

# THE Libertarian Forum

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## Movement Depression

We have to face it: The libertarian movement is in the most financially parlous shape of many years—and certainly since the “takeoff” phase of the modern movement in 1971-73. We have been in a grievous financial depression for the last year or so that matches and outstrips in intensity the parallel depression in the “real world” outside. Virtually every libertarian institution that I know of is sharply contracting, going under, or hanging on by its very toenails. Contributions are collapsing. The exponential growth that the movement enjoyed throughout the 1970s has been replaced by recession, flight, and near panic. People who have been gamely making it as professional libertarians have been forced to drop out and take “job-jobs”. In 1973-75, the evident collapse of statism and the reaction against it throughout the United States led me to coin the “case for optimism” for our movement. The channeling of the public reaction against Big Government into Reaganism and the Reagan triumph in 1980 led me to signal the end of the “case for optimism”, at least for the short-term, and events since then have unfortunately more than confirmed my diagnosis.

What has caused this plight? I think we are in a multi-causal depression cycle, something like the kooky business cycle theories that see a bunch of independently moving cycles coinciding at one time to send the economy into a tailspin—the “Kitchin”, the “Juglar”, the “Kondratieff”, etc. Except that in our case the coinciding causal factors are quite explainable and are not merely an effusion of numbers mysticism.

Consider the following causes:

1. *The Real World Depression.* In 1981-83 the real world economy suffered the most intense depression since the 1930s (A recovery has begun in the last couple of months, but our bet is that the recovery will be weak and fitful—and even at best, there will be a considerable time lag before prosperity can improve matters.) A real world depression can only cause a big drop in financial contributions to movement institutions.

2. *The Republican Menace.* Ever since the Eisenhower Era, every time the Republicans win, the effect has been tragic for free-market or libertarian institutions. For right-wing businessmen, whose perspective tends to be no longer than the end of their arm, then say: “Good old Ike (or Dick or Jerry or Ron) has been elected. We’ve won already! Why do we need any further education?” As a result, the election of a Republican President in itself means a financial setback for free-market or libertarian causes. With Reagan, who is supposed to be Mr. Free Market, the misapprehension, and therefore the financial setback, has been even worse. This is true except for those few favored organizations that have a direct pipeline to the Reagan White House (e.g. the Heritage Foundation.) Everyone else is hurting.

3. *The Gold Crash.* The crash in the price of gold since 1980 has done in most of the gold bugs, most of whom tend to be free-market, Austrian, or even libertarian. Many of them have gone under; the once flourishing gold-investment seminar movement has

collapsed, and many such seminars have folded or gone bankrupt. Many gold coin dealers have also collapsed, the less scrupulous ones taking their customers down with them. And all this means far fewer contributions to libertarian institutions.

4. *Reagan Tax Reforms.* Two of the very few Reagan tax reforms, though good morally and good for the economy as a whole, have had a disastrous effect on contributions to libertarian institutions. (Every silver lining has a cloud, it seems.) One such reform was a new law allowing tax-exempt charitable foundations to accumulate assets instead of being forced to spend all their annual income. *Why* a tax-exempt foundation should *want* to accumulate assets which have no owner and which cannot be used for owners’ purposes, God only knows, but such has been the case. One massive contributor to libertarian scholarship has taken advantage of this new bonanza to contract its annual contributions by something like 40%. Yes, Yes, I know, everyone has the natural and/or God-given right to commit senseless acts, but the result is triage for the movement.

The second good reform with baneful consequences for the movement was Reagan’s slashing the top income tax rate to 50%. This meant that what a friend of mine cynically calls the “zero-cost philanthropy point” has been pushed much further downward. A wealthy person or firm who used to contribute a certain amount at zero (or very low) cost, now finds, with a lower top bracket tax rate, that that point is much lower. Hence, a sharp falling off of movement contributions.

5. *A Private Business Cycle.* Adding to, and forming a synergistic effect with the above factors, a few Giant Donors have, coincidentally, acted as our own private “Federal Reserve Bank”, pouring millions into the movement adding to the general boom of 1977-80, and then sharply contracting ever since. This adds a “private business cycle” to the other four factors, since all the above booms and busts have coincided in time. We have, then, a five-fold depression for the libertarian movement.

The result of all this is that the libertarian movement has experienced all the syndromes of an “Austrian” business cycle in the real world. A massive and sudden infusion of funds in 1977-80 led to an artificial lengthening of the structure of production, an overinvestment in new and expanded institutions. Unknown nerds were plucked from obscurity, vaulted into positions of prominence and power, and given hundreds of thousands, even millions of dollars, to play with. After the *hubris* came the inevitable disillusion and drastic contraction, with the attendant painful liquidation of people and institutions that we see in every panic depression phase of the cycle. That liquidation is now taking place, unfortunately dragging many estimable people and organizations down with it.

There is something worse than poverty of material goods, and that is poverty of the soul. And so, the most repellent aspect of this financial crisis has been the attendant rapid flight from principle among libertarians. Among donors and donees alike, a mad

scramble has been taking place away from hard core libertarian principle, and toward the squishy center, toward the mainstream, toward respectability, toward what is perceived to be the sources of jobs and funds. Libertarians have become "responsible" welfare-staters, anti-imperialists have become third-campers and apologists for U.S. domination abroad, believers in moral principle have become "value-free" efficiency experts, hard-core Austrians have become eclectic and wimpy public-choicers, and, perhaps saddest of all, Misesians have become Popperite-Buchananite moderates and respectables. Everyone is trying to cozy up to the Reagan Administration and its corrupt hangers-on. The great Ludwig von Mises, neglected, scorned, and traduced in his lifetime, is now beginning to meet the same fate among his former followers, among whom the Word is going out: Play down Mises. He was too controversial, too hard-hitting. Not respectable enough. Businessmen, once convinced of the vital Hayekian insight of the overriding importance of ideas and scholarship in the long-run political struggle, have reverted to anti-intellectual type, and have increasingly abandoned scholarship.

All in all, a loathsome performance, worthy of a chapter out of Swift or a deep circle in Dante's Hell. But there are bright spots on the horizon, not to be lost sight of in the encircling gloom. A new turn of the business cycle or the gold market might well ease the financial burden. The hoped-for ouster of the Reagan Administration in 1984 would eliminate a great deal of the rampant opportunism in libertarian/free-market circles; honesty would be policed, so to speak, by a welcome drying up of temptation.

And there are, here and there, happy exceptions to the general blight, institutions that are flourishing and getting *more* principled, rather than less. A particularly shining area right now is the Libertarian Party, which has cast off the corrupt and opportunist dominance of the Crane Machine, and, under Chairman Alicia Clark's guidance, is rapidly paying off the mountainous debt and re-establishing devotion to principle in the Party. Gene Burns is a great Presidential candidate, and the latest news is that Paul Grant of Colorado, the only man to run a national LP convention (Denver, 1981) *at a profit*, a highly able young businessman with great organizational skills, has thrown his hat into the ring for national chair to succeed Alicia Clark. Grant, one of the leaders of the old Coalition for a Party of Principle, would make a splendid chairman. (For inquiries or contributions to the Burns campaign, write Gene Burns, P. O. Box 740, Orlando, Fla. 32802. For inquiries or contributions to the Grant campaign, write Paul Grant, 12477 W. Cedar Ave., Suite 106, Lakewood, Colorado

80228).

The other shining spot is a truly exciting piece of news on the scholarly front, which has suffered the most in the current financial and moral miasma of the movement. The estimable Llewellyn H. Rockwell, Jr., a unique combination of scholar, writer, politico, and organizer, has recently founded the Ludwig von Mises Institute for Austrian Economics, Inc., with himself as executive director. Rockwell, who over the years has moved steadily and surely from conservative Republican to hard-core libertarian, began his career as a senior editor of Arlington House publishers; became director of public relations at Hillsdale College, where he set up the highly successful outreach and *Imprimis* program; was editor-in-chief of *Private Practice*, a free-market magazine for physicians; and then became chief of staff for several years to Congressman Ron Paul. He then became associate director of the Law and Economics Center at Emory University.

The purpose of the new Mises Institute is to advance the cause, without waffling or compromising, of Austrian Economics in general and of the hard-core Misesian branch of that economic school in particular.

A new scholarly journal will be published, with yours truly as editor; the Mises Institute has taken over the publication of the successful *Austrian Economics Newsletter*; and booklets, seminars, fellowships, and books are being planned for the future.

It is particularly heartwarming that, in the current intellectual bog, the banner of Ludwig von Mises is being held high once again. Rockwell points out that the Mises Institute is the first organization in the world explicitly dedicated to Mises and to Austrian economics. Chairing the advisory board of the new institute is Mrs. Margit von Mises; other members are Ron Paul, F. A. Hayek, Hans Sennholz, Henry Hazlitt, and the *Lib. Forum* editor. "Ludwig von Mises was the greatest champion of liberty in our time," says Rockwell. "For the sake of justice, as well as freedom, Mises and his work must have the influence they deserve."

And so, perhaps the old cliches are right, and it is always darkest before the dawn, and there *is* light at the end of the tunnel. With a spirit such as Lew Rockwell's at work, the miasma afflicting the scholarly wing of the libertarian movement will be lifted, and soon. (The Mises Institute is a tax-exempt educational foundation. Inquiries and contributions should be sent to the Ludwig von Mises Institute for Austrian Economics, 325 Pennsylvania Avenue, S. E., Washington, D. C. 20003.) ‡

## Free Franzl

Emil Franzl, LP NatCom rep from Arizona, Menckenesque wit, *raconteur*, and the keenest political mind in the Libertarian Party, has been indicted for perjury by a grand jury. In the course of working for long-time friend and associate Conrad Joyner in the Republican primary for Congress, Franzl was accused of soliciting corporate contributions, which is (unfortunately) illegal under current law. It is a bizarre case. In the first place, the amount (\$4000) is so small that the Federal Election Commission, usually responsible for prosecuting such matters, has displayed no interest whatever in the proceedings. Franzl is a minor figure in the case, but the County Attorney was under pressure for *some* indictment, after spending eight months in a fruitless grand jury investigation.

The charge is untrue and a frameup, but the powers that be apparently felt that Franzl, the smallest character in the drama, would be a perfect fall guy. Also, Franzl had long been an effective burr under the Establishment political saddle in Arizona. As Franzl

put it: "These guys (the local power elite) don't care about your position on El Salvador. But they get really pissed when you start attacking local zoning or utility franchises or point out that there's not going to be any water in the Central Arizona Project", a massive boondoggle beloved by both major parties.

The charge has no weight and the State apparatus knows it, but the evident object is to bleed Franzl (no millionaire he) to death financially. Legal defense is very costly, and court costs in this case are astronomic. Thus, to get the necessary facts of the charge against him, Franzl is forced to spend his own money buying the entire eight months' worth of the grand jury transcript, at an enormous cost per page.

So what Franzl needs is money for legal and court costs to fight the frameup. Please send whatever you can to the Franzl Defense Fund, Box 2128, Tucson, AZ 85702.

Free Franzl and All Political Prisoners! ‡

# Arts and Movies

by Mr. First Nighter

**The Verdict.** Dir. by Sidney Lumet, with Paul Newman.

The critic who doesn't see a film in a plush-lined preview studio is necessarily affected, though scarcely determined, by the critical reception of the movie. My expectations in going to see *The Verdict* were mixed. On the one hand, it sounded like a good old-fashioned movie-movie, a Horatio Alger story where the lone hero triumphs over the sleek and evil Establishment. On the other hand, its advertised gritty realism sounded like a possible slow and soggy downer.

I am happy to report that the old-fashioned movie-movie is triumphant. Paul Newman turns in one of the great acting performances of his career as a downtrodden, alcoholic lawyer, sacked and betrayed by the corporate law Establishment. His very stance and walk, a sagging of knees, vividly portrays his exhaustion and defeat. He has been reduced to haunting funeral parlors looking for a client, and is handed his last case, his last chance for any sort of comeback. Instead of taking the easy way out and settling for a hefty fee, Newman pulls himself together and tackles the combined wealth and public relations power of the Archdiocese and the corporate legal Establishment. He determines to win justice and expose the malpractice of powerful physicians operating in an Archdiocesan hospital.

There are some marvelous scenes. Particularly striking is the contrast of Newman working with his only helper, his old law professor and retired partner, Jack Warden; while the sleek and unctuous "The Prince of Darkness", Kincannon, marvelously played by James Mason, is surrounded by dozens of eager, smart young lawyers on his corporate law team. One of the great lines occurs when Mason finds that Newman's only witness is an elderly anesthesiologist from a fourth-rate hospital who turns out to be black.

Young Lawyer (virtually licking his chops): And, furthermore, he's black.

Mason (sternly): Here's how you deal with the fact that he is black. You don't mention it at all, *ever*. And, by the way (smilingly), make sure to put a black lawyer on our team in the courtroom.

In short, an old-fashioned movie-movie. Charlotte Rampling is suitably Ramplinesque as Newman's taciturn love interest with more than a hint of ruthlessness. Warden is great as the old prof. And no one should miss Newman's climactic speech to the jury in which he simply calls for the jurors to vote for the justice they know is in their heart. "Today," he instructs them, "you are the law", as he pleads with them to overrule, for once in their lives, the legal flimflam and technicalities which the Establishment habitually uses to betray the interests of truth and justice.

So what about the gritty realism? It's not too bad. It's true that everyone talks very slowly and portentously, and the photography all seems to have been shot in some dark tunnel: All this is veteran Sidney Lumet's way of pounding it into us that the picture is pregnant with Social Significance. But the picture is suspenseful and tightly-knit nonetheless, and the hokey aspects do not get in the way of the action.

All in all, since *My Favorite Year* was of course not nominated for the Academy Awards, *The Verdict* should have gotten this year's Oscar.

**Tootsie.** Dir. by Sydney Pollack, with Dustin Hoffman.

Talk about advance hype: The ubiquitous press interviews with Hoffman were almost enough to keep me out of the movie theater. For decades, just as Jane Fonda has been the living embodiment of *political* left-liberalism on the silver screen, so Dustin Hoffman has

been the talky exponent of *cultural* left-liberalism. Ever since *The Graduate*, Hoffman has been the living symbol of the replacement of handsome WASP leading men by homely (to put it kindly) ethnics. (That is, who *look* ethnic—there have always been ethnic leading men like Paul Newman and Kirk Douglas, but they *looked* like handsome WASPS. Hoffman was the first one who looked ethnic.) The homeliness has been worn by Hoffman and the others as a badge of honor, demonstrating as it allegedly does their superior sensitivity. The theory is that homeliness equals sensitivity, and that Jews, in particular, can *feel* and have emotions, in contrast to poor, uptight, repressed WASPS. Hence the myth of the sensitive Jew (who *looks* Jewish) as cultural liberator to the poor, repressed *goyim*. (Usually this myth comes to the screen as the Jewish psychoanalyst liberating WASPS; perhaps Hoffman is not yet old enough to play a shrink. But the time will come.)

With the triumph of the feminist movement, *macho* is Out and sensitivity is In, and Hoffman has been shrewd enough to ride the crest of the current cultural wave. But the press interviews surrounding *Tootsie* have been particularly repellent. Hoffman's Sensitivity goes all the way through to unconscious parody: playing a woman "changed his life"; he now knows how a woman feels; in fact he now feels as a woman does, etc., etc. *ad nauseam*. One wonders why any woman would sit still a moment for this baloney. (Years ago, during the height of the civil rights movement, a turkey appeared on the screen portraying the true life story of a white journalist who put on blackface and suffered as a black does for all of couple of months. The movie, whose name I have blissfully forgotten, got laughed off the screen. Maybe audiences were more prescient then, or maybe it was because Hoffman wasn't playing the lead.)

The most odious moment of the press interviews came when Hoffman virtually started sobbing at the terrible shock that hit him when he looked at his female *persona* in the mirror and came to the conclusion that he was not good-looking enough to take himself out on a date. Well, I have some news for you, Dusty baby. *I* have come to terms long ago with the soul-searing insight that *I* am not good-looking enough for me to take out on a date either. Somehow, I have managed to make this adjustment without a great deal of fuss and feathers, or of whining about this terrible truth to the press of America. As has, come to think of it, almost the entire male half of the world's human population.

Equally as repugnant was the way that the press made certain to telegraph to one and all that, despite his sensitivity and appearing in drag (or perhaps because of it?), Dustin Hoffman is the Casanova of the twentieth century. In order to cast aside any suspicion of Hoffman as effete, tales of his heterosexual prowess filled the newspapers and magazines. That way, Dusty can have it both ways.

All this I found a powerful argument for not seeing *Tootsie*. The critics also poured it on: They informed us that *Tootsie* was a truly hilarious movie, but that it operated on many deep levels, levels of sensitivity, feminist philosophy, etc. The hilarious sounded good, but I always distrust "deep levels" in comedies, since unless the author is a genius like Shaw or Wilde, the "multi-levels" usually turn out to be large dollops of left-liberal treacle.

After all the hoopla and hullabaloo, I found the movie itself neither hilarious nor obnoxious; in fact, it was difficult to know what the shouting was all about. Basically, *Tootsie* is a one-joke movie carried on too long, ringing the changes on the man-in-drag theme. It is a tepid and pleasant film, certainly not hilarious or even particularly funny, punctuated from time to time by brief feminist speeches by Hoffman. Aside from drawing dutiful applause from the audience, however, the speeches are not intrusive enough to

wreck the picture. But there are very few funny lines; in fact, the only really hilarious lines—by the most delightful character in the picture—are delivered by Sydney Pollack himself, who does a marvelous turn as Hoffman's agent. Pollack plays the Voice of Reality to all his oddball actor-clients. Thus, Bill Murray, Hoffman's actor-roommate, is trying to peddle an *avant-garde* play about lovers who return to the Love Canal. Pollack's marvelous response: "Who wants to see a play about the Love Canal? If you want to see toxic waste, go to Hoboken." (Non-New Yorkers will not, I'm afraid, appreciate this cultural reference.)

As to Hoffman's allegedly great feat in playing a female, I saw nothing to it; after all, in the picture he is *supposed* to be a great

actor, and playing a woman should be duck soup. Gorgeous Jessica Lange plays someone gorgeous, and the other actors are adequate enough. Except for Terri Garr, who is shrill and annoying as Hoffman's original love interest. (I couldn't figure out the problem until reading John Simon's perceptive critique. Simon pointed out that Garr can't act, and therefore simply played herself, which audiences can only find irritating.) Nevertheless, Mr. Sensitive Hoffman treats Garr with unfeeling cruelty, and poor Charles Durning is dealt with unmercifully as Jessica Lange's father who is dumb enough to have a thing for Ms. Hoffman. A double standard is here at work: for Hoffman's own lubricity toward Miss Lange is treated as part of the lovable aspect of Hoffman's all-encompassing sensitivity. ‡

## 1776: A Buffoonery

by Emil Franzi

If those who ran the First American Revolution had been talked into using some of the current methodology of American politics, then the following discussion might have taken place . . .

It is June of 1776—We take you to the New York Executive office of the public relations firm of Shakeit, Fakeit, and Hoare, retained by the Continental Congress for the job of putting together American Independence.

**Shakeit:** Gentlemen, let's go over the Continental Congress Account. The issue is possible independence from Great Britain. Bob, what are the latest survey results?

**Fakeit:** Bad news. Only 22% for independence, 29% like George III, 49% undecided or don't care. Want the cross tabs on age, sex and geography?

**Shakeit:** Not now. And they're meeting in Philadelphia next month?

**Fakeit:** Right. And some of these clowns actually want an upfront Declaration! On 22%! How the hell do we pull that one off?

**Hoare:** It's worse than that. One of our agents at Monticello slipped me this out of Jefferson's desk. Listen. "When in the course of Human Events it becomes necessary . . .

**Fakeit:** That's his opening?

**Hoare:** Right.

**Fakeit:** You're kidding me. We can't move that high-flying crap. Get it down to re-write.

**Shakeit:** Hang on a minute. I'm not sure about this whole independence thing anyway. Where are the rest of them standing?

**Hoare:** Well, Franklin's leaning that way and he does have the host city . . .

**Fakeit:** I told those limies they should've bought him off with some printing contracts.

**Hoare:** Things are reasonably cool here in New York and in most of the South. It would seem the real movers are in Massachusetts and Virginia.

**Fakeit:** Yeah, that Sam Adams. Him and his Boston Massacre. That not only screwed up the image we were trying to build for these yo-yos, but he and his Sons of Liberty creamed that tea-house chain we had a piece of. That bastard cost us a lot of bucks!

**Shakeit:** Now gentlemen, may I remind you that Mr. Adams is very close to Mr. Hancock, and we have that shipyard proposal coming up.

**Fakeit:** I forgot. Hey, about his cousin Jim?

**Shakeit:** John.

**Fakeit:** Yeah, John, Remember when we wired the British to use

his law firm? He got a fat retainer out of that one. He owes us.

**Hoare:** Well, I'll see if we can call it in. But Virginia's even worse.

**Fakeit:** You mean that Henry Patrick guy?

**Hoare:** Patrick Henry.

**Fakeit:** That loud-mouthed jerk. Doesn't he realize every time he shoots off his yap he loses support? People don't buy his extremist bull-shit.

**Hoare:** If you think *he's* bad, you ought to see what this guy Paine puts out.

**Fakeit:** Christ, I have. Talk about *far out*. He ran some copy by a buddy of mine over in London a few years ago and he told me all about him. A real kook. Is that kook in on this scam too?

**Shakeit:** Gentlemen, where are we on this one? To summate, our client is planning an open break with the crown, they've got no leader with any charisma, the media is basically hostile, internally their hot-heads seem to be taking over, and they have only 22% in the latest poll.

**Fakeit:** The guy the British are using told me only 16%, but I figure he loaded it in favor of his client.

**Shakeit:** Either way, we need to make a decision. Bob?

**Fakeit:** I say screw'em, they've become too unmanagable. Besides, it looks like the Tories have it locked. It's time we hustled some Canadian accounts anyway.

**Shakit:** Bill?

**Hoare:** Well, it's still got possibilities. If we could maneuver somebody like Washington to front it and cover him with a group of moderates who'd make a deal with the British at the right time—you know, cut a few taxes here and there, move a few seats in parliament around. Mostly showcase stuff, but I'm afraid it's about all they're worth. What concerns me the most is that I checked with accounting just before I came in, and their last two retainer checks have been returned by the bank.

**Fakeit:** You mean these dodos are out of bread?

**Hoare:** Looks that way. Their French loan didn't come through.

**Fakeit:** Typical of those frogs. Big talk, no action.

**Shakeit:** Then I take it that the consensus of this meeting is that this account is a loser, right?

**Fakeit:** A real turkey.

**Hoare:** Afraid so. No futures.

**Shakeit:** All right. I'll notify accounting to send them our final bill, and I'll cancel our reservations in Philadelphia.

**Fakeit:** Boy, that's gotta be the smartest move this firm ever made. ‡

# The Pentagon's Budget Through Soviet Eyes

by Jon D. Wisman

Associate Professor of Economics  
The American University

Why do the Soviet people tolerate a totalitarian government? It's true that they lack the legacy of a democratic tradition. And it's also true that repression of dissent has been brutal and largely effective. But these reasons alone are not adequate, given the Soviet people's greatly improved standard of living, universal literacy, and the penetration of foreign information. The clincher is that the Soviet people live, and have lived since their Revolution in 1917, in fear of external aggression. And as history has endlessly demonstrated, the one effective argument for a suspension of civil liberties, or freedom more generally, has always been the threat—whether real or cunningly contrived—of foreign aggression.

What then is the rationality of the latest outbreak of U.S. hawkishness? On the one hand, there's the disturbing correlation of this rise of cold-war mongering with deepening economic crises in the past 10 years. It would seem to be the case that when a nation suffers internal divisiveness as a result of worsened economic conditions, there is a high likelihood that an external threat will be created or given added importance. Accordingly, this current heightened fear of Soviet aggression diverts attention from our government's inability to provide adequate employment, growth and price stability. And then there's the horrid memory that World War II capped the Great Depression!

But the rationality of the U. S. defense buildup should be examined from another perspective. There is its government. And that government is a far cry from the utopian vision of the early revolutionaries. What happened? No sooner had the Bolsheviks taken power than the French, British and U.S. set out to topple their government, principally by arming and financing counterrevolutionaries. The ensuing policies in the Soviet Union were called "War Communism" and they included a restriction of civil liberties and an increase in the concentration of political power at the top. Throughout the 1920's there was a perceived threat that the socialist experiment would be undone by hostile capitalist countries. So strongly did Stalin feel this that he announced in 1931: "We must make good this distance (to become a first-rate

economic and political power) in ten years. Either we do so, or we shall go under." Stalin's words were of course prophetic, for ten years later Hitler invaded the Soviet Union.

The Russian people had greatly suffered during World War I, but that would pale next to the horrid costs of World War II—20-25 million Soviet people died as a result of the war. The Soviet fear of external aggression had not been unjustified, and it was that fear which had successfully legitimized a suspension of civil liberties, rule by an elite clique, and a sacrifice of consumer welfare for defense.

Unfortunately, World War II ended in such a way that Soviet fears of external aggression would continue, with, of course, the concomitant legitimization of a totalitarian regime. The U. S. dropped nuclear bombs on the Japanese, even though it didn't appear to be necessary to U.S. victory. The Soviet leadership had it made: To justify their every action they had only to remind their people of that act as evidence of how ruthlessly inhumane the U.S. can be in pursuit of its interests.

In light of the above, President Reagan's record budget request for the Pentagon is catastrophic. Not only does a rapid buildup of the military worsen our current economic crisis and push us even closer to nuclear Armageddon, but it also serves to perpetuate the legitimacy of the undemocratic power structure in the Soviet Union. The twentieth century has schooled the Soviet peoples in fear and the reality of its objects. Given their unique history, there is every reason to expect that they will be willing to sacrifice practically everything for defense. The Reagan camp's contention, that the Soviet regime's power will be weakened as the Soviet peoples refuse yet more sacrifice for defense, has it all backwards. So long as the elite leaders can convince the Soviet peoples that the external threat is real, their power is secure. Thus, our only effective means for weakening totalitarian government in the Soviet Union is to demonstrate beyond all doubt our peaceful intentions. Voice of America propaganda won't do the job. Instead, the best first step would be a dramatic decrease in military spending. ‡

## Crane Machine Notes

### 1. In the Bunker?

It was the weekend of February 18-21 in Oakland, at the annual convention of the California LP. Things were going so well with the sparkling kickoff of the Burns-for-President campaign that some of the worrywarts of the Majority Caucus were getting concerned. "What's Crane's next move going to be?" they fretted. Finally, the Military Maven, who has had a phenomenal record of accuracy calling the shots in the LP, spoke up. "Hey, guys, this is like Eisenhower, Bradley, and Marshall sitting around in March, 1945 worrying about Hitler's next move. The answer, of course, is that he *had no* next move. He was in The Bunker."

Our attention riveted, the Military Maven went on. "The Crane Machine has no next move. They're in The Bunker. The lesser Craniacs can go to de-Cranification centers. As for the top ones, the only interesting question is, which one of them is going to shoot

their kids so they don't have to live in a non-Cranic world (Goebbels) and which one of them is going to skip to Paraguay with all the gold (Bormann)."

It looks very much as if the Military Maven was right once again. The Crane Machine is dwindling rapidly, collapsing, losing its cool, becoming a small, isolated bunch of soreheads.

Item: The Gene Burns campaign is doing beautifully, looking more impressive all the time, gathering adherents in state after state.

Item: The desperation Craniac try for drafting Ron Paul for President seems to have collapsed. No one except the Craniacs was willing to join it, and Paul himself has apparently nixed the idea for good.

Item: David Koch is, reportedly, definitely *not* going to run for Veep again. ‡

Item: Craniac Leslie Graves (Key), until now ruler of the Wisconsin LP, is in big trouble in her home state. Reports have it that the state LP is being audited, and that Treasurer Leslie Key somehow failed to keep records. The outraged Wisconsin party has asked Leslie to resign her post. Certainly, the Key Machine is in deep trouble in Wisconsin.

Item: It therefore looks as if the only real *focos* of Craniac strength left for the mighty PresCon in August are Alaska, New York, the Jule Herbert satrapy in the District of Columbia (where the Crane hirelings congregate), and the small Kochian fiefdom of Kansas. All else is crumbling.

Item: the Crane-dominated Judicial Committee has passed into the dustbin of history not with a bang but a whimper. Even the Machiners did not adopt the original Palmer thesis of total power to the JudComm. The Craniac majority of the JudComm has issued its report (as has the minority), and it did not even presume to order the reinstatement of the Martyr O'Keefe as National Director. It simply declared that NatCom's approval of Alicia Clark's ouster of O'Keefe at Billings in the summer of 1982 was invalid; but it did not even criticize the NatCom's reaffirmation of that firing passed at Orlando in December. And so, exit the JudComm. And, possibly, exit the Crane Machine?

2. Personnel Update

In our "Crane Machine Revealed" (February), a rundown of the personnel of that now well-known aggregation, we missed a couple and there have been a couple of changes.

Two we missed (sorry, fellas) in what could either be "Minor" or "Lesser" Craniac categories are:

*Mike Burch* (Crane hireling. Exec. director of Crane/Herbert-run National Taxpayers Legal Fund. Virginia NatCom Rep. Distinguished for his silence at NatCom meetings.)

*Mike Hepple* (Former Craniac straw boss of Illinois LP. Now head of D.C. Libertarian Party; Jule "the Tool" Herbert is his control. Works in "real world" job as fundraiser.)

Changes, or More Information, on already listed Machiners:

*Eric "The Martyr" O'Keefe* (Crane hireling. Has now surfaced as Vice-President of Crane/Herbert-run NTLF, which seems to be the current favorite warehousing tool for the Machine.)

*Robert Capozzi* (Crane hireling. Ex-editor of *Update*; cashiered when that Machine organ went respectable. Has now surfaced as employee of NTLF (see O'Keefe, above.))

*Deb Haws* (Crane hireling. Now working as managing editor of husband Chris Hocker-run *Update*.)

*Dr. Ross Levatter* (ex-young Ohio physician; now young Michigan physician. Watch for attempted influence or takeover of Michigan LP.)

*Anita Anderson* (Ex-Cato employee. Now definitely known to be working at Rich-owned Laissez-Faire Bookstore, New York.)

*Celeste "Cissey" Webb* (former Craniac bigwig in Illinois LP. Now working in DC. Not Crane hireling, however; has "real world" art-frame business.) ‡

*Philo C. Stokson*  
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*Norman Barry*  
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