average of the rest of the country. California has the "world's largest complement of solar-electric cells" and obtains 30% of its energy from hydropower. Yet "California has the nation's only energy crisis."

With some luck, the Democrats in Congress will nationalize the crisis.

— Jane S. Shaw

Yo quiero StarLink — Opponents of genetically modified food scored a major victory this year when taco shells containing StarLink corn — a biotech crop approved by the FDA only for animal feed — were recalled en masse. Dozens of consumers reported allergic reactions to the corn, and anti-GM activists took it as proof of their claims of the dangers of biotechnology, renewing demands for a total ban on GM crops.

Not so fast. In a sharp reversal of fortune, government tests released in July showed that virtually *none* of those reporting allergic reactions to StarLink had actually eaten it. Whether these allergies were real or were just a hysteria-induced placebo effect, GM food had nothing to do with it.

Clearly, this is an important coup for biotech optimists who point to the benefits of genetic technology — reminding critics that, to date, there's not a shred of scientific evidence showing GM crops are harmful to humans or the environment.

It seems that those who believe that science and market-driven innovation will eventually allay concerns about the safety of GM food are on the right track — that is, if they can keep eco-Luddites from derailing the process.

— Andrew Chamberlain

The promise breakers — Earlier this summer the Bush administration caved in to unions of the steel industry, agreeing to "investigate" whether Americans are paying enough for steel, and whether we should be forced by law to pay more. This comes after the administration's cave-in on school vouchers, and there are sounds now that the Democrats in Congress will soon eviscerate the meager tax cut which was trumpeted so loudly. Bush may have avoided apologizing to the Chinese in his letter, but he let them hack the spy plane into fragments to be mailed home. This spring an administration official told the Federalist Society that it will not push to appoint judges who are "controversial," and they also caved in on price caps for energy. And the whole idea of drilling for oil in Alaska was pretty much dead on arrival.

All of this in half a year.

— Timothy Sandefur

Half a cheer for the U.N. — Just when you thought you could count on a group to be consistent — they do something reasonable. The United Nations has rarely been a friend of freedom, and it probably never will be (the United States, for example, was recently voted off the U.N. Human Rights Commission — while Uganda and the Sudan are left on!). Still, the recent *Human Development Report 2001: Making New Technology Work for Human Development*, by the United Nations Development Programme, does pose a major challenge to the Malthusian religion that has become so

dominant in the developed world. The idea that technology only benefits the rich, exacerbating the gap between rich and poor, is rejected vigorously by the writers of this report, as is the anti-biotechnology view so common in Europe. True, the report does call for more political aid, suggests that developing nations should develop careful regulatory regimes, and is worried about the "brain drain." Still, it is sensible overall. For example, even this last fear is tempered by the report's belief that making the country more attractive to those leaving could alleviate much of this "drain." It's not perfect — but when even the U.N. begins to question the doom-and-gloom crowd, highlighting the promise of the future and downplaying fears, there is some reason for hope. I've long argued against crucifying the poor of the world on a cross of green. Now I'm joined by the U.N.

— Fred L. Smith

Planes, trains, automobiles, and . . . dogs? — Suppose you want to travel from downtown Washington, D.C., to midtown Manhattan. You have four options: bus, car, plane, and train. Which do you choose? Well, that probably depends on which will get you there faster, cheaper, or with less hassle. But which is that?

To answer this momentous question, the editors of *Car*

The bottom line is that from the perspective of fuel efficiency and pollution, the bus finished first, and the automobile second, with planes and trains far worse than either.

and *Driver* conducted a field experiment. At 6:00 a.m. one fine morning, four of them left the Courtyard by Marriott in Washington, D.C. for New York City's Sheraton. One hopped into a Honda Insight and hit the road. The others got into cabs and one headed for the bus station, one for the train station, and the other to the airport.

There are obvious questions, and *Car and Driver* explored them. But it also checked what people who are more politically correct than I might call the "environmental cost." Which means of travel required the least fuel? Which polluted the least? These questions were the most interesting to me, because they are the least obvious. I had a pretty good idea of the cost of these modes of travel in money, time, and inconvenience, but I had no idea which one used the most fuel or dumped the most pollution into the atmosphere.

The answers were surprising.

By a huge margin, the least fuel-efficient and most polluting way to travel was the train. That method used upwards of 11 times the fuel per passenger than the bus, and produced about 24 times more carbon dioxide and about 7.5 times more nitrous oxide. The airplane, by contrast, used 8.6 times the fuel and produced 9.7 times the carbon dioxide and 4.5 times the nitrous oxide of the bus.

The car finished second in the guzzling/pollution contest, consuming about 5 times more fuel and producing about 3.5 times more carbon dioxide than the bus, while pro-

ducing slightly less nitrous oxide.

You might think that the train's fuel efficiency was so low and its pollution so high on a per passenger basis was because the train ran with so few passengers. Happily, this question also occurred to the editors of *Car and Driver*, so they offered figures for each mode of transportation based on the assumption that all were carrying a full complement of passengers.

The bus was still the fuel efficiency champion and emitted less carbon dioxide than the others, but it fell substantially behind the automobile in terms of nitrous oxide emissions. The train rose from the cellar to third place — ahead of the airplane — in the categories of fuel consumption and emissions.

The bottom line is that from the perspective of fuel efficiency and pollution, the bus finished first, and the automobile second, with planes and trains far worse than either — and it made no difference whether consumption and emission figures were based on full passenger loads or on actual passenger counts.

What's interesting to me is how counter-intuitive these results are — or perhaps "counter-intuitive" is not the phrase, since people's intuitions about such matters have been so strongly affected by the relentless harping of environmentalists and other leftists on the fuel efficiency of no-emission electric trains. Of course, an electric train *seems* clean. The problem is that electricity is mostly produced by burning coal. And trains, with their huge carrying capacity, do seem efficient. The problem is that a huge capacity requires a huge amount of fuel. The Washington-New York train, consisting of four passenger cars, a dining car, two engines weighs about 1.25 million pounds, produces more than 12,000 horsepower, and uses the energy equivalent of 918 gallons of gas for the 220-mile run.

"Riding the dog," as Greyhound passengers say, took more than an hour and a quarter longer than the other means of transportation, which offered similar speeds. But the bus was substantially cheaper than the alternatives — provided you include (as the editors of *Car and Driver* included) 36¢ per mile for insurance, depreciation and maintenance. (If you eliminate the fixed costs of depreciation and insurance, driving a car is equally inexpensive.)

And, most important to everyone, of course, the bus is most environmentally-friendly. This should make an impression, but it won't. Next time you spot Ralph Nader or Barbra Streisand riding the dog, let me know. — R. W. Bradford

It's magic! — The left has a strange view of technology. Sometimes they like it, sometimes they fear it, and other

times they view it as magic. And like all magic, it comes in two colors: white and black. Businessmen perversely persist in pushing black magic: more energy-using appliances, SUVs, disposable diapers and so forth. But if they are properly directed (i.e., beaten over the head with the right kind of regulations) they produce white magic: cars that get 100 mpg, light bulbs that burn for ten years, and washing machines that don't require water. More regulations equal more of the right kind of technology.

Is this a great country, or what?

— Fred L. Smith

Ramping up to greatness — "There are an estimated one million elective offices in this country, and most of them are local offices in small communities where no one wants to run for office."

"No one" includes most members of the Libertarian National Committee (LNC). That's a problem.

According to Michael L. Young, director of the Center for

Survey Research and an associate professor of politics and public affairs at Penn State University's Harrisburg campus, the continuing decline of political parties, alienation from government, rise in political apathy, and lack of interest in community service are part of a 20-30 year trend.

While the power to end subsidies to libraries, repeal zoning laws, eliminate fees and licensing requirements, and

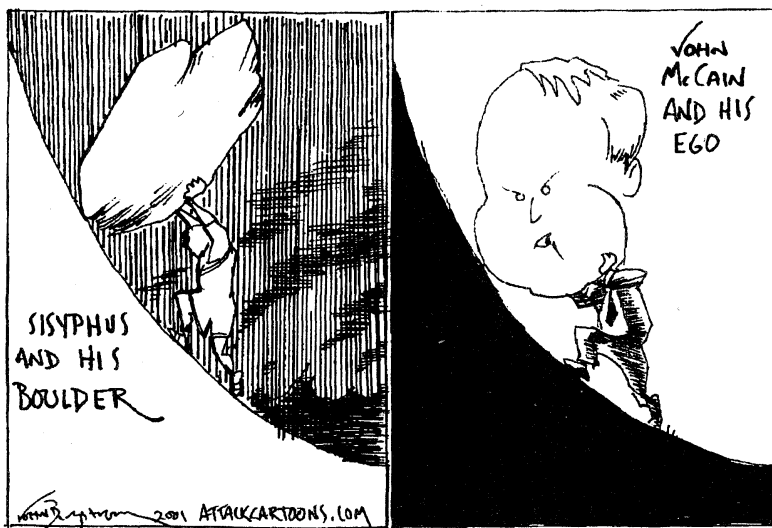
privatize trash collection, water and sewer systems, and snow and leaf removal may not seem as interesting as bringing troops home from overseas, they are just as important to the process of building a society of personal and economic freedom from government. And they are a lot more attainable.

There are currently about 30,000 members of the Libertarian Party and about 300,000 voters registered Libertarian. Surely most of these Libertarians can find an uncontested office in their communities.

More elective offices exist nationwide than the total number of voters registered Libertarian — currently about 300,000. The match between Libertarians and otherwise uncontested offices is, of course, far from perfect; but in the short run, at least, it is not too much of a stretch to presume that almost any Libertarian who wanted to run for office could find one close to home without much, if any, significant opposition.

— Ken Sturzenacker

A century of Desert Storms — Kinship and friendship are felt deeply in the Arabian Desert. Some say that the desert's unforgiving climate has rendered such bonds stronger than those forged in more temperate lands. Whatever the reason, here is a story that speaks of that



strength.

It is a familiar story. An emir and his family go into exile when his northern neighbor sends his army storming into their capital city. It is time to go. But where?

Across a few hundred miles of desert there rules another family, no friend of the aggressor, who is willing to provide sanctuary. And so the emir and his clan travel to that family's land as exiles. There they lay plans, gather their forces, and, when all is ready, launch a counterattack that returns them to their home in triumph.

Sound familiar? Back in 1991, the Emir of Kuwait, Sheikh Jaber Al-Sabah and his family were forced into exile when President Saddam Hussein of Iraq sent his armies into Kuwait City. The royal family went to Saudi Arabia where King Fahd gave them sanctuary while the counterattack was prepared. Less than eight months later, the Emir and his family returned in triumph, thanks to the valor and sacrifice of soldiers from all over the world.

One hundred years earlier, the Emir of the Nejd, Abdul-Rahman, was forced into exile with his family. His northern neighbor, the Emir of Hail, Mohammed Al-Rasheed, had sent his armies into Riyadh, the capital city of the Nejd. The Nejd emirate was lost and it was time for Abdul-Rahman to go. But where? A few hundred miles to the northeast was an emirate ruled by Mubarak I, no friend of the Al-Rasheeds. And so the Emir and his family mounted their camels and trekked across the desert to live in safety in Mubarak's palace.

Nine years later, the royal family of Nejd launched a counterattack. Abdul-Rahman's son, Abdul-Aziz, then about 20 years old, recrossed the desert with 40 warriors on camel-back and conducted a campaign that culminated in a night-time assault on a mud fort in the capital. Abdul-Aziz and 15 men went over the walls of the fort in Riyadh, surprising the guards of Al-Rasheed and taking back the emirate. On the night of Jan. 15, 1902, Abdul-Aziz threw a spear deeply in the wooden gate of the fort.

The mud fort is still there. It is called Mismak Fort. The wooden gates are still there, too. And the point of the spear that Abdul-Aziz threw in the battle is still embedded in the

gate.

Abdul-Aziz had no need to prove himself further. But the son of the Emir of the Nejd didn't stop his conquests with the fort, or Riyadh, or the entire Emirate of the Nejd. He went on to conquer most of the Arabian Peninsula. His full name was Abdul-Aziz bin Abdul-Rahman bin Faysal Al-Saud. That's right, Al-Saud. And 30 years after the assault on Mismak Fort he became King Abdul-Aziz, the founder and namesake of Saudi Arabia.

The Gulf War was fought for many reasons. Most people agree that it was important to reverse Hussein's unjust aggression and to liberate Kuwait from his tyranny. Most agree that it was important to keep the oil supplies of the world out of his hands. Some emphasize the importance of keeping weapons of mass destruction out of the reach of such a ruthless leader. But there are other, more subtle, reasons why people fight wars. Kinship may be an important one.

During the Gulf War, King Fahd of Saudi Arabia was pleased to help the royal family of Kuwait because his father, Abdul-Aziz, had spent nine years living in exile in the palace of the great-grandfather of Kuwait's Sheikh Jaber Al-Sabah — also known as Mubarak I.

Twenty-seven nations joined in the U.S.-led coalition against Saddam Hussein. When Operation Desert Storm reached its full fury and in four days liberated Kuwait, right there on the front lines were the soldiers and pilots of the Kingdom of Saudi Arabia.

Yes, the bonds of kinship and friendship are strong in the Arabian Desert.

And Abdul-Aziz would have been proud.

— Scott Chambers

Privatizing national parks — Wonders never cease. China, once the poster child for socialist nonsense (remember the backyard steel furnaces?), seems determined to experiment with a wide variety of privatization ventures — some in advance of anything the United States has ever seriously considered.

That point was made evident in a *Washington Post* story, "Privatizing China's Parks," (July 5, 2001). Large sections of the area where Confucius was born are managed by the Shenzhen Overseas Chinese Town Economic Development Co., a firm best known for running a "Disney World-like theme park" in the southern city of that name. The Chinese government wasn't happy about all this but wasn't willing to put up the money to protect the areas itself. The story points out that Huangshan — "what the Grand Tetons are to the United States" — when controlled by the state was a "mess" filled with trash, unmanaged logging, and polluted streams. But "today Huangshan is spotless." Things have shaped up under private management because as one commenter noted, "If you have no money, how can you protect anything?"

The Chinese are considering expanding this privatization initiative "at a terrific pace," according to the story. Among the sites now being considered for private management is one on the UNESCO World Heritage list! A prominent U.S. environmentalist working in China noted, "What has gone on in some of these places was never even considered in the United States. . . ." The leading proponent of privatization, Li

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Zhi, noted: "What we're doing is not just an experiment for China. . . . It's an experiment for the whole world."

Exactly — now if we can just persuade the Bush administration to stop putting more land under government control, then America too might consider whether letting Washington , D.C. manage our national treasures makes any sense. Free marketeers have been too conservative. If China can take such steps, then we should be able to also. After all, Disney is already in America, and that company knows far more about running parks than the National Park Service ever will.

— Fred L. Smith

Out of sight, out of mind — A promo for the new ABC television drama *The Beast* advertises an episode where a hard-nosed supermodel television reporter boldly proclaims, "I think that if 73% of Americans are in favor of something, they should be able to look at what they're in favor of." Meanwhile there is video footage of a criminal being strapped into an electric chair. "You want the death penalty America?" she threatens tearfully, "Well here it is!"

I couldn't help but wonder if this fictional journalist would be so enthusiastic about making her television audience watch the very popular medical procedure called abortion. The fact that something is hard to look at has no bearing on its morality, but sometimes zealots convince themselves otherwise. Pro-life advocates love to show people pictures of dismembered fetuses, but in truth, close-up photos of childbirth are just as hard to view. Not many people outside of the medical profession can watch a Caesarean birth. The Learning Channel regularly shows documentaries from emergency rooms that I simply can't bear to look at, even though they are of wonderful life-saving procedures.

You can insert here the old saw about laws and sausages.

— Tim Slagle

Out first speaker will be Mr. Ponzi — Here's an idle thought that may be worth a few million dollars a year to some entrepreneur. When I visited Kuala Lumpur about 18 months ago, I was invited to speak at an "offshore opportunity" seminar, mostly promoted to Australians and New Zealanders. Seminars like this are a fascinating business. They charge \$5,000 to attend a three day conference, where attendees are exposed to the most appallingly inaccurate, misleading, and outright fraudulent information I've ever seen purveyed in pub-

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All this indicates great potential for the February 2002 elections. But our openly libertarian educational and electoral campaign must be media-intensive, which is costly everywhere, and as libertarians we don't accept government funds. With a strong campaign we have an outside chance of winning the Presidency in 2002. But we certainly will by 2006 if we can elect many Congressmen next year.

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News Flash

Browne Personally Involved in Libertarian Scandal

A reliable source in a position to be familiar with documentary evidence about Willis' secret work for the Browne campaign tells *Liberty* that there is extensive evidence that the person within the Browne campaign with whom Willis conspired to help Browne get the nomination in contravention of the Libertarian Party's rules was Browne himself, who worked with Willis on preparing the fundraising letters which Willis did on behalf of the Browne campaign. The source also said there is extensive evidence that Willis used the equipment and facilities of the LP in his efforts on behalf of Browne, which also violated the LP's conflict of interest rules.

In addition, the source said that this evidence would be made public at the "appropriate" time.

Browne and his campaign staff have remained silent on the subject of exactly who within the Browne campaign was a party to Willis' deception and contravention of the party's rules, in apparent hope of minimizing damage from the scandal.

The emergence of this evidence will make it much more difficult for Browne's defenders to maintain that Browne may not have been involved with or even aware of his campaign's conspiring with Willis.

Reflections from the previous page

lic: Ponzi schemes ("bank debentures" are a popular scam) paying 10-20% per month; common law trusts and bogus constitutional arguments convincing the naive that the state won't ruin their lives when they stop paying income taxes; offshore commodity trading accounts claiming to regularly make 100%+ per year. These products, and many others, are either outright swindles, or are so overpriced that they might as well be.

After I realized what was going on, I devoted most of my second presentation to debunking them — and disassociating myself from the scamsters. I was, therefore, disinvented from the closing panel for fear it might degenerate into an impromptu Jerry Springer show.

But the money the promoters make is incredible. One group rounded up 1,200 folks, paying \$5,000 each — grossing \$6 million (attendees pay all their own expenses). Another group just had two seminars back to back in Sabah, each with about 400 folks paying \$5,000 each, or a paltry \$2 million per seminar.

Why do people attend, and why are they almost all from Oz and Kiwiland? Several reasons. One is they feel cut off from the opportunities they've heard about in the rest of the world (after all, it's at least a ten hour plane ride to anywhere from Australia). Another is that they're dying for some way to cut their tax bills, but don't know enough to tell the good

from the bad. But, mainly, it's that they're desperately looking for other people like themselves, namely freedom lovers and opportunity seekers.

If somebody put together a legitimate, properly organized seminar (the kind that typically go for a couple hundred bucks in the U.S.), and promoted it down there . . . and then took the show on the road to a dozen other places (China and Japan would both work), it would be a barn burner.

— Douglas Casey

The feline master race — University of Connecticut scientists are working on cloning an allergy-free cat.

I must protest. Even though the technology excites me, and I regularly mock the Luddites and technophobes who oppose genetic manipulation, I have finally found a good reason to oppose such research.

I don't care if science can grow a feline that won't make me itch and sneeze, I still won't like cats. For years, I have hidden my hatred under a health condition, and I've often used allergies as an excuse to make girlfriends lock cats outside or in another room. In extreme cases, it was a convenient reason for never visiting at all. I now join the multitudes opposed to genetic studies, and petition for the expurgation of this wicked craft.

— Tim Slagle

Timeline of the Willis-Browne Conspiracy

by the Editors of Liberty

Conspiracies are by their very nature cloaked in secrecy. Our editors examine the events that led the Libertarian Party's National Director Perry Willis to secretly plot with the Harry Browne campaign to capture the Libertarian presidential nomination in 1996.

Most libertarians are by now aware that in 1995 and 1996, the Harry Browne for President campaign secretly conspired with the Libertarian Party's National Director Perry Willis to capture the party's presidential nomination by violating the party's rules against conflict of interest.

Untangling the complexities of a conspiracy is always a convoluted task, for the very simple reason that conspiracies are executed in secret. The task becomes even more difficult when, as in the case of the Willis-Browne conspiracy, it is executed over a long period of time and its participants refuse to provide details even after the conspiracy is proven.

To help readers understand the Willis-Browne conspiracy, we have prepared the following timeline listing all significant events in what remains a developing story. In preparation of this timeline, we have exhaustively researched the minutes of dozens of meetings of the LP National Committee and its Executive Committee, news articles in the public press, and conducted dozens of interviews with those involved.

In a few cases, minor discrepancies occurred between people's recollections and the public records. In these cases, we include the most credible account. These discrepancies all occurred in peripheral aspects of the case.

The quoted material comes either from the minutes of the LP's

National Committee or Executive Committee or interviews with the individuals involved, and every fact we report has support either from public records or from interviews we conducted. In order to keep the timeline as concise and readable as possible, we have not burdened the text with detailed source notes. Readers who are interested in our sources can e-mail us at: WillisBrowneTimeline@libertysoft.com.

We are especially grateful to LP Chair James Lark, LP National Director Steve Dasbach, and former LP Secretary John Famularo, who each consented to be interviewed several times and reviewed early drafts of the timeline to provide factual corrections and additional information.

— the Editors of Liberty

1994

August 1994: Harry Browne announces that he will seek the 1996 Libertarian Party presidential nomination.

1995

Spring 1995: LP National Chair Steve Dasbach discovers that LP National Director Perry Willis and Communications Director Bill Winter have been working for the Browne campaign, on a contract basis. They have been violating two provisions of the

party's Policy Manual:

Article I, Section 2 (General Policy on Conflict of Interest): It shall be the affirmative responsibility of each . . . Party officer or employee to disclose to the NatCom [National Committee] . . . if such person's own economic or other interests might conflict with the interests of the Party. . . . Any such disclosure shall be made at the earliest opportune moment, prior to the discharge of such duties and clearly set forth the details of the conflict of interest.

Willis and Winter had violated this rule because, in accepting payment for their work on behalf of Browne, they were in a situation in which their own economic interest might conflict with the interest of the party — that the nomination process be fair to all aspirants and to have the appearance of fairness to all aspirants — and they did not inform the Libertarian National Committee (LNC) about the conflict, let alone inform it at the “earliest opportune moment.”

Article IV, Section 3 (Headquarters: Conflict of Interest): Neither the National Director nor any other employee of the Party shall: “Endorse, support, contribute any money, or use his or her title or position to aid any candidate in any LP primary, or in any campaign for office, or nomination, within the National LP or any State LP . . . [or] . . . permit National Headquarters to be used by anyone at any time to aid any candidate in any LP primary, or in any campaign for office, or nomination, with the National LP or any State LP.

Willis and Winter had violated this rule because working on behalf of a candidate seeking the party's nomination constituted support for that candidate.

Realizing that Willis and Winter had violated the requirement that anyone who might have an economic conflict of interest must report it to the National Committee, Chairman Dasbach requests “that they do not do any further work until the matter could be presented to the LNC.” He tells them that the rule prohibiting “support” of a candidate for nomination did not apply, because “it was his interpretation of the policy manual that if Mr. Willis or Mr. Winter were to provide volunteer services it would be considered support, but as long as they are being paid it does not constitute support.”

June 1995: Jesse Markowitz, an LNC alternate, and Dean Ahmad, a former LNC member, bring Dasbach's attention to the fact that Willis and Winter are not only doing work on behalf of Browne but also using the computers at LP headquarters to do the work. Dasbach agrees that this is a violation of the LP's conflict of interest rules. He “request[s] that [Willis and Winter] do not do any further work until the matter could be presented to the LNC. In each case some of the work was done on the computers at the headquarters and Mr. Dasbach indicated that this was not acceptable.”

August 26–27, 1995: At a regularly scheduled meeting of the National Committee, longtime LP activist and LNC member Don Ernsberger inquires about the “use of headquarters personnel and resources” on behalf of an individual (Browne) seeking the party's presidential nomination. Dasbach explains that when he learned about Willis' and Winters' work on behalf of Browne he had asked them to do no further work for Browne until informing the LNC, and that when he learned from Markowitz that they had been using LP equipment, he reprimanded them. Willis says he did no work for Browne after Dasbach's spring meeting with him, and that he “would inform the executive committee before doing any more campaign

work.” The LNC takes no formal action.

December 9–10, 1995: At the next LNC meeting, Hugh Butler, the party's treasurer, introduces a resolution to change the conflict of interest policy to authorize work on behalf of aspirants to party nominations provided that “Both the work and income amounts are disclosed to the Chair . . . [and] . . . employees agree to terminate specific work when requested by the Chair.” The resolution also specifies that the “National Director was not authorized to accept outside work” and requires that the Chair “report all such activities to the LNC.”

According to the minutes of the meeting, Willis:

“strongly objected to this resolution because what should be of issue is the application of the resources of the Party and whether or not those are misappropriated.” He added that he “could determine on an individual basis whether a specific request from . . . the Browne campaign would or would not violate his fiduciary responsibility to the party.” He said further “that if he could not do any outside work he would resign his position.”

After considerable discussion, Butler “restated” his motion:

Whereas, the LNC is aware that LP headquarters employees have accepted outside consulting work, and, in as much as the LNC deplores conflicts of interest within the Party,

Therefore be it resolved that employees of the LNC may accept outside consulting work so long as:

1. Both the amount of work and the income from it shall be approved by the Chair.
2. Employees agree to terminate improper work when requested by the Chair.
3. The Chair will report the facts to the LNC.

The motion passed on a voice vote.

At this point, it has become impossible for Willis to do further work on behalf of Browne without quitting his paid position with the party (as he had threatened to do) or disobeying the explicit terms of his contract with his employer.

1996

December 1995 – July 1996: Browne continues to seek the party's nomination, facing tepid opposition from Rick Tompkins and Irwin Schiff. Rumors that Willis and Winter are continuing to work for Browne still circulate among members of the LNC and high-level party activists. In fact, though no one outside the Browne campaign knows it, Willis continues to work for Browne. The Browne campaign launders the money it pays him by writing checks to a company controlled by Jack Dean, the campaign's webmaster, which makes corresponding payments to Willis, concealed from the watchful eyes of the LNC or the Federal Election Commission, a body that makes public the date, purpose, and recipient of all expenditures reported to it by political campaigns.

July 6, 1996: At the party's convention in Washington, D.C., Browne easily wins the presidential nomination.

July – November 1996: With the Browne campaign in full swing, rumors of Willis' work on behalf of Browne are heard less often.

November 6, 1996: Browne finishes fifth in the popular vote for president, winning 0.50% of the vote (485,120 votes, to be exact).

1997

1997–1999: Rumors of conflict of interest among headquarters

staffers and collusion between the Browne campaign and LP headquarters continue.

April 5-6, 1997: The LNC amends the party's Policy Manual to prohibit explicitly any party employees from endorsing, supporting, contributing money to, or working as a volunteer, employee or contractor on behalf of "any candidate for public office prior to the nomination."

September 1997: Perry Willis resigns as National Director. He is entitled to collect severance pay equal to six months salary, some \$40,000.

1998

March 1998: Willis' \$6,667 monthly severance pay ends, and he accepts a position as manager of Browne's 2000 presidential campaign.

July 1998: At the party's national convention, there is an especially bitter campaign for the office of Chair, with Browne campaigning vigorously for David Bergland, his campaign chair and the husband of his campaign manager. Charges of conflict of interest and collusion ripple through the convention. Bergland is elected chair and Steve Dasbach, the retiring chair, gets Willis' old job of National Chair.

2000

March 9, 2000: In a series of widely circulated e-mail broadsides, longtime party activist Jacob Hornberger accuses the Browne campaign and the LP headquarters staff of having an improper relationship characterized by "unethical interlocking relationships, conflicts of interest, improper payments to LP staff members, and 'independent consultants' to the LP national office." Browne and his staff respond with a series of e-mails charging Hornberger with everything from "mean-spiritedness" to "slander" to being a "sanctimonious self-appointed Inquisitor General."

April 21, 2000: Willis e-mails the Browne campaign's supporters an alarming announcement that the campaign is suspending operations because fundraising has fallen off as a result of the charges made by Hornberger. The campaign unsuspends operations a few days later.

May 2000: *Liberty* publishes a 16-page independent investigation of charges made against the Browne campaign. On the question of conflict of interest, investigator Peter Gillen finds the accusations to be "understandable," in light of the substantial amount of circumstantial evidence. But lacking evidence to the contrary, he accepts at face value the false statements of Willis and others within the Browne campaign, and concludes his report indecisively. In reviews of the 1996 campaign, the 2000 campaign, and Project Archimedes (an LP recruitment campaign managed by Willis), investigators R. W. Bradford and Martin Solomon find that Willis' recruiting for the LP and the Browne campaigns had systematically and substantially misrepresented the facts to the members, supporters and the LNC, but that the actions had fallen short of the legal definition of fraud.

July 2, 2000: Browne wins the LP's presidential nomination for an unprecedented second time.

November 7, 2000: Browne finishes fifth in the popular vote, his share of the vote down 26% to 386,064.

2001

April 21, 2001: At a regularly scheduled meeting of the LNC, former Secretary John Famularo distributes copies of an invoice

from Perry Willis demanding payment from Jack Dean's company for services rendered to the Browne campaign.

April 25, 2001: LP Chair Jim Lark e-mails Willis asking him to "provide information in response to the information provided by Mr. Famularo." He warns Willis that "failure to provide such information [will] be regarded as a very serious matter."

April 28, 2001: Having heard nothing from the LNC, Famularo sends copies of the documents to several individuals, including the editor of *Liberty*.

May 11, 2001: After consulting with Browne, Willis issues a 20-page statement, admitting that he conspired with the Browne campaign to work for it secretly, after becoming explicitly aware that doing so was a violation of his contract with the LP and his promise to cease doing such work. He also admits to lying about the matter for nearly five years, saying that he did so because unless he worked for both the Browne campaign and the LP, the libertarian movement would have collapsed.

May 13, 2001: In the wake of a very hostile initial reaction from those reading Willis' memo, Browne sends an e-mail to supporters. He "suggests" that they wait before speaking "in order to give as much thought to their reaction as Perry gave to his statement before he released it," adding that Perry spent "several days on his statement" and that "I went over it with him." He warns that it would "be prudent for you to think over the consequences of your statements before releasing them." He adds that he himself "will release a statement in a few days, after emotions have relaxed a little."

May 15, 2001: Browne answers a question posed to him by e-mail the day before by former LP Chair Mary Gingell, who asked whether he concurred "with Perry's opinion that violating the LNC conflict of interest rules in 1996 in order to help the Browne for President campaign is justifiable." Browne replied that he would "be issuing a statement in the next couple of days. . . . In the meantime, you should know that I was aware of Perry's actions and agreed to them."

May 17, 2001: *Liberty* publishes the first report of the evidence of the Willis-Browne conspiracy, detailing the events that led to the Willis confession and reaction to it.

May 23, 2001: The Executive Committee of the LNC meets. Joe Dehn proposes a resolution directing the party's employees "to not enter into any business relationships, including but not limited to rentals of the LP mailing list or advertising in *LP News*, with Browne or Willis or any entity of which either of them is an officer, director, or employee, without prior approval of the Executive Committee." Dehn reveals the contents of Browne's e-mail confessing to his having been "aware of Perry's actions" and having "agreed to them." Party Chair Lark suggests that perhaps "Perry's actions" that Browne "was aware of" and "agreed to" were some actions other than those Gingell had asked him about, though he considers such interpretations to be "less likely." The resolution is passed. The committee also discusses the possibility that Jack Dean's firm (which had also done work under contract for the party) had secretly subcontracted the work to Willis, who was a party employee at the time.

May 30, 2001: The Executive Committee holds a special meeting at the urging of Vice Chair Dan Fylstra, who proposes that the previous resolution be amended to reflect the hypothesis that "Perry's actions" which Browne "was aware of" and "agreed to" might be some actions other than those Gingell had asked him about. By a 3-2 vote, the committee passes a resolution

recognizing "that while Harry Browne was the head of the campaign, it is presently unclear to what extent he or others were involved in Willis' actions or decisions," requesting "that Harry Browne provide a public statement to the LNC to clarify the circumstances surrounding Willis' actions," recommending that the LNC "censure Perry Willis for his acknowledged violation of LNC policy in 1995-96 in working for the Browne campaign while being employed by the LNC."

June 10, 2001: Lark sends e-mail messages to Browne, his Campaign Manager-treasurer Sharon Ayres, and Campaign Co-Chair David Bergland, asking them whether they knew about Willis' fraud and when they knew it. He also e-mails John Famularo, asking him to turn over whatever additional evidence Famularo has.

June 12, 2001: Lark e-mails Michael Cloud, Browne's projects manager, asking him whether he knew about Willis' fraud and when he knew it. The message bounces back; Cloud has apparently changed his e-mail address.

June 14, 2001: *Liberty* publishes its second report on the Willis-Browne crisis.

June 15, 2001: Browne replies by e-mail to Lark's query, apologizing for not responding sooner, and indicating that Lark is welcome to call him.

June 19, 2001: Most LP members begin to hear of the Willis-Browne conspiracy for the first time when they receive the July *LP News*, published today. According to Dasbach, the article is written by Bill Winter, who was involved in the early part of the story (he had done work for the Browne campaign along with Willis, until Dasbach advised him that it violated the party's conflict of interest rules). It was also reviewed by both National Director Dasbach and Chairman Lark. Dasbach later recalls that he "probably" suggested a couple of changes, and that Lark "circulated the draft article among several other LNC members at the June 9-10 Strategic Planning meeting [and] suggested some changes to Mr. Winter regarding the article, all of which were made."

June 20, 2001: Browne and Lark speak on the telephone. The conversation, according to Lark, is "cordial and polite." Brown tells Lark that he "will not cooperate with the investigation." He also apologizes for making Lark's job harder.

Lark also e-mails Willis asking him to make available to the

LNC the 2000 Browne for President campaign records as well as records of Optopia, Willis' private company that did work on behalf of Browne on a contract basis.

June 26, 2001: Lark sends another e-mail query to Michael Cloud. It also bounces back.

July 11, 2001: It is now a month since Lark e-mailed Browne's top staffers — Ayres, Bergland, and Dean — and none have responded in any way, so Lark sent each another e-mail, repeating his request for information and asking each at least to acknowledge that he has received the message.

July 12, 2001: Bergland e-mails back, tersely saying "Message received."

July 14, 2001: Lark encounters Michael Cloud at the Texas LP Convention and hands him a copy of his request for information about what Cloud knew about the Willis-Browne conspiracy and when he knew it.

July 14, 2001: A reliable source in a position to be familiar with documentary evidence about Willis' secret work for the Browne campaign tells *Liberty* that there is extensive evidence that the person within the Browne campaign with whom Willis conspired to help Browne get the nomination in contravention of LP rules was Browne himself. The source also said there there is extensive evidence that Willis continued to use the equipment and facilities of the LP in his efforts on behalf of Browne.

July 15, 2001: Cloud and Lark have a conversation, in which Cloud refuses to discuss the matter, but volunteers some "colorful" comments about people who earlier suspected that Willis had indeed continued to work for the Browne campaign, contrary to both his promise and the terms of his contract with the LP.

July 17, 2001: Famularo responds to Lark's e-mail of July 5, advising him that Lark's "reply was not responsive to my request for clarification." He assures Lark that he is "willing to testify" and "be subject to cross examination," but he is concerned about how his testimony "will be published and whether I will have an opportunity to rebut any characterizations on the record within the same publications." He goes on to say that the article in the July *LP News* included inaccuracies about him and an "open question about my actions for which I was given no chance to correct or comment upon before publication." He states that he simply wants to know what the rules will be before he provides further evidence or testifies. He also opines that he believes that "the 'problem' as I see it is not the fraud, malfeasance, misfeasance and/or nonfeasance of one or more individuals but whether the LP as an organization can effectively immunize itself from future manifestations of this 'problem.'"

July 19, 2001: *Liberty* goes to press with its September issue, which includes this timeline, a report updating the story, and analyses of the matter. As of this date, no one within the Browne campaign has responded to Lark's questions about whether they were involved in the Willis-Browne conspiracy, except Browne himself who said only that he would not cooperate with the investigation. None of those involved has said anything in public on the subject since May 15, except for Michael Cloud who has denounced the investigation and the individuals who want to know more about Willis' actions.

August 25, 2001: The Libertarian National Committee will meet in Las Vegas. One item on its agenda is the Willis-Browne conspiracy. □



"Raymond! Did you forget your piece again?"

Reclaiming the Party of Principle

by R. W. Bradford

It's time for Libertarians to minimize the damage done to their party.

There is a delightful vignette in the 1967 film *Guide for the Married Man*, in which a middle-aged woman discovers her husband *in flagrante delicto* with a young woman. As she screams hysterically, her husband and the young woman get out of bed and put their clothes on without saying a word. The young woman leaves, and the man puts on his smoking jacket, calmly lights his pipe, and sits down in his easy chair. He continues to ignore her screams. Eventually, she quiets down, and, as the vignette ends, the woman is wondering whether she had actually seen her husband in bed with another woman.

I am reminded of this scene when I look at the Harry Browne campaign's response during the past two months to the discovery that despite Libertarian Party rules and his explicit promises to the party's National Committee, LP National Director Perry Willis secretly worked for Browne when he was running for the party's presidential nomination in early 1996.

The Browne strategy is obvious: don't say a word and hope the whole thing blows over. Maybe LP members will simply forget the campaign's flaunting of the LP's rules by conspiring with the party's top employee to work secretly to secure Browne the party's 1996 presidential nomination.

On June 10, LP Chairman Jim Lark began his investigation by e-mailing identical queries to Harry Browne, and the top officials in his campaign — chair David Bergland and manager Sharon Ayres (Bergland's wife) — and webmaster Jack Dean, through whom the campaign had laundered its payments to Willis. He asked them all the same questions: did you know about Willis' secret work on behalf of Browne prior to April 21, when evidence that Willis had done that work was presented to the LNC? If you did, when did you know about it? And under what circumstances? Two days later, he e-mailed Michael Cloud, the campaign's projects

director, asking the same questions. Ten days later, he e-mailed Willis.

Only one of those six people responded — Browne, who e-mailed Lark suggesting that they talk. Lark called Browne on the evening of June 20. The conversation was amiable but brief: Browne told Lark that he would not cooperate with the investigation. The e-mail to Michael Cloud bounced back, and Willis, Ayres, Bergland, and Dean did not respond at all.

On July 9, Lark followed up with another e-mail to the Browne brain trust, this time asking them at least to acknowledge that they had received the message. Only Bergland responded, tersely e-mailing, "Message received."

Meanwhile, Willis and Browne continued their activities — sending out fund-raising appeals for their two new endeavors, Real Campaign Reform and the American Liberty Foundation — as if nothing had happened.

The Browne campaign response didn't start out so quietly. Documentary evidence of the campaign's fraud was revealed to National Committee members on April 21. Three weeks later, Willis responded with a 20-page memo to the National Committee, explaining that his violation of the terms of his employment contract and his lying about it for more than five years were necessary in order for Browne to get the party's nomination, which itself was necessary for the party's growth and prosperity.

For the most part, members were outraged by Willis' actions and had little interest in his ends-justify-the-means

defense. Two days later, Browne himself sent an e-mail to party activists, urging them to refrain from discussing the issue until things had cooled down, so that they wouldn't be embarrassed by "shooting from the hip" and saying things that they "may come to realize you may not have thought through." He promised that he would have something to say about the matter "in a few days."

On that same day, Browne answered an e-mail from former party chair Mary Gingell. She had asked him whether he "concur[red] with Perry's opinion that violating the LP conflict of interest rules in 1996 in order to help the Browne for

The Browne strategy is obvious: don't say a word and hope the whole thing blows over.

President campaign is justifiable." Browne exchanged pleasantries with her, repeated that he would "be issuing a statement in the next couple of days," and answered her question: "I was aware of Perry's actions and agreed to them."

Browne quickly came to regret this. A week later, Gingell's husband, LP National Committee member Joe Dehn, revealed the contents of Browne's message at a meeting of the party's Executive Committee, which was sufficiently impressed to the extent that it passed a resolution that directed the party's staff "not to enter into any business relationships" with "Browne or Willis or any entity of which either of them is an officer, director, or employee without prior approval of the Executive Committee."

It was apparently at this point that the Browne campaign decided that the best course was to stonewall. Browne, Ayres, Bergland, Willis, and Dean have refused to utter a word in public on the subject. The sole break in this wall of silence has been Michael Cloud, who has twice discussed the case with me. He has been careful to reveal nothing directly about Willis' or the campaign's wrongdoing, but has had rather a lot to say about Lark's investigation.

I first spoke with Cloud on June 29, at which time he had not yet been contacted by Lark. He nevertheless characterized Lark's investigation as a "petty inquisition," and suggested the LNC's attitude was like that of "the Russians — you're guilty until proven innocent." He talked mostly about the good that Willis had done the party, and about how bad Willis' longtime critics are. Agreeing with Willis' speculation that former party secretary and computer manager John Famularo had acquired the evidence of Willis' wrongdoing from Willis' computer at the LP headquarters, he characterized this as "the second Watergate burglary."

On July 16, I interviewed Cloud again. He was still not willing to cooperate with the LNC's "Star Chamber proceedings," or to answer any questions about who Willis had conspired with inside the 1996 Browne campaign. But he was willing to discuss other aspects of the case. He described his conversation with Chairman Lark the day before:

Lark said "I've been unable to reach you and I've got some questions about the '96 presidential cam-

paign" . . . I said "Perhaps if John Famularo would like to burglarize the Watergate one more time he might be able to get all kinds of new juicy information. Perhaps I should give him a dial-up number so he can burglarize my computer." And Jim says "Now wait a minute. You know, that could be libelous and slanderous." I said "Tell him to sue me. . . . Then we'll go through what's called discovery and I'll find out everything he's got. I want him to sue me. Give him my home number. Give him my address."

Cloud also suggested that perhaps Willis should not have admitted that the invoice Famularo had distributed to the LNC was genuine. "If Perry had said 'produce the evidence that is valid,' Famularo would've had to admit where he got it — probably this is pilfered goods. My guess is that he would be in a load of trouble."

Why the Silence?

It's obvious that Jack Dean was part of the conspiracy, since he laundered the secret payments that were made to Willis. Continuing his career as a professional Libertarian will be difficult for him, and will depend pretty much on the prosperity of Browne's new non-profit organizations, both of which would be hurt badly by further revelations about the extent of corruption within the management of the Browne campaign.

It is certain that at least one person among Browne's management team knew who conspired with Willis, and it is very likely that more than one did. If Browne, Ayres,

Although Michael Cloud had not yet been contacted by party chair Jim Lark, he nevertheless characterized Lark's investigation as a "petty inquisition," and suggested the party's attitude was like that of "the Russians — you're guilty until proven innocent."

Bergland, Cloud, Willis, or Dean tell what they know about the conspiracy to undermine the LP's rules, those who were involved will almost certainly face unpleasant consequences.

Both Browne and Willis earn their livings by raising funds from LP members. They operate non-profit organizations that depend heavily on such fund-raising. If they can no longer advertise in the *LP News* or rent the party's mailing list, they will be hard pressed to maintain the flow of money that pays their salaries. Michael Cloud is in a similar position as CEO of Carla Howell's campaigns in Massachusetts.

Ayres and Bergland, both longtime party activists, are in a slightly different situation. Ayres was the campaign's manager and treasurer at the same time she was a member of the National Committee, the very entity whose explicit rules Willis violated and to whom Willis repeatedly lied. If she

* In an interview with Famularo later that same day, I relayed Cloud's message to him. His response, strangely enough, was that he wished Cloud would sue *him*.

had been aware of his wrongdoing and deceit and had remained silent at the LNC meetings, she would obviously have breached the trust that party members and her LNC colleagues placed in her. Her career as an LP activist would be over, and she would have to go a long way to find another high-paying position as a campaign manager.

Bergland's position is equally uncomfortable. In 1998 he was elected to the party's chairmanship after a very bitter campaign in which charges of the Browne campaign's secret collusion with Willis were raised and denied. If he had known of Willis' violation and deception when it occurred, he would have known of it during that campaign and while serving as chair from 1998–2000. Presumably a chair who was a party to such deception of his own party would no longer be held in much esteem by its members. His career as an LP activist and power-broker would be over.

We know that the management team held frequent, lengthy conference calls. This strongly suggests that all knew what was going on. We also know that Browne himself customarily has participated in drafting fund-raising letters, the very work Willis secretly did for the Browne campaign. This strongly suggests that Browne knew. And now, thanks to the information released to *Liberty* on July 14, we have good reason to believe that Browne himself worked closely with Willis on these particular fund-raisers.

So the Browne campaign team had little choice. Once it became evident that most LP members would not accept Willis' argument that he was justified to conspire with the Browne campaign to get around party rules that prohibited him from both serving as the party's highest employee and working on behalf of aspirants to the party's presidential nomination, revealing the identities of the co-conspirators within the Browne campaign could only bring down Browne and his top managers.

And so, they began their silent campaign, hoping that the LNC and the party members would overlook their transgression. Willis, Cloud, and Browne hope to go on with their fundraising. Ayres and Bergland hope to remain powerful figures within the party.

Refusing to answer questions about the campaign while attacking the investigation is a desperate ploy. But desperate

Refusing to answer questions about the campaign while attacking the investigation is a desperate ploy. But desperate times call for desperate measures.

times call for desperate measures. In the end, the truth will come out, and unless somehow the Browne camp is able to convince its past supporters that deceiving other libertarians and conspiring to subvert their own party is a good thing — an unlikely prospect — all it does is buy them time for additional fundraising among those who haven't yet learned of their deceit.

The Good of the Party

I think it's safe to say that everyone involved wishes that

Willis had never conspired with Browne to violate the LP's rules and policies. Surely, Browne and Willis realize by now that if he'd hired Willis outright and the LP had hired another National Director, Browne would still have won his party's nomination. Surely Browne supporters wish that the man they so admire had not done this; prior to this scandal, many had considered his integrity unimpeachable. Even Browne's critics wish this hadn't happened, for they too realize that a scandal like this reflects badly on their party.

Nevertheless the facts remain. If the party is to maintain

The business of the Libertarian Party is to advance the cause of freedom by contesting elections to public office. It needs to get back to that business. But it must first make clear that it will not tolerate candidates or employees who conspire to subvert the party's integrity.

its self-respect, it must discover the identities of all who were party to the conspiracy and take appropriate action, both for the sake of justice and to avoid setting a bad precedent that this sort of behavior will be tolerated so long as membership and fundraising grow. The actions of the wrongdoers not only vitiated, and continues to vitiate, a lot of energy and resources that could have been put to far better use, they also undermined, and continue to undermine, the moral authority of a party that proudly calls itself "The Party of Principle."

If the conspirators show genuine remorse, of course, the party should consider a lesser penalty, perhaps just simple censure and a moratorium on further business dealing with the party. But if the Browne management team maintains their refusal to answer the entirely appropriate questions that Chairman Lark has asked them, I think the party will have no choice but to take legal action or to censure them harshly and ban all future business dealings with all of them.

But there is one thing the party cannot afford to do: it cannot afford to merely sweep the matter under the rug by leaving Willis' co-conspirators unidentified. Nor can it let the guilty off with mere censure. To merely slap their hands would set a terrible precedent for future employees of the LP. And it would cost the party its soul.

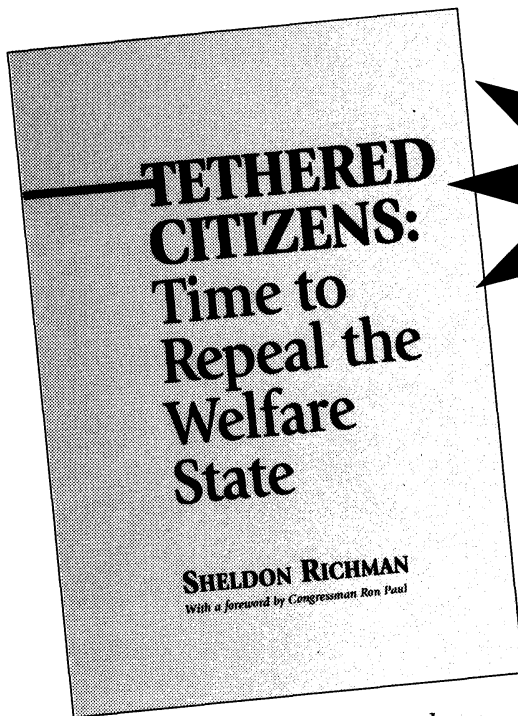
The business of the Libertarian Party is to advance the cause of freedom by contesting elections to public office. It needs to get back to that business. But it must first make clear that it will not tolerate candidates or employees who conspire to subvert the party's integrity.

A few days ago, a friend of more than 20 years, who had read about the LP scandal, asked me, "Why are you involved in a party like this, anyway?"

I answered, "Because the LP is not a party like this. This is an aberration, and my fellow Libertarians will not put up with it. The Libertarian Party is the party of principle. It does not make corrupt bargains, like the other parties do. It stands for honesty, integrity, and human liberty."

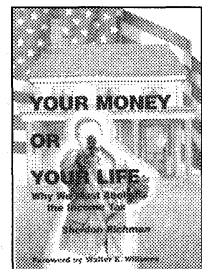
I hope that I will always be able to answer in the same way. □

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The Browne 2000 Campaign: Where the Money Went

by Elizabeth Merritt and R. W. Bradford

A close look at the Browne campaign finances reveals an array of omissions, inconsistencies, and sloppy accounting. A request for clarification only muddled the waters further. But gradually a pattern emerged: the Browne campaign was not really a political campaign.

Anyone trying to discover how Harry Browne's 2000 presidential campaign spent its money has only three sources to deal with: the reports the campaign filed with the Federal Election Commission, the reports the campaign made to its members, and statements from individuals involved in the Browne campaign.

The campaign's reports to donors paint a very different picture from what emerges from its reports to the FEC. For one thing, the numbers are different. In his April 24, 2000 e-mail, Willis stated that the campaign had so far spent \$1,231,210.75. But the report Willis filed with the FEC at this point said that the campaign had spent \$1,290,430.68, not including refunds and repayments of loans. This discrepancy of \$59,219.93 has not been explained by Willis or anyone connected with the Browne campaign.

In late May 2000, Browne sent out a letter to supporters asking them to donate money to air a 30-minute infomercial, which the campaign had already produced, and to raise money to produce other commercials. According to Browne's press secretary Jim Babka, the infomercial was the only thing that Polaris Productions, the firm that produced the campaign's advertising, had done at this point, and the infomercial had cost \$120,000. Yet the Browne campaign reported to the FEC that it had made payments to Polaris Productions of \$159,000.

Babka told us that the total payments for campaign management for 1997 through 2000 to Willis and his significant other Stephanie Yanik was \$240,000. The reports to the FEC that Willis signed as treasurer of the Browne campaign show total payments to him and Yanik of \$247,410.28.*

Trying to reconcile the expenditures the Browne campaign has published is further complicated by its tendency to include both compensation and reimbursement of expenses

in its payments to staffers. In fact, 24% of its expenditures were payments to staffers that include both reimbursement of miscellaneous expenses and compensation. This is a very unusual business practice and one that seriously complicates the tax returns of its staffers.

When one of us (R.W. Bradford) asked Babka why this was done, Babka explained that FEC rules required it. Although the FEC does have some rules that seem to defy reason, this seemed plainly ridiculous to us. So we read through the FEC's "Instructions for FEC form 3P and Related Schedules" and could find not a single hint of any such requirement. We also examined the FEC reports from the campaigns of every other presidential candidate to see whether any of them complied. None did.

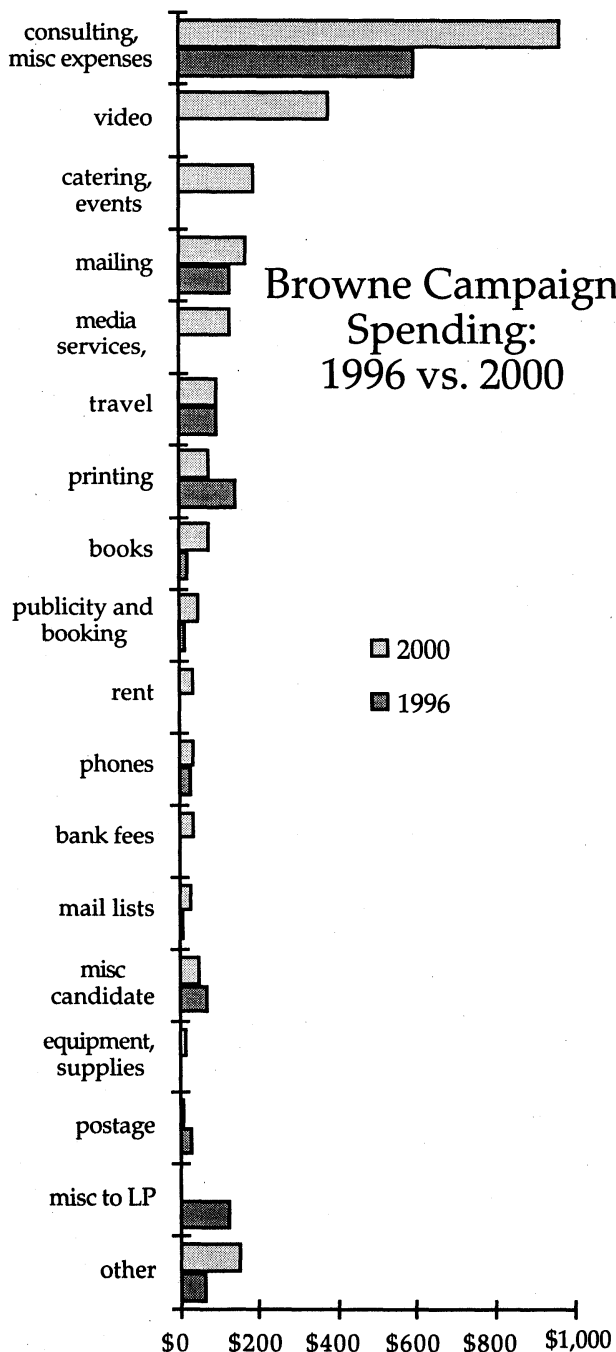
So Elizabeth Merritt asked Babka whether he could provide a breakdown of these expenses. He responded. "With all due respect, you clearly have more time on your hands than I do . . . gathering this information would take considerable time . . . I don't have time to gather information for such a broad, general question and neither does anyone else here."

Merritt then asked Babka "why weren't separate checks issued for expenses and compensation?" This was virtually the same question Bradford had asked a few weeks earlier, but Babka had an entirely different answer. "Ordinary accounting practices apply to ordinary businesses," he e-mailed back. "A campaign is not an ordinary business. First, it's finite in length and the race to finish is intense — time usually spent dotting the 'i' and crossing the 't' is unavailable as the staff tries to keep its head above water and get the essential stuff done. Second, its goal is not a profit, which is really extraordinary." He went on to list several other

*Readers might be interested to learn that in addition to Willis, Yanik, and Willis' company Optopia Productions, the Browne for President campaign also wrote checks to Barbara Braun, Ray Acosta, and Robert Flohr, all of whom shared Willis's and Yanik's home address.

rather mysterious differences (e.g., "Campaigns don't evolve, they spontaneously generate."). The most intriguing of the differences is that a campaign "operates under a microscope and deals with hundreds, if not thousands of critiques and suggestions about how the business should be run" — which comes very close to suggesting that the campaign made the payments and campaign reports this way for the purpose of confusing its critics. We also noted that the campaign wrote a total of 1,808 checks between September 1997 and March 2001, or an average of 43 per month. To us, this didn't seem like the bookkeeping was so "intense" that it couldn't follow the ordinary procedures typical of any small business.

We noticed that the two reports on campaign spending that Willis had sent to donors both reported exactly how much the campaign had spent on office supplies, travel, sala-



ries, etc. — the very same information that Jim Babka claimed didn't exist. So we asked Babka to provide us this information.

He replied that he believed that Willis had merely "sketched out these figures on the back of an envelope" and that the envelope might by now be lost. This did little to dispel our skepticism. Given that Willis nowhere mentioned that this is how he arrived at the figures, and that all of them have a very "precise" look to them (nothing looks rounded off) this seems pretty shoddy.

One area we wanted to pay special attention to was the Browne campaign's spending on advertising. In Browne's previous campaign, Willis told donors that the campaign had spent \$238,673 to purchase advertising on two cable television networks, 11 local television stations, 8 syndicated radio programs, 5 daily newspapers, and 64 local radio stations. But the campaign reported to the FEC that it had spent a grand total of \$8,840.50 purchasing advertising, all of it on 5 local radio stations. Many Browne supporters, who had donated to his campaign in response to its fund-raising pleas for money "to quickly expand our radio advertising program to a point where it blankets the entire nation" and other promises to do substantial advertising were unhappy to learn that the campaign's total purchases of advertising amounted to less than 1% of the money it raised.

Again, we ran into problems almost immediately. All but \$340 of the funds Willis reported to the FEC that the campaign had spent on advertising went to a single firm, The Firm Multimedia, which received a total of \$137,504.41. Willis reported that the purpose of these payments was "media services and advertising." When we asked Babka how much of this was for "media services" and how much was for "advertising" he responded that it was all for advertising and that the phrase "media services" referred to the 8% commission the firm charged.

This seemed incorrect for two reasons. First, some of the payments were made before the Browne campaign began advertising. Secondly, we were aware that advertising agen-

The striking thing about this breakdown is that so little was spent on trying to reach out and get new voters and how much was spent on fund-raising.

cies virtually never discount their standard 15% agency commission.

In early June, we sent Babka this e-mail on the subject:

I wonder if there was some mistake in the information that you provided me last week about how the payments to The Firm Multimedia broke down. As you recall, you told me that 8% of the payments were commissions on advertising purchases . . . and [that] the balance was advertising purchases.

I recalled my own experience with ad agencies, all of which would never budge on the question of size of commission. I contacted several people in the business and all responded that the standard 15% commission was virtually always non-negotiable.

Further I looked over the list of payments to The Firm

Multimedia, and noted that several of them were made prior to when, if Perry Willis' campaign reports are to be believed, the time when the campaign began to buy ads. In fact, three payments were made prior to Harry's announcing his candidacy.

Babka responded:

Yes there was a mistake on our end. Your information regarding commission is correct.

The FIRM also did some market research for us that started pre-campaign.

Babka had admitted that he had made a mistake, but he still had not answered our question, so we e-mailed him again, asking him again how much was actually spent purchasing advertising and how much on market research. In mid-July, Babka had not responded, so we asked him again by telephone. He said that he would have to check with Perry

Approximately 57.7% of campaign spending was for fund raising and building a fund-raising base, with only about 20.1% going to what can, broadly speaking, be considered outreach or vote-seeking.

Willis — explaining that the campaign had made a “policy decision” that Babka and Babka alone would answer our questions — and get back to us. The next day, he told us that the campaign had spent \$120,000 on the purchase of advertising.

Needless to say, this experience did not enhance Babka's credibility with us.

Trying to get a truer picture of how the campaign spent its money than we could from Willis or Babka, we sorted out the expenditures reported to the FEC into a few categories that made sense to us. The graph on page 30 summarizes how Browne's campaigns spent the money they raised.

The striking thing about this breakdown is that so little was spent on trying to reach out and get new voters and so much was spent on raising funds. The video category, for example, was almost entirely used to produce and distribute a fund-raising infomercial. The catering and events expenditures were almost entirely for the fund-raisers that Browne held at airport hotels around the country. Mailing lists, mailing, postage and printing expenses were almost entirely for mailing fund raisers. Books were purchased almost entirely for use as premiums for fund raising. Exclusive of the nebulous “consulting and mixed expenses,” we estimate that approximately 57.7% of campaign spending was for fund raising and building a fund-raising base, with only about 20.1% going to what can, broadly speaking, be considered outreach or vote-seeking, with the balance for unallocated overhead.

Indeed, the campaign put its fund-raising base to work on non-campaign projects even before the campaign was over. On Oct. 26, 2000, eleven days before the election, the campaign's e-mailed newsletter, reportedly sent to over 15,000 supporters, began a series of requests for donations that were not for the campaign, but for a new nonprofit venture that Willis and Browne planned to pursue after the election. Shortly after that, they began fund raising for another new

nonprofit venture.

So how much did the campaign actually spend buying advertising? From the FEC reports, it appears that the total is approximately \$117,000. Babka told us that the actual figure is \$120,000. That's up substantially from 1996, when it spent less than \$9,000 to buy ads. But it is still a pitifully small sum for a presidential campaign to spend on the one activity that has been proven to win votes.

In defense of this low figure, Browne spokesman Babka told us that the LP spent an additional \$240,000 to purchase ad time. This would bring the total spending of the Browne campaign plus LP spending on ad time to about \$360,000, or somewhere in the neighborhood of 7% of its election-year spending. This is, in our judgment, still a pitifully small sum.

Curiously, the campaign spent far more producing the ads than sending them out over the air. The rule of thumb in the advertising industry is that an advertiser should spend 10 to 15 times as much buying airtime as it pays to produce the ads. The Browne campaign spent more than twice as much producing the ads as it did buying airtime. The explanation that Babka offers for spending so little on advertising is that the campaign planned to spend \$1,000,000 on airtime, but expected donations fell short in the final days of the campaign.

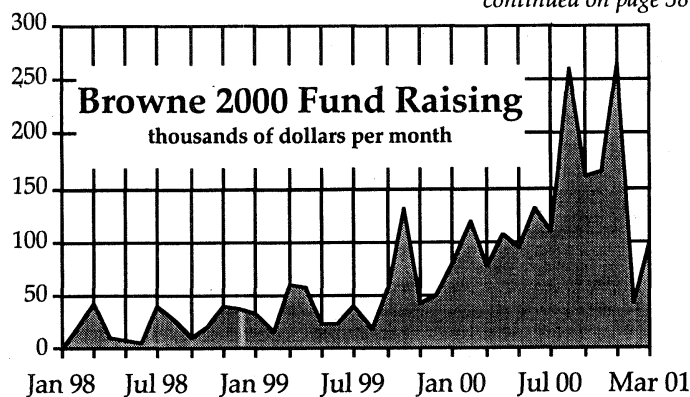
The graph at the bottom of this page shows the campaign's fund raising by month. We note the campaign's fund raising increased to record levels as the election neared, but that the campaign would've had to have risen nearly three times these record levels for the campaign to have raised enough to meet its stated goal. (It also raised a very impressive \$100,000 in March 2001, four months *after* the election.)

When we were halfway through our review of the Browne campaign's expenditures, we began to suspect that the campaign subscribed to *The Producers'* theory: if you manage to make a complete failure of something, no one will bother to look into the details of how it failed. Sadly, as our analysis progressed, we never encountered any reason to abandon that suspicion. □

The Search for First-Hand Information — More than a year ago, *Liberty* published an article analyzing how the Browne campaign spent its money in 1996, based on information that the campaign had filed with the Federal Election Commission and on the 532-page *Presidential Campaign Report* that the campaign had published six months after the election.

The results were startling. In numerous areas the figures

continued on page 38



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Left to right: Daniel Klein, David Friedman, Laurence Iannaccone, Henry Demmert, and Fred Foldvary.

CSI Directors: Daniel Klein **dklein@scu.edu**

Laurence Iannaccone **liannaccone@scu.edu**

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Off the Map in Haiti

by Douglas Casey

Tragedy of the commons. Violent crime. Grinding poverty everywhere. Welcome to the not-so-sunny side of the Caribbean.

I visited Haiti several times in the early '70s, and seriously toyed with the idea of setting up a diving business. The natives were friendly, the climate superb, and Haiti has hundreds of miles of some of the best beaches in the world, most of them deserted but for a few fishermen.

But Haiti was very different in those days. Twenty years ago, Port-au-Prince was dirt poor, but it was small, manageable, and quite pleasant. A nice room in a downtown hotel, with an excellent breakfast and a gourmet dinner would set you back \$10; even 30 years ago, that was chicken feed. The city was absolutely safe; you could wander anyplace at midnight, looking like an inebriated tourist, and not have a thing to worry about. There were interesting foreigners on hand; I met Barry Goldwater while having dinner at the Olafson Hotel, an old haunt of Graham Greene's. Goldwater is one of the few politicians in living memory for whom I have some respect.

That was then. Now there are no downtown hotels. Nobody without a death wish would dream of being in downtown Port-au-Prince at night. That's because tourists don't come to Haiti anymore. On my flight from Miami, which was full, I believe there weren't more than five other non-Haitians aboard.

Haiti's few remaining hotels and restaurants are prohibitively expensive to most tourists, partially because everything is imported and duties are huge; food in the local grocery costs double what it does in the United States. And there's no volume to allow for lower margins. I must say, however, that the quality of the cuisine is at least as good as that in France, which Haitians still regard as their motherland. But dining out at the few restaurants that are still open is about all that passes for entertainment these days; the lack of tourists and abundance of crime combine to severely limit recreational possibilities. The fact that electricity is out at

least several hours every day doesn't help much.

And crime really is a problem. Just while I was there, four expats were kidnapped in four separate occurrences. In the old days, Papa Doc's tonton macoute, the secret police force with overtones of voodoo, pretty well kept a lid on things. If nothing else, Duvalier at least recognized the value of the tourist trade, and if anything untoward happened to a tourist, he saw to it that the perpetrator lived only long enough to sincerely regret it. But, as happened in Russia after the disappearance of the Soviet police state, the sociopathic two to three percent of society rose to the occasion. It doesn't help matters that Haitian criminals who get caught in the United States are repatriated after serving their terms. That means 300-500 Haitians are returned each year with doctorates in serious crime, earned in U.S. prisons. That makes the criminals among the most educated folks in this largely illiterate land.

Progress? How About Survival?

There's not a lot of industry, either. Haitians make Barbencourt rum. There's a cigarette factory. Some artists peddle wares of varying quality. Haitians assemble some clothing (just assemble, the cloth is imported and the finished goods are exported). That's it. It used to be that most baseballs were made here, but that factory moved out. I can only assume it was because the government made them crazy, because you can't find cheaper labor — and once labor is trained for a specialty like that, the last thing you want to

do is move the operation and start all over again.

So the country essentially creates nothing. Almost all the people outside the capital are subsistence farmers, but not only are there no food exports, the country imports everything except locally grown vegetables. Nobody even bothers exploring for minerals, despite prospective terrain.

Where does its money come from? The main answer is that there are about a million Haitians abroad, mostly in the United States and Canada, supporting the 8 million people in the country. The hope and salvation of every family is to get somebody to Miami, in order to survive. Of course, that makes it hard for any but the most extraordinary emigrant to save enough to really get anywhere himself.

Half of the relatively few people who get regular paychecks draw them from the government and are what their

Twenty years ago, Port-au-Prince was dirt poor, but it was small, manageable, and quite pleasant. Today, nobody without a death wish would dream of being in downtown Port-au-Prince at night.

countrymen laughingly refer to as "zombie workers," for obvious reasons. On a happy note, the army has been abolished, in recognition of the fact that, typical of Third World militaries, its sole purpose was to intimidate potential dissidents.

In addition, up to \$500 million a year comes in from various NGOs. Some of them actually do some good. Most, however, are just bureaucracies, sending their policy wonks to drive around in new Land Rovers, survey the poverty, and write largely worthless reports that nobody reads. On the bright side, no country or charity gives direct aid to the Haitian government, thanks to the rare insight that it would mostly just get siphoned off to foreign bank accounts.

The whole country is on welfare. It's like Washington, D.C., only rural.

A Charitable Event

Of course, I despise welfare. I'm also somewhat dubious about organized charities. They tend to become top-heavy vehicles for the politically correct to play big shot with other people's money. So I was only marginally enthusiastic about the Foundation for Mercy and Sharing, founded by my friend Susie Krabacher, whom I accompanied on this trip. Susie is a legend in Haiti; everyone knows her. A former *Playboy* centerfold, she's done well in the world, and truly wants to help other people in thanksgiving.

She picked the right place. I've seen poverty, I promise you, but what goes on in Haiti is on a whole other level. Poor people regularly abandon sick children that they can't care for. They're basically stacked up in an unrefrigerated morgue like firewood before they die, and sometimes aren't buried for months after they die because there's no money to dispose of them. It defies the imagination.

In any event, Susie has set up, on a shoestring, an orphanage for about 1,600 kids, and it is impossible to find fault

with what she's doing. And I say that as someone who believes most charities aren't worth the powder it would take to blow them to hell.*

Property Wrongs

Like most Third World countries, Haiti prohibits foreigners from owning islands, borderlands, and coastlines — ostensibly for "security" reasons. In theory, the beachfront owned by the state is available for acquisition by citizens; it can be leased for five years for a nominal price (about \$9 per acre per year) and then, if development plans are approved, the legislature can grant title. I met several Haitians who've apparently done this. But, although it's simple in theory, it's exceedingly difficult in practice.

Hernando de Soto, the Peruvian student of why Third World countries tend to remain basket cases, points out that Haiti is especially perverse in this regard: he documents how it takes an average of 19 years and 176 bureaucratic procedures to legalize the purchase of private land in Haiti.

And, unfortunately, the state probably (who really knows, their records are a shambles) owns over half the land area of the country. That is totally dead capital in a country that can't afford to waste a cent. In fact, it's worse than that. You can tell exactly where the border between the Dominican Republic and Haiti lies by flying over it at 10,000 feet; the Haitian side has been totally deforested. People rarely do anything so stupid with their own property. But when it comes to state property, which is to say unowned property, anything goes. It's the tragedy of the commons come to the Caribbean.

Still, if I could get a few thousand idyllic, isolated acres for peanuts, I think there'd be some real opportunity. My feelers are out. But that's Plan B. My real attention is on Plan A.

Plan A

Haiti today makes the days when the Duvaliers ran it as something of a private plantation look like a halcyon time.

The whole country is on welfare. It's like Washington, D.C., only rural.

Some people have concluded that the Haitians are capable of no better and are best off under some type of (hopefully) benign dictatorship.

That's complete rubbish.

The reason the country, the second in the Western Hemisphere to win its independence, is such a basket case is that it lacks two things: property rights and a legal system to enforce them.

President Aristide realizes he has a tiger by the tail; that this poor and overpopulated country is a potential time bomb. But he's at once too ignorant, too weak, and now too corrupt to do anything about it. A pity, because he's both intelligent and charismatic enough to transform the place.

continued on page 42

* If you're so inclined, you can contact her at haitikids@aol.com or (970) 925-1492.

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The stocks below were our Internet short portfolio, initiated on 11/2/99, with the percentages they've fallen

since.

AMTD	78%	AMZN	85%
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Being short the Internet and tech stocks in '99 was certainly as bold as it was profitable. At that time it was widely believed that such "new economy" stocks were going ever higher. However, even in a bear market, long positions are the bread and butter of a successful portfolio:

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"I've known Doug Casey since the mid-70's or so. In my opinion, he is one of the few original thinkers in the entire investment world."

—Harry Browne

probably be accompanied by a massive depression, severe monetary turmoil, domestic political repression, and war.

Sounds pretty grim, at least if you take life seriously — which is a mistake. When you look at the 20th century, you can see it was full of those things. But even during its darkest years, 1914-1947, which included the institutionalization of the income tax and central banking around the world, two world wars, the Great Depression,

and the mass murder of millions, among other things, world GDP still advanced at a real compound rate of 1.8%. Not bad. And most people managed to live pleasant and productive lives throughout, unless they just happened to be in the wrong place at the wrong time."

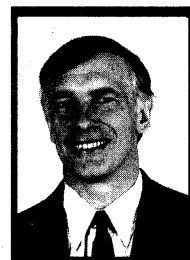
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Get Thee to a Sardine Can

by Randal O'Toole

The latest "smart growth" plan promises to increase pollution, turn highways into parking lots, and pack the world population into an area the size of Kentucky. Get ready for urban utopia.

The May, 2001 issue of *National Geographic* contained a lengthy article on urban sprawl accompanied by one of the magazine's famous maps. Anyone looking at the map would quickly conclude that the United States is rapidly being overrun by urban sprawl. At the pace of development suggested by the map, it is clear that in just a few years the United States will be one gigantic city with no farms, forests, or open spaces left.

The only problem is that the map is deceptive. It hugely exaggerates the amount and pace of development in the United States. According to the map, for example, half of Oregon's Willamette Valley is covered with cities and suburbs. Yet the Willamette Valley Livability Project, an anti-sprawl group created by 1000 Friends of Oregon, concedes that less than six percent of the valley has been urbanized. Similarly, according to *National Geographic*'s map, easily a third of Vermont has been covered with sprawl. Yet the federal Natural Resources Inventory says that only three percent of Vermont has been developed into cities, towns, or villages. The *National Geographic* map shows nearly ten times as much developed land in the United States as there actually is.

While it is surprising that an organization proud of its accurate maps has done this, exaggeration and misdirection of this sort has become typical of the anti-auto, anti-suburb campaign known as "smart growth."

In the past few months, several groups have been emboldened enough to make their goals clear: they want to pack everyone except actual farmers into dense cities and do everything possible to discourage automobile use. These groups play on people's hatred of congestion and love of lifestyles with plenty of open space and twist these desires into policies that will significantly increase congestion and take away accessible open space.

In April, the Willamette Valley Livability Project purchased an eight-page newspaper supplement in the state's largest newspaper, warning that population growth will "clog roads and highways" and that sprawl will cause "large losses of commercial farm land." Yet the data in the flier's fine print tell a very different story.

In 1990, 85% of the valley's 2 million people lived in urban areas that covered less than 6% of the valley (including the state's three largest cities; Portland, Salem, and Eugene). By 2050, the valley's population is expected to grow by another 1.9 million people. The Livability Project's goal is to allow urban areas to expand to cover no more than 6.6% of the valley and to cram 94% of the total population into those urban areas. Achieving that goal, the flier concedes, will require even tighter rules and regulations than Oregon already has.

Even if all 1.9 million newcomers lived in the cities — not a single one could live in rural areas — at least another 110,000 people who now live in rural areas would have to move to cities to achieve the goal of getting 94% of valley residents into cities.

This sounds like a tough thing to do without a substantial increase in government power to make people live where the government wants them to. What would happen if, horror of horrors, Oregon "let private property rights and short-term market forces call the shots"? Then, according to the Livability Project, urban areas would expand to 7.6% of the valley — a full percentage point more than they would

under the tougher rules the Livability Project supports! Of course, the flier didn't put it this way: it said that urbanization would cover "more than 124,000 football fields," as if that is the appropriate unit of measurement.

On top of that, the flier reported that a free-market approach would result in 13% of valley residents living outside of urban areas. That's a smaller percentage than the 15% who live outside today, but, of course, it is more people in all. This, the Livability Project fears, means that some farms would be converted into rural homes — although this isn't necessarily so since only 20% of the valley is currently being farmed.

Of course, under current regulations, very few rural homes can be built today. Oregon is particularly vigilant to make sure that mere "hobby farmers" don't build homes on

According to the National Geographic map, half of Oregon's Willamette Valley is covered with cities and suburbs. Yet the Willamette Valley Livability Project, an anti-sprawl group created by 1000 Friends of Oregon, concedes that less than six percent of the valley has been urbanized.

their own land. Even so, "the number of hobby farmers is growing," warns the Livability Project. To save one percent of the Willamette Valley from the evils of urbanization, the Livability Project supports even tighter regulations on rural development.

The Livability Project's plan would nearly double the population density of urban areas in the Willamette Valley. But that is an ink drop in a bucket compared to what the Sierra Club wants to do. On June 18, the club posted an "environmental impacts of density calculator" on its Web site. This Web page declared that the "efficient urban density" is 500 households per acre. At the average U.S. household size of 2.4 people, that translates to 768,000 people per square mile — 15 times as dense as Manhattan!

When demographer Wendell Cox posted a page on his Web site (demographia.com) saying that the Sierra Club wanted to put Americans into a "black Hole of Calcutta," the club quickly modified its Web page to say that 100 households per acre was the efficient urban density, making their ideal city only three times denser than Manhattan. In fact, at that density the population of the United States could fit into the New York, Chicago, and Philadelphia urban areas, and the entire population of the world could fit into Kentucky.

The environmental impacts calculator optimistically predicted that people living at those high densities would drive significantly less — just one-seventh as many miles per capita as people living at one household-per-acre densities. But 100 times the population density driving only one-seventh as much per person still translates to 14 times as much driving per acre. Most air pollutants are deadly only when concentrated, and the Sierra Club's own calculator indicated that cars in its efficient urban density would spew out eight tons

of particulates per square mile every day, making one it of the most polluted places on the planet.

When I pointed this out on my Web site, John Holtzclaw, the Sierra Club's transportation chair and author of the environmental calculator Web page, responded that he lived in high-density San Francisco, and his neighborhood's air was clean. Of course, he added, when he and his neighbors drove, they usually did it "outside their neighborhood" because they wouldn't "want to soil our own nest."

Holtzclaw then changed the Web page yet again to say that the Sierra Club does not officially endorse a specific density. However, he still insists that doubling densities will lead to 20% less driving per capita. But people who live in San Francisco aren't typical of the people found in the suburbs. As Holtzclaw admits, family sizes are smaller; most are single people or double-income couples with no children — that is, people who don't want to drive very much. But move suburban families with children to San Francisco and they will reduce their driving by, at most, about five percent.

Holtzclaw is fortunate that he lives in windy, exposed San Francisco. If he and many other people lived at the Sierra Club's "efficient urban densities" in sheltered Los Angeles, where frequent inversions trap pollution, he would have to wear a gas mask almost daily.

Federal standards require that new cars today produce less than ten percent as much pollution as cars built before 1970. Toyota's Prius and Honda's Insight, powered by gas-electric hybrid motors, take a leap forward by reducing pollution another 90%, or to less than one percent of pre-1970 autos. In June, Toyota announced that it was ramping up production of its hybrid cars from 19,000 vehicles in 2000 to 300,000 in 2004. This takes the dirty wind out of smart-growth's anti-automobile sails.

But anti-auto activists no longer worry about toxic pollutants such as nitrogen oxides and particulates. Instead, their great concern is greenhouse gases such as carbon dioxide.

Using the standard of density proposed by the Sierra Club, the population of the United States could fit into the New York, Chicago, and Philadelphia urban areas, and the entire population of the world could fit into Kentucky.

Gas-electric hybrid motors only reduce these gases by 50–60% — at least, so far.

So in late June it was no surprise that Worldwatch announced that governments must "act quickly to discourage the building of cities for cars" in order to control global warming. This means, of course, spending more money on transit, less on roads, and building more neighborhoods to high densities and mixed uses, and fewer or none to low densities.

But there is absolutely no evidence that these prescriptions will significantly reduce driving or greenhouse gases. Worldwatch points to Portland as an example of good

planning. Yet Metro, Portland's regional planning agency, predicts that after it nearly doubles the urban area's population density, builds more than 100 miles of rail transit, and promotes the construction of dozens of high-density, mixed-use developments, Portlanders will still use autos for 88% of their travel — down just four percent from today.

Metro also says that its policies will more than quintuple the amount of time Portlanders waste in congested traffic. But according to a study by the Texas Transportation Institute, Portland-area drivers already waste 80 million gallons of gasoline sitting in congestion each year, spewing a million tons of carbon dioxide emissions. Quintupling congestion means a four-million-ton increase in these emissions.

According to economist Anthony Down's book, *Stuck in Traffic*, the only certain solution to congestion is value pricing, which means having road tolls that are higher during congested periods than at other times of the day. Many transportation engineers believe that the ideal way to introduce value pricing is to construct new highway lanes as high-occupancy toll (HOT) lanes, meaning that buses and cars with three or more people would travel free while everyone else would choose to pay the toll or drive on the more congested free lanes.

But smart-growth advocates don't want to reduce congestion, because less congestion would let people drive more. "Transportation solutions aimed solely at relieving congestion are inappropriate," say Portland planners, who add that "congestion signals positive urban development."

So it is no wonder that Maryland governor and smart-growth champion Parris Glendening announced on June 21 that he was directing Maryland's secretary of transportation to halt all consideration of HOT lanes in his state. Glendening claimed he opposed HOT lanes because "it is unfair to link an easier commute with a person's ability to

pay." But studies of California HOT lanes show that everyone, regardless of income, uses them some of the time and no one, no matter how rich, uses them all the time.

The real reason Glendening opposes HOT lanes is that he doesn't want to relieve congestion. "HOT lanes are inconsistent with efforts to curb sprawl and our goal to reduce the number of cars on the road," said the governor in a July 3 Op-Ed piece in *USA Today*. Congestion relief, he feared,

Most air pollutants are deadly only when concentrated. Using the density favored by the Sierra Club would result in emission of eight tons of particulates per square mile every day, creating one of the most polluted places on the planet.

would "encourage more people to drive instead of using transit and will provide an incentive for people to move farther away from established communities."

So what are the real intentions of smart-growth promoters? It is crystal clear that these are their goals:

- pack people into urban areas as tightly as possible;
- clear everyone but actual farmers out of rural areas;
- boost traffic congestion to near-gridlock levels in a vain effort to get people to stop driving (or at least to punish them when they do); and
- spend most transportation dollars on rail and other transit systems that will be used for less than five percent of all personal travel

"Auditing the Browne Campaign," *continued from page 31*

the Browne campaign reported to the FEC simply contradicted the figures that it had published in the *Campaign Report*. For example, where the campaign had reported spending \$238,673 on advertising, its reports to the FEC reported total expenditures of only \$8,840.50. Indeed, the data that the campaign supplied the FEC were so different from the data it supplied to its supporters that it was difficult even to see any similarity.

We naturally contacted the Browne campaign and asked whether it had any explanation for the discrepancies. Despite numerous pleas, we got no response. We went to press with our report.

The response waited until January, when Browne himself wrote a letter to *The Libertarian Enterprise*, a Web-based publication, in which he leveled the following criticism at our research:

R.W. Bradford ha[s] referred several times to evidence in the FEC (Federal Election Commission) reports that supposedly shows that practically none of the money raised by my 1996 or 2000 campaigns actually went into campaigning. To see how empty [his claim is], just go to www.FEC.gov and find the appropriate FEC reports. You will see that there's nothing in those reports that tells you how much the campaign spent on advertising or any other campaigning activi-

ties. The reports merely indicate from whom the money came and to whom it went. As to the recipients, you learn nothing about the purpose of the expenditure, whether it was salary, expense reimbursement, or being transmitted on to someone else. Invoking "the FEC reports" is a good way to sound authoritative, but it isn't proof of anything. And it's a sure sign that the accuser hasn't done any first-hand research.

It was a curious response, and not simply because it was so long in coming. For one thing, it referred not to the original publication of the article, but to a passing reference made to it in a subsequent issue of *Liberty*. For another, it failed to mention that we had repeatedly tried to get officials of the Browne campaign, including Browne himself, to offer us any explanation for the discrepancies between their reports to the FEC and to their members.

Brown's central attack on our credibility is his claim that his campaign's reports to the FEC reveal "nothing about the purpose of the expenditure." This is simply false: each expenditure lists its purpose, which we dutifully noted, included in our database, and discussed in our report. Indeed, I discussed the purposes of expenditures at some length, since in the case of most of the payments made to individuals, a variety of expenses were lumped together with salary, making it impossible to get an accurate picture of how much was spent on sal-

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¡Revolución!

by Otto Guevara

When libertarian activist Raúl Costales first approached me in 1994, he asked if I had ever heard of libertarianism. My reaction was quick: “No, what the heck is that?” We have come a long way since then. Today, the libertarian position is part of every political debate in Costa Rica.

Costa Ricans have been mired for years in an economic and moral morass. Traditional politicians have driven up the cost of living, dug us deeper into debt, and imposed taxes without consent — making poverty and unemployment worse. They choke us in a regime of privilege and corruption. They reward the lazy, the inept, and those who steal, and punish the capable and honest worker.

The traditional political parties have no moral authority to lead Costa Rica.

This is what gave birth to the *Movimiento Libertario* (Libertarian Movement), a political party determined to bring about a moral revolution in Costa Rica, and to attain the highest levels of material and spiritual well-being for all Costa Ricans. On May 25, 1994, Rigoberto Stewart, Raúl Costales, and I decided to form the party. We recognized that the main reason for the deterioration of life in our country was the usurpation by traditional politicians of each individual's decision-making power.

We were inspired by the libertarian philosophy as it was developed by great thinkers in the fields of philosophy, ethics, politics, law, economics, and psychology — by intellectual giants such as Frederic Bastiat, Ludwig von Mises, and Ayn Rand.

In a country used to enshrouding its political leaders in personality cults, the *Movimiento Libertario*'s founders wanted it to be libertarian ideas, not their own names, that persuaded people to adopt libertarianism. That's why we didn't reveal our names, as authors, when we set forth explicitly the libertarian philosophy and solutions to the most

serious problems facing Costa Rica in the book *Movimiento Libertario: Pensamiento y Propuestas* (*The Libertarian Movement: Its Thinking and Proposals*), published in 1995.*

Electoral Success From the Start

Movimiento Libertario had very little money to prepare for its first electoral run on Feb. 1, 1998. As a result, we had to spread our philosophy in innovative ways, such as printing comics. Our main electoral goal was to get our foot in the national Legislative Assembly (Congress), which consists of 57 legislators. However, we nominated candidates to *all* political offices in the country.

Frankly, on the eve of the elections we did not know how we were going to fare. We had not shown up in any of the polls taken previously. All we knew was that we all had put our hearts and souls into the effort. And we were very pleased when we learned on election night that we had obtained three percent of the national vote for Congress and I had been elected to Congress. Later, we also learned that we had won political office in four of Costa Rica's 81 municipi-

* This book can be found in the Spanish section of our Web site: www.libertario.org.

palities and had gained *permanent* nationwide ballot status. But none of this is anything compared to what we realistically aspire to in our second electoral campaign in February of 2002.

To understand why we were so successful in our first campaign it is important to note Costa Rica's proportional representation system. The 57 legislative seats are distributed between the seven provinces based on relative population. The province of San José, the most populous, was assigned 21 seats. I was elected because I obtained 4.64% of the votes in San José, that is roughly equal to the proportion of one over 21. Thus, in contrast to the winner-take-all system in the United States, in Costa Rica we were able to get our foot into Congress without having to defeat a major party opponent in a one-on-one race. That's how our system enables so-called third parties to "get in" and then build on that, based on congressional performance, as we are doing.

Successes in Congress and the Courts

From the start, we knew that one congressman, surrounded by 56 others representing mostly statist parties, couldn't realistically aspire to push the libertarian agenda during a four-year term. I have introduced more bills than any other congressman, including measures that deregulate the economy, reduce the size of the state, eliminate taxes, break up state monopolies, eliminate privileges, and restore individual liberties. The majority are still in the legislative stream and it's improbable that they will be passed during this term.

But I have had a significant impact by introducing amendments to other bills. Many of those bills initially seemed to have sufficient support to become law, but I have been able to change them significantly and so stop or mitigate individual rights violations, close the door on financing new public entities, reduce the tax load and bureaucracy, eliminate privileges, and avoid burdensome economic regulations. On this, I'll just cite the example of social security reform. Although it was passed eventually, this law, that forces employees to "contribute" to a second pension, initially also forced independent workers to pay social security taxes, under the threat of closing their businesses, confiscating their merchandise or taking away their permits, or licenses. In a very difficult and long battle, we were able to eliminate this clause from the law, benefiting hundreds of

thousands of workers who don't have to "contribute" to the Ponzi scheme that social security is.

Costa Rica's Constitutional Court has been a great ally of our libertarian legislative work; through it, we have stopped many statist law bills as well as arbitrary government actions. This is done through non-binding constitutional consultations before a law is passed. And we have made constitutional challenges and injunctions of laws that have been enacted, where the court's decisions are binding. One good example was our constitutional consultation regarding the government budget for 2001, in which the court declared that 20% of the budget was unconstitutional because it pretends to pay interest on public debt by incurring an additional public debt, which violates the constitution. In spite of this, the budget was passed, and the court will next hear our constitutional challenge of this practice. We hope to set a precedent to forbid such future actions, to stop the public debt from growing out of control, as is now happening.

Rated Best Congressman

This has not gone unnoticed. A leading Costa Rican newspaper conducts annual surveys asking reporters to

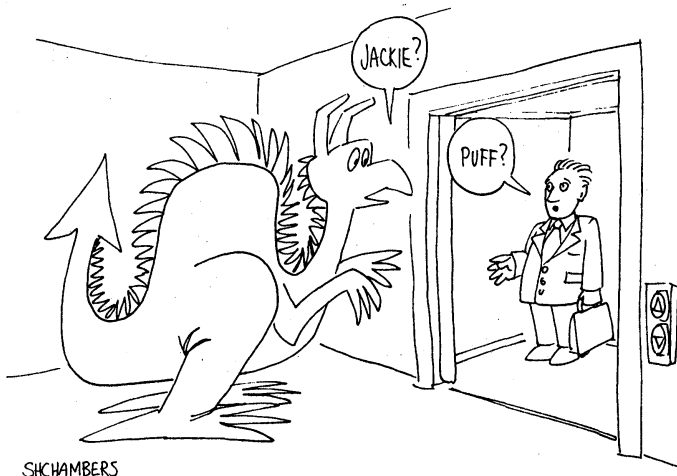
Frankly, on the eve of the elections we did not know how we were going to fare. All we knew was that we all had put our hearts and souls into the effort. So we were very pleased that we got three percent of the national vote for Congress and I had been elected to Congress.

name the best of the country's legislators. After seven months in office in 1998, I was named best congressman by 75% of survey participants. In 1999, I again received that honor by obtaining the same 75%, and in 2000, 80% of news media people awarded me the honor.

Since taking office on May 1, 1998, there have been six nationwide public opinion polls taken in which a representative sample of voters was asked to name the best congressman. I am proud to have been named best congressman in all six polls.

This again confirms — this time from the all-important voting population — that we are on the road to spreading the libertarian philosophy. On a related note, I sometimes reflect on an anecdote from seven years ago. When party co-founder Raúl Costales first approached me in May 1994, he asked me if I had ever heard of the libertarian philosophy. My reaction was quick: "No, what the heck is that?" We have come a long way since then. Today, the libertarian position is part of every political debate in Costa Rica.

There are three reasons I have been so honored. I am fortunate to have a small but very motivated and dedicated libertarian staff in my office, who do the necessary research to prepare me well for committee hearings, floor debates, and public-event participation. I am also fortunate to count on the excellent counsel of a group of libertarian external advisors, who, without charging a cent, help me make tough



tactical and strategic decisions. This is also a small group, but it consists of highly trained professionals, primarily in the business, academic, legal, and economic fields. Third, news media people have learned that we can back up our statements with objective proof. This has enabled us to have all our articles published in the country's six national daily newspapers, and it has also made us interview favorites of journalists who welcome our explanations of libertarian positions and solutions never before heard in Costa Rica, that get to the root of social problems — and work. And this, in turn, helps us spread the libertarian philosophy to every corner of the nation, for free!

In the election next February, we hope to capitalize on the respect we have earned among Costa Rica's newspeople. We

We have come a long way. Today, the libertarian position is part of every political debate in Costa Rica.

will insist on getting invited to all major presidential debates and, as all libertarians of the world know, when we go one-on-one against statist politicians, we have more than enough intellectual ammunition to win.

Libertarian Ideas in the Open

Since our debut on the country's political map, and even more so since I took office in Congress, libertarianism has been winning over people in Costa Rica. And since it's now represented in Congress, the Movimiento Libertario is a topic of study for high school and college students, who regularly visit our congressional office to learn more about libertarianism. And that is also why libertarian speakers are frequently asked to visit high schools and colleges.

The news media have also given libertarian positions a prominent place. Proof of this is that during the congressional year ended April 30, 2001, we averaged 3.8 daily citations in the country's six national daily newspapers. And we get much more than our fair share of television and radio appearances.

Furthermore, we have created a Web site (www.libertario.org) in Spanish that we think is second to none among the country's political parties. In it, we include current congressional topics, our positions and proposals, information about our campaign, libertarian comics (a favorite of ours), our book, the test to find out if one is a libertarian, and much, much more.

The Libertario Poll

A hotel businessman, thankful for our positions in defense of free enterprise, made a contribution enabling us to commission a private poll. It was conducted by UNIMER, perhaps the country's top pollster, who is associated with Research International.*

Conducted over the first weekend of February 2001, it was a phone poll of 400 randomly selected voters in the

Central Valley area, which has 70% of the country's population. Although we recognize that the confidence level of this poll is lower than that of a nationwide poll not limited to voters with phones, it still gave us very helpful feedback. In fact, some of the results pleasantly surprised even the most optimistic in our can-do team.

Over 50% of respondents thought that the two major parties cannot solve the country's problems. Among third parties, ours obtained the best rating, and I was again chosen best congressman, getting over four times as many preferences as the runner-up. Some 81% of respondents recognized my name, and of those, 77% thought favorably of me against only 10% who thought negatively. The most common observations were that I was capable, well prepared, a protector of the poorest members of the population, courageous, ethical, and honest. Among the negative opinions, nothing statistically significant showed up.

In the upcoming elections for Congress, 16% indicated they would vote for libertarian candidates. If this were true and evenly distributed throughout the country, it would mean that libertarians would obtain at least ten of the country's 57 legislative seats. (A separate, nationwide poll taken about the same time indicated that two-thirds of voters would be willing to vote for third party candidates for Congress.)

Although many were still undecided, 41% stated they would be willing to vote for the presidential candidate of a

In a recent poll, 81% of respondents recognized my name, and of those, 77% thought favorably of me against only 10% who thought negatively.

third party, and of those, 23% stated they would vote for the Movimiento Libertario's candidate. And this poll was taken before we even had named our presidential candidate or started campaigning. The overall conclusion by UNIMER was that I have a very positive image among voters, who see me as a capable, well prepared leader who sympathizes with voters and has strong ethical values.

This indicates great potential for the February 2002 elections. But our openly libertarian educational and electoral campaign must be media intensive, which is costly everywhere.

Campaign Objectives and Costs

Costa Rican law presently forbids the consecutive reelection of congressmen. Therefore, I cannot run for Congress in 2002. But with the unanimous support of our National Party Assembly delegates, I am seeking to become Costa Rica's next president. And we have an outside chance of achieving that. But our more realistic goal is to elect a large number of libertarian congressmen by building on our popular support, so that in 2006 we can make a very serious run at the presidency.

Using soccer terminology, our near-term objective is to elect enough libertarian legislators that we can not only prevent anti-libertarian goals from being scored, but may well

* We managed to get the poll conducted for only \$2,100. (Pardon our boasting, but we're very frugal when it comes to spending our contributors' hard-earned money.)

score some goals of our own.

It is entirely possible that no presidential candidate will obtain the minimum 40% vote required to avoid a run-off election between the top two vote-getters. If that happens, we can gain negotiating power to push our libertarian agenda forward. Furthermore, it is almost certain that no party will get a majority of national legislative seats, this again would enhance the chances to advance our agenda. Our specific objective is to obtain a minimum vote of 13% in each municipality and province, that would be over four times our 1998 vote, and would enable us to elect as many as nine or ten congressmen and have candidates in every municipality.

We have budgeted \$200,000 for our campaign, earmarked mostly for TV ads, and by June 30, 2001, we had raised about 25% of that sum. We cover all other costs by selling materials, whether bumper stickers, T-shirts or books, and we have no paid party employees, since all work is done on a volunteer basis. Furthermore, we have no office rental costs, since all our facilities are donated, including phone use.

Our TV campaign will have started by mid-July, with ads that are very different from usual campaign ads. Instead of the tired, empty slogans of the two traditional parties, we will have hard-hitting ads that concentrate on major prob-

lems and the specific solutions to them, perhaps with some humor interwoven now and then. We hope that this will have a short-term positive effect on our poll standings, as we definitely have comparative advantages on television. This is because the passion of our libertarian speech comes out best in visual images. And the fact is that the two traditional party candidates are old political hacks who act like the band on the *Titanic*: they smile and play music as the ship sinks in deficits, inflation, and corruption.

I am planning a trip to the United States in late September, to speak at the *Liberty* Editors' Conference in Port Townsend, Wash., and it's possible that we will stop in Los Angeles to speak at a dinner. Part of the reason for those appearances will be to raise funds for our campaign, which will be intensive by then. I hope to meet as many Americans who share my love of liberty as I am able, and I hope that many will support my campaign. The quicker we are able to establish a free society somewhere in the world, the quicker it will become evident that freedom works, and the quicker it will spread elsewhere.

What drives us is that we want liberty in our lifetimes. And we hope you will join our worldwide team to make that happen. It may well be that Galt's Gulch is further south than you previously believed. □

Haiti, continued from page 34

Naively, he appears to think that making plans to sell the airport, promoting the talents of Haitian artists, and getting more foreign aid will solve his country's problems.

I spent some time with one of his cabinet and some of his closest advisors, presenting a radical plan for change. This is a country with terminal cancer; Band-Aids and gradualism are nonstarters. Out of 200 countries in the world, only about 25 are capital exporters. And out of the 175 importers, Haiti is about the last on any capitalist's list of potential investments. So I proposed a plan, similar to plans I've presented to autocrats of similar basket cases, that would do three things:

1) Make Aristide (and his cronies) legitimately wealthy. Even though he was once a priest ministering to the bottom of society, he's found that power corrupts. And money is the main reason people get into and around government anyway.

2) Put him on the front cover of every newsmagazine in the world in a favorable light for the next decade. No one likes being a pariah, or a laughingstock in charge of a country that's an embarrassment to humanity.

3) Make his country as wealthy in a generation as Hong Kong, Singapore, and Taiwan are today. After all, 50 years ago those places were as poor as Haiti. But today the world is much richer, and technology far more advanced.

This promise got his attention. "Tell me more," he said, which is the usual reaction. My plan begins by eliminating all taxes and regulations; these things serve absolutely no useful purpose in any Third World country except to create sinecures for parasites. That part is simple, and obvious.

The twist is to take all government assets and put them into one large corporation to facilitate distributing 70% of the shares, pro rata, to every citizen now living, 15% in trust for the next generation to be born over the next 21 years, 10% to

the rulers who allowed it to happen, and 5% to be sold in the world's capital markets. The money raised by selling shares would mainly be used to promote the fact that the country is open for business in a way no country in the world has ever been. And the people, not the government, would be the direct beneficiaries.

There's much, much more to it. But, in essence, it's a plan to make it possible to transform a hellhole like Haiti into the kind of place you'd want to move to, no matter where you

You can tell exactly where the border between the Dominican Republic and Haiti lies by flying over it at 10,000 feet; the Haitian side has been totally deforested. People rarely do anything so stupid with their own property.

now live, regardless of other considerations. If there were ever a truly free-market country, the place would be so overrun with rich people that workers now making \$1 a day would be in demand at \$15 an hour (what I have to pay my maid in Aspen — in cash, thank you). Could it happen? Well, in case you're wondering what my other hobby, besides polo, is, it's pitching this plan to Third World governments. They've bought every cockamamie scheme that's come down the pike since the days of Karl Marx. Why shouldn't they go for something that actually makes sense? Well, I can think of lots of reasons, but that doesn't mean I'm about to quit. I haven't heard from the official, so I guess something more urgent came up. □

Rewarding the Criminal for His Crimes

by Timothy Sandefur

The Supreme Court hands a victory to land owners, but celebrations are premature.

Property owners can breathe a little easier after a ruling from the Supreme Court in late June. In *Palazzolo v. Rhode Island*, the Court demolished the so-called “notice rule.” According to this rule, if a property owner purchases land aware that a regulation exists which prohibits development of that land, he cannot later sue to get that regulation thrown out — after all, he was “on notice” when he purchased the land.

This rule operates as a “one-way ratchet,” gradually eliminating all land-use rights. If a landowner does not challenge a regulation immediately, no subsequent purchaser or heir may do so, *no matter how unconstitutional* the regulation in question. Professor Richard Epstein made the unfairness of this rule clear with a metaphor: “The plaintiff who stands on his own front steps may be on notice of the dangers created by motorists using the public highway. He has a set of choices which would enable him to avoid the risk at some cost if he so chooses. Yet this does not establish assumption of risk. The central point is that the individual plaintiff has *both* the right to use his own land and the right to his own physical integrity.” Courts would never hold that a pedestrian’s “notice” of traffic would bar a lawsuit against a driver jumping the curb and running him down; yet those same courts hold that a person buying property aware of *unconstitutional* regulations of that property cannot sue the government to get those regulations thrown out.

The asserted justification for the rule is that it is necessary to prevent “speculators” from purchasing regulated property at low prices, then litigating until the regulation is withdrawn, and thus realizing a “windfall” profit. Considering the extreme amount of time and money that regulatory takings cases consume, it is highly unlikely that any speculator would actually *do* this, but even assuming that some do, why is it unfair? Many civil rights statutes include provisions for awarding attorney’s fees; these are meant to provide an

incentive for private parties to sue for violations of civil rights. This essentially makes citizens free-lance enforcers of the Constitution’s equal protection clause. But the same liberals who support such mechanisms are horrified by the possibility that a similar incentive could work to protect property owners from unconstitutional land-use regulations.

The notice rule has gone to even worse extremes. In some cases, courts have held not only that a property owner who purchases “on notice” of an existing regulation cannot recover in court, but even that property owners who purchase property aware of a regulatory “atmosphere,” or of a likelihood that a land-use regulation will eventually be passed, cannot recover. In other words, the notice rule not only prevents owners from freeing their own land from unconstitutional regulation, but it requires that property owners foresee *future unconstitutional acts* by the government.

In *Palazzolo*, a 5–4 Court held that under the rule “State[s] would be allowed, in effect, to put an expiration date on the Takings Clause. This ought not to be the rule. Future generations, too, have a right to challenge unreasonable limitations on the use and value of land.” Justice Anthony Kennedy, writing for the majority, was particularly explicit in his explanation of the notice rule’s flaws:

The . . . rule would work a critical alteration to the nature of property, as the newly regulated landowner is stripped of the ability to transfer the interest which was possessed prior to the regulation. The State may not by this means secure a windfall for itself. . . . The theory underlying the argument

that post-enactment purchasers cannot challenge a regulation under the Takings Clause seems to run on these lines: Property rights are created by the State. . . . So, the argument goes, by prospective legislation the State can shape and define property rights and reasonable investment-backed expectations, and subsequent owners cannot claim any injury from lost value. After all, they purchased or took title with notice of the limitation. The State may not put so potent a Hobbesian stick into the Lockean bundle.

While property owners can breathe a little easier now than they could before the *Palazzolo* decision was released, it may be too early to celebrate the death of the "notice rule." First, circuit courts have repeatedly attempted to ignore Supreme Court decisions which don't comport with the

While property owners can breathe a little easier now than they could before the Palazzolo decision was released, it may be too early to celebrate.

overwhelmingly leftist interpretations found among the legal elite. The second reason is Justice O'Connor's concurring opinion. Characteristically, O'Connor attempted to divert the actual holding of the case, writing separately that "Today's holding does not mean that the timing of the regulation's enactment relative to the acquisition of title is immaterial. . . . Under [takings precedents], interference with investment-backed expectations is one of a number of factors that a court must examine. Further, the regulatory regime in place at the time the claimant acquires the property at issue helps to shape the reasonableness of those expectations." In other words, the "notice" a buyer had is not the most important question, but still must be considered. The problem is, if a court does consider this factor, it will inevitably become the predominant factor — as it has all along. Taken to its logical conclusion, Justice O'Connor's opinion is a *dissent*, not a concurrence. If a land-use regulation does not become *more* constitutional over time — if, as Justice Kennedy's majority opinion holds, states may not "put an expiration date on the Takings Clause" — then it is *not* proper to consider the tim-

ing of that regulation as a factor at all.

The confused nature of Justice O'Connor's concurrence comes to a head in a paragraph when she writes "*Courts properly consider the effect of existing regulations* under the rubric of investment-backed expectations in determining whether a compensable taking has occurred." Yet in a footnote to that same paragraph, she wrote, "the relative timing of regulatory enactment and title acquisition, of course, does *not* affect the analysis of whether a State has acted within the scope of these powers in the first place." Fortunately, Justice Antonin Scalia made these points and more in his own concurrence, in which he wrote "separately to make clear that my understanding . . . is not Justice O'Connor's." In his view, "the fact that a restriction existed at the time the purchaser took title . . . should have *no* bearing upon the determination of whether the restriction is so substantial as to constitute a taking." Scalia demolished the asserted interest in preventing "windfalls":

The polar horrible, presumably, is the situation in which a sharp real estate developer, realizing (or indeed, simply gambling on) the unconstitutional excessiveness of a development restriction that a naive landowner assumes to be valid, purchases property at what it would be worth subject to the restriction, and then develops it to its full value (or resells it at its full value) after getting the unconstitutional restriction invalidated. This can, I suppose, be called a windfall — though it is not much different from the windfalls that occur every day at stock exchanges or antique auctions, where the knowledgeable (or the venturesome) profit at the expense of the ignorant (or the risk averse). There is something to be said (though in my view not much) for pursuing abstract "fairness" by requiring part or all of that windfall to be returned to the naive original owner, who presumably is the "rightful" owner of it. But there is nothing to be said for giving it instead to the *government* — which not only did not lose something it owned, but is both the cause of the miscarriage of "fairness" and the only one of the three parties involved in the miscarriage (government, naive original owner, and sharp real estate developer) which *acted unlawfully* — indeed *unconstitutionally*. Justice O'Connor would eliminate the windfall by giving the malefactor the benefit of its malefaction. It is rather like eliminating the windfall that accrued to a purchaser who bought property at a bargain rate from a thief clothed with the indicia of title, by making him turn over the "unjust" profit to the thief.

In short, *Palazzolo* is a good first step, but only a first step. □

"Auditing the Browne Campaign," *continued from page 38*

aries and how much was spent on other expenses. Thus we had to report that while we knew that Sharon Ayres, Browne's campaign manager and treasurer, was paid a total of \$128,089.98, we did not know how much was salary and how much was reimbursement of expenses.

I suppose I can understand how this fact might have slipped Browne's notice, since he subordinated the task of making reports to the FEC to Ayres and to the campaign's FEC specialist Stuart Reges. But I am puzzled that Browne didn't bother to check the FEC Web site that he himself had cited or examine even one of the hundreds of pages of reports his campaign filed.

Browne's conclusion — that citing the campaign's reports

to the FEC is "a sure sign that the accuser hasn't done any first-hand research" — is simply bizarre. There were only two sources of information available to anyone who wanted to investigate: Browne's own *Report* and the information the Browne campaign had reported to the FEC. Browne's *Report* was written in a light as favorable to the campaign as possible, and consisted entirely of second-hand information. The other source of information was the report that the Browne campaign made to the FEC. Here we examined the original documents, signed by Browne campaign officials under penalty of perjury.

This raises the obvious question: if examining all the original documents that were available does not constitute "first-hand research," then what possibly could? — R. W. Bradford

Reviews

Crypto: How the Code Rebels Beat the Government — Saving Privacy in the Digital Age, by Steven Levy. Viking, 2001, 356 pages.

How We Won the War for Privacy

William E. Merritt

As a young man, I enjoyed biographies. I'd read through the story of somebody's life and think, "My gosh, an actual person really did that stuff," and be inspired to lead a more interesting life myself.

It didn't do much good, though. Instead of becoming interesting, I just became older and more literary. And, pretty soon, I started noticing a disturbing pattern in the way biographies are put together. No matter who you read about — Jefferson, Genghis Khan, Napoleon, Caesar — they all die in the end.

Once I identified this pattern I found myself racing through the stories with morbid fascination. Was this guy going to die, too? And they all did. One after another. Hiram Maxim, gone. Thomas Edison, gone. Even recent people — Linus Pauling and Dian Fossey and the Notorious B.I.G. Biggie Smalls — all gone. It was formula writing of the worst sort — as dreary and predictable as anything in a Harlequin romance. And I felt ripped off and affronted and cast about for a new source of inspiration.

My daughter, who tends to be more levelheaded in these matters, suggested I try memoirs, and I had a brief fling with the genre. Like any affair,

memoirs started off fun. They were rich and varied and filled with gossip. Women, especially, will spill the most startling personal beans about their mothers. And, best of all, the protagonist never dies in the end. But there is something unfulfilling about memoirs. They almost all wrap up into tidy little stories, but you keep wondering, "well, what came next?" If innocent, New Age Hansel had written about his childhood as a poor woodcutter's kid, the tale would have ended when the nice lady in the gingerbread house took him and his sister inside. And the reader would be left with nagging doubts. Things like, wasn't there *some* broccoli in the garden? Are these kids going to eat nothing but gingerbread and gumdrops the rest of their lives? If you are a kid, you'd want to know how, exactly, do I find the way to this place. And if you're a parent, you're going to think that any kid staying in that house is going to learn a valuable lesson the next time it rains. It's those kinds of scientific, grown-up thought, that led me to reading about science.

It turns out there are a pair of competing traditions in science writing. In one, science is wondrous and entertaining and filled with things like velociraptors and black holes and teeny, tiny little strings humming along in eleven dimensions way down at the center of protons. This is the

kind of attitude you tend to find in books by famous science writers for *The New York Times*. The other tradition has it that science is bad for puppies and other living things and needs to be taken in hand and controlled and lopped back and hedged in with moral and religious calls to action by people who are better than you, like Noam Chomsky and Ralph Nader.

Since there never seemed to be much I personally could do to keep alpha baboons from swiping food from their lesser-lettered fellows, or penguins from washing up on the beach at Ipanema, I prefer to hang out with the science-is-terrific crowd.

Which is what led me to *Crypto: How the Code Rebels Beat the Government — Saving Privacy in the Digital Age*. This isn't exactly a rah-rah-bring-on-the-technology-at-any-cost sort of book. But it was written by *Newsweek's* chief technology writer, so it's not some kind of religio-moral screed, either. And, of the maybe two-dozen characters, only one actually dies — and he weighs 400 pounds, so you see it coming. Best of all, the book has a really happy ending.

Basically, *Crypto* is a story about who owns privacy — meaning who controls the encryption technology to keep secrets secret.

Until recently, the government did. At least the government owned all the really good stuff — all the devious ciphers and uncrackable codes that let our diplomats and warriors swap raunchy notes with each others' spouses in complete security that their own old ladies didn't have the computing power to crack through to the real dirt.

The government, in its dark incarnation as the National Security Agency, keeps these goodies stashed away at Ft. Mead, Md. — behind more layers of electrified barbed-wire fence than they used at the Super Max federal pen to stop Timothy McVeigh from mingling with reporters.

The National Security Agency was

set up in 1952 by top-secret order of President Truman, and operates entirely in the "Black Zone" — a kind of national Cayman Islands in which billions in tax dollars disappear into the shadows never to be accounted for again. For decades, the only people outside the Triple Fence with enough need to know to have a clear idea what was going on back there were senior congresspeople on budget committees who, among themselves, referred to the NSA as "No Such Agency."

And that's the way it went, with the NSA transmogrifying taxpayer

Cryptography had been defined as a munition — right alongside Stinger shoulder-fired anti-aircraft missiles and the formula for napalm — and mailing copies of the Diffie-Hellman article overseas was a violation of the National Security Act.

money into acres of supercomputers behind the Triple Fence, and into anonymous little gadgets scattered everywhere else on the planet, and across outer space, scooping up every little variation in the magnetic field, and every radio wave, and every flirtatious firefly flicker until, according to the *Popular Mechanics* in my barbershop, it was routinely copying down every secret message, intercepting every radio signal, tapping every undersea cable, phone wire, and soup-can-and-twine communications device — and government spooks were happily reading the plain-text printouts before Mr. Qaddafi or Mr. Mao, or young Skippy up in the treehouse had finished mulling over what had been said.

With horses like that under the hood and nobody watching from the backseat, the NSA grew into what may well be the single most evil outfit on the planet once Yeltsin renamed the KGB into a lighter, friendlier organization. At the very least, things had gone way too far for any of us to have much luck asking it to back off. The best we

could hope for was to come up with some way to talk to one another that the NSA couldn't understand.

Which looked for a long time like about as fat a chance as you're ever going to get. Even foreign governments couldn't keep their most intimate fantasies from the boys inside the Triple Fence. And foreign fantasies come pre-scrambled in languages like Farsi and Quechua before they even get run through the foreign code machines. Besides, we ordinary Americans weren't very good at codes.

Outside the Triple Fence, the American Cryptogram Association, a loosely connected consortium of, mostly, elderly amateurs exchanging tips on how to beat *Jumble: That Scrambled Word Game* — along with their offshoot, the Bedwarmers, a gang of polio victims and other paralytics who spend a lot of time thinking about crossword puzzles and cryptograms — were the cutting edge of civilian cryptographic thinking.

This is where Whitfield Diffie, a true libertarian hero, came scowling into the picture. If ever there were someone who deserves a specially struck Presidential Medal of Freedom, Diffie is the one. At the beginning of the book, he is a wiry, crew-cut MIT student with an angry face and a collection of exotic animals. By the end, he has shoulder-length blond hair, a pleasant Buffalo Bill beard, and dresses in suits cut by London tailors. In between, he kicks off a chain of events that proves the Basic Libertarian Postulate that a bunch of random people bouncing around will, through a sort of Brownian motion, always outgun the authorities. If only they are allowed to do it. Well, Whit Diffie was allowed to do it because nobody who mattered knew what he was up to until it was too late.

Diffie got turned on to writing codes as a kid. But, as he grew up, he had to figure out how to do it on his own because all the serious literature on the field was locked up behind the Triple Fence. This may have been a miscalculation on the NSA's part because it left Diffie smart and tenacious — and too naive to realize that the single most important rule of code-writing is to make sure to keep the key to decoding the thing private.

The weakness with any code is the part about how you get the key to the person who is supposed to receive the message, while keeping it out of the hands of everybody else. You can't just broadcast it, or anybody listening is going to be able to read the message as easily as the recipient. You can't write it down and dispatch a hard copy without worrying about all the double agents and Xerox machines between here and there. And you can't just send it along with the person you are going to transmit the message too — at least not if you ever want to change the code. And you will want to change the code because, if you don't, anybody who plucks enough transmissions out of the air can use his supercomputer to crack them by brute force.

As bad as the problem is when the Strategic Air Command wants to keep track of a bunch of day-tripping VIPs partying along the edge of Russian air space at the controls of a hundred megatons of nuclear death, the situation becomes unimaginably more complicated when ordinary people are involved. That's because there's no telling to whom a civilian might want to e-mail a dirty joke, or phone up with

When Intel went along and started handing over the keys to the escrow authority, people began surreptitiously pasting stickers on their computers, announcing: "Big Brother Inside".

the details of his latest sexual adventure. And, when you consider the gazillions of permutations between all the computers and telephones on the planet, each permutation needing its own, unique code — the whole privacy thing starts to look pretty gloomy.

What occurred to Diffie was that, maybe, the key didn't have to be private. Maybe there was some way to broadcast it in the clear so that only the person the message was intended for could use it. And, odd as it would have seemed to cryptographers all the way

back to Aristotle, he figured out a way to do it.

His idea was this: every computer, or scrambling telephone, or whatever, would come fitted out with a public key and a private key — based on huge prime numbers. Someone wanting to contact the computer, or phone, or whatever, would use the public key to scramble the transmission with a one-way function. One-way functions are a mathematical oddity that allows an equation to be worked easily in one direction but, once worked, it is almost impossible to unwork from the other direction.

Either you have the private key — which will unwork this particular equation — which you won't unless you have the machine with the private key inside, or you begin factoring. Even with the most powerful computers in the world running day and night, you will still be factoring that number for many times longer than it's going to take the sun to burn out. Years from now, when computers become many times faster, cracking that message still isn't going to be a practical proposition. And, when computers do become fast enough — well, all the sender has to do is use bigger numbers.

When Diffie figured this out, he did what academics always do. Along with Marty Hellman, who'd been working with him on the problem, he published. And whole litters of cats were out of the bag and stalking the alleys.

What a collection of animals those cats turned out to be — suits and freaks, outfits with names like Computer Professionals for Social Responsibility, counteroutfits calling themselves things like Cryptology Amateurs for Social Irresponsibility, and groups of cypherpunks that were hardly outfits at all, people trying to make a buck off Diffie's idea, and other people trying to make sure everybody in the world could get it for free.

Not many of these folks liked each other very much. The only thing that linked them together was that most were libertarians. And most of those who weren't had started out as libertarians, then gone around the bend to become things like anarchists. And, being libertarians, they acted like libertarians, and lipped off and annoyed

one another. Sometimes, they took each other to court. And, every now and then, they looked up long enough to take a swing at the government.

At first, the government swung back with export laws. It turned out that, years earlier, cryptography had

Whitfield Diffie, a true libertarian hero, kicked off a chain of events that proved the Basic Libertarian Postulate that a bunch of random people bouncing around will, through a sort of Brownian motion, always outgun the authorities.

been defined as a munition — right alongside Stinger shoulder-fired anti-aircraft missiles and the formula for napalm — and mailing copies of the Diffie-Hellman article overseas was a violation of the National Security Act. Unfortunately, scores — maybe hundreds — of copies of the journal the article was in had already been mailed overseas by the time the NSA's copy arrived. Lots of overseas subscribers didn't want to give theirs back — and a comic, chaotic, epic scramble was on.

People made speeches in public. People harangued each other in secret. Ideas were shared and plans concocted. And, at one point, the Church of Scientology almost made off with the whole ball of wax.

When Joe Biden introduced legislation to outlaw any device that could turn out a message the government couldn't read, a freeware true believer dedicated an evening to driving around the Bay Area with a laptop and an acoustic coupler, stopping at random phone booths and uploading his program, Pretty Good Privacy, to Web sites in foreign places around the world. By the next morning every terrorist, enemy agent, adul-

terer, child pornographer, and ordinary Joe who didn't want his mail read by the feds could download world-class encryption onto his home computer.

Al Gore took time off from reinventing government to shill for a key-escrow scheme — a would-you-believe-this? notion that all of us could have as strong an encryption as we liked, so long as the government got to keep copies of our private keys. In exchange, the feds guaranteed not to listen in on our personal conversations except when they wanted to.

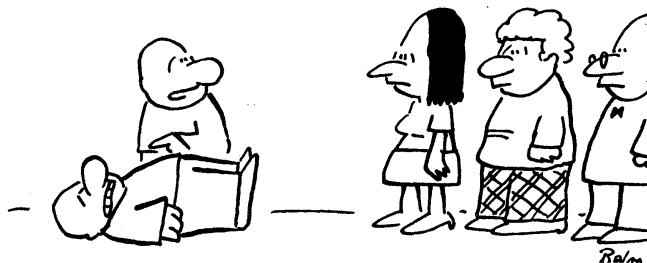
When Intel went along and started handing over the keys to the escrow authority, people began surreptitiously pasting stickers on their computers, announcing: *Big Brother Inside*.

The debate heated up. Rush Limbaugh found himself making the same arguments as the ACLU.

It came to a head when foreign manufacturers began selling their own versions without turning anything over to our government. This started American high-tech companies complaining to Congress that they were feeling left out. Rep. Maria Cantwell (Idiot-Wash.) took up the cause. As did William Safire, *The New York Times* word authority and former Nixon speechwriter, and people started asking one another how comfortable they'd feel leaving a key to their houses down at the police station.

Gore cut a deal with Cantwell to make the whole key-escrow business voluntary then, showing how well he had learned at the feet of his master, reneged. But Cantwell had the agreement in writing and he was stuck.

In the end, Clinton and Gore and the NSA quietly gave up. Today, your home computer comes with state-of-the-art, crack-proof encryption built right in. And you can talk to your drug



"This man is being bored to death — are any of you people entertainers?"

lord down in Colombia as freely as you want without worrying that somebody in Maryland might be jotting down your every word for the grand jury.

There are a lot of lessons in this. One, of course, has to do with the power of chaos — or, at least, of random human beings acting in their own interest.

Another has to do with — well, another has to do with the ongoing power of the regimented, lockstep people. Because those guys never go away. And, in the case of cryptology, one hears rumors.

And what one hears isn't so rosy and optimistic. What one hears is that, maybe, the NSA gave up because they really didn't care all that much — that they've got some truly awesome computers in back of their fences. Computers with hundreds of Pentium processors that can cut down to a few days the time it takes the sun to burn out — and that's if they go about their work by brute force.

But, maybe, they don't have to because, along with all those computers, they've got half-a-century's worth of publications and how-to manuals that nobody on the outside even knows exist, along with some really smart spooks — genius-level spooks — who know how to write algorithms that make cracking a message much easier than just factoring their way through the number system. And, for that matter, maybe public-key encryption just makes their job all the simpler — maybe, when digits that are randomized enough come streaming through one of their processors, it tips them to exactly where to look.

But the individuals outside are still here, too — working the other side of the fences. That's what that hunt for bigger prime numbers is all about. Every now and then, when you read about some goof who has just invested a good portion of his waking life to discovering a million-digit prime or some such nonsense, you think, well la-di-da for him. But you're wrong. The point's not about some kind of loony academic one-upmanship. It's about the race between ordinary guys wanting to hang onto a little privacy, and other guys who think it's unpatriotic to keep back anything at all from Uncle. □

The Fourth Great Awakening and the Future of Egalitarianism, by Robert William Fogel. The University of Chicago Press, 2000, 383 pages.

Socialism for the Spirit

Christopher Chantrill

Even leftists are beginning to catch on to the dirty little secret that the welfare state is in trouble. Although they still proudly boast that the material condition of the poor has increased remarkably and all because of them, they have to admit that there is something in the underclass culture that is less than admirable. All those benefits and programs may have done wonders for the material condition of the poor, but they haven't done much for their moral and spiritual condition.

The way to solve this inequity is obvious. Announce a "maldistribution of spiritual resources" and propose a comprehensive national program to eliminate spiritual inequality and address the struggle for self-realization and the desire for a deeper meaning in life.

Wouldn't a national program to eliminate spiritual inequality come perilously close to a national church? Wouldn't that create a minor problem with the First Amendment? Apparently Robert William Fogel doesn't think so. His *The Fourth Great Awakening and the Future of Egalitarianism* never even mentions the First Amendment.

Not for him the niceties of the separation of church and state. He's concerned about power. Fogel realizes that the abysmal record of the welfare state on the moral and spiritual front creates a mortal danger. The U.S. voter might easily develop a bad attitude toward the welfare-industrial complex. And if the voters got a bad attitude, they

might decide to take away all the money, power, and love of beautiful women that professional busybodies have enjoyed over the last century.

Fogel has to deal with the rather embarrassing fact that this moral and spiritual crisis occurred on the progressives' watch. Why should people trust him and his kind to solve it? Instead of confronting this question, he changes the subject, reminding his readers of all the wonderful things that progressives did over the last century. He tries to weave this into a theory of religious and political cycles that asserts that the progressives are uniquely qualified to implement a national program to eliminate spiritual inequality.

Fogel cites a wealth of fascinating data to show that, despite the industrial revolution in 19th century America, the workers didn't share in the bounty. Measures of adult height and body-mass index show that workers were, if anything, worse off at the end of the century than the beginning. But the 20th century has seen a dramatic improvement in the life of the poor. A century ago, the average poor man was almost eight inches shorter than his rich cousin. By midcentury the difference had decreased to one inch. The income of the poor had increased nine times. And this was all the result of the social reformers, of course.

Life expectancy was improved, Fogel explains, by "the pure-water movement, by the improvement in sewage systems, and the provision of vaccines to all children regardless of income" and also by "medical education and hospitals." Certainly these all were important factors, but were the

progressives responsible for them? The value of pure water and decent sewers was demonstrated back in the 1850s when an outbreak of cholera in London was traced to a well polluted by an overflowing cesspool, and when authorities discovered that death rates dropped dramatically when water was purified by sand filters. Fogel seems to believe that Americans were blind to this momentous discovery for half a century until being bludgeoned into action by progressive reformers.*

He then turns to the gains of labor, noting that the "earnings of industrial workers have risen by nine times between 1890 and 1996 . . . while hours of work per year have declined dra-

Evidently, we are just to assume that improvement in working conditions was the product of political reform rather than improving technology.

matically." Evidently, we are just to assume that this improvement was the product of political reform rather than improving technology, although Fogel does admit that unions were only able to raise compensation for their members "by an estimated 15%" over the wages of non-union workers.

Not surprisingly, Professor Fogel claims that the real driving force in improving the lot of the workingman has been education. He gives credit to universal government elementary education in promoting greater welfare; ignoring the fact that primary education was almost universal before the government takeover around 1870 — not to mention the sad fact that education standards since then have uniformly declined as the enthusiasm of the education reformers has been dissipated into bureaucracy and special-interest rent seeking. No doubt there has been a great increase in the time each child spends being educated and a stunning increase in taxpayer funding of education from elementary school to graduate research. Yet today the United States must import plane-loads of technological talent from overseas to staff the New Economy.

When it comes to the discussion of the failures of social reform, Fogel is frank. "Such problems [in cities] as drug addiction, alcoholism, births to unmarried teenage girls, rape, the battery of women and children, broken families, violent teenage death, and crime are generally more severe today than they were a century ago. . . . Oddly, the sharpest increases in indicators of moral decay came after, not before, the 'war on poverty' of the 1960s and 1970s." Fogel is also frank about the reason for the moral failure: "Poverty [was seen by the social reformers as] not a personal failure, but a failure of society, and evil would have to be seen, not as a personal sin, but as a sin of society." In other words, the social reformers were flat wrong.

The truth has to be faced, he writes. The nation is suffering from spiritual inequality. What is needed, he says, is a program of spiritual equality using the team of experts, professors, and activists that so successfully implemented the material equality achieved in the previous century. It will correct the huge inequality in nonmaterial resources, the "maldistribution of vital spiritual resources," and provide the poor in spirit with the 15 spiritual values such as: a "sense of purpose," a "vision of opportunity," a "sense of the mainstream of work and life," a "strong family ethic," a "sense of community," a "capacity to engage with diverse groups," a "sense of benevolence," a "sense of discipline," a "capacity to focus and concentrate one's efforts," a "capacity to resist the lure of hedonism," a "capacity for self-education," a "thirst for knowledge," an "appreciation of quality," and "self-esteem." Experts will provide "spiritual enrichment of nursery and day care," because "some young mothers and fathers are too deprived, or too young, to call on their own life experiences to transmit a sense of discipline" to their children. In the new millennium, people will be less focused on "earnwork," work performed primarily to earn money, and more on "vol-work," work done to satisfy their personal needs and interests. We will need a program to dismantle standard working hours, fund abundant leisure, health care, lifetime learning, and democratize self-realization. "At the dawn of the new millennium it is neces-

sary to address . . . the struggle for self realization, the desire for a deeper meaning in life than . . . consumer durables and the pursuit of pleasure."

With this, the progressive program would indeed be complete. The government, already guarantor of material prosperity, would assume the role of spiritual counselor and minister New Age nostrums to a populace now completely dependent on government, materially, spiritually, and morally.

If that were all (and it's certainly more than enough), Fogel's book could be called *The Future of Egalitarianism*. But he understands that not only have leftists failed on the spiritual front, but that a number of Americans are pretty upset about it. Unless he and his buddies can learn some fancy footwork, there is a danger that the whole progressive edifice that has done so much good — and done so well for its advocates — might be rolled back by the religious right in unholy alliance with assorted other rights. Fogel may be able to convince himself that the record of progressivism is a glorious success marred by one little minor failure, but others might find his whole program to be a fraud that claims credit for improvements that would have happened anyway, and then used those

Fogel seems to believe that Americans were blind to this momentous discovery of the benefits of pure water and decent sewers for half a century until being bludgeoned into action by progressive reformers.

claims as a qualification for fixing the failure that was a direct result of its own errors. Fogel needs to distract his audience; he needs a dodge. To do this, he reaches for a theory of politics developed in the 1970s by history professor William G. McLoughlin. McLoughlin's *Revivals, Awakenings, and Reform* proposed that the great political realignments in the United States have always been anticipated by a period of spiritual renewal. The Puritan Awakening of 1610–1640 provoked the

English Civil War and the exodus of the "godly" to the American colonies, and the Great Awakening of 1738–40 provoked the notorious political alignment that began with the Declaration of Independence. In 1800–1830, the Second Great Awakening gave birth to the abolition and temperance movements that provoked the political realignment of the 1850s and the U.S. Civil War. These were grass-roots movements; they stirred millions and changed millions of lives.

The Third Great Awakening, according to McLoughlin, began in the Progressive Era, starting about 1890, and inspired 20th-century social reform and the New Deal realignment that ushered in the welfare state. But here McLoughlin had to deal with an inconvenient fact: The progressives and their allies the social gospelers were not grass-roots activists. They were college professors and middle-class social activists, who sought to *impose* their plans on the lower classes. How did they fit into a paradigm of grass-roots religious movements driving politics?

McLoughlin had an explanation. He found that the religious phase of each awakening began with agitation among the "old lights" (the revivalists) but the political phase was managed by "new lights" (the enlightened reformers who had the skills to manage change). Picking up McLoughlin's model, Fogel decides that in the Progressive Era, revivalists like Billy Sunday identified the spiritual malaise, and then the enlightened progressives developed the programs that resulted in the improvements of life expectancy, health, labor rights, and education that we all enjoy today. The progressives just took a little wrong turn on the spiritual front.

Then he applies this model of reform to the present spiritual malaise. In the 1950s, the "old lights" like Billy Graham and Norman Vincent Peale identified a moral crisis. Excellent! Now Fogel and his crew of "new light" neo-progressives can develop a program of spiritual equality that will solve the problem, just like the Third Great Awakening in the original Progressive Era.

Thanks, but no thanks. What Fogel doesn't tell us, perhaps because he doesn't know it, is that back in 1900

America already had a functioning system of material and spiritual welfare. It was a great sprawling web of churches, missions, fraternal organizations, labor unions, orphanages, charities, foundations, and neighbors. Even in the big cities the immigrants set up a dense network of mutual-aid organizations. During the next century, progressives and their allies nationalized the material side of this system, and in the process effectively destroying the spiritual welfare system that was invisibly integrated with it. Conveniently ignorant of the inconvenient past, Fogel is shocked to discover the chaos

left by the progressive wrecking crew and wants to start up a government program to clean up the mess.

That brings us back to the initial problem. Even if the progressives were not guilty of destroying the spiritual welfare system over the last century, and even if Fogel's vision of a national spiritual welfare system should prove the most wonderful thing in the world, it still amounts to a national church of positive self-esteem, and is, thus, unconstitutional. What is it about "Congress shall make no law respecting an establishment of religion" that isn't clear to Fogel? □

Friedrich Hayek, by Alan Ebenstein. St. Martin's Press, 2001, 403 pages.

The Road to Wisdom

Bettina Bien Greaves

When World War II broke out in Europe, a young Austrian living and teaching in England was disturbed not only by Hitler's attack on Poland which had launched Europe into war, but also by the development of socialist ideas he was witnessing in England. His concern led him to write *The Road to Serfdom* (1944), a book which was to change the direction of his career and have a profound influence on ideas worldwide. That young man was Friedrich A. von Hayek — economist, political philosopher, thinker, and later recipient of the Nobel Prize in Economic Science. In *Friedrich Hayek*, Alan Ebenstein does justice to Hayek in each of his several roles.

Born and raised in pre-World War I Austro-Hungary, Hayek studied law and economics at the University of Vienna. As a student and young college graduate he had been a mild socialist, an advocate of improving

interpersonal relations through social reform. But upon completing college, he encountered Austrian economist Ludwig von Mises, and read Mises' devastating critique *Socialism* (1922) which "fundamentally altered [his] outlook" (p. 40).

Hayek did not change "instantaneously" from being a Fabian socialist to being a free marketer. "It was a process that took several years, and even through the later 1920s, Hayek retained more positive views of government involvement in an economy than he subsequently developed and maintained" (40). In time, however, he came to realize that some kinds of state action were "extremely dangerous" and hence his whole effort became trying "to distinguish between legitimate and illegitimate action." He wrote, "[S]o far as government plans for competition or steps in where competition cannot possibly do the job, there is no objection; but I believe that all other forms of government activity are highly dangerous" (126).

In 1931 Hayek had been invited to lecture at the London School of Economics, had moved his family to England, became completely assimilated into British life (110), and in 1938 became a British citizen (104). When the war started, Hayek volunteered to serve the British government in some capacity because of his knowledge of languages (English, German, French, and Italian) (36), perhaps in the Ministry of Information "with the organization of propaganda in Germany" (104). But his offer was rejected because of his Austrian birth.

As a young man Hayek had seen his native Austria drift toward socialism. He had witnessed postwar Austria's inflation firsthand and "considered inflation to be the worst misfortune that can befall an economy" (34). And during World War II he witnessed Britain also drifting toward socialism. As he "was not able to participate in the war effort directly, he did so indirectly" — he wrote *The Road to Serfdom*, a book in which he hoped "to clarify that Nazism was not a reaction to socialism but an outgrowth from it. . . . The book was his personal war effort, one he found a 'duty which I must not evade'" (118–119). It was, Hayek wrote, the "product of an experience as near as possible to twice living through the same period — or at least twice watching the same evolution of ideas" (114). And he worked diligently at his self-assigned task on behalf of Britain's war effort. "Hayek's daughter, Christine, remembers her father as always working in his study when he was home while she was growing up. She adds that, in some ways, she hardly knew him, so preoccupied with work was he" (83).

The Long Road

In *The Road to Serfdom*, Hayek's vital message was the "incompatibility of socialism and liberty" (119). He held that German National Socialism (Nazism), which the Allies were then fighting, and socialism as practiced in the U.S.S.R., then an ally of England, were essentially the same. Hayek saw the market and competition with its checks and balances, within a "carefully thought-out legal framework," not central planning, as the most effective way to assure the freedom and rights of individuals: "[W]here effec-

tive competition can be created, it is a better way of guiding individual efforts than any other. It does not deny, but even emphasizes, that, in order that competition should work beneficially, a carefully thought-out legal framework is required, and that neither the existing nor the past legal rules are free from grave defects" (125). He continued, "The practice of private ownership and private direction of many of the means of production in a society is essential to freedom, prosperity, and democracy" (117), concluding that "a policy of freedom for the individual is the only truly progressive policy" (40).

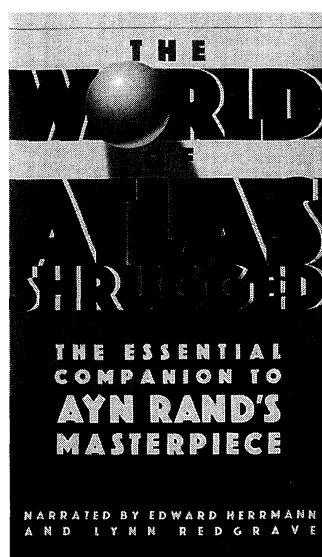
The "socialists of all parties," to whom Hayek dedicated *The Road to Serfdom*, were shocked at his equating Nazism with socialism and by his bold assertion that central planning was not the path to social reform. The book, so contrary to the then current climate of opinion, had an immediate shock effect, and gained Hayek considerable notoriety. He was accused of being "a leading thinker of reaction" and of

"using the economic theories of the 1880's to justify the business practices of the 1940's" (136). Stuart Chase, whom Hayek attacked in the book, wrote a critical piece, "Back to Grandfather: Dr. Hayek's Guide to the

While he was at sea en route to the U.S., Reader's Digest published a condensation of The Road to Serfdom in April 1945, practically ensuring the book's "best-sellerdom."

Pre-War Era" (137). In June 1945, *The New York Times* published back-to-back essays, "Is the World Going to the Left?" Socialist Harold Laski, chairman of the British Labour Party, argued the affirmative; Hayek the negative (139). And Herman Finer wrote an entire book in an attempt to "prove Hayek's apparatus of learning is deficient, his

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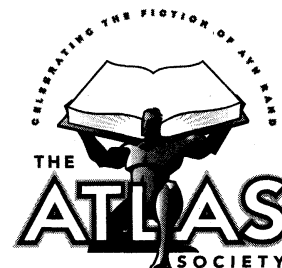
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reading incomplete; that his understanding of the economic process is bigoted, his account of history false; that his comprehension of British and American political procedure and mentality gravely defective; and that his attitude to average men and women is truculently authoritarian" (137).

However, the book also attracted praise. Economic journalist Henry Hazlitt described *The Road to Serfdom*, in the lead review of *The New York*

When the war started, Hayek volunteered to serve the British government in some capacity because of his knowledge of languages. But his offer was rejected because of his Austrian birth.

Times "Book Review" section, as "one of the most important books of our generation. . . . It restates for our time the issue between liberty and authority with the power and rigor of reasoning that John Stuart Mill stated the issue for his own generation in his great essay, 'On Liberty'. . . . [It is] a strange stroke of irony that the great British liberal tradition, the tradition of Locke and Milton, of Adam Smith and Hume, of Macaulay and Mill and Morley, of Acton and Dicey, should find in England its ablest contemporary defender — not in a native Englishman but in an Austrian exile" (134).

Hayek was invited to the United States for a lecture tour of universities. While he was at sea en route to the States, *Reader's Digest* published a condensation of *The Road to Serfdom* in April 1945, practically ensuring the book's "bestsellerdom." So the plan for Hayek's tour was revised. He was to "go on a public-lecture tour around the country." "My God," he said, "I have never done this. I can't possibly do it. I have no experience in public speaking." "Oh, it can't be helped now." "Well, when do we start?" "You are late. We've already arranged tomorrow, Sunday morning, a meeting at Town Hall in New York." When Hayek was picked up at his hotel, he asked, "What sort of audience do you

expect?" "The hall holds 3,000 but there's an overflow meeting." "Dear God!" he said to himself. He hadn't any idea what he was going to say. "How have you announced it?" "Oh, we have called it 'The Rule of Law in International Affairs.'" He had never thought about that problem in his life. The last thing he remembered as he sat down on the platform in front of all the unfamiliar paraphernalia — at that time it was still dictating machines — was that he asked the chairman if three-quarters of an hour would be enough. "Oh, no, it must be exactly an hour; you are on the radio." With those words sounding in his ear, he started, "without the slightest idea of what [he] was going to say." But he got through the hour "swimmingly" and "went through the United States for five weeks doing that stunt everyday" (135–136).

Shortly after the war, Antony Fisher, a British entrepreneur-operator of a large-scale chicken "factory," who had read the *Reader's Digest* condensation of Hayek's *The Road to Serfdom*, looked Hayek up at the London School of Economics. Fisher wanted to do something "to help get discussion and policy on the right lines," perhaps to run for political office. Hayek discouraged Fisher's political ambitions and urged him to join others "in forming a scholarly research organization to supply intellectuals in universities, schools, journalism and broadcasting with authoritative studies of the economic theory of markets and its application to practical affairs."¹ Hayek "believed immensely in the power of ideas" (176); he did not believe it was possible "to overestimate the influence which ideas have in the long run" (207). The "task of the political philosopher," Hayek said, "can only be to influence public opinion. He will do so effectively only if he is not concerned with what is now politically possible. . . . So far as direct influence on current affairs is concerned, the influence of the political philosopher may be negligible. But when his ideas have become common property, through the work of historians and publicists, teachers and writers, and intellectuals generally, they effectively guide developments" (206–207).

Fisher's efforts led to the establishment in 1955 of the Institute of

Economic Affairs (IEA), headquartered in London, an organization which went on to publish hundreds of reports documenting problems caused by government interference with the economy and making the case for market alternatives.² In the process, IEA helped to promote Hayek's ideas. Some years later when two Hayek "fans" gained political office — Margaret Thatcher in England and Ronald Reagan in the United States — Hayek's ideas had some influence on government policies.

Hayek's life was not the same after *The Road to Serfdom*. Until then he had concentrated on economics proper, prices and production, monetary theory, and the business cycle, gaining some recognition as a technical economist. He had even "debated" the famous Keynes in the pages of the economic journals. Although intellectual opponents, Hayek and Keynes had been fairly friendly personally. Hayek's son, Larry, "remembers that his father and Keynes took shifts together watching for fires at night from the top of King's College" (106).

*The "socialists of all parties," to whom Hayek dedicated *The Road to Serfdom*, were shocked at his equating Nazism with socialism. The book, so contrary to the climate of opinion, had an immediate shock effect, and gained Hayek considerable notoriety.*

At that time, Hayek considered himself "one of the two main disputing economists. There was Keynes and there was I." But then Hayek discredited himself in the eyes of academia by writing a book for popular consumption, *The Road to Serfdom*. And Keynes died in April 1946 and became a "saint" (152) in the eyes of the public while Hayek, in his own words, was "gradually forgotten as an economist" (152). But this turn of fortune only served to turn Hayek onto a new course, away from economics proper and toward political philosophy. Hayek had "become much

too interested in the semi-philosophical policy problems — the interaction between economics and political structure” (91). The problems of political philosophy and the role of government on which he had “so undesignedly embarked were more challenging and important” (127).

The Man of Ideas

In the course of his long life, Hayek made important contributions to economics and political philosophy, helped to demolish the socialist mystique, influenced many thinking persons as well as some prominent politicians, and presented the rationale for individual freedom. Ebenstein relates not only how Hayek came to write *The Road to Serfdom* and how it changed his life, but he tells much more. He describes Hayek’s contributions to economic understanding as well as the reasoning and logic that gained Hayek a well-deserved reputation as *the* philosopher of liberty. Ebenstein deals also with a point on which Hayek differed from his mentor Mises, as well as Hayek’s most serious disagreement with Milton Friedman, a personal friend and another Nobel Prize winner. And into the discussion of all these ideas, Ebenstein weaves events from Hayek’s personal life.

Friedrich A. von Hayek was born in 1899 into a well-to-do Catholic family of landholders and intellectuals. He was raised in Vienna, capital of the Austro-Hungarian empire. World War I was still in progress as Hayek approached his 18th birthday and he joined the army, fought for a year in Italy and was wounded slightly. At war’s end, he entered the University of Vienna and began studying a combined curriculum of law and economics. After graduation, he became a legal consultant to the commission charged by the Allies’ peace treaty with Austria with settling prewar debts among belligerent nations. This commission was headed by Austrian economist Ludwig von Mises; thus began a lifelong association between the two men.

Mises helped arrange for Hayek to visit New York for a year as an aide to New York University professor Jeremiah Jenks, and upon Hayek’s return to Vienna, Mises continued to encourage Hayek’s serious interest in economics. Hayek became an active

participant in Mises’ private seminar. And in 1926, when Mises established the Austrian Institute for Business Cycle Research, he appointed Hayek its first director.

Hayek’s study of economics led him to develop, or to “intuit” as he put it, what was perhaps his most important “discovery,” the fact that there is a division of knowledge (282), that not all knowledge is verbally expressed, that knowledge is widely diffused, and that prices are a means to cope with that diffusion of knowledge. As Hayek wrote later, too little “emphasis has been placed on the fragmentation of knowledge, on the fact that each member of society can have only a small fraction of the knowledge possessed by all, and that each is therefore ignorant of most of the facts on which the working of society rests” (238–239). He first broached this subject in his 1936 presidential address to the London Economic Club, “Economics and Knowledge”:

How can the combination of fragments of knowledge existing in different minds bring about results which, if they were to be brought about deliberately, would require a knowledge on the part of the directing mind which no single person can possess? The spontaneous actions of individuals will, under conditions which we can define, bring about a distribution of resources which can be understood as if it were made according to a single plan, although nobody has planned it. (94–95)

Years later, Hayek recalled that it was “somehow in thinking through anew these problems [of socialist calculations] which had much occupied us in Vienna ten or fifteen years earlier that I had suddenly the one enlightening idea which made me see the whole character of economic theory in what to me was an entirely new light” (97).

As Hayek explained, market prices play an important role in the solution of this knowledge problem. They transmit information concerning the relative supply and demand for a good or service. A high price indicates scarcity and/or strong demand for a good or service, motivating entrepreneurs and consumers to economize, expand production, and/or seek alternatives. A low price indicates a relatively abundant supply and/or low demand,

which tells entrepreneurs and consumers they need not be so frugal. Through prices, therefore, people are able to benefit from knowledge that is widely dispersed, existing only in the separate minds of countless market participants throughout the economy and thus for all practical purposes unavailable. Thus, Hayek came then to realize that “prices are the essence of a market society, and, with prices, private property, contract, profits, the ability to exchange goods and services, and the laws and societal norms that define and sustain these. Hayek enunciated not merely the negative case against socialism that the division of knowledge renders central control of an economy infeasible, but he stated the positive case for a competitive market society, that fluctuating prices and

And Keynes died in April 1946 and became a “saint” in the eyes of the public while Hayek, in his own words, was “gradually forgotten as an economist.”

the concomitants of these are the best, and perhaps only, way to overcome knowledge’s fragmentation. The proper role of government is to facilitate effective interpersonal action through creating a market order in which individuals may make maximum use of divided knowledge through fluctuating prices and profits” (97). Hayek’s help in solving the “knowledge problem” was, according to biographer Ebenstein, his “primary contribution.” Hayek’s insight into the role of market prices also led Hayek to describe the market as a “spontaneous order.” Ebenstein writes: “His exposition of spontaneous order, though he traced the concept to Adam Smith and Carl Menger, was his own. He attempted to demonstrate that, absent an orderer, human society can achieve great orderliness” (319).

Ludwig von Mises, Hayek’s mentor, had pointed out in 1920 that socialism must fail because private property would be socialized, factors of production would no longer be traded and no market prices would appear to indicate

the relative importance of various goods, services, and projects. Thus, according to Mises, socialist central planners who lacked market prices would be unable to calculate. Hayek supplemented Mises' argument by pointing out that in the absence of market prices, the socialist central planners would lack access to diffuse and widely dispersed data, the very data they needed for planning. Thus, by explaining the role market prices play in communicating knowledge, Hayek reinforced Mises' position.

Hayek's study of economics had taken him to England in 1931 and to the London School of Economics, where he taught and lectured on various aspects of technical economics. He analyzed and published works on how monetary manipulation distorts prices, profits and losses, and, hence, economic investment and production, leading to the phenomenon of the business cycle. After the publication of *The Road to Serfdom*, Hayek shifted focus from economics to political philosophy.

In 1947, Hayek was instrumental in founding the Mont Pelerin Society, an association of free-market minded persons from all over the world. In 1950, he moved to the United States to accept a position at the University of Chicago's Committee on Social Thought. His position there released him from teaching economics proper and permitted him to devote his time and thought to broader, more philosophical issues. During Hayek's twelve years in Chicago, he published two major works: *The Counter-Revolution of Science* (1952) and *The Constitution of Liberty* (1960).

Because of the contributions of the physical sciences to technology, mechanics, and the "industrial revolution" inventions, it had become the fashion to try to adopt the methodology of the physical sciences to the

study of the actions of people. In *The Counter-Revolution of Science*, Hayek contrasted the methodology of the physical sciences with that of the science of human action. He analyzed the doctrines of positivists and historicists, and showed that their attempt to apply the methods of the physical sciences to economics had laid the basis for modern socialistic theories and the demand for central planning. But, as Hayek explained, individuals are not automata; they think, reason, value, act, and plan their own actions. "[R]eason undoubtedly is man's most precious possession," Hayek said. "Our argument is intended to show merely that it is not all-powerful and that the belief [of historicists and positivists] that it can become its own master and control its own development may yet destroy it" (201–202). As Ebenstein summed up, Hayek's argument "was not against reason, but was itself the reasonable argument that there is a limit to what individual reason may know and accomplish, and optimal societies should be based on this premise, rather than on one that sees an all-powerful individual reason" (202).

The Rule of Law vs. Anarchy

Hayek's other major work from his Chicago years was *The Constitution of Liberty*. According to him, liberty was "the state in which a man is not subject to coercion by the arbitrary will of another" (196). But Hayek did not advocate anarchy; the rule of law was essential, he pointed out, for productivity. "The importance which the certainty of law has for the smooth and efficient running of a free society can hardly be exaggerated. There is probably no single factor which has contributed more to the prosperity of the West than the relative certainty of the law which has prevailed here" (197).

It is the distinguishing mark of the Western political tradition that for this purpose coercion has been confined to instances where it is required by general abstract rules, known beforehand and equally applicable to all. Combined with the requirement that such general rules authorizing coercion could be justified only by the general purpose of preventing worse

coercion, this principle seems to be as effective a method of minimizing coercion as mankind has yet discovered. (201)

In response to a young critic who questioned Hayek's advocacy of coercion, he sought to explain: "It was not the main thesis of my book that 'freedom may be defined as the absence of coercion.' Rather . . . its primary concern is 'the condition of men in which coercion of some by others is reduced as much as is possible in society.' . . . Coercion can only be reduced or made less harmful but not entirely eliminated. The essential rub is that to 'prevent people from coercing others is to coerce them'" (201).

Although Hayek made clear that he was not an anarchist, he was just as quick to profess that he was not a conservative. Hayek emphasized that it would be an "error to believe that, to achieve a higher civilization, we have merely to put into effect the ideas now guiding us. If we are to advance, we must leave room for a continuous revision of our present conceptions and ideals which will be necessitated by further experience" (201). He wrote in *The Constitution of Liberty*:

[B]elief in integral freedom is based on an essentially forward-looking attitude and not on any nostalgic longing for the past or a romantic admiration for what has been. . . . In a world where the chief need is once more to free the process of spontaneous growth from the obstacles and encumbrances that human folly has erected, his [the political philosopher's] hopes must rest on persuading and gaining the support of those who by disposition are 'progressives,' those who, though they may now be seeking change in the wrong direction, are at least willing to examine critically the existing and to change it wherever necessary. (205)

And the political philosopher can influence public opinion "only if he is not concerned with what is now politically possible but consistently defends the 'general principles which are always the same.'" ³

No, Hayek was not a conservative. He believed that tolerance to new ideas was the only way to counteract what Hayek called everyone's "unavoidable ignorance." From Hayek's belief in the power of ideas, he taught "that the



"What we need to do here is increase your self-esteem, without, of course, being ridiculous about it."

'diversity and limitation' of individual intellects follow; that 'truth will emerge from the interplay of different intellects in free discussion'; that reason is a social process and that 'belief in persuasion' is vital; that 'nobody is competent authoritatively to decide [he] knows best'; that 'even error has to be respected'; and that 'the spreading of opinion is inevitably a gradual process'" (181-182). Hayek was deeply committed to truth and to tolerance for new ideas, whatever they may be, for one can never know whence tomorrow's truth will come. On this basis, Hayek would grant tolerance for the ideas of even a Harold Laski, whom he abhorred (56), and a Beatrice Webb, whom he detested (82). Nicholas Kaldor, an influential British Keynesian, whose relationship with Hayek was "tempestuous" (63), remembered Hayek's telling him that "academic freedom was so important a principle that they [London School of Economics] must tolerate Laski, whatever nuisance he is" (368).

The Errors of Libertarianism

Although Hayek made it clear that he was neither an anarchist nor a conservative, he was not entirely comfortable with the libertarian position either, for he believed that "libertarianism quite easily slides into anarchism" (24). Hayek was willing to grant government considerably more leeway than do libertarians. In reviewing Hayek's *The Constitution of Liberty*, his friend and mentor, Ludwig von Mises, noted Hayek's willingness to compromise with statism: "It was the great merit of Professor Friedrich von Hayek to have directed attention to the authoritarian character of socialist schemes. Now Professor Hayek has enlarged and substantiated his ideas. . . . Here the author tries to distinguish between socialism and the Welfare State. Socialism, he alleges, is on the decline; the Welfare State is supplanting it. And he thinks that the Welfare State is under certain conditions compatible with liberty. Professor Hayek has misjudged the character of the Welfare State" (202).

According to Ebenstein, Hayek's achievement in *The Road to Serfdom* was "to get the main point right . . . that so many of his intellectual and academic contemporaries got wrong: The prac-

tice of private ownership and private direction of many of the means of production in a society is essential to freedom, prosperity, and democracy" (117). However, Ebenstein says that Hayek:

. . . misjudged the ranges of the probable and practical in the politics of his day, and was excessively pessimistic as to the likelihood of internal socialist change within western nations and in his evaluation of the capacity for a 'middle way' between state socialism

and unstructured capitalism to achieve economic productivity and relative personal freedom. He, indeed, endorsed a middle way, though considerably farther to the right than Keynes and Beveridge, and though he did not recognize or call it such. (117)

Hayek pointed to "two alternative methods of ordering social affairs — competition and government direction" and said he "was opposed to government direction, but wanted to

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make competition work. . . . [W]here you can create a competitive condition, you ought to rely upon competition." However, he continued, "I have always said that I am in favor of a minimum income for every person in the

country" (125–126). And in *The Road to Serfdom*, Hayek clearly endorsed the welfare state: "There is no reason why in a society which has reached the general level of wealth which ours has attained . . . [security against severe

physical privation, the certainty of a given minimum of sustenance for all] should not be guaranteed to all without endangering general freedom. . . . [T]here can be no doubt that some minimum of food, shelter, and clothing, sufficient to preserve health and the capacity to work, can be assured to everybody."⁴ Nevertheless, Hayek remained a "radical anti-socialist. He said throughout his career that he always retained many values of socialists, and that if socialist conceptions of the way the world is were true, one should adopt many socialist practices. Where he primarily differed from socialists was not in values, but in his perspective of facts. If socialists could have persuaded him that their version of facts were correct, a socialist he again would have become" (238).

Hayek's "middle-of-the-road" position aroused the ire of Ayn Rand. Never one to equivocate, she made her view clear in her 1946 letters. To Leonard E. Read, President of the Foundation for Economic Education: "I fully sympathize with your anger at the conservatives who claim that they oppose compulsion except for their particular pet cause. That is their usual attitude. . . . All so-called respectable publications, owned by conservatives, have been staffed with pinks who maintain a blockade against all real advocates of our side. Only the Hayeks and such other compromisers are allowed to get through, the kind who do more good to the communist cause than to ours" (275). And to Rose Wilder Lane, author of *The Discovery of Freedom*: "Now to your question: 'Do those almost with us do more harm than 100% enemies?'. . . There is one general rule to observe: those who are with us, but merely do not go far enough are the ones who may do us some good. Those who agree with us in some respects, yet preach contradictory ideas at the same time, are definitely more harmful than 100% enemies. As an example of the kind of 'almost' I would tolerate, I'd name Ludwig von Mises. As an example of our most pernicious enemy, I would name Hayek. That one is real poison" (275).

The Hayek-Mises Connection

As Ebenstein explains, Hayek really didn't have any association with Mises

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until after he graduated from the university in 1921 — his undergraduate work had been with Professor Friedrich von Wieser (28). And when Hayek worked for Mises before he went to New York in 1923, he was still primarily “under the tutelage of Wieser, for whom he was writing a thesis” (41). Mises considered Wieser “a fine intellect . . . an honest scholar,” but not an “Austrian economist” for he never really understood the idea of Austrian subjectivism.⁵ And his student Hayek admitted that “Wieser was slightly tainted with Fabian socialist sympathies” (26). Yet Hayek felt he had an advantage in encountering Mises, “as a trained economist, trained in a parallel [Wieserian] branch of Austrian economics,” for it enabled him to profit greatly from Mises’ teachings. However, Hayek said that Mises “gradually, but never completely, won me over” (26). Hayek never fully accepted Mises’ aprioristic methodology; rather he “adopted a more empirical approach” (158).

To understand Mises’ aprioristic methodology and the nature of the

Hayek thought that to follow the course Milton Friedman recommends of a fixed rate of increase in the money supply would “probably produce the greatest financial panic of history . . .”

conflict between Mises and Hayek, one must realize the difference between economic *theory*, or economic science, on the one hand, and economic *history*, or the objective, concrete outcomes of the actions of individuals, on the other hand. Mises explained that basic economic theory rests on a priori categories — causality, regularity, change, time, action, and value — and Mises defines these a priori categories as those categories which are so fundamental that no one can conceive of life in this world without them.⁶ Incidentally it might be pointed out that the physical sciences rest on these same a priori categories also — in the absence of causality, regularity,

change, and time, no laboratory experiments could be conceived or conducted, no data of the physical sciences could be accumulated, no production could be carried out.

In the field of economics, complex economic theories and laws are deduced by reasoning logically step by step from the fundamental a priori to simple theories and from simple theories to more complex ones. From the a priori categories of action, value, time, etc., we know *why* men act — to try to improve their situation. From these categories, we can understand why men trade, and how prices arise reflecting the relative values of market participants. From the a priori categories of action, value, time, etc., we can understand *why* men trade things they have for other things they want more urgently — and *why* and *how* ratios (prices) arise, reflecting the relative values of market participants. However, we can only learn the consequences of these actions — what is traded, what prices are paid — a posteriori, or empirically. But this empirical knowledge is *explained* only by theories that are deduced by reason and logic from a priori categories. The *theories* constitute the science of economics, the science of human action; the empirical data that result from the actions of market participants constitute economic *history*. Theory and history are two different fields; both are important to study.

Hayek did not accept the sharp distinction Mises drew between economic theory and economic history. Hayek revealed his confusion in “Economics and Knowledge” (1937) when he tried to point out “that while the analysis of individual planning is in a way an a priori system of logic, the empirical element enters in people learning about what the other people do. And you can’t claim, as Mises does, that the whole theory of the market is an a priori system, because of the empirical factor which comes in that one person learns about what another person does” (96).⁷ To that, Mises would reply that the *theory* of the market is derived from a priori

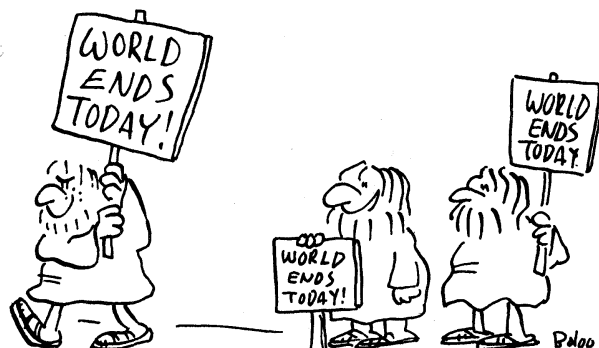
categories, while the “empirical factor” which enters when “one person learns about what another person does” is a datum of economic history; in Mises’ terminology, such data are not strictly speaking economics, economic science, or economic theory.

Hayek’s important contribution to the knowledge problem, his explanation as to how information is transmitted through market prices, stems from reason and logic based on the a priori categories of action, value, time, etc.; the prices transmitted are empirical data of economic history, knowable

Although Hayek made clear that he was not an anarchist, he was just as quick to profess that he was not a conservative.

only a posteriori. Hayek’s explanation of the trade cycle as the outcome of monetary manipulation which distorts market prices and production stems from reason and logic based on the a priori categories of action, value, time, etc. The economic statistics which illustrate Hayek’s explanation of the trade cycle are empirical data of economic history which are knowable only a posteriori.

Most “economists” today do not understand this distinction which Mises makes between theory and history. Most “economists” today are not economic theorists; they are economic statisticians and economic historians; they hope to develop theory by accumulating increasing quantities of economic data. However, Hayek followed Mises in disputing the value of statisti-



“That new kid shows a lot of promise.”

cal information for developing theory: "You cannot build a theory on the basis of statistical information, because it's not aggregates and averages which operate upon each other, but individual actions" (271). Ebenstein writes, "[Hayek] wrote early, in words he never reconsidered, that 'the use of statistics can never consist in a deepening of our theoretical insight.' He quoted A. Lowe favorably that 'our insight into the *theoretical* interconnections of economic cycles has not been enriched

Although Hayek made it clear that he was neither an anarchist nor a conservative, he was not entirely comfortable with the libertarian position either, for he believed that "libertarianism quite easily slides into anarchism."

at all by descriptive work or calculations of correlations,' and 'we entirely agree with him [Lowe] when he . . . say[s] that "to expect an immediate furtherance of *theory* from an increase in *empirical* insight is to misunderstand the logical relationship between theory and empirical research'" (274).

Chicago School Conflict

The relationship between Hayek and Friedman is revealing, and Ebenstein relates their agreements and disagreements. When Hayek moved to Chicago in 1950, he occasionally met Milton Friedman, University of Chicago professor of economics and Nobel Laureate to be, but they did not come to know each other well for some time, because they were not in the

same department and also because of their respective travel schedules. However, they came to respect each other, although each had some reservations about the other.

From the time when Friedman first "read some of his [Hayek's] works, and even more from the time in the mid-1940s that I [Friedman] first met Friedrich Hayek, his powerful mind, his moral courage, his lucid and always principled exposition have helped to broaden and deepen my understanding of the meaning and requisites of a free society" (267). Friedman considered himself "an enormous admirer of Hayek, but not for his economics." He thought *Prices and Production* was "a very flawed book" and his capital theory book was "unreadable" although he considered *The Road to Serfdom* "one of the great books of our time" (81). Friedman gives Hayek credit for calling attention to the fact that prices "transmit information. The crucial importance of this function tended to be neglected until Friedrich Hayek published his great article on 'The Use of Knowledge in Society' [1945]" (97). But Friedman's principal criticism of Hayek concerned his methodology. "Hayek retains . . . a large element of the praxeological approach of Mises, that knowledge comes from us inside, that we have sources of data we can rely on and we can reach truth by. . . . I think it's an utterly nonsensical view" (272-273).

When interviewed by Ebenstein in October 1995, Friedman said that when Hayek's *Prices and Production* was published, Hayek:

. . . had not freed himself from the methodological views of von Mises. And those methodological views have at their center that facts are not really relevant in determining, in testing, theories. They are relevant to illustrate theories, but not to test them, because we base economics on propositions that are self-evident. And they are self-evident because they are about human beings, and we're human beings. So we have an internal source of final knowledge, and no tests can overrule that. Praxeology.

That methodological approach, I think, has very negative influences. It makes it very hard to build up cumulative discipline of any kind. If you're always going back to your internal,

self-evident truths, how do people stand on one another's shoulders? And the fact is that fifty, sixty years after von Mises issued his capital theory — which is what's involved in Hayek's capital theory — so-called Austrian economists still stick by it. There hasn't been an iota of progress.

It also tends to make people intolerant. If you and I are both praxeologists, and we disagree about whether some proposition or statement is correct, how do we resolve that disagreement? We can yell, we can argue, we can try to find a logical flaw in one another's thing, but in the end we have no way to resolve it except by fighting, by saying you're wrong and I'm right. . . . Now as I said, I believe that Hayek started out as a strict Misesian, but he changed. The more tolerant atmosphere of Britain, then subsequently of the U.S., and his exposure to a wider range of scholars, led him to alter that position. (273-274)

As for Hayek's view of Friedman, Hayek recognized Friedman's remarkable oratorical gift: "Friedman has this magnificent expository power. He's on most things, general market problems, sound. I want him on my side. . . . But you know, I ought to add, I have often publicly said that one of the things that

Hayek's "middle-of-the-road" position aroused the ire of Ayn Rand.

I most regret is not having returned to a criticism of Keynes' [*The General Theory*]. But it's as much true of not having criticized Milton's *Positive Economics*, which in a way is quite as dangerous" (271).

In a 1980 letter to the editor of the *Times* of London, Hayek wrote that "the newfangled word monetarism means no more than the good old name 'quantity theory of money'." Hayek then went on to say that "the problem" with the quantity theory of money in its "crude" Friedmanian form is that it "provides no adequate measure of what is the supply of money and that not only the supply of all kinds of money but also the demand for them determines its



"No kidding — you went to high school with Kermit?"

[money's] value" (277–278). And Hayek wrote in *Denationalisation of Money* that the problem with the quantity theory of money is that by its "stress on the effects of changes in the quantity of money on the general level of prices it directs all-too exclusive attention to the harmful effects of inflation and deflation on the creditor-debtor relationship, but disregards the even more important and harmful effects of the injections and withdrawals of amounts of money from circulation on the structure of relative prices and the consequent misallocation of resources and particularly the misdirection of investments which it causes" (278).

According to Ebenstein, Hayek thought that to follow the course Friedman recommends of a fixed rate of increase in the money supply would "probably produce the greatest financial panic of history. . . . As regards Professor Friedman's proposal of a legal limit on the rate at which a monopolistic issuer of money was to be allowed to increase the quantity in circulation, I would not like to see what would happen if it ever became known that the amount of cash in circulation was approaching the upper limit and that therefore a need for increased liquidity could not be met" (278). Moreover, Hayek "thought that wage and price controls would be implemented by governments unwilling to control inflation through monetary means, and that wage and price controls would, in turn, destroy the free market economy through hyperinflation and eventual state management of the means of economic production" (279). He was pessimistic of Britain's chances to summon the will to cure inflation as he thought it must be done, at one fell swoop, and predicted that "if this is not done by a determined Government it will not be done before, after a vain attempt to concealing inflation by price controls, the pound finally collapsed entirely."⁸

In 1980, Hayek feared that:

Mrs. Thatcher [was] following the advice of Milton Friedman. He is a dear friend of mine and we agree on almost everything except monetary policy. He thinks in terms of statistics, aggregates and the average price level and does not really see that inflation leads to unemployment because of

Notes on Contributors

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the distortion of the structure of relative prices. If you have a long period of inflation in which much misdirection of effort has taken place as a result of the distortion of the price structure, extensive unemployment becomes inevitable. (278)

The Nobel Years

Hayek left Chicago in 1962, moved to Freiburg, Germany, then returned for eight years (1969–1977) to Salzburg in his native Austria. In 1974 he was awarded the Nobel Prize in Economic Science. As a Nobel Laureate, he was more widely listened to and gained greater prestige and larger audiences than ever before. But he thought the Nobel Committee officials must have wanted to prevent his working because receiving the award forced him to spend so much time responding to countless invitations from all over the

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world that he had little time for research and writing. But he kept on producing. He returned once more to monetary theory. And he spent years working on three volumes published in 1973, 1976, and 1979 as *Law, Legislation and Liberty*. Then there followed a summary of his views, *The Fatal Conceit* (1988).

Hayek's reputation as a political philosopher grew and he became widely recognized as the philosopher of liberty. His theme throughout his writings was pro-human freedom and anti-central management. "Personal liberty cannot exist where an individual is but a piece in a planner's scheme" (2). "Liberty is the society in which coercion is reduced to the minimum possible through known general laws applicable to all with a coercion-minimizing intent. Liberty is the supre-

macy of law" (224). By that he meant the rule of law, principles known in advance and enforced equally on all. According to Ebenstein, Hayek held that "The proper role of government is to facilitate effective interpersonal action through creating a market order in which individuals may make maxi-

To understand Mises' aprioristic methodology and the nature of the conflict between Mises and Hayek, one must realize the difference between economic theory and economic history.

mum use of divided knowledge through fluctuating prices and profits" (97). In writing *Law, Legislation and Liberty*, Hayek's goal was "to create a philosophical framework to guide future societal order. He sought new, competition-maximizing institutions, which he thought would require great change from existing institutions" (225).

Hayek was not only a philosopher, but he was an idealist, a "utopian philosopher." In 1949 he wrote:

We must make the building of a free society once more an intellectual adventure, a deed of courage. What we lack is a liberal Utopia, a program which seems neither a mere defence of things as they are nor a diluted kind of socialism, but a truly liberal radicalism. The main lesson which the true liberal must learn from the success of the socialist[s] is that it was their courage to be Utopian which gained them the support of the intel-

lectuals and thereby an influence on public opinion which is daily making possible what only recently seemed utterly remote. (233)

The spontaneous character of the resulting order must . . . be distinguished from the spontaneous origin of the rules on which it rests, and it is possible that an order which would still have to be described as spontaneous rests on rules which are entirely the result of deliberate design. (98)

According to Ebenstein, "He supported the creation of new societal macro-institutions, 'the permanent framework of institutions.' He opposed government direction of an economy. . . . His focus in time became rules, or law. Rules enable people to live together more or less efficiently, in the most materially productive way with the highest degree of knowledge — the most accurate predictions of the future" (98–99).

Ebenstein describes Hayek's basic thesis as follows: "The most important institutional safeguard of individualism is the rule of law. Hayek considered no attribute of a society's political order to be more important than the rule of law. Where not laws, but men rule, no one is free and great coercion is inevitable" (124). His final words as dictated to his son, Larry, in answer to a reporter's written question, contained his basic thesis: "I believe that in general the idea of justice is more closely met by a freely competitive market than by any deliberate allocation of income to some imagined ideal of the kind" (317).

Hayek died in Freiburg in 1992, a little more than a month shy of his 93rd birthday. He was buried in a simple Catholic ceremony in a cemetery on the outskirts of Vienna.

According to Ebenstein, "Friedrich Hayek's great contributions included the enunciation of a world order in which humanity could live at peace. . . . Only by extending the rules of just conduct to the relations with all other men, and at the same time depriving of their obligatory character those rules which cannot be universally applied, that we can approach a universal order of peace which might integrate all mankind into a single society." Manuel Ayau of Guatemala, past president of the Mont Pelerin Society and founder of the free-market oriented

Universidad Francisco Marroquín, calls Hayek "the intellectual torchlight for the libertarians in Latin America" (211). In the end, Ebenstein concludes that Hayek's "writing will serve as a beacon to enlighten centuries" (319, 320). Friends of liberty can only hope to be so fortunate. □

Notes:

1. Powell, Jim. *Triumph of Liberty* (Free Press, 2000): 449.
2. Powell, Jim, 450.
3. Hayek, Friedrich. *The Constitution of Liberty*, 411.
4. Hayek. *The Road to Serfdom*, 120.
5. Mises, Ludwig von. *Notes and Recollections*, 35–36.
6. In Mises' own words: "But the characteristic feature of a priori knowledge is that we cannot think of the truth of its negation or of something that would be at variance with it. . . . [T]he negation of what it asserts is unthinkable for the human mind and appears to it as nonsense." (Mises, *The Ultimate Foundation of Economic Science* (1962): 18.)
7. "In a 1983 letter to economic theorist and historian Terence Hutchison,

Hayek's contributions to economic understanding as well as reasoning and logic gained him a well-deserved reputation as the philosopher of liberty.

Hayek added that his 'main intention' in 'Economics and Knowledge' [1937] was to 'explain gently to Mises why I could not accept his apriorism.' Economics cannot be a purely deductive, aprioristic discipline because it is not solely about individual actions, but about how individuals communicate information, which is an empirical process about which no a priori statement can be made." Hutchinson, T. W. "Hayek and 'Modern Austrian' Methodology," *Research in the History of Economic Thought and Methodology*, 10 (1992): 23. Quoted in Ebenstein, p. 97; see also p. 158.

8. Hayek, "Monetarism and Hyperinflation." *Times* March 5, 1980.

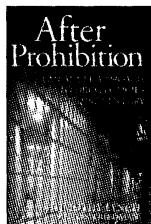
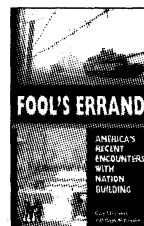


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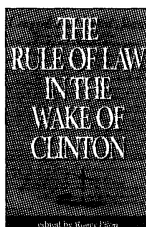
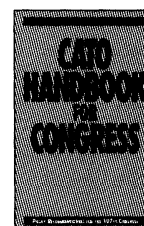


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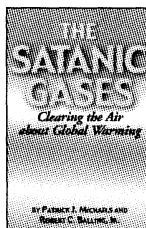
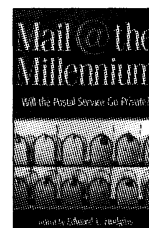


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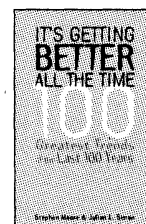


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Palmer, Ark.

Rehabilitating the criminal element in an unusual way, from a dispatch in *Prison Legal News*:

Jeffrey Wiseman, a guard at the Palmer Correctional Center, was charged with theft after it was discovered he had been using prisoners' credit cards to buy goods.

Dayton, Ohio

Odd event in the home of the Dayton Peace Accords, reported by the *Dayton Daily News*:

During a fight with her husband, Linita Pettigrew picked up her child by the arm, chased her husband up the street, and beat him with the child.

Gardhinagar, India

The dangers of too clear a vision, reported by the estimable *Tribune*, of Chandigarh:

Ambalal Patel was arrested "for spreading fear and disturbing the peace." He had predicted that earthquakes would occur in the area.

Boston

Progress in outdoor recreation, reported in *The Boston Globe*:

A recent order has ruled that "having sex in public places" should "not be considered illegal if the activity was adequately hidden from view."

White Plains, N.Y.

Proof that students are the only ones who learn in the classroom, from *The Seattle Times*:

After law professor Gary Munneke illustrated his lecture on personal injury by pulling a chair out from under student Denise DiFede, she sued him for \$5 million, claiming that the situation smacked of "battery" and "negligence."

Paris

Further evidence of the superiority of French culture, from *USA Today*:

A man is being treated at a hospital for burns sustained when he attempted to snuff out the eternal flame under the Arc de Triomphe by sitting on it.

Washington, D.C.

Advance in public management, reported by *The New York Times*:

An agency in the Defense Department devoted to ferreting out fraud destroyed documents and forged new ones before its operations were to be audited. The actions, which were taken "to avoid embarrassment" will "cost the government thousands of dollars" and "could adversely affect the confidence of the public."

U.S.A.

The cutting edge of linguistics, discovered in the *Seattle Post-Intelligencer*:

In a single interview, Britney Spears used the phrase "I mean" 38 times.

Albany, N.Y.

Peculiar sexual mores among the primitive people of the Empire State, discovered in the *New York Post*:

After receiving a sentence of 25 years in prison for rape, Robert Gorghon went to another office in the same courthouse and was married to Cheryl, the mother of the victim. "He's been my husband for a very long time in God's eyes," the bride told the press.

Tokyo

Art imitates life, from a dispatch by Reuters:

After a former janitor went on a stabbing spree inside a school a

Web site featured a game titled "Killing Children at Ikeda Elementary School." Police requested that the site remove the game, which they thought "could hurt the feelings" of the people involved.

Berlin

The rising price of popular entertainment, reported by Reuters:

A Web site that offered Madonna fans a ticket for a sold-out concert in exchange for having sex with one of its reporters received more than 20 applications.

Carrollton, Texas

Advanced legal thinking in the Lone Star State, from a report in *The Dallas Morning News*:

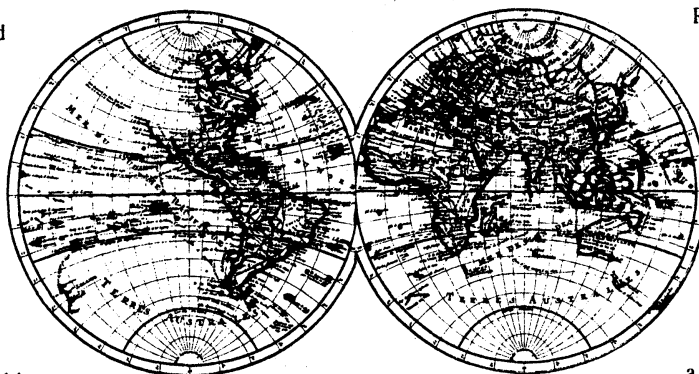
Regarding a recent move requiring peddlers or solicitors to obtain and carry permits, Bob Scott, Carrollton's interim city manager, said that while "we're not taking away anybody's right to go door to door . . . we want to have them registered, and we want to be able to tell them exactly what they can and can't do."

Milwaukee

Telecommunications efficiency to rival the post office, reported in the *Milwaukee Journal Sentinel*:

When Matt Mertens moved to a Milwaukee suburb he was given a new phone number that had previously been used by the Menomonee Falls post office, and received about 100 wrong numbers a day. He complained to the authorities, and was assigned a new phone number — which formerly belonged to another local post office. He now gets about 50 wrong numbers a day. Various callers have burst into tears and yelled at him since he couldn't take their stamp orders.

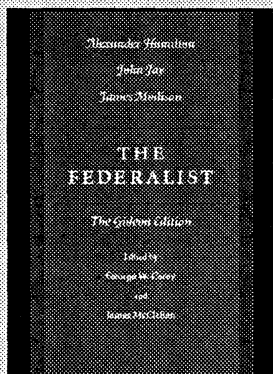
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Thanks to Dan Gough, Ivan Santana, and Russell Garrard for contributions to *Terra Incognita*.

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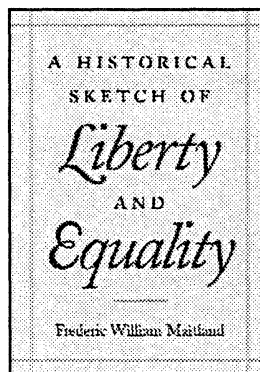
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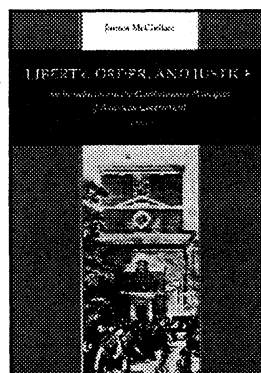
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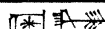
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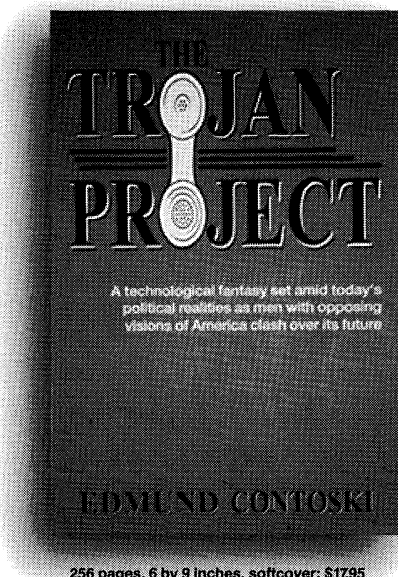
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