

The Illinois Libertarian

LIBERTARIAN PARTY OF ILLINOIS • BOX 1776 • CHICAGO 60690

VOL. 2 NO. 1

Election Returns

The Libertarian Party isn't savoring "the thrill of victory" just yet, but by no means should anyone accuse us of wallowing in "the agony of defeat."

We were, after all, proclaiming "A New Dawn in Politics," not high noon. And just below the horizon, the sun is shining brightly.

Such claims are always the matter of subjective...and thus suspect....interpretation, of course; but a look at the record and the foreseeable future can be very encouraging.

The Libertarian Party was founded in Colorado five years ago, by a very small group of people whose dedication to libertarian principles made it possible to be on the ballot in two states in time for the 1972 general election. It may be a bit generous to assume the LP got 10,000 votes in the entire nation in that election.

This year, the Libertarian Party came close to that total in just the two states where it was on the ballot in 1972: Colorado and Washington. They produced a combined vote of nearly 9,400.

The 1976 story, obviously, is much bigger than that: the LP was on the ballot in 32 states, a figure which exceeds the fondest private hopes of almost anyone who attended the 1975 LP convention in New York. The LP was on the ballot in more states than any other third party or independent candidate, a feat all the more remarkable because the LP is new - without the kind of name recognition that automatically draws hundreds of volunteers to people such as Eugene McCarthy and Lester Maddox.

MacBride drew nearly 8,100 of his votes here in Illinois; while at the other end of the state ticket, Anne McCracken drew more than 44,000 votes as a candidate for University of Illinois trustee.

There are literally thousands of people who went out of their way to cast some of their ballots for Libertarian candidates this year. Those people know...and like... something about the Libertarian Party and libertarian ideas. During the next year and until

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LPI TO HOST CONVENTION

On March 5th and 6th the Libertarian Party of Illinois will hold its annual convention and conference at the Holiday Inn of Oakbrook Terrace. This will be the biggest Libertarian event of the year, with noted speakers from around the country, workshops, social events, and Party business such as the election of state officers included in the agenda. The Party expanded its membership astronomically during the campaign; this will be the first opportunity for us all to assemble, discuss libertarianism, learn about political action, meet each other, and generally start building a cohesive, permanent political organization. Be there! Set aside the weekend now; details about the speakers and activities will be coming in the ensuing months.

the 1978 campaign begins, we must do all we can to make certain those 44,000 votes at the end of the ticket find their way to the top of the ticket. We should make those 44,000 voters who were "interested" enough to vote of one candidate convinced and committed enough to our ideas and principles to actively support the LP two years from now. If we, as the currently active members of the Libertarian Party of Illinois, dedicate ourselves to that goal during the next two years, we will be capable of surprising every politician and political commentator in the nation.

Libertarians are getting a magnificent set of circumstances handed to them on the proverbial silver platter; and if we can capitalize on those circumstances, the Libertarian Party can indeed write the epitaph for the Republican Party and the existing two-party system shortly after the 1982 elections.

The Republicans, remember, could not re-elect an incumbent president this year. The Republican Party is the party of 18-22 per cent of the American voters, depending on whose survey results you prefer. The Republican Party will have only 12 of its members holding the office of governor after the beginning of new terms in January, and it will hold a very obvious minority in each of the houses of Congress.

The Republican Party does not have a large number of people it can draw on to lead it through the re-organization it so desperately wants. Some members of the party have not been able to shake the stigma of the Nixon White House and the Watergate scandal, others are now considered "too conservative" to be able to assume the mantle of leadership of the party's national committee, and some of those who consider themselves conservatives are considering breaking away to form a new party anyhow. Others are just simply too old to lead the fight against an incumbent president four years from now.

Conservative Republicans may well attempt to form a new party after the first of the year. Certainly the moderate and liberal wings of the party are in no mood to tolerate any conservative-wing move to control the party's national committee from the top or the inside. During the 12-member Republican Governors' Conference in Washington just after Thanksgiving, former Oregon governor Tom McCall put the blame for the party's problems squarely on its right wing, saying the party has made "so many fatal mistakes it finds itself an endangered species at its own graveside."

The man who would be king, former treasury secretary and three-time Texas governor John Connally, could find no better suggestions for the party than to support a single, six-year term for presidents; a single, eight-year term for senators; and a four-year, two-term limit for congressmen. And rather than working to unite the party, Connally lost no time challenging Illinois' own governor-elect, James R. Thompson, to support abolition of the grand jury system. As political challenges go, that's not a bad way to bait a former federal prosecutor. But it's not much of a beginning for Connally's argument that Republicans must not put themselves in a position "of being negative. We don't need to just organize," he said. "We need to convert."

Abolition of the grand jury system isn't a libertarian's idea of "conversion," especially when both the Republican and Democratic parties are sponsoring and encouraging so much legislation that tramples on the rights of individuals.

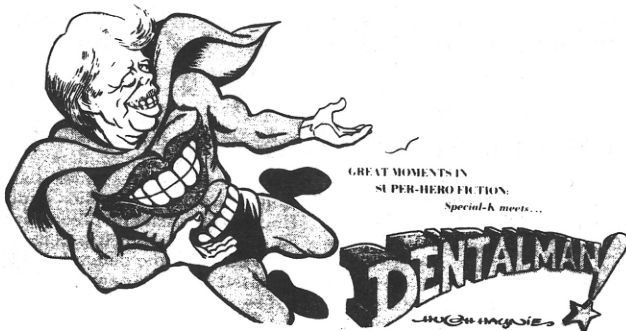
What the balloting proved November 2nd, and what John Connally proved nearly four weeks later, is that the Republicans and Democrats just are not that far apart. Neither party is willing to challenge the unspoken premise that government and more government is the automatic answer to every question posed by society.

Yet the Republicans face a challenge, not just of image, but of victories. They have to think of something that can separate them from Democrats in the next two years, something that can get Republican candidates elected.

Without viable leadership, and without viable ideas, the Republican Party is likely to encounter severe problems in 1978, nearly insurmountable problems in 1980. All it will take is for Jimmy Carter to keep the country out of war, and to keep inflation under even a minimum of control.

Republicans must begin their comeback in the 1978 elections if they hope to make any real gains in Congress and state legislatures during the 1980 elections.

The Economics of Jimmy Carter



The election of Jimmy Carter as President of the United States on November 2nd has greatly changed the economic and political environment in which we will be living during the next four to eight years.

Before the elections, secretary of the treasury William Simon added up all the promises in the Democratic national platform, and found that the promises would cost all American taxpayers more than \$200 billion each year. Simon broke that figure down so the individual taxpayer could start saving now to pay the increases. To quote him: "The thinly disguised state socialism could amount to nearly \$1,000 in new federal spending for every man, woman and child in the United States."

But remember, there are only about 70-million U.S. taxpayers, which makes the tax cost of the Democratic spending proposals approximately \$2,900 per average taxpayer. Many happy tax returns to you this holiday season...and every other season of the year.

Based on information from Carter's principle economic advisor, Lawrence Klein, the cost of the Carter administration, in terms of economic stimuli, will be at least \$30 billion in the first year. That's a lot of stimuli, considering the federal budget year has already begun...and the government is operating under a Ford administration budget.

Carter has set targets of 4.5 percent unemployment and 4 percent inflation for 1980, coupled with a balanced federal budget in fiscal 1980. Fiscal policy will be more stimulative under Carter's administration than the current Ford administration budget implies. Federal outlays will be phased in selectively, \$3 to \$5 billion per quarter. Klein prefers an increase in expenditures rather than a tax cut, because he feels that a tax cut would make it almost impossible to achieve a balanced budget by 1980.

Carter is also pledged to a monetary policy which will be more stimulative than the Ford administration's policies. Specifically, Carter will try to keep interest rates one percentage point below their normal projected rise...if interest rates would normally rise 150 basis points (1.5 percent) given a certain degree of economic activity, Carter would allow interest rates to raise only 50 basis points (.5 percent). Growth targets for monetary expansion will be abandoned with government policy returning to a more doctrinaire Keynesian perspective.

In the area of housing, Carter has pledged that federal housing subsidies will be geared to generate 400,000 new housing units yearly, sustaining a level of at least 1.7 million housing starts yearly, whether the market demands them or not. The character of the subsidies will probably take the form of reduced mortgage payments or reduced down payments.

During the campaign, Carter's major promises was "to get our people working again." No wonder then that adviser Klein has made a long-term job training program near the top of the new administration's priorities. The desire is to create over one million additional jobs within the next three years. Fiscal and monetary policies are projected to bring the unemployment rate down to 5.5% by 1980, which means that unemployment rate must be reduced by 4.5%.

Of course, the Carter administration has forgotten that unemployment is one of those "fuzzy" economic indicators. Though the statistic is perhaps the most widely publicized in the United States and Europe today, it is a misleading measurement of the health of the economy. Many people are engaged in activities which do not qualify under the strict definition of "work", and are considered to be "unemployed" nevertheless. Examples are students, housepersons, people on sabbatical, etc.

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Unemployment statistics derive their swollen political impact mainly through a Keynesian interpretation of them. Keynesian economic theory makes the concept of full employment central to the well-being of the economy. Keynes' theory makes unemployment the shortfall in the economy from "full employment." But what is "full" employment? Jobs for all who want them? Jobs for all who need them? What determines need? Does a "full" employment require a job for both the man and woman of a household, or just one?

The problem with Carter's infatuation with "unemployment" is that its solution will become the administration's number one economic priority. This does not, of course, mean that he will start reducing taxes, deregulating, repealing or lowering the minimum wage, or do anything about the causes of unemployment and economic stagnation. Instead, Carter will turn to huge increases in federal expenditures.

In theory--Carter's theory--the increased expenditures will be offset by increased tax collections due to the increased level of corporate and personal income resulting from the government's jobs program. However, what happens if profits do not increase enough to fund the greater federal expenditures? The Congress will be asked to increase the federal debt ceiling and the Treasury will sell more government bonds. In all likelihood, The Federal Reserve Board will be asked to increase the money supply, since the private sector does not have the capital to fund anymore government debt without seriously impairing the private sector's ability to maintain and expand employment opportunities.

The demand by government for an increase in the money supply would be particularly dangerous. The new administration, and presumably its appointments to the Federal Reserve Board, will be more concerned about creating jobs than the economic consequences of an increased money supply. As we all know, any increase in the money supply over the increase in the efficiency of the factors of production will cause inflation. Carter's concern for jobs could create an inflationary spiral that would threaten the jobs and savings of all Americans, not just 9% of them.

Any serious consideration of a tax increase, given the current political and economic climate, is out of the question. In fact, Carter is holding out the olive branch of a possible reduction in tax rates. Simply put, the private sector will not be able to maintain current levels of production, let alone expand, if taxes are raised. A recent Commerce Department study indicates that the savings rate (capital creation rate) must average 12 percent of Gross National Product between now and 1980 to avoid a capital shortfalla capital shortfall which will impact the factors of production, making any increase in the money supply directly inflationary to the extent of the increase. The 12 percent savings rate is not an easy one to expect since the current savings rate has been hovering around less than 10 percent.

What can be expected from the Carter administration is a good dose of inflation. In fact, Milton Freidman, the 1976 Nobel Laureate in Economics, in a private conversation with the author, predicted that if the general price increases which were evidenced during the Nixon administration were called inflation, the general increase in prices during the Carter administration will be so great by comparison that another word (and not inflation) will need to be found to describe the rates.

When the Carter administration is faced with inflationary pressure, being Keynesian in perspective, it will turn to wage and price controls as a solution. To be sure, the controls may hold down prices....but there simply will be nothing to buy.

The National Commission on Supplies and Shortages has put the wage/price control consequences into a nut shell. The commission lays blame for many of the 1973-74 shortages of basic material squarely on the shoulders of government intervention. In reaction to accelerating inflation, combined with price controls, both business and the public tried to "stock up." Meanwhile, new prices, environmental, and worker protection controls discouraged industrial expansion resulting in widespread shortages in many basic industries: paper, lumber, fertilizers, aluminium, etc.

Price controls have never worked. In fact, rent controls, a kind of price control which has been with us for many years, has long been a symptom of the diseased political economy of New York City. Rent controls have been spreading largely as a result of sharp inflationary pressures. Rents are now controlled by government in 106 cities in New York State, 100 municipalities in New Jersey; Boston, Cambridge and two other Massachusetts cities, a half dozen communities in Connecticut, Baltimore and three counties in Maryland, the District of Columbia, Miami Beach, and several Alaskan cities.

Rent controls make no sense economically or socially. Rent controls, or even their threat dries up all investment in rental units. Keeping rents artificially low also contributes to housing decay by discouraging reinvestment and ordinary maintenance. If developers and landlords cannot expect a market return on their investments, the rental housing needs of the people (the average worker) will not be met by the private sector and government will be "forced" by public demand to fill the gap with exorbitantly expensive public subsidies which will have assorted "social engineering" strings attached. If the government gets involved the majority of new housing starts, nationalization of the real estate industry will not be far behind. If, after the imposition of rent controls, the government does not get involved in the housing market, there won't be any new housing units....people won't have a place to live. It's a vicious circle beginning with the outbreak of inflationary pressures, pressures which are now building and will quickly bubble over under the upcoming Carter administration. The problem is then made worse by trying to solve the inflationary problem with more government action.

Despite predictions that world-wide demand for petroleum products is expected to increase oil companies and putting fewer of their financial resources into oil recovery and production. For example, Continental Oil Company (CONOCO), the nation's ninth largest oil company is no longer bullish on petroleum. The company is planning to cut back oil exploration because the future of oil profits looks uncertain. Howard Blauvelt, CONOCO chairman, says the company will "deemphasize" exploration for oil as well as natural gas, which would have to be sold in interstate markets, and therefore, be subject to federal government price controls.

Standard Oil Company of California, the nation's fourth largest petro producer, last year agreed to acquire 20% of the outstanding stock Amax, Inc., a diversified metals and coal producer instead of reinvesting those profits back into oil exploration. Mobil Oil Corporation, which is number three in U.S. oil production has proposed to acquire Irvine Company, a land-development concern, and has already agreed in principle to merge with Marcor, Inc. In a world in which economics politics is imposing ever-new restraints on a slow transition away from oil to other less regulated industries. Such a gradual transition away from everything subject to regulation can be expected to accelerate during the next decade. Such movements will leave consumers with nothing to buy with their government-given wealth. It's another simple case of not being able to have your cake and eat it too.

In the case of oil companies, many sources close to the industry expect them to invest their large profits from Alaskan exploration in the purchase of large U.S. banks. Banks, generally hungry for capital, will absorb the huge sums coming from the North Slopes and invest in industries and countries which are not subject to government regulation. In the long run that will mean fewer jobs, less real wealth, and a lower standard of living for the average American. That is the prognosis which Jimmy Carter's win gives to the average American.

With the imposition of wage/price controls, the stock market should peak and domestic commodity prices will continue to rise and corporations will begin to hoard raw materials. An inventory recession will begin and be stopped by Washington's involvement in still another Vietnam type military adventure. The Keynesian economic model always provides for a war economy.

The 1980 elections are crucial for the survival of the Republican Party, because the men and women who hold elective office in 1981 will do the Congressional re-districting based on the 1980 census. If Republicans do not hold some strong positions in state legislatures around the nation, the Republican Party can be re-districted virtually out of power....and consequently out of existence.

Civil libertarians have already begun to leave the Democratic ranks for the Libertarian Party; and economic libertarians are deserting the Republican Party heading for the same philosophical place. Part of the LP's national staff comes from conservative Republican ranks, others on the national staff worked for McGovern in 1972. All are now dedicated Libertarians.

They, and the active state organizations, are "planting seeds of ideas," as one Chicago columnist described the growth of the Libertarian movement. With work - and we must work together - the "new dawn" of 1976 can become the "sunrise" of 1978, the growth of 1980, and the end of state tyranny within a decade.

IdeoInformation

If a Libertarian Party is to succeed in establishing a free society, we had better know what we are talking about. The burden of proof is always on those who seek to change things radically, and this requires libertarians to be twice as thorough, competent and unremitting in their analysis as their opponents. This column will regularly feature information about books and other materials relating to libertatianism. Normally, the books will be chosen on the basis of our issue topic for that month. This month, however, features books that present a general introduction to the ideas of libertarianism. These books are the first order of business for any individual desiring to become an effective practitioner of libertarian social change.

A THEORY OF THE ORIGIN OF THE STATE

R. Carneiro .75 pb

The noted anthropologist considers the formation of the state and concludes, "A close examination of history indicates that only a coercive theory can account for the rise of the State."

A NEW DAWN FOR AMERICA

Roger Macbride .95 pb

The 1976 LP presidential candidate presents his sweeping call for an end to state domination. An excellent introduction to the movement in easy-to-understand terms.

OUR ENEMY THE STATE

Albert Jay Nock 2.95 pb

Classic analysis of the state by one of the finest early 20th century libertarians. Developes the thesis that as State power increases, Social power (voluntarism) decreases. The more the State does, the less society can or will do for itself.

ANARCHY, STATE & UTOPIA

Robert Nozick 12.95 hc

A carefully reasoned, but somewhat technical examination of the nature of the state and of the concepts of liberty and justice. A devastating libertarian challenge to the positions of liberalism, socialism, and conservatism. Winner of the 1974 National Book Award in philosophy.

THE STATE

Franz Oppenheimer 3.95 pb

The definitive work on libertatian class analysis (the State vs. Society), which explores the nature of the feudal, maritime, and constitutional state, and why each is inherently exploitative and oppressive.

FOR A NEW LIBERTY

Murray Rothbard 8.95 hc

The finest in-depth introduction to libertarianism. Includes discussion of the philosophy of natural law, natural rights, and private alternatives to government in such areas as roads, schools, courts, welfare, defense, foreign policy, and ecology.

EGALITARIANISM AS A REVOLT AGAINST NATURE and other essays Rothbard

2.50 pb

Fifteen of Rothbard's best essays, examining such topics as the nature of the State, war and foreign policy, justice, and egalitarianism.

THE LIBERTARIAN ALTERNATIVE

edited by Tibor Machan 12.50 hc

Comprehensive anthology of 37 articles covering a wide range of philosophic, economic, political and social arguments for libertarianism. Includes Rothbard, Hospers, Branden, Brozen, Szasz, and others.

These books can be ordered from Libertarian Books, 5616 So. Blackstone, Chicago, Illinois, 60637 Please include 50¢ for postage and handling.

THE "FORUM" LIVES! AFTER A BRIEF HIATUS, THE JANUARY ISSUE OF THE ILLINOIS LIBERTARIAN WILL FEATURE "THE STATE VS. SOCIETY: LIBERTARIAN CLASS ANALYSIS." SUBMIT ARTICLES THROUGH THE PARTY MAILBOX, C/O KEN JAMESON. WE ARE ALSO OPEN TO SUGGESTIONS FOR FUTURE FORUM TOPICS.

Local Clubs

NORTH SIDE-- Joe McCaffrey, 528-9083. Milton Mueller has moved; do not try to reach him at the old address or number.

SOUTH SIDE-- Elaine and David Theroux, 955-2442.

NORTHWEST SIDE-- George Muha, 431-2481.

NORTH SHORE-- Jorie Julian, (312) 234-1825

NW SUBURBAN-- Bill Bartels, (312) 253-6142

WEST SUBURBAN-- Tom Cain, (312) 383-8359

SOUTH SUBURBAN-- James C. Jones, (312) 468-8805

LAKE COUNTY-- Marji Kohls, (312) 223-8417; or (312) 546-8215

MCHENRY COUNTY-- Robert Randall, (815) 459-4929

KANE COUNTY-- Volunteers for an organizer in this area call the LPI at 528-6917. In the meantime, libertarians in this area can call the DuPage or McHenry County organizers.

DUPAGE COUNTY-- Don Parrish, (312) 852-2844

ROCKFORD-- James Dunkel, (815) 877-6321

DEKALB-- Marc Swanson, (815) 758-4073

TRI-CITIES-- Richard Wetzell, (309) 764-7049

PEORIA-- Jerry Joyner, (309) 688-9623

BLOOMINGTON/NORMAL-- Ed Monger, (309) 452-0577

CHAMPAIGN/URBANA-- Jeff Dehn, (217) 359-3583

SPRINGFIELD-- Gary Burpo, (217) 787-1451; also 544-7386

METRO EAST-- Bill Brockus, (618) 656 4351

SOUTHERN ILLINOIS-- Bill Mitchell, (618) 439-6004

SCC Notes

The State Central Committee met in November in the home of Bob and Carolyn Randall in Crystal Lake. The group decided to continue the existence of the Illinois Libertarian Ballot Committee. The Ballot Committee will remain in existence mainly for legal reasons; initiating a new committee requires a lot of paperwork.

It was also reported that the LPI probably has enough members now to shift to a Congressional District method of organizing the local clubs. The State Constitution and By-Laws calls for the local organizations to correspond to Congressional Districts when at least five members reside in each district.

Plans for the Convention and Conference were initiated. Head of the Planning Committee is Milton Mueller. The Convention date agreed upon was March 5 and 6.

The treasurer's report indicated that the Party Treasury (as opposed to the Ballot Committee's Treasury) is in the black by a comfortable margin.

News & Notes

For campaign junkies: a 'fix' of nitty-gritty vote totals. Out of a total of 4,838,982 votes cast, Joe McCaffrey received 7,552; John Reis got 9,165; Ellyn Powelson got 10,461; Mark Wallace got 13,788; Wilbur Swett (alias Milton Altschuler) got 25,532; James McCawley got 27,542; and Anne McCracken received an amazing 44,472 votes. Nationwide, the MacBride ticket totalled around 150,000 votes, outpolling Lester Maddox in the important state of California. MacBride received 6% of the vote in Alaska.

David Theroux and Robert Osterlund are starting a workshop on Austrian economics. Centered in Hyde Park (where else?), the group has as its goal serious, disciplined study of Austrian economics. Call David at 955-2442 or Bob at 752-6866 for more details about texts, speakers, etc.

NOTA Talk. December 12 Bernie Sohmer and Kerry Hewlitt speak on "Mind your Health; decide for Yourself what you can believe." They will show the film, "World without Cancer," discuss government-created myths about health care, suppression of information, regulation, and licensing. As usual, the talk will take place at Christ Church of Chicago, 701 W. Buckingham.

Will and Marybeth Kinney are starting a discussion group. Tentatively called the Libertarian Supper Club, it is meant to provide a forum for in-depth discussion of all aspects of libertarianism--political, economic, social and cultural. The first meeting will be held Dec. 19 at the Eagle Restaurant, 5311 So. Blackstone, at 6:00. Donations will be accepted; dinner is not mandatory. Panelists Joe Cobb and Milton Mueller will be ruminating over the question, "Is libertarianism amoral?" Call the Kinneys at 774-4105 for more info.

PUBLISHER'S NOTE. The Illinois Libertarian's staff worked hard during the campaign. This resulted in some temporary compromises in the quality of the newsletter: later mailings, less appealing layout, etc. The January issue should, however, be back to our normal brilliance.

ANARCHY IN WILDWOOD'S WOODS. Marji Kohls is running for elective office in Wildwood--and she may even win. Her area is trying to set up some control over unused land by creating a Park District. Marji, of course, opposes the idea. She is campaigning for the post of Park District Commissioner on the plank that she will abolish the post if elected. She has 2 chances of winning: the proposal to create the Park District could lose; and/or she could be elected. The votes will be cast Dec. 11th; Marji is campaigning door-to-door until then.

The campaign is over, the votes have been counted....and the bills are coming due.

Many of you have already renewed your memberships in the Libertarian Party of Illinois. Many of you have not.

Current memberships expire at the end of the year. Renewals received after September 1st will be effective through December 31, 1977.

If you have not renewed your membership, please do so quickly. A business reply envelope is enclosed for your convenience.

We finished the Illinois campaign with a total debt of close to \$5,000. We need to be able to pay off these debts as quickly as possible so we can prepare properly for the state convention in the spring, and for the basic organizational and promotional work that must be done to keep the party an active, viable political force during the coming months. Your contribution to the Libertarian Party of Illinois can help make that work possible.

The national LP also has its share of debts, and we would urge you to make some contribution to the MacBride for President Committee, if at all possible, to help pay off its more than \$50,000 in campaign debts. The party's national office is also looking for short-term loans from members to help pay off the immediate bills that cannot be relegated to a sort of "revolving credit" account pay-off system. Call the national office at 202/232-2003 for more details.

The Illinois Libertarian is published monthly by the Libertarian Party of Illinois. Subscription included with annual membership in the Libertarian Party of Illinois: \$12/sustaining; \$8/regular; \$6/student. Subscription for non-members: \$6/year. The views expressed herein are not necessarily those of LPI, its officers, or the editor, Ken Jameson. Articles should be submitted to the editor, The Illinois Libertarian; membership and other inquiries should be directed to the LPI, P.O. Box 1776, Chicago, Illinois 60690.