

*** FREE NEW YORK ***
The monthly publication of the New York libertarian movement
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ably assisted by members of the Society for Individual Liberty
and the Libertarian Party of New York
\$12.00 per year --- by subscription only

MARCH, 1990

Quo Venistis?

Concerning costs: Although it was never intended to be so, our little newsletter is something of a nonprofit publication. Small publications are like that, because of the high per-piece costs of low-volume copying services and first-class postage. So, believe me, we'll appreciate everything you can do for us. But as long as the reader response remains good, the newsletter will continue to appear. (Part of "reader response" is the arrival of letters addressed to various *Free New York* writers, which are forwarded to them. Our pundits enjoy that quite a lot.)

I recently received a note from a reader asking, in effect: Where have all of you been hiding all this time? He was delighted that his earlier interest in the free society had been noted by *someone*, and that there was some sort of organization dedicated to exploring its theory and practice. "A number of my neighbors have asked me why they've never heard opinions like mine from anyone else, and I've never had an answer for them."

Don't be part of this tragedy. Among your neighbors, there are probably many who agree with you in most matters and will "agree to disagree" on what remains. Although clumsy advocacy can be damaging, polite advocacy is not nearly as difficult as some imagine. Be ready and willing to talk about your beliefs...but be equally ready and willing to say, when appropriate: "I can't blame you for feeling as you do; if our positions were reversed, I would probably feel much the same way." (Dale Carnegie)

Then hand him a copy of *Free New York*.
(God, I love capitalism.)

-- Fran Porretto --

Upcoming Events

WESTCHESTER: The 1990 LP-NY convention will be held at the White Plains Hotel on Saturday, March 24. Both the entertainment and business sessions are scheduled for Saturday: 9:00 AM to 11:00 AM has been allotted for the business session, and Noon through the traditional dinner banquet (with speaker) has been allotted for the entertainment session. All interested parties are warmly welcomed. For further information, please call Ludwig R. Vogel, at (212) 838-0852.

MANHATTAN: The 1990 LP-NYC convention will be held on Saturday, April 21, at La Maganette, on the corner of Second Avenue and 50th Street. As has become traditional, events will begin with a banquet luncheon at or about Noon, followed by the featured speakers and the election of City party officers. All interested parties are warmly welcomed. For further information, please call Vicki Kirkland, at (212) 219-2702.

CAPITAL DISTRICT: The local LP chapter will hold its regularly scheduled meeting on Tuesday evening, March 13. For further information, please call Jeff Russell, at (518) 233-1344.

Recent Events

In the long awaited Nicaraguan elections, held on Saturday, February 24, Violetta Chamorro and the UNO coalition defeated Daniel Ortega and the Sandinistas by a 12-percent margin. For a short while, all the news in the air was good. Although some polling-place irregularities had been observed, the large monitoring team pronounced the election's accuracy and integrity "better than average." Ortega appeared to be willing to cede power in the face of his landslide defeat. The Soviet Foreign Ministry even recognized the election's results as "official."

By Tuesday, February 27, the storm clouds had massed once again. Speaking for the Sandinista government, Ortega presented the UNO coalition with a list of demands, upon whose satisfaction the Sandinistas would "relinquish power:"

- continued Sandinista control of the army and the police;
- the disarmament of the Contras;
- no government employees to be dismissed;
- banking and foreign trade to remain nationalized.

The UNO platform had promised large-scale cutbacks in the army and the bureaucracy, and the privatization of most nationalized enterprises, banking and foreign trade in particular. By demanding continued control of all instruments of force and the abandonment of the UNO economic program, the Sandinistas are of course *refusing* to relinquish power and attempting to nullify the election.

There may be a terrible sequel. Sentiment could easily be rallied in the United States for an invasion to enforce the results of the election, given the glow of success derived from the recent invasion of Panama. Failing that, Sandinista-Contra violence might escalate rapidly, fueled by arms and money from the U.S., Cuba and other interested powers.

In the event of an American invasion, there would be much bloodshed and destruction, for Nicaragua's army is 600,000 strong, well trained and well equipped by the standards of Latin America. Perhaps the whole U.S. Army would be required for the job, to say nothing of the requirements of the subsequent phase of occupation.

But, however the dice fall, unless the Sandinistas come to their senses and cede power, the hardest blow will be struck at the concept of legitimacy in a democratic order. Political authority is force; democracy's sole virtue is that it makes transitions of authority non-violent, obviating armed rebellions. If even once a defeated ruling power should refuse to play by the rules, the public's confidence in the practicality of the democratic process could evaporate overnight, and rule by the sword return.

Like the populations of all totalitarian countries, Nicaragua's civilian population is unarmed. Whatever violence might flare in sequel to the looming democratic failure would be dominated by organized armies: the Sandinista Army, the Contra Army, perhaps the U.S. Army and others. As has always been the

case in like circumstances, the brunt of the suffering would be borne by innocent people, unable to defend themselves. Pray for them.

LP-NY Endorses Galiber Bill

S. 1918, sponsored by State Senator Joseph Galiber from the 31st District, in the Bronx, is a bill to repeal Prohibition in New York State. The bill lifts language from alcohol-related statutes, and models a Controlled Substances Authority on the State Liquor Authority. It would allow sale, by doctors and pharmacies, of "controlled substances" to adults without need for prescriptions, including those substances currently unavailable even by prescription. It would not create a system of State stores for drugs.

This bill was first brought to the attention of the Libertarian Party of New York State's Executive Committee in May, 1988 by Douglas Greene. On October 15, 1989, the committee endorsed S. 1918. To our knowledge, the LP is the first political party in New York State to endorse this bill. On November 16, 1989, Jeff Russell and Jim Ostrowski testified in its favor at a hearing in the Capitol. More recently (February 1990), David Hoesly of Rochester, a longtime LP activist, testified in its favor at hearings held in Rochester. Well-known libertarian psychiatrist Dr. Thomas Szasz favors the bill, but has declined to testify.

For more information on S. 1918, write to Tricia Coyle in Senator Galiber's office, Room 414, State Capitol, Albany, NY 12247. Be advised however that Senator Galiber's staff, both in Albany and the Bronx, has been slipshod in handling such contacts. You may have to call and/or write them repeatedly, and even so shouldn't be surprised if they still miss you.

No such bill has been introduced into the State Assembly. Why not ask Assembly members to sponsor a companion bill to S. 1918 in that chamber?

-- Robert Goodman --

Selling Pollution Rights: Pseudo-Privatization

President Bush wants to assign polluters allowable levels of pollution which could be bought and sold. Some business people, and even some libertarians, have come out in favor of this plan because it creates market incentives to find new ways to lower pollution. However, it also creates market incentives to get higher pollution allowances from politicians or bureaucrats in Washington, which means that this new plan is just the old plan in capitalistic dress. It is still the same old system of the government selling privileges to lobbies...the same old invitation to corruption.

Just as scam artists in the 1800s built railroads that went nowhere, to cash in on the government land-grant subsidy, operators would build bogus factories in Timbuctu that have strangely high pollution allowances (the operators would be relatives of the Congressman for the district, or the local strongman if the "pollution rights" are traded outside the U.S.), and those unused "pollution rights" would immediately be sold to the factory in Chicago or Osaka that has already polluted the local air, so that it could pollute further rather than face the cost of retooling. And there would be bucks to be

made in declaring more and more substances "negotiable" pollutants. Some operators would be loading the air and water with real poisons, in order to maintain public support and hysteria. Meanwhile, other operators would be lobbying to have your mother's milk declared a toxic substance, so that they could start selling pollution rights in it.

The idea provides an example of my contention that government is not an organization, but a marketplace: the marketplace of power and privilege. The floor of Congress is like the floor of the New York Stock Exchange, except that it's not securities that are being traded, but the privilege of taking away our money and our rights, in this case the right not to be invaded in our homes and our bodies by air- or water-borne refuse.

Some who watch government simultaneously run anti-smoking campaigns and subsidize tobacco farming conclude that government is inconsistent. It is not inconsistent. Some Congressman's vote for the tobacco lobby was the price he paid for another Congressman's vote for anti-smoking measures. Similarly, some libertarians note the sloth of mail delivery and say that the Post Office is inefficient. It is not inefficient. It does its real job very well, but that's not the delivery of the mail; it is to provide sinecure positions with which an FDR could reward a Jim Farley, to mention only one example.

Libertarians cannot count on anyone but themselves -- certainly not on Bush -- to solve big problems like pollution, or homelessness, because such problems are systemic. Only by defeating the two major parties and their whole Monty Hall system of government can such problems be solved. We will accomplish nothing by going along with them. We must get the people to go along with us. In order to live, I must have some private air rights that cannot be taken from me.

-- Fred Cookinham --

A Third Voice On Flag Burning

At the 1984 Republican National Convention, one Gregory Lee Johnson was arrested for burning a flag. When the Supreme Court ruled that the statute under which he had been charged was unconstitutional, President Bush retaliated by proposing a Constitutional amendment. Just when the whole hoo-ha had died down, *Free New York* published two articles on the subject. Lynn Chesnut recommends that the flag-burner be exiled to "the country of his choice." (What if he chooses the U.S.? Or what if "the country of his choice" won't have him? Do we put him in a rowboat and tow it into international waters?) "Mikhail Bakunin" responds with a stunning non-sequitur: "if the flag symbolizes freedom, then burning it...might be the most sincere expression of patriotism a man could make."

I don't know whether Old Glory stands for liberty or for the State. But I do know that, as a member of the Revolutionary Communist Party, Johnson did not burn his flag as "a protest against what the State has done to American liberties." It was a symbolic attack on those liberties themselves, especially the Fifth Amendment's protection of property rights, and particularly the freedom to dispose of property (such as a flag) as the owner sees fit. If we erode this right, we do exactly as Comrade Johnson would have us do: we encroach upon property. To protect a symbol of the Constitution, we would incinerate

the document itself, moving incrementally closer to the RCP's goal of totalitarianism.

Imagine that we were to deprive Johnson of his property rights in a flag he has bought or manufactured for the purpose of combustion. He might respond by diverting his resources from flags *flambe* to, say, a publication that opposes the First Amendment. Should we censor such a publication, or confiscate his money? What of his labor, with which he earns the money? Should we conscript him, to prevent him from donating his labor to an organization that advocates slavery? True, Johnson is using freedom to attack freedom; but to disenfranchise him would only be a surrender to his cause.

In deference to Chesnut, I admit being tempted to incivility toward Johnson and his ilk, but only because they desire coercion, not because they express that desire (non-coercively). If we censor opinions that tempt others to incivility, the first opinions likely to be banned are libertarian ones on guns, drugs or affirmative action. Likewise, censoring speech that advocates "the overthrow of the government" would have landed Murray Rothbard and others in jail (or exile) not so long ago.

Regarding "Bakunin," I can only say that it is wishful thinking to pretend that the RCP is a bunch of closet libertarians. So what? It is not necessary that an act be patriotic or pro-freedom for it to be legal; it is only necessary that it be non-coercive. Propagandizing for coercion is not itself coercion. Flag burning consigns to the ashes not freedom itself, but the property of the flag owner. How better to fritter away the resources of the enemy?

-- Mark LaRochelle --

[Editor's Note: Knowing that it might be akin to pouring gasoline on a hot stove, I contacted "Mikhail Bakunin" and read him the above essay for his comment. He replied:

"Although I agree with Mr. LaRochelle's substantive points, I protest his putting words in my mouth. Nowhere in my article did I state or imply that Gregory Lee Johnson, whom I hold in contempt, was dramatizing the State's assault on freedom; he obviously has another agenda altogether. Freedom is what I'm concerned with, not the likes of Johnson and the RCP. Mr. LaRochelle is a fine writer, but he ought to take care not to attribute opinions to others unnecessarily."

I will add that "Bakunin's" essay in last month's issue was *not* a response to Lynn Chesnut's essay, which he had not read. It was provided at my request for a piece on flag burning. *Verbum sat sapienti.*]

Leonard Peikoff vs. Philosophy: Part 2 of Three Parts

Let us imagine for a moment that we have had the good fortune to come upon a gentleman who announces himself to be "Charles Darwin's intellectual and legal heir." In response to our question as to the precise meaning of that pompous title, he tells us that he is a defender of Charles Darwin and his ideas. The theory of evolution? He nods; it's something like that. Okay, then, what are *his* views on this controversial topic? "Fundamentally," he begins, "I believe that once one grasps and accepts the fact of the origin of species, then one accepts the theory of *The Origin of Species*, commits himself to it (professionally, if a scientist), and reveres Charles

Darwin for writing it. On the other hand, if he fails to grasp and --" We may stop him at this point; no one, Bible Belt yahoos included, denies that the species had a beginning. What we want to know is, how did he make the leap from this to evolutionism, from fact to theory, seemingly bypassing science, the means to knowledge itself?

The question does not draw an answer. Instead, his eyes narrow as he questions us: "Tell me, what are your premises? Specifically, what is your estimation, your *evaluation*, of Charles Darwin and his achievement?" Alright, what is it? First of all, we deeply admire Darwin's commitment to science: if man wishes to gain an understanding of this world, he must use his senses and his intellect, and not acquiesce to mysticism and ancient scripture. Furthermore, we are impressed with a mind brilliant enough to conceive a paradigm far superior to anything produced by "the wisdom of the ages." In fact, we consider ourselves to be Darwinists. We study his works and defend his ideas from attack by neo-mystics such as the "scientific creationists." Of course, we are also interested in valid attempts to interpret and develop his theory. In particular, we've taken note of the work of Stephen Jay Gould. He has shown how the basics of Darwinism can be better served by revising Darwin's subsequent argument about...uh, is something the matter?

We cannot help but notice that this gentleman's initial look of suspicion has rapidly mutated into one of outrage.

"What the bloody hell are you talking about?! Nobody can 'serve' Darwinism by throwing out What Darwin Said! A scientific theory is an integrated system, and any modification of any factor will 'serve' only to destroy the whole product. It is the theorist alone who lays down the essentials of the theory, as well as their indisputable consequences in all areas. Yes, this is something akin to a certified doctrine; however, it's not dogma, because it is stated and proved *scientifically* in Charles Darwin's works. Science deals with the eternal laws of the Universe. Each scientific theory, by the nature of Nature, is therefore immutable -- and unamendable. Can you really be so depraved as not to recognize all this as incontestably true?"

The question of our depravity aside, let us indeed contest what our Darwinist has said. Of course a theory must be "integrated" (i.e., coherent), and there's no straw man around to argue the contrary. The question is, did the theorist achieve this? A theory is a model of reality, and it is reality -- and not the theorist -- that determines the logical consistency between the theory's "fundamental principles" and "their consequences in every branch." It is not enough to whine that What Darwin Said has already been "proved *scientifically* in Charles Darwin's works [i.e., What Darwin Said]." If Darwinism is not to become an unfalsifiable pseudo-science, it must remain open to further scientific examination. (Remember, we must not conflate the distinction between science and philosophy -- as the objective means of inquiry -- and any particular scientific or philosophic ideology.) Such an examination might indeed uncover a contradiction between "fundamental principles" and the development thereof, which is, essentially, a conflict between fact and theory. In such an instance, a dedicated man of science will amend the

disruptive element within Darwinism, making it consistent with the theory's fundamentals, and thus with reality -- *irrespective of What Darwin Said*. To regurgitate that Darwinism is What Darwin Said, and that What Darwin Said cannot be rewritten, is to create -- and commit to -- a dogma.

Incredibly, Leonard Peikoff has made such a commitment. "Incredibly," because, contrary to what he wrote in "Fact and Value," he too knows that it is reality -- and not "the philosophy's author" -- that determines the coherence of a philosophy. In *The Ominous Parallels*, Peikoff offers heavy-weights Aristotle and Kant both as examples of a philosopher who derived a politics inconsistent with his essential principles. Broadly, the claim is that Aristotelianism leads to (i.e., its premises logically imply) anti-statism, while Kantianism leads to the totalitarian state. But those familiar with What Aristotle Said and What Kant Said will recognize that these developments do not occur within the texts themselves. Therefore, how can Peikoff contend that Kant's embrace of classical liberalism "suggests that Kant did not grasp the political implications of his own metaphysics and epistemology" (*The Ominous Parallels*, p. 33), if "the essence of the system -- its fundamentals and their consequences in every branch -- is laid down once and for all by the philosophy's author" -- ? How can he suggest that "a philosopher's political views, to the extent that they contradict the essentials of his system, have little historical significance" (*Ibid*), if "a proper philosophy is an integrated whole, any change in any element of which would destroy the entire system" -- ?

Peikoff's implicit answer is that Ayn Rand is to be held to a different standard. Could a dedicated man of philosophy, for instance, objectively demonstrate that Ayn Rand's endorsement of laissez-faire liberalism, instead of anarcho-capitalism, as uniquely consistent with rational individualism suggests, nay, *proves*, that Rand did not grasp the political implications of her own ethics (and, in turn, metaphysics and epistemology)? Could he further contend that this is an exploding contradiction within Objectivism (and thus *between* Objectivism and reality), one which prevents its realization as "an integrated whole" -- ? And the bottom line: Would Peikoff then accept anarcho-capitalism as Objectivism's politics, i.e., as the system's logical culmination -- *irrespective of What Rand Said*? With "Fact and Value," Peikoff responds: No, because that's not *What Rand Said*. (3)

Obviously, there's no point in beating this into the subsoil. Blind to his own blindness, Peikoff claims that the principal error is what he perceives as Kelley's creation of a false dichotomy of "whim or dogma: either anyone is free to rewrite Objectivism as he wishes or else, through the arbitrary fiat of some authority figure, his intellectual freedom is being stifled. My answer is: Objectivism does have an 'official, authorized doctrine,' but it is not dogma. It is stated and validated *objectively* in Ayn Rand's works." First off, here we have the straw man who dances, implicitly or explicitly, through every paragraph of Peikoff's encyclical: the whimsical revisionist, who desires to "rewrite" What Rand Said merely to placate the rumblings of his viscera. Secondly, "the arbitrary fiat of some authority figure" -- as an epistemological premise --

is *precisely* what Peikoff is advocating, his apparent obliviousness to this fact notwithstanding. And if that isn't dogma, nothing is.

The last sentence of the above-quoted passage is the most important in the entire essay; it is Peikoff's last grasp at some measure of philosophic integrity. The reason why Objectivism cannot be questioned, much less revised, is that it already has all been proven true -- i.e., factual, ergo undebatable. In other words, the old woman got everything right the first time, so there's nothing we lesser minds can do but sit back and take in the wonder of it all. No, Objectivism is not an arbitrary construct or dogma, a floating abstraction not tied by anything to reality: *philosophy* is the tie.

This last line of defense presupposes what the rest of the essay blurs: a distinguishing between Objectivism (the "It") and What Rand Said ("Ayn Rand's works"). Without that distinction, Peikoff, like our Darwinist, decapitates himself with his own boomerang logic: "It [= Objectivism = What Rand Said] is stated and validated *objectively* in Ayn Rand's works [= What Rand Said = Objectivism]." This aside, what that statement fundamentally evades is the issue of falsifiability, as discussed above. While What Rand Said obviously states a great deal, it cannot be said to have "objectively" validated anything. What the previous example of political implications demonstrates is not that What Rand Said is wrong, but that it cannot be right *because it cannot be wrong*. As a result, What Rand Said's "validation" itself has no validity as a philosophic "experiment," i.e., as an application of the philosophic method. This leaves What Rand Said a series of arbitrary assertions, which, *qua* the arbitrary, leaves us nothing to judge, to assess, to evaluate -- to be conscious of. Such is the consequence of Leonard Peikoff's viewpoint, which renders Objectivism exactly what he pronounced it to be: a closed system, which means: a dogma closed to philosophy.

NOTES:

3. By instating "the philosophy's author" as a philosophy's *authority*, Peikoff has eliminated the possibility -- i.e., gutted the concept -- of "contradiction." Without reality as a referent, how then could anyone determine whether What Smith Said in epistemology "contradicts" What Smith Said in ethics, when it's all What Smith Said? With this approach, Peikoff has sacrificed objectivity for authority, reason for faith.

-- Barry Loberfeld --

For Theorists Only:

Social Action Under Asymmetric Dynamics

In the previous segment, we examined the archetypical "Prisoner's Dilemma" situation, involving a group of simultaneous decisions made by a group of actors whose "payoff matrices" -- the returns that would accrue to each from the range of possible decision-sets -- are uniform. But such uniformity is not guaranteed in practice, of course, and three important variations from it are worth consideration:

- 1) Asymmetrical payoffs for particular decision-sets;
- 2) Asymmetrically distributed information about the payoffs;

3) The possibility of changing the system so as to cement a structural advantage into place for oneself.

Variation #1 -- I get \$10 for cooperating with you, but you get only \$1 for cooperating with me -- introduces two new influences: bargaining and envy. (Indeed, the perception of this kind of asymmetry will bring them forward even if the asymmetry is unreal.) Over repeated trials with a given set of actors and payoff matrices, the influence of bargaining (the less-well-paid-off will demand post-play compensation from the better-paid-off for his cooperation) will impose a progressive reduction of any asymmetry in payoffs, tending back toward the uniform-payoff or "basic" situation. However, envy has a different tendency, since it promotes betrayal and therefore reduces the total payoff of the actors collectively. Over repeated trials, known betrayers will themselves be betrayed systematically, which by itself will eliminate them from the system...unless their losses are made good by an external guarantor.

Variation #2 -- You know less about the results your actions will have than I know about mine -- is a phantasm; the situation cannot last more than N trials (N is the number of participants), because the payoffs themselves educate the actors. In this sense the "game" functions simultaneously as an education and testing mechanism, whose operation thrusts in a definite direction...again, unless external interference suppresses the delivery of payoffs.

Variation #3 -- a permanent structural advantage built into the system that extrinsic bargaining cannot undo -- is the essence of having "bought the police." The only structural advantage that can nullify the bargaining mechanism is the ability to evade the enforcement of agreements to redivide asymmetrical payoffs. Under these conditions, the heralded Hobbesian "war of each against all" erupts, each actor striving for control of such enforcement power as exists, if only to keep it out of the hands of others.

These are stunning conclusions. The only asymmetry that does not dissolve under repeated trials is the possession of the power to nullify contracts by force -- virtually a definition of government intervention. Even the suppression of free information flow cannot endure, because of the educational properties of those payoffs that are administered (pace the collapse of socialism).

What makes these conclusions doubly striking is that the superrational method, which implements the ancient wisdom of the Golden Rule, depends upon nothing but the passage of time. Never has the importance of a "timeless," static worldview to the socialist or interventionist thesis been more clear.

Dr. Robert Axelrod has written a marvelous book, *The Evolution Of Cooperation*, which covers the material of this and the preceding segment in more detail, with more exhaustive analysis. Axelrod's book, supplemented by the investigations of Pulitzer-Prize-winner Douglas Hofstadter, should be required reading for the thousands of pundits who disparage the market society and place their trust in the benevolence of power. Yet we are not finished; in Part 4 we will examine those cases where superrationality cannot apply, because there can never be more than one

trial of the system. Watch for it!

-- Fran Porretto --

The Free New York Interview

[We continue our conversation with Dr. Gordon S. Thrushbotham, Chairman and guiding spirit of the New York Totalitarian Party.]

FNy: Dr. Thrushbotham, do the subjects of military affairs and foreign policy cause totalitarians any discomfort?

GST: No, why should they?

FNy: Well, the pro-control orientation of your movement might be frustrated by the intransigence of other governments when you sought to make them do your bidding.

GST: Yes, that is a limitation, but fortunately not an important one.

FNy: Don't foreign trade and military affairs matter to your other policy choices?

GST: Of course they do! Haven't I said as much before? But the control of those two aspects of public policy doesn't require the control of other governments or their citizens, so long as we maintain adequate control of our own citizens and borders. It takes two to tango, as they say.

FNy: Does that imply government control of all foreign trade?

GST: Of course that's one of the implications. But this is really part and parcel of the larger totalitarian economic philosophy. How could we possibly control the domestic economy if Americans could circumvent the rules by running to an international marketplace whenever they felt like it?

Trade by Americans with non-citizens must be very strictly limited. The more of it we permit, the greater will be the fraction of American resources directed toward satisfying the desires of foreigners. We regard that as potentially fatal to our ideal of economic self-sufficiency and independence. In all probability, a Totalitarian administration would permit only that foreign trade which provided strategic materials needed by the military.

FNy: And what of the billions of dollars worth of products imported each year to satisfy American consumers' desires?

GST: American consumers ought to learn to be satisfied with the products of American producers.

FNy: Would you allow domestic production to adapt to the closing-off of the import channels, though? From other statements you've made, I'd expect not.

GST: It would all depend on the relative stability of the situation we found ourselves in at the time the borders were closed. There would be new priorities to be addressed, and it might well prove a better use of the liberated manufacturing capacity to dedicate it to the production of items required by the government.

FNy: What do you mean, "liberated manufacturing capacity?"

GST: Surely you're aware that we don't import our trading partners' products for free? We have to pay for them, and what we pay must eventually be redeemed with goods of our own manufacture.

FNY: You said, "redeemed?"

GST: Certainly. What good is a dollar bill to anyone? It's only worth what he can exchange it for. When an American buys a foreign-made product, he gives some foreigner a claim check to be turned in at some future date for an American product. Didn't your education include a course in basic economics?

FNY: Well, no, actually...

GST: Currency is only a medium of exchange. Tell a man he's about to be abandoned on a desert island, and then ask him what he'd like to take with him. He won't mention currency at all.

Have you ever given any thought to why the dollar has fallen in value for the past seventy-five years? The value of the dollar is determined by the total of goods and services for sale for dollars, divided by the total number of dollars in circulation. And the federal government has increased the number of dollars in circulation radically for this whole century, thinking advantages in foreign trade could be had that way.

Every government in the world has been trying the same thing: trying to get an edge on its trading partners by increasing the volume of its currency. But the trick doesn't work, because everyone can do it, until nobody can do it any more for lack of trust in currency. There's only one way to win: by inflating your currency very rapidly and in total secrecy, buying up all the imports you can with it, and then refusing to allow exports -- closing the borders. Hitler tried that and almost got away with it.

FNY: Stop! If I understand what I'm hearing, you're advocating something approaching a declaration of national bankruptcy.

GST: Oh, no, I'm not suggesting that the United States should try that. For one thing, it would be impossible to coordinate all the planning, purchasing, transportation arrangements, financial arrangements and delivery schedules well enough to bring it off, without giving the scheme away. And if the suspicions of other governments were inflamed, it would touch off a major war. No, I just wanted to point it out as an extreme theoretical possibility. And, in fact, it's the only theoretical way to extract any positive result from the lose-lose situation we call international trade.

FNY: So you're convinced that all international trade is harmful?

GST: Yes. It gets your population hooked on a stream of goods under the control of other governments, and drains purchasing power out of the country. Drug addiction couldn't be worse.

FNY: But that model of trade seems to apply to intra-national trade as well. Are New Yorkers worse off because they buy goods made in New Jersey? Are Philadelphians worse off because they buy goods made in Baltimore?

GST: It's a good question. I'm sure you've noticed how local and state governments are always trying to lure large companies away from one another with tax incentives and the like. In a way, they're engaged in the same kind of vampirism that nations indulge with foreign trade. But there's a critical difference: all of those local and state governments are American governments, subordinate to our federal government, which can keep them in line and assert the national interest

as supreme over all other, more parochial considerations.

FNY: Does that imply that, if there were a world government capable of keeping all the national governments "in line," as you've put it, that these harmful aspects of international trade could be moderated or made to vanish?

GST: Yes, if the world government were sufficiently strong and sufficiently determined to maintain control of the world economy. That is, of course, the best possible arrangement, because it would eliminate all the military pressures that traditionally rise up when international trade is foreclosed.

FNY: Ah, so you do foresee those.

GST: Of course. It's historically well-established that reductions in the volume of international trade give rise to military tensions. Most armed conflicts since the Renaissance germinated from trade disputes. It follows that a nation which seeks total economic self-sufficiency must be extremely well-armed and ready to act.

FNY: Act on what?

GST: On any threat to the national interest.

FNY: But what kind of threats might there be?

GST: Well, there might be threats to economic stability, there could be immigration or emigration pressures, or there could be military threats emanating from neighbor nations with economic or social problems of their own.

FNY: Could you be more specific?

GST: Alright, a typical, one might say "classical" economic threat would be an oil shortfall. If national programs were to require more oil than the nation's own oil stocks and industry could supply, then it would be necessary for the government to barter for the difference with the government of some oil-rich country. But suppose the oil-rich countries were to decide to use our need for their oil as a means to advance their interests at the expense of ours -- by price gouging, or by demanding a change in some aspect of American foreign policy? That could prove utterly unacceptable, in which case an aircraft carrier or two would become extremely important bargaining chips.

FNY: If I understand you correctly, you'd prefer to be able to say to our hypothetical oil-rich country that it's alternatives were to sell to us at our price or to suffer an American invasion.

GST: Well, isn't that preferable to putting the American economy at the mercy of another government?

FNY: It seems to me that, given the very high costs of warfare, virtually any nonviolent transaction would be more in the interests of either country. How much price gouging would it take to equal the cost of an invasion?

GST: You're missing the point. There's an issue of principle involved. We can hardly claim to be the greatest nation on Earth if other countries are permitted to dictate their own terms to us in an hour of crisis.

FNY: I see. What would generate the emigration pressures you mentioned?

GST: Partway through any economic or social reorganization, there's bound to be a body of

disgruntled citizens, people who feel displaced or disenfranchised by the changes. If they think they can relocate to more propitious conditions, they're likely to do so unless prevented. A government that permitted itself to lose that fraction of its population would face the derailment of its whole program in midcourse. However, the necessary corrective and preventive measures tend to alarm neighbor states, which then increase their own military readiness, and the chances of a war by miscalculation rise dramatically. Also, there's the need to keep smugglers and black marketeers out of the country.

FNY: You regard black marketeering as a serious matter, then.

GST: Absolutely! What could be more traitorous than to work against your government's economic policies, against the good of the whole country?

FNY: Yet I understand that Soviet bureaucrats routinely go to the black market in search of necessities not available from their above-ground economy.

GST: Well, I think it safe to predict that American economic planners could and would improve greatly on their performance.

FNY: Let's move to the area of military posture, then. What kind of basic force structure do totalitarians advocate?

GST: That's necessarily an outgrowth of other foreign-policy positions and circumstances, but in general terms we favor mobility and readiness above all.

FNY: Rapid Deployment Forces and so forth?

GST: But taken to their fullest logical development. The essence of a Rapid Deployment Force is its ability to move quickly to wherever it's needed, and to deploy overwhelming firepower once in position. At this time only about five percent of America's military forces answer to that description. The number should be one hundred percent.

FNY: Aren't Rapid Deployment Forces much more expensive to train, equip and maintain than our standard infantry divisions?

GST: Yes, but exactly what good is a division that takes three weeks to get to the zone of conflict? I can't understand why we have such forces at all, given their irrelevance to modern technological warfare.

FNY: The original purpose of the Army was to defend the United States. As such, it was expected that our men would be stationed inside their own country, not moved around the planet like living chess pieces.

GST: Oh, come now. Even the present state of affairs leaves very little room for that concept. Next you'll be calling for a return to citizen militias.

FNY: So totalitarianism embraces international military intervention?

GST: No: *readiness*. There's been so much talk about "the shrinking planet," about how events in any part of the world are inextricably connected to events in all the other parts. Military policy has to reflect that development. If a nation's military strength can't be applied to some particular point on the globe in time to influence critical events there, then that nation is, by definition, *not* a global power. The United States is and must remain a global power.

FNY: So, aside from upgrading the mobility and readiness of our forces, what changes in our posture would you favor?

GST: I regard our current distribution of forces as a good beginning. Its logical extension would involve nothing new, just the continuance of current policies: treaties of mutual assistance with more countries, and agreements that would permit us to build more overseas bases, more widely dispersed. We could use another six carrier battle groups and twenty more bomber wings. And I'd think about doubling or tripling the submarine fleet, maintaining the current ratio of missile subs to attack subs.

FNY: Would you expand the infantry or the Marines?

GST: Not at first. We should redeploy what we have a little more widely first, then consider how many potential theaters of conflict still aren't adequately covered. But this actually ties in with a very badly misconceived direction in foreign policy that could be turned to good use: the foreign aid program.

The money spent on foreign aid has largely gone into the pockets of corrupt politicians and their hangers-on. It hasn't created much good will toward America, and certainly very little actual improvement in the economies of the target countries. If we were to redirect those funds to the leasing of military bases in the target countries, the benefits could be spectacular. Our ability to project power would double or triple. The affected countries would develop enterprises dedicate to the American military presence. And there'd be a clear *quid pro quo* involved; if you ever retract America's basing rights, you'll lose your influx of dollars.

FNY: The longstanding objection to extranational military bases has been that it increases our risk of involvement in foreign conflicts that otherwise wouldn't affect us.

GST: I think you have to accept such risks willingly if you want the status of a global power.

FNY: You're making that decision for a lot of people who'd see things very differently. How would you respond to their assertion that the government has no moral right to risk their lives by involvement in foreign quarrels?

GST: Oh, we're back to rights again. Your government does not take your money, or your property, or your liberty, or your life by *right*; it takes them, when and as it needs them, by *force*. Which, if you'd stop to think about it for just a moment, is what the military is all about.

About The Contributors

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