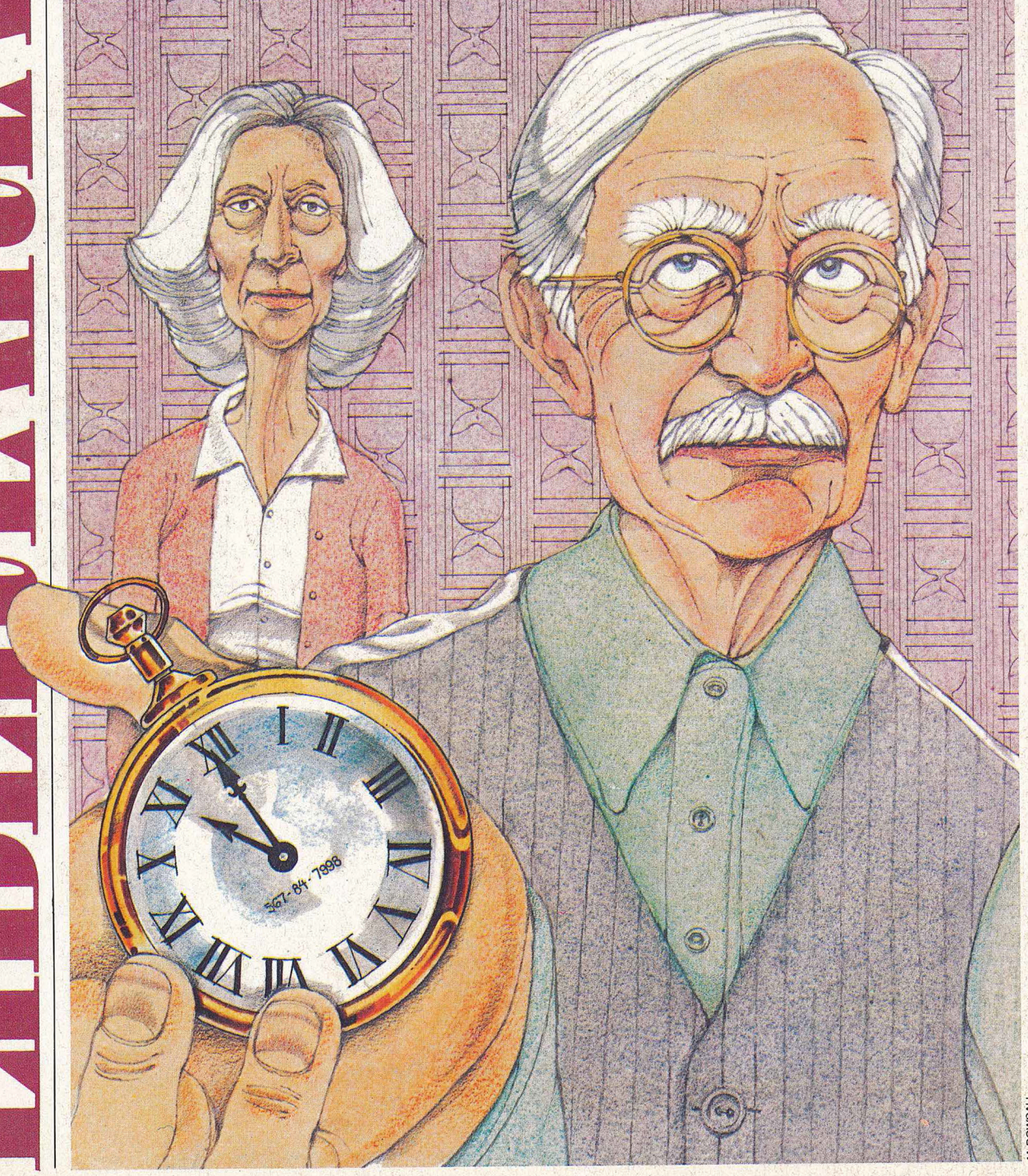
THE LIBERTARIAN REVIEW

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Social Security's Eleventh Hour



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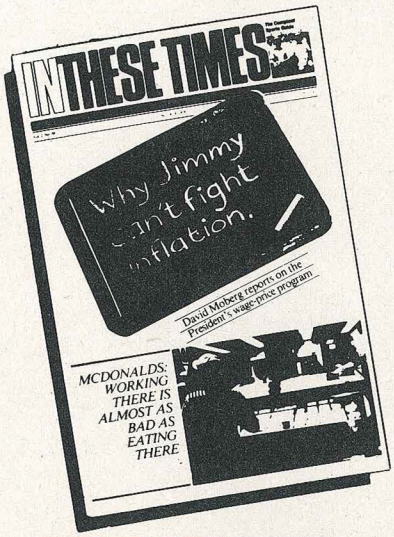
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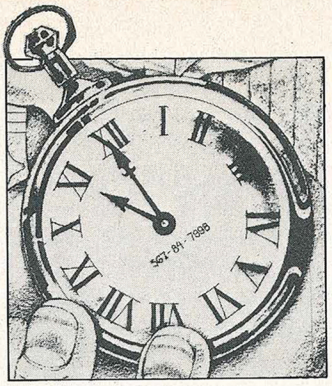
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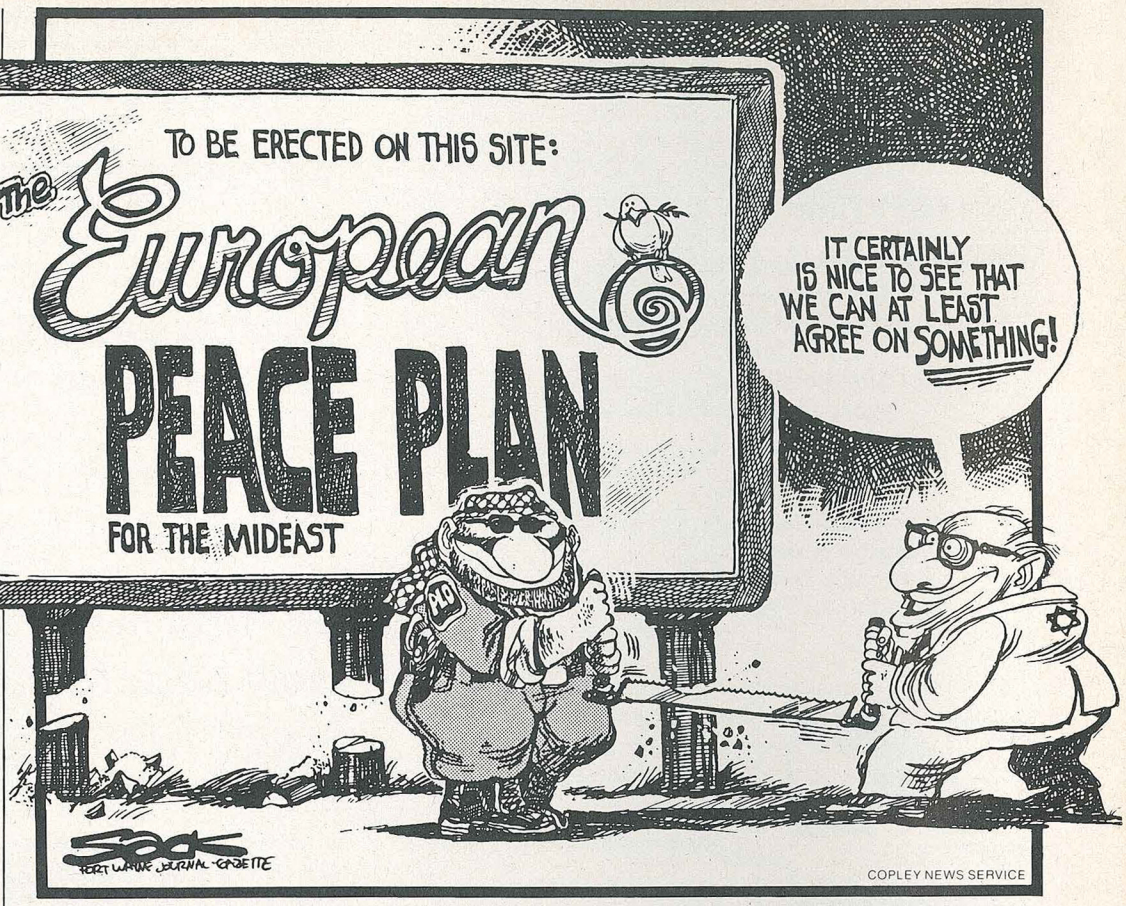
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LETTERS TO LR



A Plague o' Both Your Houses...

WHY IS IT THAT SOME "libertarians" seem unable to be consistently anti-statist and anti-authoritarian, and feel the need to choose a "lesser" evil when dealing with political and nationalist conflicts? In the September 1980 issue of *LR*, David Brudnoy has written an apology for the Israeli government, certainly not a libertarian organization, while attacking Bill Birmingham for favorably reviewing a book sympathetic to the Palestinian nationalists. It seems to me that neither approach is truly libertarian.

Both the PLO and the Israeli government are terrorist organizations willing to murder innocent individuals to achieve their ends. In fact, if one counted bodies we would find that the Israeli armed forces have killed far more Arab civilians than the PLO has killed Jewish civilians. However, it seems that many consider a bombing of a market resulting in seven deaths a terrorist act, but a bombing raid on a village or refugee camp resulting in 100 deaths, an "anti-terrorist" raid. Is it that more efficient terror is, by virtue of its scale, more acceptable?

However, whichever group has killed more people, neither one is more morally defensible than the other. Anti-statists should oppose both the Israeli government and the PLO as racist, murderous groups, just as all governments and nationalist movements have always been. Libertarians ... must not fall into old-fashioned lesser-evilism, but must offer the only real alternative to oppression: Opposition to *all* authority and *all* government, as well as *all* nationalism.

JOE PEACOTT
Jamaica Plains, MA

LIKE DAVID BRUDNOY, I found Mr. Birmingham's whitewash of the PLO to be distressing. And I found much of worth in Mr. Brudnoy's reply ("Palestinian fantasy," *LR* Sept 80). But, I was also disturbed by several aspects of his reply.

Perhaps the most immediately disturbing aspect is the implicit racism during his comparison of the attacks on a group of Israelis and on three Arab mayors: "And what did the Arabs and the Jews have to say about these incidents? From Damascus, and from the PLO leadership, came *high praise* for those, presumably Arabs, who killed the Israelis in April." Neither the PLO nor the rulers of Syria (separately or together) are "the Arabs," Mr. Brudnoy; they are two segments of a larger Arab population.

Mr. Brudnoy also seems to think (though this may be an inference on my part) that *because* Israel is less evil than the PLO (a premise with which I agree), it is therefore good (an unwarranted conclusion).

And given that Mr. Brud-

noy has a sounder justification for (the actuality of) Israel (rather than the general notion of a Jewish homeland) which he lacked an opportunity to present, this does not justify his apparent belief that the United States government should support Israel. There is questionable morality involved here, in that a call for government support carries with it an implicit rejection of the feasibility of 'private' support; but if people won't voluntarily subscribe directly to a cause, it is doubtful that a government which does so can obtain the necessary capital without initiating coercion.

It should be noted that, given the open-border policy which all (true) Libertarians call for, the (possible) destruction of Israel need not mean the destruction of the Israelis.

Like Mr. Brudnoy, and unlike Mr. Birmingham, I have no stomach for the scum who make up the PLO. And I recognize that the argument that the Jews must have a homeland is not without merit. But this does not translate into support for Israel, let alone for interventionism on its behalf.

DANIEL KIAN McKIERNAN
Westerville, OH

A FRIEND HAS SENT some pages from your No 9, Vol 9 (September '80) issue, with the article "Palestinian Fantasy" by David Brudnoy. I am used, or so I think, to wilful misrepresentation and deliberate deception, but something like this article I have not seen for a long time.... I am enclosing material from *Israeli Press* and one article of mine from 1975 by way of rebuttal, and will also give you *one* single example of Mr. Brudnoy's misrepresentations: His statement (p. 12) that Israel "is the only country in the Middle East demonstrating total respect for the holy places of all three great Western faiths." ... The following facts should be noted:

1) The old Moslem "Mamila" cemetery of West-Jerusalem was desecrated in the early fifties. "Independence Park" and "Plaza Hotel" were built on it, and only a vestige (around 5 percent of the original area) was left.

2) Similarly in Tel-Aviv, Hilton and Sheraton were built on the desecrated Moslem Cemetery of Jaffa. The bones were thrown on a garbage-pit.

3) The cemeteries of Rafah Approaches inhabitants in Sinai were treated likewise in 1972-1974.

4) The cemeteries of the Moslem villages destroyed in 1948-49 (385 were razed to the ground, most of them Moslem) were totally destroyed. Not a grave remains.

The above statement is not intended to justify the Jordanian desecration of Jewish cemeteries, well publicized in the American press, but to point out that a half-truth is worse than a lie.

ISRAEL SHAHAK
Jerusalem, Israel

SINCE I WAS APPALLED by Bill Birmingham's review of Edward W. Said's *The Question of Palestine* ("The revolution that will be," June *LR*), I am relieved by David Brudnoy's devastating response to that review ("Palestinian fantasy," September *LR*).

Relieved but still concerned. Like many others, I believe that the libertarian movement's most valuable contribution to American politics is its advocacy of individual freedom. But again like many others, I am troubled because this advocacy of individual freedom often is not accompanied by an appreciation of free (or relatively free) societies and a commitment to support those societies.

Many libertarians attempt to justify their position by arguing that, if they were to support the United States government's military activities, intelligence operations, and international alliances, they would help increase the government's capacity to restrict freedom at home and abroad. This argument is based on two assumptions: first, the purpose of the American government's international activity is to restrict freedom; second, the major threats to our freedom are posed by our government and its allies rather than by the Soviet Union and its clients.

I think that both assumptions are wrong, but at least the first assumption is consistent with libertarian skepticism about *all* government activity. What is not consistent with libertarian philosophy—what should be abhorrent to all libertarians—is support for the so-called Palestine Liberation Organization (PLO), which is a terrorist organization that intimidates Palestinians and murders Israelis; that is committed to the destruction of a democratic country, Israel; and that is supported by an imperialist totalitarian state, the Soviet Union. (See Charles Horner, "The Facts About Terrorism," *Commentary,* June 1980).

In the last sentence of his review, Mr. Birmingham says, "I would like to see American libertarians put aside their conservatism, and their xenophobia, and their terror of being somehow contaminated by 'leftist' issues...." Mr. Birmingham's review and some other articles on international affairs in libertarian journals suggest that American libertarians should be concerned, not over "their terror of being somehow contaminated by 'leftist' issues" but over the fact that their movement *has* been contaminated by leftist issues. Since Mr. Brudnoy clearly has not been contaminated, he knows freedom when he sees it—and the enemies of freedom when he sees them. Therefore, I hope that we will see more articles by Mr. Brudnoy in the front as well as the back of *Libertarian Review.*

TERRY KRIEGER
New Orleans, LA

AFTER READING MR. Birmingham's rabidly pro-PLO, anti-Israel diatribe in the June LR, I really felt despondent. I thought: "Oh, no! How could libertarians encourage the venomous mobs attacking the Jews?" Thus, I was glad to see that the LR editors allowed David Brudnoy's article to be printed in the September issue....

Everything he says in his short, eloquent article is true....

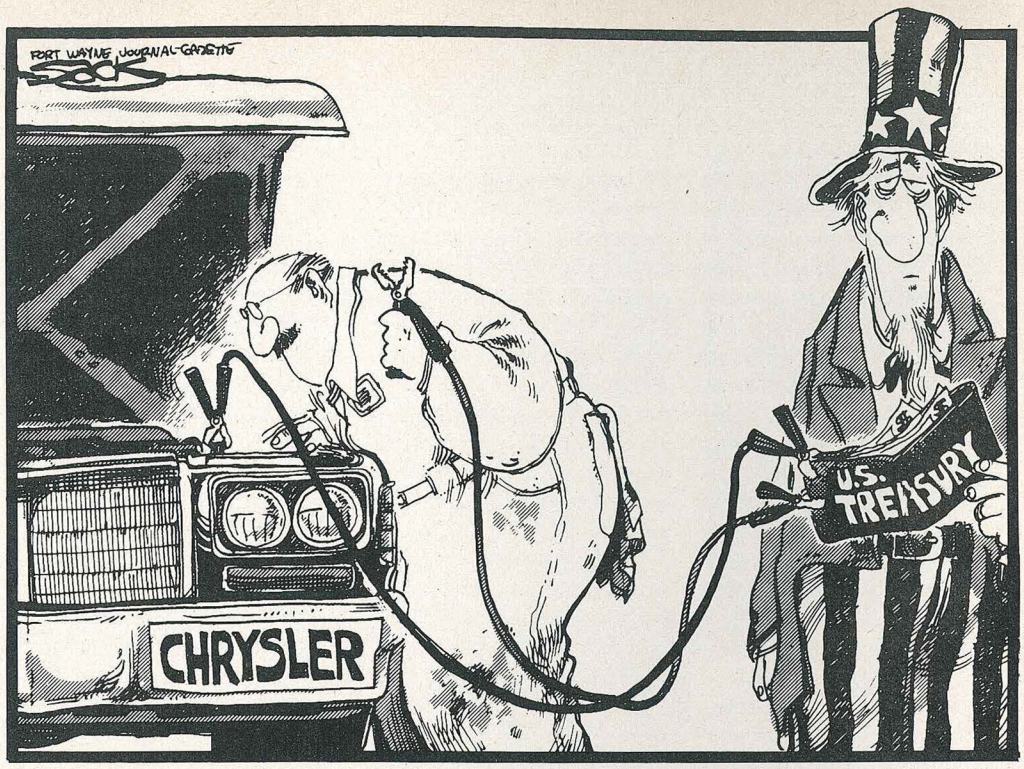
So far, what has the right to political self-determination accomplished for the Jews, except one war after another? Furthermore, it is obvious to me, especially since the 1973 Yom Kippur War, that the world's statesmen are about the business of pressing the Jews into a corner they won't be able to get out of through traditional political-military means....

If history and the present course of events teaches me anything, it is the utter futility of the Jewish fantasy that peace can be achieved by imitating the Philistines. It is my strong opinion that if the bloodletting is to be stopped and if there is to be true coexistence between Arabs and Jews, there has to be an alternative to the Philistine - Babylonian - Roman policy of self-determination.

JONATHAN DULEY
Pacific Palisades, CA

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EDITORIALS



Chrysler sings the blues

THE CHRYSLER CORporation broke its own record last year, racking up losses of more than $1.7 billion — the greatest loss in corporate history, a full half-billion dollars more than it lost during its previous record year, 1979. And Chrysler's glib-tongued chairman, Lee Iacocca, who has been seen throughout the past year on television alternately begging for government money and bragging about the "new" Chrysler Corporation, was on television again December 17 to unveil yet another cost-cutting plan, another plan for aggressive marketing of Chrysler's newest automobiles, and another plan for another government bailout — this time by a whopping $400 million.

The plain fact is that Chrysler is bankrupt and is only staving off the inevitable. At his news conference on December 17, Iacocca admitted that his earlier predictions of a modest fourth-quarter profit for 1980 had been way off-base, and that the sad truth was that Chrysler would lose more than $200 million during the last three months of the year. When he was asked what would happen if the federal government didn't come through with the $400 million loan guarantee by mid-January, he responded that "There would be no future. Eventually, we would run out of cash." And then he unveiled his latest cost-cutting plan, which—to put it mildly—rests on a host of assumptions.

As reported in *The New York Times,* the company says the plan "would cut about $650 million from operating expenses in the first year, and more than $1 billion in the next 20 months, [and] envisions a return to profitability sometime next year.... The new strategy... rests on the assumption that Chrysler can capture 9 percent of the domestic market in the 1981 model year when it expects total American car sales, by all United States auto manufacturers, to reach 9.6 million units. Domestic sales now are running at a rate of only 7 to 8 million units annually." (December 18)

Iacocca also assumes:

(1) that his employees are going to accept a 21 month wage freeze, at an average $17.31 an hour, junking automatic cost-of-living increases, designed to save the company $600 million;

(2) that the 125 banks with which Chrysler deals will grant his desperate plea that they convert $572 million in loans to preferred stock, saving the company $100 million in interest payments in 1981;

(3) that his suppliers will grant him another desperate plea, this one to freeze prices for 1981, and even roll them back 5 percent for the first quarter; and

(4) that he'll be able to lay off 1250 white-collar workers and get all Chrysler departments to cut expenses by 5 percent.

All of this is starkly unrealistic. With the prime rate having reached an astonishing 21 percent, it is absurd to assume that sales of new cars will increase by 20 percent or more during 1981, irresponsible to assume that banks would convert loans into "preferred stock" of a near-bankrupt company, and equally foolish during rampant inflation, to expect

suppliers to cut their prices a full five percent, particularly when some among them, notably the steel companies, are having grave financial difficulties of their own. Iacocca may be able to cut costs by 5 percent across the board, lay off more than a thousand white-collar workers, and even persuade its workers to take what amounts to pay a cut. But that will simply not be enough.

What, then, is Chrysler to do? Iacocca's strategy thus far has been to propose a host of steps to turn Chrysler around, based on projections which are unrealistic, and then, when the house of cards threatens to collapse, go back to the federal government for a bailout. And rather than risk the unmentionable, namely bankruptcy for the corporation, the feds seem to be willing to play the game.

Reagan's administration, unfortunately, will probably be no different. As he assumes office, Reagan seems likely to follow the urging of Congressmen David Stockman and Jack Kemp in their 23-page December memorandum urging that the President declare an "economic emergency" and move quickly with key measures designed to turn the country around. Otherwise, they asserted, the country would face an "economic Dunkirk." They urged on Reagan a 100-day "Emergency Economic Stabilization and Recovery Program," to stimulate productivity, lessen the "credit crunch," and slash tax rates through Kemp-Roth. And they are quite aware that the "100 days" of quick, decisive action is directly patterned after the opening months of Franklin Roosevelt's administration during the Depression.

The problem is that Reagan may end up emulating Roosevelt in substance, as well. Roosevelt promised, during his 1932 campaign for the Presidency, to cut the size of government drastically and ended up, of course, doing precisely the reverse. Reagan also campaigned against "big government" — a government more than a hundred times as large as that Roosevelt inherited—but his selection of mainstream, moderate Republicans for his cabinet, and his continued waffling on crucial issues, bodes ill for the future. Donald Regan, designated in December as Secretary of the Treasury, is a former supporter of wage and price controls. Alexander Haig is a big-spender on "defense." Senator Richard Schweiker, designated as Secretary of HEW's successor, the Department of Health and Human Services, was a principal architect of many of the social welfare programs with which we have recently been shackled. And during the campaign, we should remember, Reagan waffled on farm subsidies, national health insurance, the New York City bailout, the Chrysler bailout, the TVA, and a host of other programs which he had, in the 1960s, been staunchly against.

Speaking realistically rather than rhetorically, if recession continues through 1981, Chrysler is not the only company which will be hurt. Nor is it the only company which will face bankruptcy. What will Reagan do? Will he follow through with his free market rhetoric and let these firms go under, thus hurting the Republicans's chances in the 1982 congressional elections? Or will he become "Mr. Bailout" — in the name of "reindustrialization" and the "economic emergency" which his advisors see emerging?

Judging by his performance in the Chrysler case, the odds are that Reagan will adopt bailouts, and with a vengeance. On December 16, under the headline "Chrysler Aid Linked to Reagan's Assent," *The New York Times* reported that Treasury Secretary G. William Miller "was willing to issue additional loan guarantees sought by the Chrysler Corporation if there was a concurring nod from the incoming administration of President-elect Reagan." Two days later, the *Times* reported that Reagan had given the nod. A harbinger of things to come? Probably—but it is also bad economic medicine.

Bankruptcy is the penalty companies pay for making consistently wrong entrepreneurial decisions about investments and sales. Chrysler has been guilty of such bad decisions for the better part of the past decade, and shows no signs of improving its judgment in the near future. What ought to be done is simply to let Chrysler go broke. This would not have the dire economic consequences which have been predicted. What would most probably happen is that Chrysler's assets would go up for sale, and would be snapped up by Japanese or German firms eager to penetrate the American market more than they have. And that should be welcomed, for the influx of foreign capital is precisely what the ailing American economy could use *more* of, not less. Nor would Chrysler's workers be harmed. They are skilled at producing precisely what Japanese or German auto manufacturers want to produce and, after a layoff of a few months, would probably be rehired to do precisely what they have been doing.

The unwillingness of recent administrations to let big companies go bankrupt is *very* bad economics. During the early 1920s, there was a severe recession in the U.S., and the government did virtually nothing to prevent or soften the resulting economic adjustments. The result was that the recession lasted only a few months. After the Depression hit in 1929, Hoover and Roosevelt took the opposite path: they intervened massively by propping up failing businesses, and thus caused the Depression to last for the better part of a decade. The reason for this is simple: recession or depression is the means of liquidating malinvestments made during an artificially stimulated boom of the sort we have been living under for the past few decades. Unless those malinvestments are liquidated, and capital is freed to flow into productive areas, the economy cannot recover its vitality. Odd as it may seem, bankruptcy can be a blessing, not a curse.

This is precisely the case with Chrysler. It has invested capital badly, continually made wrong guesses about the economy and the demand for its products, and now wants to divert more precious capital into its corporate rat hole. If private investors want to take a risk on Iacocca's latest guesses, let them — but at their own expense, without the backing of the American taxpayer who is already overburdened with so many other government-sanctioned lemons.

—Roy A. Childs, Jr.

Lennon: what is to be done

NEWS OF JOHN LENNON's death December 8 hit hard. The assassination of the Beatles' singer-songwriter, probably the most creative of the four, inspired thousands of radio stations to cast aside their regular programming that night and play one Beatles tune after another. Much of the Western world entered into an extended period of mourning via the electronic and other media. Newspapers nursed along the story for nearly a week, with retro-

spective articles on every facet of John Lennon's life and work. In New York, 500,000 were said to have gathered on the day of the funeral to pay tribute to him. Even so established an institution as the Boston Pops Orchestra delivered an orchestral tribute to the slain Beatle.

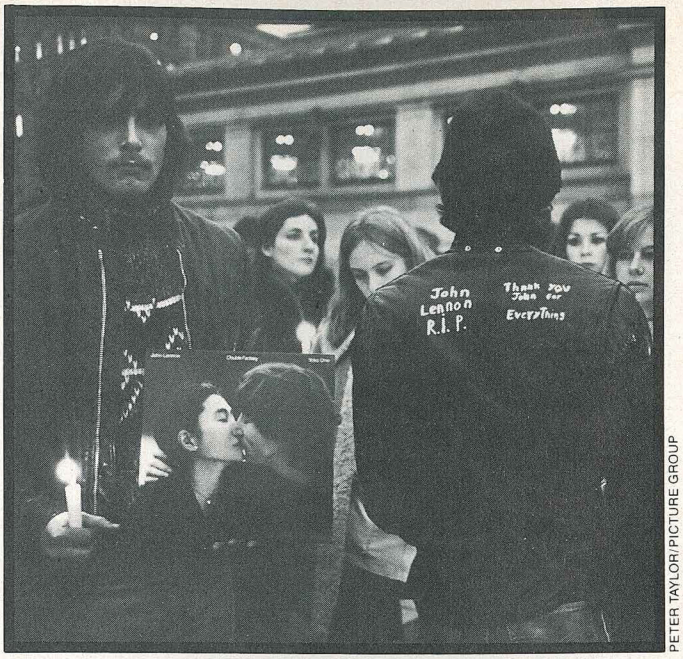
Lennon's murder provoked such a tremendous upsurge of grief and reminiscence partly because his fans belong to the baby boom generation, that great bulge in the demographic charts that occurred between 1946 and 1964. Suddenly, one of this generation's universal images of its own past had been blotted out by a senseless murder.

For those of us who belong to the baby boom bulge, John Lennon and the Beatles have always held a special significance — perhaps because the Beatles' evolution as artists always seemed to exactly reflect the development of our entire generation. When we were simple teenagers with transistor radios the Beatles were cute, upbeat rockers who produced 2 minute 15 second classics like "I Wanna Hold Your Hand." When the Beatles were starting to take themselves more seriously, so were we. When they entered their psychedelic phase, all of us seemed caught up in a climate of restless intellectual, political, sexual, and pharmaceutical experimentation. The Beatles' final slide into mysticism and religion seemed to prefigure the decline of the counterculture and the anti-war movement (and suggested the cause of the decline: their restless individualism and creativity had always lacked any commitment to *reason*); concern with exploring and improving the *self* seemed to replace politics and music as the generation's concern. After his two-month fling with the Maharishi, Lennon turned to Arthur Janov and "primal scream" therapy. Yoko Ono looked into est. The rest of the culture manifested its new preoccupation in everything from holistic health to hot tubs.

But it was family life wherein Lennon and his mate Yoko Ono demonstrated that the cultural pioneering of the baby boom generation is far from over. As revealed by a fascinating interview in *Playboy* Magazine, Lennon withdrew from public life in 1975 to raise a child, and in the process he deliberately entered into a role reversal with Ono. Yoko Ono made millions of dollars running the family business while Lennon stayed home, baked bread, and took care of the child, Sean. By winning for themselves the freedom to step outside of conventional roles to better pursue their *own* values, Lennon and Ono struck another blow for the liberating individualism unleashed in the Sixties.

Politics, too, played a central role in the parallel development of the Beatles and the postwar generation. Part of the experience of any young person immersed in the youth culture of the Sixties was official disapproval, sometimes even violent repression. The emergence of a self-conscious counterculture created a competition of *values* in Western society, and in that competition young people soon learned that their parents had the state on their side.

Libertarians should have no trouble understanding that in modern society, the free market encompasses competition not only among material goods and services, but also among ideas and values. Today, people discuss and choose among "lifestyles"—that is, a set of personal values—in much the same manner as they choose the better of various competing products. In the Sixties, battles were fought over religion and sex, over materialism (which was often misidentified as "capitalism"), and over the acceptability of violence and war. The competition between the old values and the new was constantly expressed through the choices people made on the market: choices of records and clothing, media heroes, books, vehicles, and recreational drugs.



PETER TAYLOR/PICTURE GROUP

Boston was one of the many places where fans gathered together to pay tribute to John Lennon on the night of his death.

It is a fact of tremendous significance, even today, that in the Sixties the free market of values and goods made John Lennon into a wealthy superstar—but the *government* of this country tried to make him into a criminal and an outcast.

John Lennon and Yoko Ono were forced to surmount a legal blockade thrown up by the authorities simply to be permitted to live in New York City. Fellow Beatle Paul McCartney, when he arrived in Japan, was seized and imprisoned because he was found to be in possession (along with millions of others his age) of marijuana. No one can pretend that Lennon and McCartney were treated this way because they personally posed a threat to the people of either country. Rather, the harassment was part of a distinctly cultural conflict, a contest of values and lifestyles waged between two generations.

One indication of the final outcome of that conflict was the respectful and thorough news coverage—often bordering on the fawning or the blatantly commercial — granted to Lennon's life and work after his murder. Even David Brinkley, who ten years ago probably viewed Lennon and Ono as an unrespectable and rather threatening pair, appeared on NBC TV to grieve over the death, as he put, of "the composer of all those wonderful songs." I wonder—does David Brinkley really go home and listen to Beatles records? Regardless, the death of John Lennon, figurehead of the once-outcast youth culture, rated media treatment more extensive and more respectful than would the death of any Senator or Congressman. In fact, the murder was treated on literally the same scale as the assassination of a President.

Obviously, the people who now write, deliver, and listen to the news are dominated by the age group which looked to the Beatles for inspiration in the Sixties and Seventies. And the in-



What in the World is Going On?

It's a good question. And these days world events are so puzzling that the question is hard to answer. Newsmagazines don't help much. Nor do the official opinions and pronouncements of the academic journals. They leave you unable to comprehend or cope with the Ayatollah Khomeini, the Soviet invasion of Afghanistan, or the world refugee crisis now touching Florida's shores.

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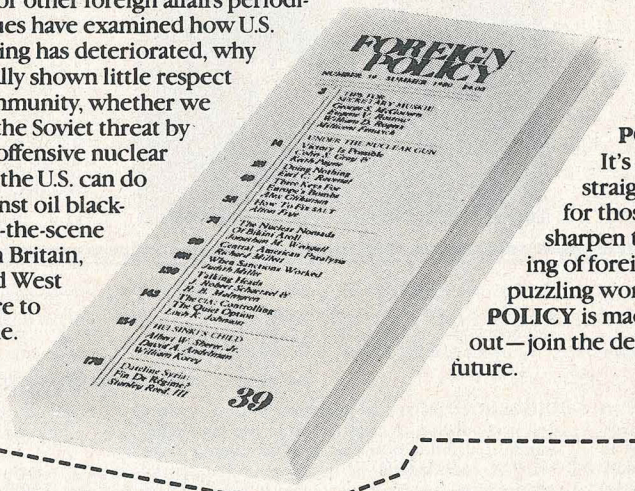
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The Psychology of Freedom
Liberty and Love as a Way of Life
by Peter R. Breggin, M.D.

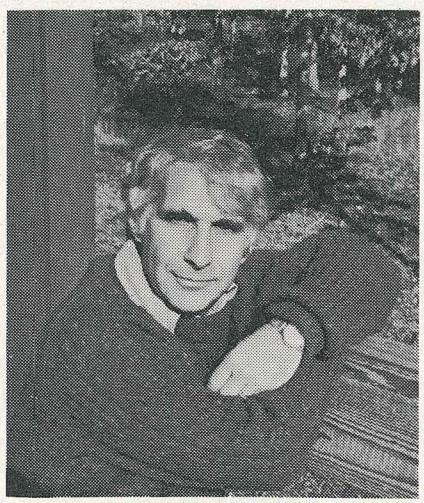
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Peter R. Breggin, M.D.



Peter R. Breggin, M.D. is a psychiatrist in private practice in the Washington, D.C. area, and the author of five books and many articles dealing with psychiatry. Formerly a Teaching Fellow at Harvard Medical School and a fulltime Consultant with the National Institute of Mental Health, he is now Director of the Center for the Study of Psychiatry. Internationally known as America's leading critic of oppressive psychiatric technology, he now responds to the question, "What have you got to offer that's better?" His answer is a systematic, yet common sense presentation of the psychology of self-determination.

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fluence it has gained over the media represents what will likely go on in the rest of society. Its values and interests will seep into and ultimately dominate each institution its members enter, including government. Thus it is important to ask: what does Lennon's generation plan to do with the society which it is inheriting?

Only a few months before he was shot, John Lennon had decided to re-enter public life with Yoko Ono. They cut a new album and granted interviews to *Newsweek* and *Playboy*. Lennon's stirrings prompted speculation, voiced by the *Playboy* interviewer, that "just as Lennon defined the Sixties and the Seventies, he'll be defining the Eighties." But Lennon's own comments show that he came to a solidly libertarian conclusion about the idolatry and the "follow the leader" ethic which often warped youth culture in the past:

"We can have figureheads and people we admire [he said in the *Playboy* interview] but we don't need leaders... you make your own dream. That's the Beatles story, isn't it? That's Yoko's story. Don't expect Jimmy Carter or Ronald Reagan or John Lennon or Yoko Ono or Bob Dylan or Jesus Christ to come and do it for you. You have to do it yourself."

Sound advice, after a decade of maharishis, psychologist-gurus, and rock stars turning into born-again Christians. In Lennon's case, all it lacked was a recognition that the use of reason is the only peaceful way people can define their separate dreams and decide for themselves how far to follow specific leaders.

In the next decade, the baby boom generation will move to the brink of becoming the establishment. It must therefore face some tough choices... and some unprecedented opportunities. Even though it has stopped trying, the postwar generation still has the strength to alter the course of this nation and the world; it did so once, and it is in a much better position to do so now than when its members were rioting on campus in little, isolated enclaves of radicalism. The surge of grief which issued forth from the entire culture upon Lennon's death made us aware once again of the latent power of this group—and the breadth of its integration into the mainstream of American life.

It also posed a question: will the baby boom generation remember that the political system under which its members were reared once made them into angry rebels, and their heroes, like John Lennon, into criminals? And if it remembers, will its members renew their drive to overturn those elements of the system which so stunted and embittered their own development: the drug prohibition, the public schools, the racism and sexism, and the global empire? Or will they, along with their elders, listlessly slide into the Reagan syndrome and stop trying to effect change?

The abrupt death of Lennon, just as he embarked on a new career, leaves that question hanging before us in symbolic form. Born in 1940, dead by 1980, Lennon's dates take us from World War II to the immediate present in simple, round numbers. What next?

—Milton Mueller

Cultural inventories

CIVIL LIBERTIES AND economic freedom are equally necessary aspects of human liberty, and ought to be considered interchangeably. As Jack Shafer said in these pages last month, "political rights dissolve into nothing in the absence of economic rights." And as I wrote in another article for *LR* in 1978, "Freedom of speech is the basic freedom of the individual to think for him or herself and to communicate that thought, and freedom of the press is the right to *merchandize* the result of that thinking." It's clear that you can't allow people freedom of expression without allowing them to own and use physical objects. But if people's free use of printing presses and newspaper delivery trucks shouldn't be curtailed in a society that supposedly respects individual rights, what about the free use of the drill presses and grocery delivery trucks they may also own?

Unfortunately, such considerations don't seem to occur to many civil libertarians. Consider the recent dispute over the tax depreciation of manufacturers' inventories. The Thor Power Tool Company tried unsuccessfully in 1979 to challenge in the Supreme Court an IRS ruling that warehouse stock could no longer be depreciated unless its price was reduced or it was disposed of. This caused consternation among the members of many industries who had been in the habit of routinely depreciating such stock. It caused particular consternation because the IRS took a year to implement the Supreme Court decision with specific rulings, and then decided to apply these rulings retroactively.

But not much publicity was given to this decision until the IRS included in this retroactive ruling the determination that books are manufactured articles too, and therefore publishers not only owed their share of back taxes but would henceforth have to pay taxes on the full value of stored books or get rid of them.

And that's when the dispute arose. Newspaper editorials complained. Publishers and publishers' associations complained. Political magazines complained. "Burning books for the IRS" headlined *Inquiry*. "Let the book industry be exempted from the ruling," editorialized *The Nation*. Frantic attempts were made in Congress to do just that before the end of 1980, to save millions of books from being destroyed. One expert witness pointed out that scholarly, technical, and scientific works would be particularly hard hit; such books never have a mass market, but are indispensible to the individual who happens to need them. Without them, he stated, the country will be "economically and culturally poorer."

But why did no one say exactly the same thing about spare parts, which is what the original *Thor* case was about? A large spare parts inventory, like an inventory of scholarly books, will be very slow moving and will probably never sell out. But without it, our machines will stop running. And *that* will leave us economically and culturally poorer, too.

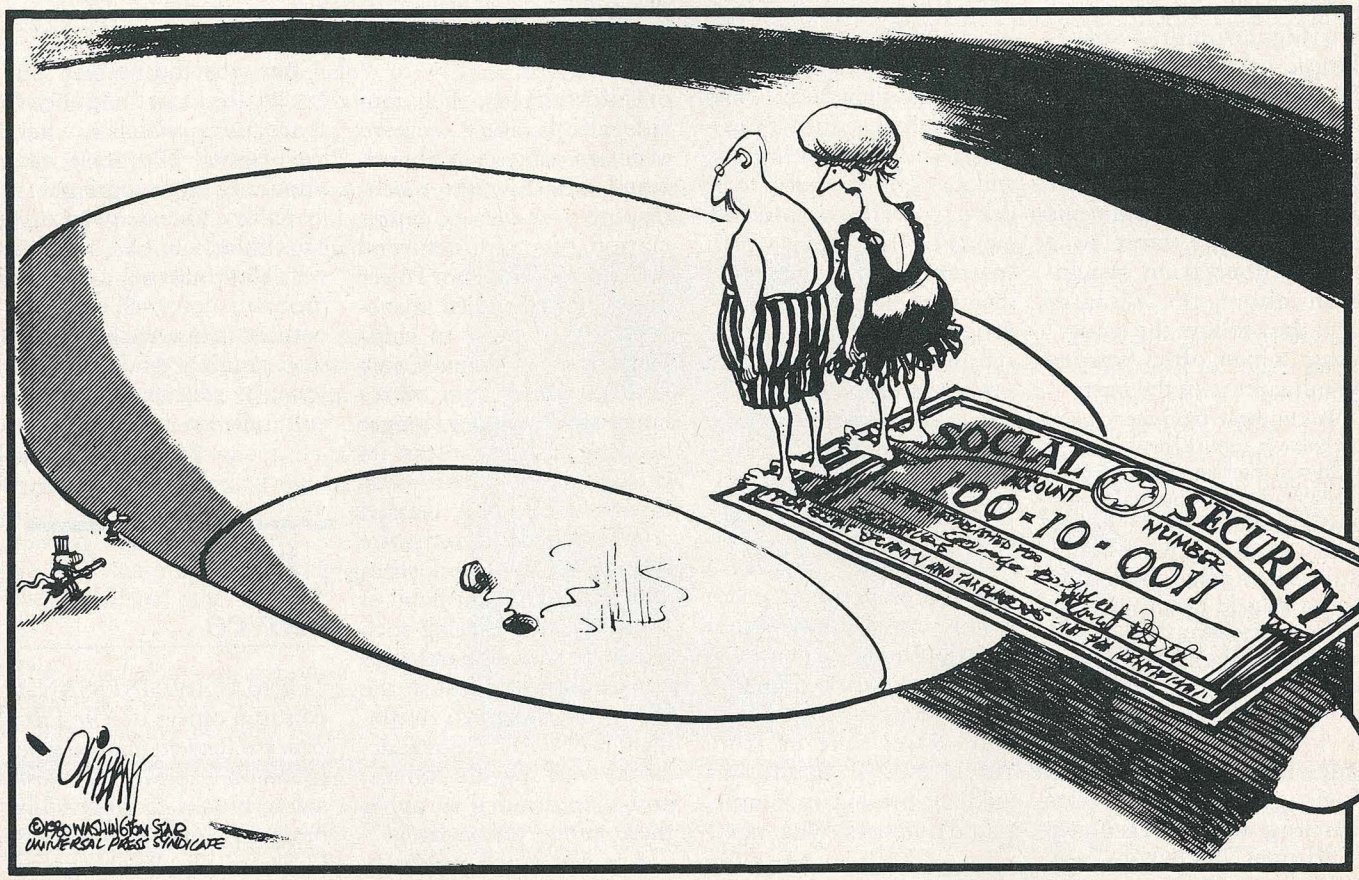
—Joan Kennedy Taylor

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THE MAIN BUSINESS AND editorial offices of *The Libertarian Review* may now be found on Capitol Hill—just a few blocks from the Library of Congress, at 1320 G Street SE, Washington, D.C. 20003. Our West Coast office is now in the process of moving from 1620 Montgomery Street in San Francisco to smaller quarters elsewhere in the Bay Area (the new address will be announced in our March issue), where it will remain open as a branch editorial office. Subscription correspondence should continue to be directed to our San Diego address (P. O. Box 28816, San Diego, CA 92128). All other correspondence should be directed to Washington. ❑

SOCIAL SECURITY

One of the grimmer ironies of the 1980 campaign came to public light shortly after election day, when the Federal Reserve Bank of Boston issued a report showing that Old Age Survivors Insurance (OASI), the major program of the Social Security system, will begin running out of money in 1982, will be $3 billion in the red by 1983, and will be $27 billion in debt by 1985—the very same Social Security system which both Jimmy Carter and Ronald Reagan had



Time to Cut Our Losses

By
Donald A. Feder

repeatedly assured the voters was fundamentally "sound." Or perhaps they meant sound as the dollar.

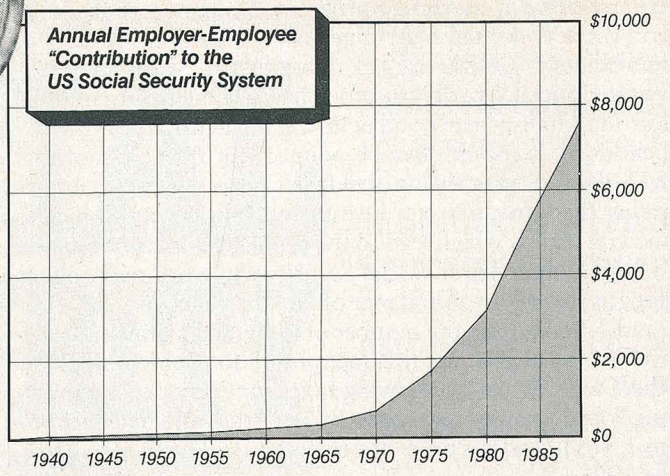
I asked an official of the Social Security Administration what *he* expected between now and 1985, and was told that Congress had already taken care of the problem. How? I inquired. Easy, I was told. On July 21st, the House voted to allow the Old Age and Survivors Insurance trust fund to borrow approximately $9 billion from the Disability trust fund (another Social Security program). And what happens when the Disability fund runs out of money? What will OASI do when it's time to repay the loan? Tune in tomorrow for the continuing saga of The Social Security Crisis.

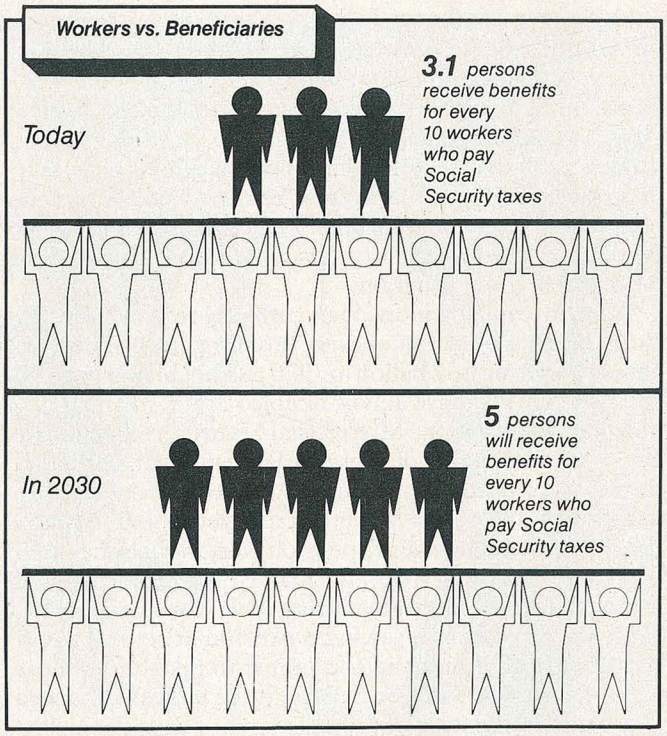
In the past, Congress has always "solved" Social Security problems by raising taxes. Like a junkie going after one more quick fix, Congress has raised Social Security taxes, by either increasing rates or raising the wage base, no fewer than 14 times in the past 16 years. In 1977 it enacted the Social Security Financing Act, the largest peacetime tax increase in American history—a $227 billion hike over a ten year period. In 1978, the maximum employer-employee contribution was $2,140. It went up to $2,806 in 1979, and will hit $3,950 in 1981. By 1990 it'll be $8,078. And that still won't be enough to prevent the financial collapse of the Social Security system.

And heavy taxation isn't the only burden Social Security imposes on us. The damage it's done to our economic base is at least equally significant. Over the past thirty years, F.I.C.A. taxes have drained substantial resources from the private sector. If that money hadn't been taken from wage earners, and if they were themselves responsible for their retirement security, it is reasonable to suppose that much of that income would have been invested with financial institutions. Said investments would have in turn provided industry with the financial resources to expand their capital goods, which leads to increases in productivity. Instead of being invested, billions of dollars are paid out to recipients almost as quickly as they're collected. Retirees use their benefits for current consumption, and the cycle of savings leading to investment leading to expansion of output is never started.

To get some idea of the devastation wrought by such drains on investment capital as Social Security, consider the following: between 1948 and 1965 the growth of output per man-hour in the U.S. was 2.5 percent. In the 1965-1973 period, the growth of output fell to 1.6 percent. There was a further decline in 1973-1978 to 0.8 percent. And by 1979 we were experiencing a negative growth rate, a decline in productivity, of 2 percent.

Yet, as production declines, unemployment increases, which results in a loss of Social Security revenue. For every one million workers laid off for one month in 1980, the system lost $100 million. And this, of course, necessitates an increase in Social Security taxes—which drains more money from the investment market and further retards economic growth, with the result that there is more unemployment, and so on. Viewed in this way, Social Security is a kind of self-destruct mechanism which the politicians have built into our economy. Of course, the politicians don't want us to think of Social Security that way. They want us to think of it as something reasonable and prudent like a pension plan, a method of saving now to provide for future needs. But by stealing the terminology of the insurance industry, the politicians have effectively obscured the true nature of the Social Security system.





With a private pension, the purchaser pays a premium, which the insurance company then invests. The investment's dividends, along with the principal, form the trust fund. When the annuity matures, the company begins making payment to the purchaser from the accumulated principal and interest. More important, the premium charged is always enough to pay the promised benefits. As Ashley Bladen, senior vice-president for investments of the Guardian Life Insurance Company of America, explains, "When a mutual life insurance company like the one I work for makes a promise of benefits in the future, it assumes that just about everything that could go wrong will, and it charges a premium that will almost certainly be more than adequate. Then, as time reveals how much of the premium was unnecessary, the excess is refunded as a policyholder's dividend...." Were an insurance company to operate on the assumption that current claims could always be paid out of the premiums of future policyholders, it would soon be faced with bankruptcy, and its officers with imprisonment.

But that's precisely the way Social Security works. It's the



essence of a pay-as-you-go program. No money is invested. There is no real trust fund. Every penny collected is immediately doled out to beneficiaries. The much-vaunted Social Security trust fund had $32 billion in it in 1978, less than half-a-year's outlay at the then-current rate of expenditure. It should also be pointed out that most of that $32 billion was being held as government securities, rather than private sector investments (like accounts in commercial banks) which lead to the expansion of capital goods.

Like a chain-letter, Social Security can work well only as long as there is an abundance of suckers paying into the program—more than the number of individuals drawing benefits. In the beginning, this fact posed no problem. In 1945 there were 50 workers paying taxes for every person receiving Social Security payments. By 1977 the ratio had declined to 3.3 to 1. And it is projected to decline still further, to 2 to 1, by 1995.

It's simply a matter of demographics. Life expectancy is increasing while the birthrate declines. And while the work force grows at an annual rate of 3.7 percent, the yearly increase in the retirement population is 5.5 percent. Even a child, or a welfare state liberal, should see where all of this is leading us. We will soon reach the point where it's physically impossible for workers to support retirees—unless we confiscate 100 percent of the workers' income. And long before we reach that point, the workers will revolt—thus ending the Social Security program.

Thirty-five million individuals currently receive Social Security benefits—one out of every seven Americans. Benefits have grown from $32 billion in 1970 to $104 billion in 1979. By 1984 they will have almost doubled again, to an annual outlay of $184 billion. Most Social Security recipients are elderly and incapable of supporting themselves. Although there is a considerable amount of welfare in Social Security (for instance the wife of a recipient receives a monthly check equal to half her husband's pension even though she never contributed to the system), the majority of recipients paid into the program faithfully during their working years because they relied on receiving a pension at retirement. It would be both inhumane and unjust to deny them those benefits now. But Social Security must be radically changed to assure continuation of the pension they were compelled to purchase. At the same time the young, who have no real hope of ever receiving Social Security, have to be relieved of the crushing burden of F.I.C.A. taxes.

Most of the solutions being proposed for the Social Security crisis are at best stopgap measures—Band-Aids over an abdominal wound. Liberals favor raising taxes or juggling the money in the various Social Security trust funds. Conservatives usually opt for cutting benefits and raising the retirement age. Ronald Reagan's Social Security advisors have recommended raising the retirement age to 68, reducing benefits to an average of 25 percent of the worker's last paycheck (they're presently 41 percent), and including new federal employees in the program. But why have the program at all if only a fortunate few will live long enough to collect Social Security payments, and those will be greatly reduced?

The problem with these solutions is that they do nothing to remedy the basic inequity of Social Security—the compulsory nature of the system and the disparity between heavy taxes today and the prospect of modest benefits, if any, in the future. Nor do any of these proposals address the central administrative problem of the system: the non-existence of a trust fund to cover liabilities.

The exact extent of these liabilities is a matter of conjecture. Estimates range from $4 trillion to $9 trillion in unfunded liabilities, that is, obligations which are owed to those covered by the system but which exceed projected revenues. One begins to appreciate the enormity of this debt when one realizes that $4 trillion is 75 percent of the total wealth of this country! Michael Watcher of the University of Pennsylvania's Wharton School of Finance believes that "most people under 35 have virtually no chance of collecting Social Security and should avoid the system if they can save for their old age." And financial writer Howard Ruff considers Watcher to be a screaming optimist.

If someone must be hurt by the resolution of the Social Security crisis, it should be those in the best position to help themselves. We must guarantee the benefits of retirees, or those near retirement, as they are obviously in the most precarious financial position. But equally important is phasing out Social Security taxes, which are an unconscionable burden for workers and ruinous to the economy.

We must begin by eliminating the welfare aspects of Social Security, such as Supplementary Security Income (SSI) and the unearned spouse's benefits. Then we must assure full coverage to those presently retired as well as those within ten years of retirement. We should also limit increases in Social Security payments to average annual wage increases, instead of tying them to the inflation rate.

For people in the 35 to 55 age bracket we should offer a reduced Social Security program—half the benefits for half the payments. These individuals are in a position from which it's easier to wean them away from Social Security. Of course, they may prefer to opt out of the program completely, with the understanding that they'll lose whatever benefits have accrued to them (really not a bad deal for those closer to 35).

To those under 35 we should say, "Sorry, folks, you're on your own. Your Uncle Sammy has lied to you, lo, these many years. There is no trust fund. You don't get a pot of gold at age 65. But, as a consolation prize, we are relieving you of the burden of F.I.C.A. taxes. The 15 percent of your income you'll save as a result can be invested to provide for your retirement."

These steps won't entirely solve the problem. Even with this gradual phase-out of Social Security there are still enormous unfunded liabilities to be reckoned with. We must establish a trust fund, one whose assets will grow at a reasonable rate from investments in the private sector. This could be accomplished, at least in part, by selling a large portion of the 742 million acres of federal land. As a side benefit this would get the government out of the land-management business, and open vast areas in the West to energy exploration.

Let's face it, Social Security is a raw deal for the young and an uncertain promise for the elderly. It's a fiscal paper tiger, which doesn't offer security to anyone. We're in the position of a wise investor with a bad stock: it's time to cut our losses.

Donald A. Feder is an attorney and the Executive Director of the Second Amendment Foundation. He is also a freelance writer with a weekly political column in the Bellevue, Washington, *Journal American*. His writing has also appeared in the *Boston Globe*, *Boston Herald American*, *Seattle Times* and *Seattle Post-Intelligencer*.

SOCIAL SECURITY

More than half the American population has never known a time when the problem of economic security after retirement was not considered a responsibility of government. As a result, anyone who proposes, as Donald A. Feder does in the article which accompanies this one, that we abandon the Social Security system altogether is greeted somewhat more than half the time by an astounded silence, followed by such questions as, "But how would older



How Security Became Social

By

Jeff Riggenbach

people live if there were no Social Security?" and "Do you think people should just go off and die when they're no longer able to work?"

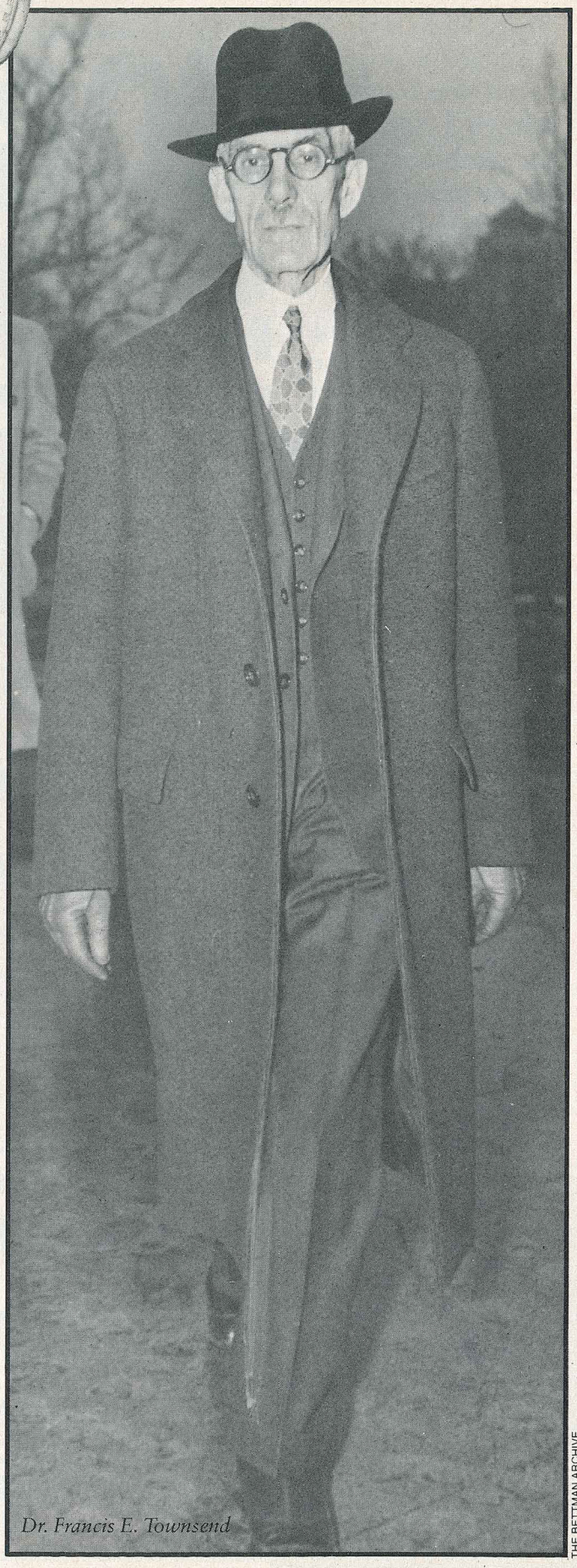
Yet we have not always had Social Security. In fact, we have had it for less than 50 years. Before August 14, 1935, when President Franklin Roosevelt signed the original Social Security Act into law, most elderly Americans either supported themselves by continuing to work or moved in with children or younger relatives. A few others lived on savings they had accumulated during their working years, or collected pensions they had earned by spending their careers in government service or in the service of one of the few private corporations then offering employee pension plans. In 1929, only 7 percent of our senior citizens were dependent upon public or private charity for their subsistence.

Then, in October of that year, the inflationary bubble the U.S. government had been pumping up for more than a decade burst. The reckless monetary policies which Uncle Sam had pursued throughout the 1920's had plunged America into the ten-year slump we now know as the Great Depression. The sons and daughters and younger relatives who had been supporting nearly half of the elderly now saw their own jobs and savings disappear and found themselves no longer able to carry the extra burden of a permanent houseguest. And demand began to build for new government interventions to undo the damage done by previous government interventions.

The man who galvanized this demand, gave it a voice and a program, and more than any other single individual paved the way for the Social Security Act of 1935 was a Long Beach, California physician, himself out of work, out of money, and seriously ill, named Dr. Francis E. Townsend. As Bank of America research economist John Oliver Wilson tells the story in his new book *After Affluence* (Harper & Row, 244 pp., $9.95), Dr. Townsend first burst into public prominence on September 30, 1933, when the *Long Beach Press-Telegram* published an item by him under the headline "Cure for Depressions." Dr. Townsend, Wilson writes,

> offered a radically new idea—the promise of a $200-a-month pension for each individual over sixty years of age. At a time when an estimated 87 percent of American families were receiving less than $2,500 annually, a $4,800 annual pension for a retired couple was radical indeed.
>
> ...It was simple [as well], offering an easily understood solution to economic problems that seemed complex and overwhelming. Dr. Townsend argues that the expenditure of billions of dollars by the elderly would immediately lead to an expansion of the economy, the creation of new jobs, and the end of the Depression....The only conditions for receiving a pension under the plan were that the recipient retire at age sixty or over, have no criminal record, and agree to spend the money within the month received.

The Townsend Plan, Wilson writes, "immediately attracted great attention. Within a few weeks, the *Press-Telegram* was publishing full pages of letters debating Townsend's proposals. New adherents invaded Townsend's home in Long Beach wanting to know more about his proposals to achieve economic security for the elderly and to end the Depression. Petitions were circulated calling for enactment of the ideas into law." And the following January, Dr. Townsend set himself up as a full-fledged organization, Old Age Revolving Pensions, Ltd. (OARP). By the end of 1934, OARP had established more than 1,000 Townsend Clubs in towns and cities all over the country, and had raised $84,000 in contributions. A month later, in January of 1935, *Time*



Dr. Francis E. Townsend

THE BETTMAN ARCHIVE

magazine reported that the number ofclubs was up to 25,000, that membership was rumored to be as high as 4 million, and that, as Wilson puts, it, "[m]illions of dollars were thought to be flowing into the Townsend organization coffers." Later that year, OARP held its first national convention, launched its own weekly newspaper, and spun off a Townsend Foundation which encouraged the elderly to give the organization not only their money, but also any property and stock they might have lying around. By mid-1935, as Wilson writes, "the movement could not be ignored."

It could, however, be dismissed and publicly lampooned. Roosevelt administration officials, Wilson writes, "heaped scorn upon the ideas" at first, "calling the [Townsend] plan 'a fantastic dole,' a 'cock-eyed' proposal, and 'not within the structure of our present economic or governmental system.' Economists testified that the plan was utopian in its aspirations, that costs went far beyond the ability of the economy to sustain them, and that the economic basis of the plan was grossly in error." Moreover, "No congressional leaders came forward to strongly support the plan. No leadership from labor or academics or business rallied to the cause."

And on top of the disbelief and indifference the Townsendites encountered at the hands of officialdom, there was the derision and ridicule they had to endure at the hands of various popular writers. One of the best examples of this latter phenomenon is the portrait of OARP which the Tucson, Arizona newspaperman and novelist Charles G. Finney included in *The Unholy City,* a satiric fantasy published by the Vanguard Press in 1937. The main character in Finney's tale is one Butch Malahide, a resident of Abalone, Arizona who is on a flight around the world when his plane develops engine trouble and crashes, leaving him unharmed but stranded on the outskirts of the gigantic, ultra-modern city of Heilarwey. Almost immediately he meets and begins travelling to ward the city with a strange, loquacious man named Vicq Ruiz, who persuades Malahide after their arrival in the central business district to join him for an evening of entertainment in the company of a couple of female friends. The two men hail a cab and set out to pick up the women, but after travelling some distance through the congested streets, their taxi comes to a sudden screeching halt.

We cranked down the draftless, visionless, nonfrangible window and peered out in an endeavor to ascertain the cause of our halt. Up ahead...jamming the street from curb to curb...was a huge procession, the members of which carried banners and chanted songs and howled defiance. And, looking at the procession, a profound and nameless desolation came over me, for I perceived that the procession was composed of very old people, some of them barely able to hobble, and in their eyes I could detect a burning bitter spark of madness.

I asked Vicq Ruiz who in the world were all those countless thousands of demented ancients.

"Sir," says Ruiz, "what you behold and wonder at is the Union of Old Folks. Now, I will give you one guess as to why they formed their organization."

"Money," I hazarded wildly.

"Sir," says Ruiz, "you are entirely too acute this evening...Yes, you guessed right. Those old people have bended together to get money. They want pensions,...they have banded together to get them through the gross weight of their numbers; they hold meetings constantly; they write to newspapers; they threaten politicians; they contribute their hoarded mites in hope of reaping mountains; they sign millions of petitions; they never rest any more. See them there, sir, tottering on the threshold of death as they wander the streets in a mob; hear them forlornly chanting their last pathetic cry: 'Give us money! Oh, give us money!' Gott! They have even evolved a philosophy."

"A philosophy, Mister Ruiz?"

"Yes, sir, a philosophy. They claim that by spending the pensions as fast as they get them, all we younger people will have to work our necks off to supply their demands. Such an orgy of work on our part will produce untold wealth for the city and keep us from the evils of unemployment. We give them money to buy the fruit of our labor; they spend recklessly and joyously to keep our noses to the wheel."

"That's bad," I said. "What's being done about these Old Folks?"

"Well, sir, this same young politician I told you about a while back has evolved a plan for taking care of them. He calls it the Rausmitemall Plan; it contemplates arresting every one of them and deporting them. A lot of people have spoken very favorably of the Rausmitemall Plan, sir. They will tell you it is the only solution for the problem of the Old Folks and that the young politician who thought it up should be rewarded with the Premiership.

..."Well, but do the people of Heilar-wey favor the Rausmitemall Plan?" I asked.

"Oh, they do, indeed," says Ruiz. "One of the big weekly magazines conducted a poll several months ago to seek an answer to that very question, and, when the ballots were counted, it was discovered that whereas only seven million people were against the Plan, there were twenty-three million for it. And the magazine, in breaking down the vote, showed conclusively that the seven million opposed was made up entirely of the Union of Old Folks plus their very near relatives."

Similarly, in 1935, the year the Social Security Act became law, only 35 percent of the American people were said to favor such legislation. But OARP was louder and more determined that its opposition, and it was indefatigable in its efforts. And unlike the Union of Old Folks, it didn't have an up-and-coming young politician with a popular Rausmitemall Plan to contend with. Instead, OARP had an important political ally ready to help it buck popular opinion. That ally was none other than the President, Franklin D. Roosevelt.

FDR believed strongly in the concept of government old age pensions for everyone who retires. "I see no reason," he once said, "why every child, from the day he is born, shouldn't be a member of the social security system...from the cradle to the grave they ought to be in a social insurance system." More important, he believed that the Townsend movement would soon build a popular majority and emerge victorious unless government moved quickly to short-circuit its appeal by offering an alternative pension program. "We have to have it," John Oliver Wilson quotes the President as saying early in 1934, "...[t]he Congress can't stand the pressure of the Townsend Plan unless we have a real old-age insurance system, nor can I face the country without having devised at this time a solid plan which will give some assurance to old people of systematic assistance upon retirement."

What he came up with didn't entirely defuse the Townsend movement, which lingered on for several more years before fading away. More important, Roosevelt's Social Security program didn't really give any "assurance to old people of systematic assistance upon retirement." Or, rather, it gave such assurance only as long as the average chain letter or pyramid scheme—that is, as long as the supply of inpaying younger hosts greatly exceeded the demands of the older parasites. And now, with the day when the parasites will outnumber the hosts only a decade or so away, the only assurance Social Security offers anyone is an assurance of bankruptcy and default. ❑

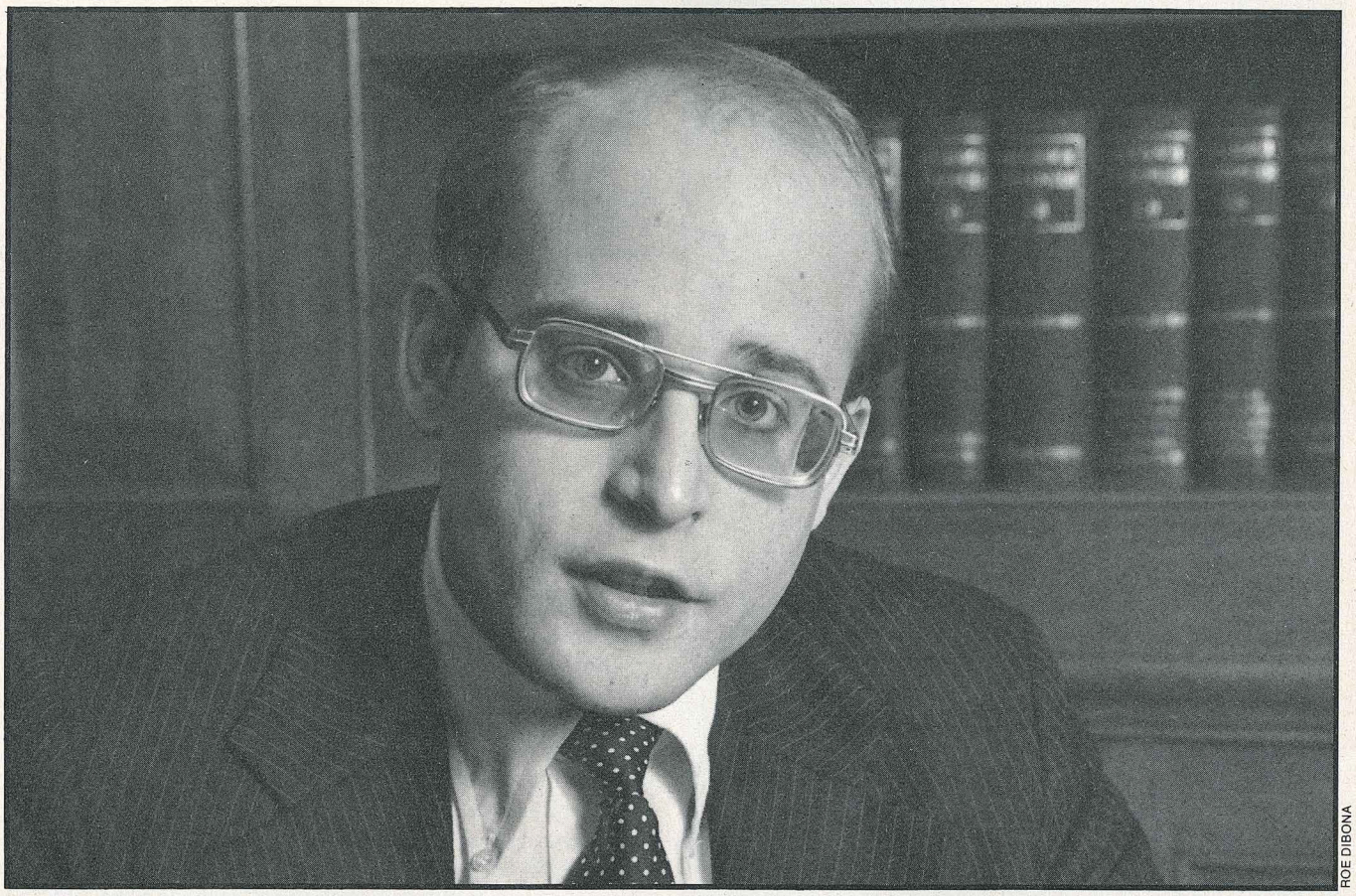
Jeff Riggenbach is executive editor of *LR*.

SOCIAL SECURITY

How Much Longer Can It Last?

An LR Interview

Peter J. Ferrara is a youthful New York lawyer who specializes in corporate litigation — when he isn't busy pursuing one of his many interests, like economics, journalism and scholarship. As an undergraduate at Harvard, he majored in economics; and he has since put in time as a research assistant at a Boston-based consulting firm where he worked with Arthur Laffer and others on techniques of measuring the impact of various tax cuts. While still an



ROE DIBONA

undergraduate–and later, during his years at Harvard Law School, as well–he wrote editorials for the *Harvard Crimson* and served on its executive board, edited the national newsletter of the New York-based Center for Libertarian Studies, and worked as an assistant producer of a Boston radio program. Today, in addition to his law practice, he is a regular participant in the annual Libertarian Scholars Conference and is also an associate scholar of the Cato Institute, the libertarian-leaning San Francisco think tank which has just published Ferrara's first book, an encyclopedic study of the Social Security system, its defects and the prospects for reform, entitled *Social Security: The Inherent Contradiction.*

With the impending collapse of the Social Security system apparently just over the horizon, the time seems ripe for such a book. And if initial reaction may be considered indicative of what lies ahead, Ferrara's study seems likely to wield considerable influence in the next few critical years of public policy debate on the Social Security question. University of Chicago economist Sam Peltzman has written, for example, that *Social Security: The Inherent Contradiction* "will have to be read by anyone who wants to know how Social Security became the biggest tax program we have and why it is rapidly creating the most important economic problem for the next generation. This book manages to get the important points across in an eminently readable style. It should have a wide audience."

Peter Ferrara, author of the authoritative new study, Social Security: The Inherent Contradiction, looks to the future.

Ferrara seemed to us at *LR* to be the ideal person to address the question of what lies ahead for Social Security. So we contacted him at the end of a long workday in his Manhattan office and posed the question.

LR: How much longer does the Social Security system have? How soon will the situation become so bad that whoever is in power in Washington will no longer be able to evade the fact that something obviously has to be done?

Ferrara: I think that is coming up very quickly, by the mid 1980s at the latest. You have, in regard to Social Security financing, two problems. You have a long term problem that's due to demographic changes, and you have a short term problem that's due to the performance of the economy.

When you have stagflation you have benefits increasing, because benefits are tied to inflation. But you also have wages falling, because recession is discouraging employment. The result is that the taxes being generated by the system are declining at the same time that its benefit expenditures are increasing. And with expenditures increasing and revenues falling, I think at this point one more sharp recession is just going to finish the system.

LR: Will that recession come during the next four years?

Ferrara: I think so. Judging from history, we get at least one recession per presidential administration. If Reagan manages to avoid a recession during the entire four years I think it will be a miracle.

LR: What will Reagan do to solve the crisis when it comes?

Ferrara: I think he'll turn to general revenue financing. I think he'll just throw in the towel on financing Social Security solely with the payroll tax. He'll go towards subsidizing the program and making up the deficits with general revenues.

LR: And where will he get the general revenues? From tax increases?

Ferrara: Well, that's interesting. If Reagan follows the program that he has announced, Social Security may well end up being financed by decreases in other expenditures or by a slowing down of the increases in other expenditures. If Reagan is actually going to go through with his Kemp-Roth tax cuts and everything else in his economic program, then he is going to *have* to come up with the money to bail out Social Security by restraining growth in other expenditures.

LR: You've recently published an exhaustive analysis of the Social Security system under the title *Social Security: The Inherent Contradiction*. What is the inherent contradiction?

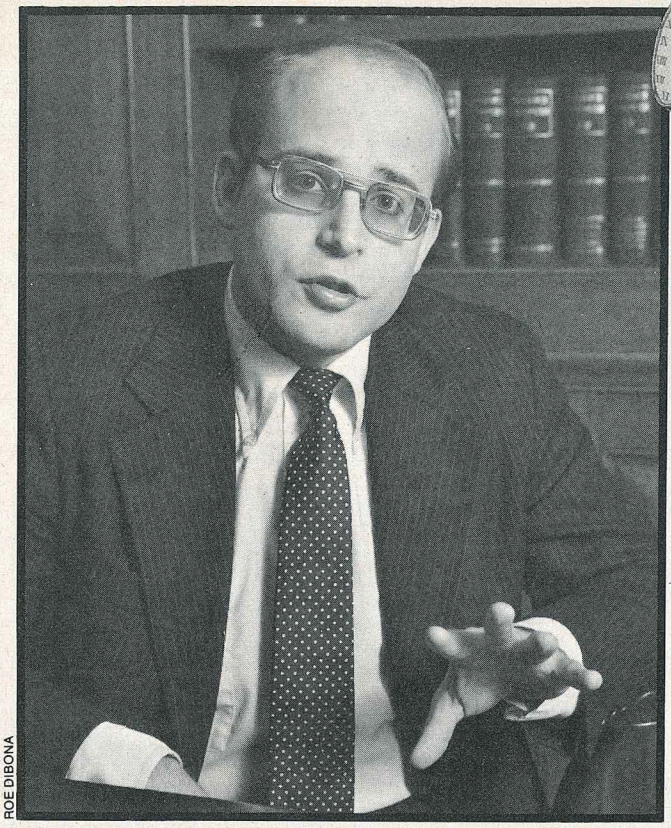
Ferrara: The inherent contradiction is that the system pursues both welfare objectives and insurance objectives. And those two objectives are inherently contradictory, inherently irreconcilable. So it should come as no surprise that the result is you have both bad welfare and bad insurance.

LR: What makes these two objectives inherently contradictory?

Ferrara: Well, in a welfare program, benefit amounts are based solely on the amount of need and are unrelated to any amount that might have been paid in the past. In an insurance program, benefits are related solely to the amount that was paid in in the past and are not based on the amount of need. Now, Social Security is financed by a payroll tax, because it's thought of as an insurance program. They figure they're charging everyone a similar amount for basic service. But the welfare portion of the system gets financed this way as well, and that makes for a bad welfare program. You don't finance a welfare program that's supposed to benefit poor people with a regressive tax which hurts poor people; that's counter productive.

On the other hand you have the earnings test, which denies elderly people benefits if they continue to work past the age of 65. That's included in the program because they figure people who are working don't need the benefits. But it makes Social Security a bad insurance program, because even if you pay tax money into the program you can be told that you are not getting your benefits. They can say, "well, you just don't need them."

But the most important contradiction in Social Security is that the simultaneous pursuit of welfare and insurance objectives leads inevitably to a pay-as-you-go system, which means that the money that is paid through taxes is not saved in investments but is immediately paid out to current beneficiaries in the form of benefits. In a pure insurance system the money you pay in is saved and invested and then that is used to pay your own benefits later on. But in the early years of Social Security, there was pressure to provide benefits to people who were elderly at that time, but who had of course



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not paid taxes in the past and were therefore not entitled to benefits. So instead of saving the first money paid into the system, the new Social Security bureaucrats immediately paid it back out, because they wanted to perform that welfare function. So the pay-as-you-go nature of the program is a direct result of the pursuit of welfare objectives in addition to insurance objectives. And when you have a pay-as-you-go system, when you pay out the money immediately as it comes in, that leaves you vulnerable to short range economic trends. It leaves you vulnerable, for example, to this stagflation problem where benefits are rising while revenues are declining. It also leaves you vulnerable to long term problems, because since you're totally dependent on the current work force for your benefits, if the number of working younger people declines in comparison with the number of older people, then in a pay-as-you-go system you're going to have a natural financing problem. You're going to have to keep raising taxes to make up for the decline in the population. The current financing problems of Social Security are all due to this pay-as-you-go method of financing.

LR: Then why not keep the mandatory Social Security system, but really put it on an insurance basis, and simultaneously create a completely separate agency to administer the welfare programs?

Ferrara: Well, that would go part of the way. That's the proposal advanced by Professor Martin Feldstein of Harvard University, Chairman of the National Bureau of Economic Research. He would like to separate out the welfare and insurance elements of the program, because he recognizes they are inherently contradictory. This was also recognized by the Brookings Institution in a 1968 book by Joseph Peachman, Henry Aaron, and Michael Taussig titled *Social Security: Perspectives for Reform.* The Brookings study recognized the conflict in objectives, but Feldstein went a step further and recognized that there was a problem in the pay-as-you-go nature of the system. He therefore advocated fully funding the insurance element of Social Security by having the government save these enormous trust funds.

I go a step farther than Feldstein. I say once you agree that the pay-as-you-go system is no good, then there's no reason you shouldn't entirely privatize the insurance function. If you have the government save and invest this enormous trust fund, the government is going to own 40 percent of all the assets in the entire private economy. That's a way of nationalizing half the country. It would be far preferable to have private institutions doing the investment.

LR: But some people would be improvident and wouldn't avail themselves of private savings accounts and pension plans if they weren't mandatory.

Ferrara: That argument is based on a theory that the government has to protect people from their own short-sightedness. And on that theory the government should also prescribe people's diets and tell people that they have to listen to classical records and that they have to drink good dry French wines. I don't buy that approach. But if people found that a stumbling block to acceptance of this reform, then we could merely continue to require people to buy one form or another of private alternative insurance, just as we now require them to buy auto insurance. In other words you could say to them, "You will have to pay these Social Security taxes unless you use the money to buy a private alternative that would be invested. If you do, then you will be exempt from

The Gray Panther as Reaganite



LIONEL J-M DELEVINGNE/PICTURE GROUP

Maggie Kuhn is an energetic, dedicated political activist who will be 76 years old this summer. Eleven years ago, when she turned 65, she was forced to retire from her job as Associate Secretary at the United Presbyterian Office of Church and Society. She didn't want to quit. It was a matter of mandatory retirement. So then and there she became an activist. She got together with five of her friends and founded the Gray Panthers, an organization which has since become by far the best known of the various lobbies and public interest groups devoted to the cause of what might be called Elderly Liberation.

How do the self-proclaimed representatives of the aged feel about the Social Security crisis? To find out, LR contacted Maggie Kuhn by telephone. To be honest, we weren't sure what to expect. We knew the Gray Panthers were not libertarians: to cite only one example, they're avid advocates of compulsory national health insurance. But neither were we expecting their founder and most famous spokeswoman to come out on the telephone for essentially the same plan to save Social Security which policy analyst Peter Ferrara believes will be adopted in the next few years by Ronald Reagan—funding the program out of general revenues and getting the needed revenues by cutting back on other programs.

Of course, Maggie Kuhn's idea of what should be cut back differs radically from Reagan's, as you'll see in a moment. But we were

the Social Security taxes." This would allow people to save and invest their money in alternative private retirement funds. What I would suggest is IRA-type accounts with more wide-ranging tax exemptions. I don't believe the government should be taxing money that people are trying to set aside for their retirement. This plan would privatize the entire system, yet would get you around the objection that people won't save on their own. You simply require them to have some sort of alternative. I would rather have a free system. But I think this middle ground where you have a privatized system with a requirement that you participate is far preferable to what we have today.

LR: What does the historical record show? In the '20s and early '30s, before passage of the original Social Security Act, elderly people *had* to rely either on what they had saved or on private pensions or on the charity of younger friends and relatives. What percentage of them *were* improvident?

Ferrara: Well, of course, people didn't live as long in the past, and they weren't as wealthy in the past, so they didn't tend to retire long before their life expectancy had run out. The reason people are able to retire earlier today is because we are so much more wealthy that we can set aside enough money earlier in our lives to live out the last 20 percent of our lives without working at all. They just weren't rich enough 100 years ago to do that. They had to keep on working until near the very end. Also, because they didn't live as long, those who were considered elderly weren't as debilitated and incapable of working as many of today's elderly. So if they didn't save for their old age they ajust didn't retire. They continued to work. If you haven't saved for your retirement then you don't retire—just as if you haven't saved to buy a car then you don't buy a car.

LR: But many able older workers are forced to retire.

Ferrara: I think the compulsory retirement system in this country was caused by Social Security. If you go back to the 1920s, you find there was no compulsory retirement at age 65 then. It was because Social Security set a national norm in retirement that everything else was structured accordingly. And the earnings test which says you can't get your money back unless you retire—I think *that* tends to cause people to retire at age 65 as well. I think without Social Security people today would be retiring at a later age than 65, probably in their late 60s, closer to the age of 70.

LR: Or they might quit the full time jobs which they have worked for many years and go into some other field, something more along the lines of a hobby, in which they could work part-time and earn less money, and supplement their incomes with a private pension plan that would pay them whether they were working or not.

Ferrara: Yes. They would be more likely to phase gradually into retirement. Today, people are expected to drop out immediately upon reaching a certain age. I don't think that's good for people, and I don't think it's what people would want to do normally on their own. ❑

struck by the fundamental similarity of approach between the two—and by the unimaginative nature of Kuhn's reaction to Libertarian Ed Clark's very different ideas on the same subject. Some extracts from our conversation follow.

LR: How much longer can the Social Security system last without some kind of fundamental change?

Kuhn: Well, I don't take such a dismal view of it as some people do. I believe that there have been profound changes in the past 30 years since it was enacted, and that more changes are going to be needed. But the Social Security system is the *one* instrumentality that benefits people of all ages, and it would be a disaster to our country if it were to go under. I can't believe it will. I think that there ought to be a lot of discussion, very, very probing intelligent discussion of the system. And I think we should, out of that discussion, be able to come up with a formula for paying into the system from general revenues.

LR: Were you satisfied with the kind of discussion of Social Security that Jimmy Carter and Ronald Reagan engaged in during the 1980 campaign?

Kuhn: No. I thought it was very superficial and it didn't really get at the real question.

LR: One of the minor party candidates in the campaign made a proposal on Social Security which was quite different from anything either Carter or Reagan was saying about it. This was Ed Clark, the Libertarian Party candidate for President, who proposed that for those workers now under 40 the Social Security system simply be discontinued and that an amount of money equal to the amount those workers would otherwise have been contributing to Social Security each month be given back to them in the form of a tax credit—that is, if they put the same amount of money into a private savings account they could write it off directly on their income tax. Clark also proposed that, for those who are between 40 and 65 and have already put many years of payments into the system and want to go ahead and collect their benefits, the system could be made optional. For those already receiving Social Security, there would be no change. And the result, according to Clark, would be that we would get out from under the enormous debt that the system is accumulating, and out from under the developing problem of the birth rate. In the future there are going to be a great many more older people than there are younger people, and the tax burden on the young could be enormous if we had a pay-as-you-go Social Security system. But if tax incentives were created to make it possible for people to put the money that they would have been paying in the form of taxes into banks and other kinds of investments to provide for their own old age, there would be no less money—perhaps even more money—available to them upon retirement. How does that idea strike you?

Kuhn: Well, human beings being human, I wonder whether this would really happen, whether people would really behave in that manner. Some would. But one of the benefits of the Social Security system as it was devised and has been operating is that it is virtually universal in its coverage. Whether you're provident or improvident, you at least have some security at hand.

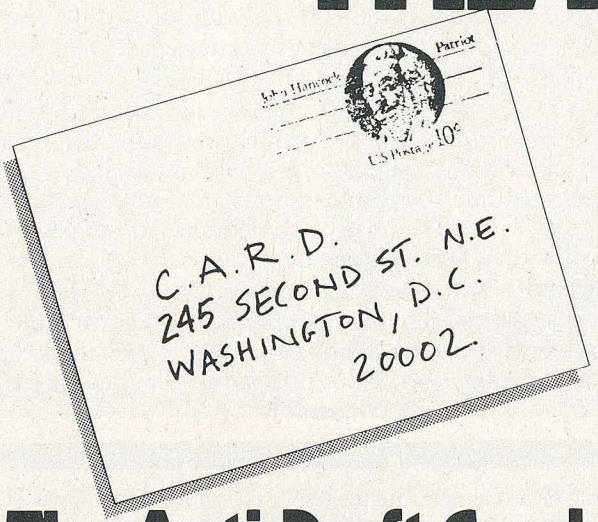
LR: But Grey Panther literature says that older people who have been improvident and so have to rely entirely on Social Security are really *not* being provided for very well, because the rate of inflation has eaten up the value of their Social Security checks.

Kuhn: Well, that's true. There isn't any plan at the present time that guarantees against poverty as long as we've got the inflation that we've got.

LR: And who do you think is mainly responsible for the inflation?

Kuhn: I think one of the big inflationary causes is the defense budget, the bloated defense budget. We're putting billions into goods that are never going to be consumed—we hope—and adding to the national debt on that account, and using our technology and scarce materials for things that are calculated for human destruction rather than for enhancement of human life. Until we reduce the inflationary aspects of the defense budget and begin to get back to some new national priorities, the inflationary spiral is going to go up and up.

HOW TO REGISTER AGAINST THE DRAFT.



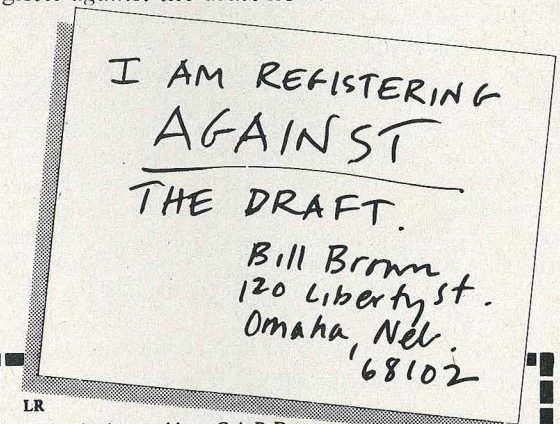
The Anti-Draft Card.

1. During the summer of 1980, every American male aged nineteen and twenty will be forced—under threat of imprisonment—to go to the local post office and register for the draft. But anyone, male or female, can register *against* the draft, no matter how old they are.

2. All you need to do is go to your local post office and buy a regular pre-stamped postcard. On the back, write "I am registering *against* the draft." Include your name and address. On the front, write "C.A.R.D., 245 Second St. NE, Washington, D.C. 20002."

3. Now drop your postcard in the mail. We'll add it to all the other anti-draft cards we've received from all across America and show President Jimmy Carter just how many Americans oppose registration and the draft. Needless to say, the more cards sent to C.A.R.D. the better.

4. When you register against the draft, urge your friends to do the same. Together, we can beat this challenge to our basic liberties and traditions. If you can't buy a postcard, write a letter instead. But whatever you do, make sure you register *against* the draft now!



LR

Make checks payable to C.A.R.D

Here's ___$10 ___$25 ___$100 ___more to help pay for your campaign against the draft.

___ Send me information about the legal status of draft-age registrants.

Name _____

Address _____

City _____ State _____ Zip _____

C.A.R.D. Committee Against Registration & Draft
245 Second St.NE, Washington, D.C. 20002

C.A.R.D. is a coalition of 50 national organizations opposed to registration and the draft.

Prepared by Public Media Center, San Francisco

HOW UNCLE SAM KEEPS US ALL ENERGY POOR

BY ROBERT JAMES LEE

It is time someone said it in so many words: the energy crisis which has afflicted all of us unceasingly—indeed, at an ever-accelerating pace—for the past two years is, fundamentally, a government-created crisis of domestic energy production. For, notwithstanding the ritualistic incantations to the contrary of various federal officials, the U.S. is *not* running out of energy. Five years ago, the U.S. Geological Survey estimated the "identified, recoverable [oil] reserves" in this country at 62 billion barrels, the "identified, subeconomic resources"—those likely to become recoverable because of technological or economic changes—at another 120 billion to 140 billion barrels, the "undiscovered recoverable resources"—those considered likely to exist because of favorable geological settings—at another 50 billion to 127 billion barrels, and the "subeconomic portions of undiscovered resources" at another 44 billion to 111 billion barrels.

This totals between 276 billion and 440 billion barrels of oil—enough to last us a minimum of 46 years at our current consumption rate of roughly 6 billion barrels a year. Supplies of oil are also ample throughout the rest of the world (though gross mismanagement of our foreign policy and unnecessary politicization of foreign economic relationships have made our access to much of this foreign oil unreliable). And natural gas is even more plentiful—even if we say nothing about the large, previously untapped reserves now believed to exist in the Devonian Shale in Appalachia, in Western "tight sands," in coal seams, and in the Gulf of Mexico.

Federal energy officials almost never talk about these vast domestic reserves. They seem to find the topic of energy conservation more interesting. Yet they pursue policies which actually discourage conservation: for one example, they forbid private utilities from financing and installing home

insulation for their customers; for another, they prohibit co-generation, the production of electrical power as a by-product by industries not licensed to serve as utility companies. It is only in the face of such disincentives that Americans have been conserving energy. Yet they indisputably have been: total U.S. energy efficiency has improved 12 percent since 1970.

Conservation, however, is not enough. As an NAACP spokesperson put it in 1978, "we cannot accept the notion that our people are best served by a policy based upon the inevitability of energy shortages and the need for government to allocate an ever-diminishing supply among competing interests." Instead, our goal must be increased supplies of energy.

Intentionally or not, however, the federal government has actively—and successfully—promoted shortages of oil and natural gas in the United States for the past decade and more. And this is no mean feat in a nation so rich as ours in oil and natural gas deposits. How has the government done it? How exactly is Uncle Sam keeping us energy-poor?

Price controls

As Thomas Gale Moore of the Hoover Institution has observed, "whenever prices in a competitive market are held down, shortages develop. This is one of the most fundamental laws of economics and no appeals to patriotism, oratory about inequities, or claims about injustice to the poor and elderly can change this fundamental truth."

The reason for this is obvious. Price controls deny money to those who have earned it, leaving them with both less incentive to produce and less money available with which to finance further production. Price controls cost oil producers $11 billion in 1974. And that figure has only gone up in the past seven years.

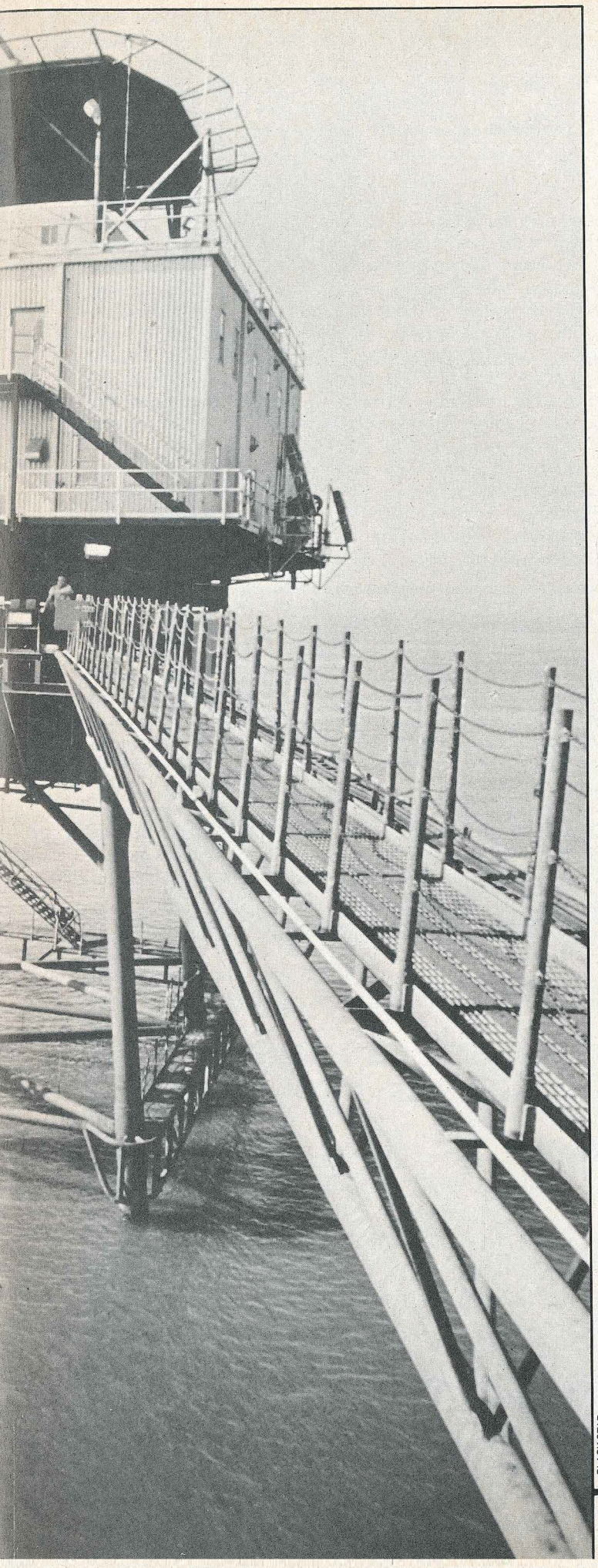
And even without such needless costs, oil exploration and production are not cheap. An on-shore well that might have cost $51,200 in 1967 is now likely to cost more than $250,000 in the continental U.S., and several million dollars in Alaska. An off-shore platform may run $10 million. A catalytic cracking unit to increase the yield of gasoline for a refinery may run $50 million. Enhanced recovery techniques, such as those necessary to pump out and refine "heavy" oil, and to increase the recovery from existing wells, may increase costs from 25 to 30 cents per barrel for steam and hot water injection, to $6 per barrel for carbon dioxide injection, to far more for chemical injection.

All of these costs can be undertaken only if the price justifies the total investment, including the cost of unsuccessful exploration. Out of 100 wildcat wells drilled by Conoco, one in six will contain some oil or gas, and only one in 55 will be a significant discovery.

Because price controls on domestic crude oil thus give a significant advantage to refiners who already have access to domestic oil, the federal government has set up a system of "entitlements," under which refiners with greater than average access to domestic oil write checks to those with less than average access. This effectively taxes domestic production and subsidizes foreign production. The result, according to two M.I.T. economists, is that by 1977, only a few years after implementation of the system, oil imports were three and one-half times greater than they would have been without price controls. Robert Stobaugh and Daniel Yergin, of the Harvard Energy Project, conclude that by thus encouraging imports and discouraging domestic production,



Oil exploration and production are not cheap. An off-shore well that might have cost $51,200 in 1967 will now cost more than $250,000. An off-shore platform may now run 10 million dollars.



BLACK STAR

the "irrational American pricing system could be one of the main causes of much higher oil prices in the years ahead."

Abandoning controls and letting prices rise, on the other hand, increases the amount of economically recoverable reserves. The M.I.T. Energy Laboratory Policy Study Group estimated in 1974 that price increases from $7 to $11 per barrel in real terms had increased discoveries some 25 percent; University of Chicago economist Yale Brozen estimates that price increases of 50 percent would more than double recoverable reserves.

Higher prices also make possible the secondary and tertiary recovery of the two-thirds of all oil normally left behind in existing wells. A 1978 study by the Congressional Office of Technological Assessment found that use of high-cost enhanced recovery techniques would yield 2 billion barrels a year at the pre-1973 embargo price, but 15 to 30 billion barrels a year at $13 per barrel. The Department of Energy now believes that some 25 billion to 30 billion barrels a year is now economically recoverable from exisiting wells through such higher-cost techniques.

Higher prices also open up lower-grade, but related, resources such as coal (liquified coal could provide up to one trillion barrels of oil), oil shale (up to 1.8 trillion barrels), and tar sands (billions of barrels). Artificially low prices, on the other hand, encourage waste and discourage conservation—by literally making petroleum seem cheap.

Natural gas price controls, in effect since 1954, have had a similar effect. A 1977 study by Congressman Dave Stockman and Garry Brown estimated that continued regulation would result in production of at least 25 trillion cubic feet (tcf) less natural gas by 1990 than would otherwise be produced. Also in 1977, the Energy Research and Development Administration estimated that potential reserves could double as the price increased from $1.75 per million cubic feet (mcf) to $3.25 per mcf.

A 1974 evaluation by the M.I.T. Energy Laboratory Policy Study Group estimated that phased decontrol could increase annual production by roughly 17 percent, and reserve additions by 70 percent, within six years. Several other studies—academic and industry—have found that decontrol could increase natural gas production by the equivalent of 5.5 million to 10.7 million barrels of oil a day by 1985. We now import roughly 6 million barrels of oil a day.

Even a July 1980 overview of the Department of Energy published by the Energy Information Administration concluded that natural gas production would be roughly 5 percent higher by 1990 if there were less federal control.

And our experience since the gradual lessening of controls began in 1978 is of an upsurge in drilling activity, reserve additions, and discovery of new reserves of "deep" gas—which would have not been profitable without decontrol.

The windfall profits tax

Phased decontrol of oil prices will eventually eliminate that production disincentive, but the so-called windfall profits tax (which has nothing to do with profits, being in fact a roughly 70 percent excise tax) will effectively recontrol the price of oil. More important, the loss of revenue—and thus much of the incentive to produce *domestic* oil—will be felt hardest by the 10,000 independents who drill 90 percent of the wildcat wells. Estimates of the oil production which will have been lost as a result by 1990 range from 415,000 barrels per day (the Congressional Budget Office) to 800,000 barrels per day (the U.S. Chamber of Commerce) to

850,000 barrels per day (the American Petroleum Institute). Even DOE's Energy Information Administration admitted in its July 1980 report that the effect of the windfall profits tax "is to increase oil imports."

Energy regulations

The 10,000 independents in the energy industry who drill 90 percent of the wildcat wells also find 75 percent of the new fields, and discover 53.8 percent of the new oil and gas reserves. But the federal leviathan has managed, through various regulations, to make it nearly impossible for them to go on doing these things. For example, the Natural Gas Policy Act of 1978 extended federal regulation from interstate gas to intrastate gas and created 26 new and different pricing categories. The then Director of the Federal Energy Regulatory Commission himself admitted that it "would be virtually impossible ... to enforce [the Act] in a conscientious and equitable manner." Such complexity is burdensome for even an Exxon; it is disastrous for a small firm.

The effect of these and other regulations has thus been to help cartelize the industry. William C. Lane, Jr., Director of DOE's Office of Competition, has admitted that "everybody from the Senate antitrust subcommitee to the Federal Trade Commission to the Department of Justice to the House Antitrust Subcommittee who has looked at this issue from the competitive point of view has said that pricing-allocation regulations don't work in this industry. Period."

Federal leasing restrictions

The federal government owns the mineral rights to 52 percent of U.S. land, on- and off-shore, and controls 95 percent of our oil resources, 85 percent of our high-grade tar sands, 76 percent of our oil shale, and 40 percent of our natural gas. It also controls 840 million acres of off-shore which contain at least 32 billion barrels of oil and 116 tcf of natural gas, and may contain up to one-half of the oil yet to be found in the world. Finally, Alaska, the subject of much controversy, likely contains, according to the U.S. Geological Survey, between 47.9 billion and 123.9 billion barrels of oil—enough to supply our current annual needs by itself for between and 8 and 20 years. Morevover, Alaska's potential is yet undetermined; only two of its 23 basinal areas have been intensively explored, and 12 have not been explored at all.

Despite this great wealth of resources, the federal government has been steadily making federal land *less* accessible for development. Roughly half of the land has been withdrawn for parks or wilderness areas, and many of the mineral leases granted contain unnecessary restrictions. Only 4 percent of the federal government's off-shore resources have even been offered for lease, and only 2.5 percent is currently under lease. Few of the other high potential areas have been offered for lease at all. Finally, just before he was run out of office, President Carter locked up some 100 million acres in Alaska where even exploration will be forbidden.

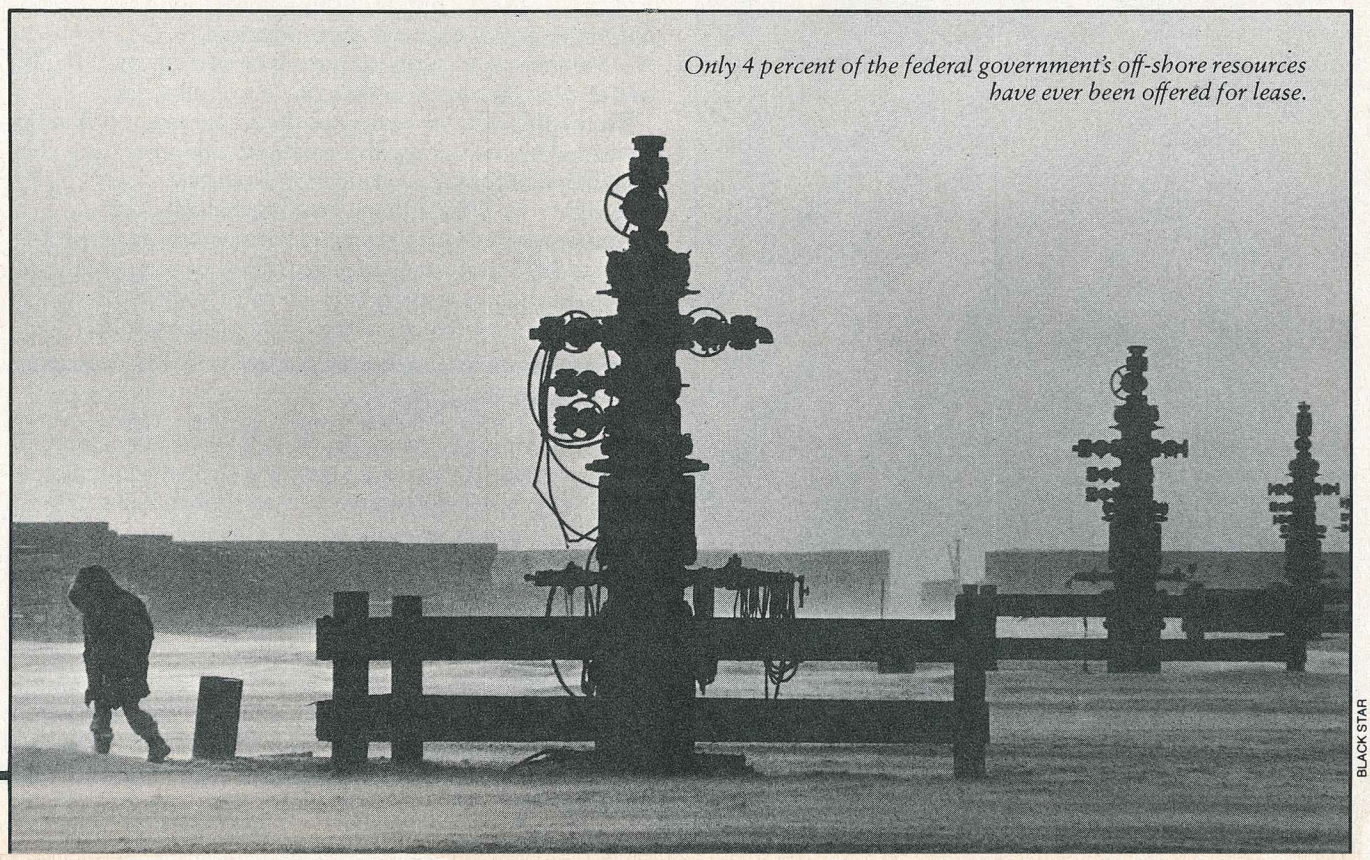
Taken together, these actions have helped to severely restrict our domestic energy production. Even the Energy Information Administration report identifies such restrictive leasing practices as an important factor in the growth of our dependence on imported oil.

Environmental regulations

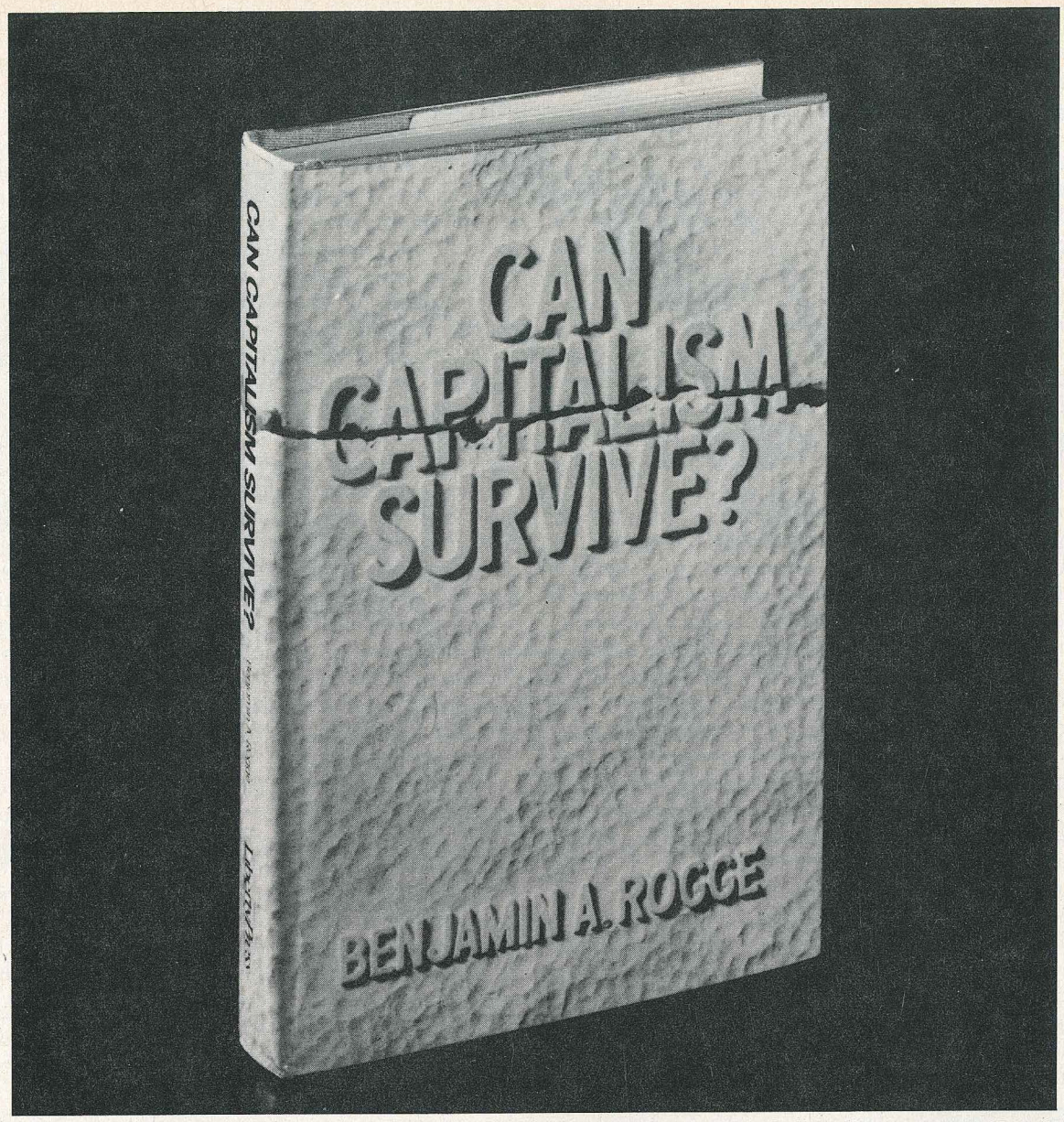
Even where exploration and development are allowed, other federal regulations may render them infeasible. Early in 1980, for example, the Interior Department was forced to halt its oil and gas leasing of a half-million acres in Alaska's Beaufort Sea because of a potential threat to the Bowhead whale. Air pollution regulations are impeding necessary investment in refineries to process California heavy crude oil. And a dispute between state and federal agencies over regulations has prevented an additional 500,000 barrels per day of heavy oil production in Kern County, California alone.

And then there are the drilling permits. Phil Oxley, execu-

Only 4 percent of the federal government's off-shore resources have ever been offered for lease.



BLACK STAR



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tive vice president of Tenneco, recently complained to the *Washington Star* about the usual 20-month delay between lease sale and drilling—much of it necessitated by "the very complex system of approvals and reviews which must precede the issuing of drilling permits." Milton R. Copulos of the Heritage Foundation recounts in *Domestic Oil* the horror story of the Santa Ynez Unit in California, where Exxon struck oil in 1969. The firm filed an application to develop the strike in 1970. But the 1,800-page Environmental Impact Statement was not completed until 1974; approvals from various federal, state, and local entities were not garnered until 1975; and a struggle with the California Coastal Commission developed in 1976. Then, after Exxon solved that problem, the EPA reversed itself and issued new restrictions, and the California Air Quality Board filed a lawsuit to enjoin the project. The suit was dismissed in 1978, and in 1979, the same court held that the EPA did not have jurisdiction over the project.

The final approvals are now in hand, but oil will not begin to flow until 1981, *twelve years* after oil was discovered.

Such bureaucratic mindlessness increases the cost of the oil which is produced, reduces the amount of oil which is produced, and discourages anyone from even trying to find or produce any more. It also inhibits the production of other fuels, such as coal. Coal makes up about 80 percent of our fossil fuel reserves, but currently supplies only about one-fifth of our energy needs. Restrictive federal leasing practices, as discussed earlier, are partially responsible. Approximately half of America's coal reserves are in the West, where the federal government owns 70 percent of the land. And no significant coal leases have been issued since 1970, when a moratorium on such leases was imposed.

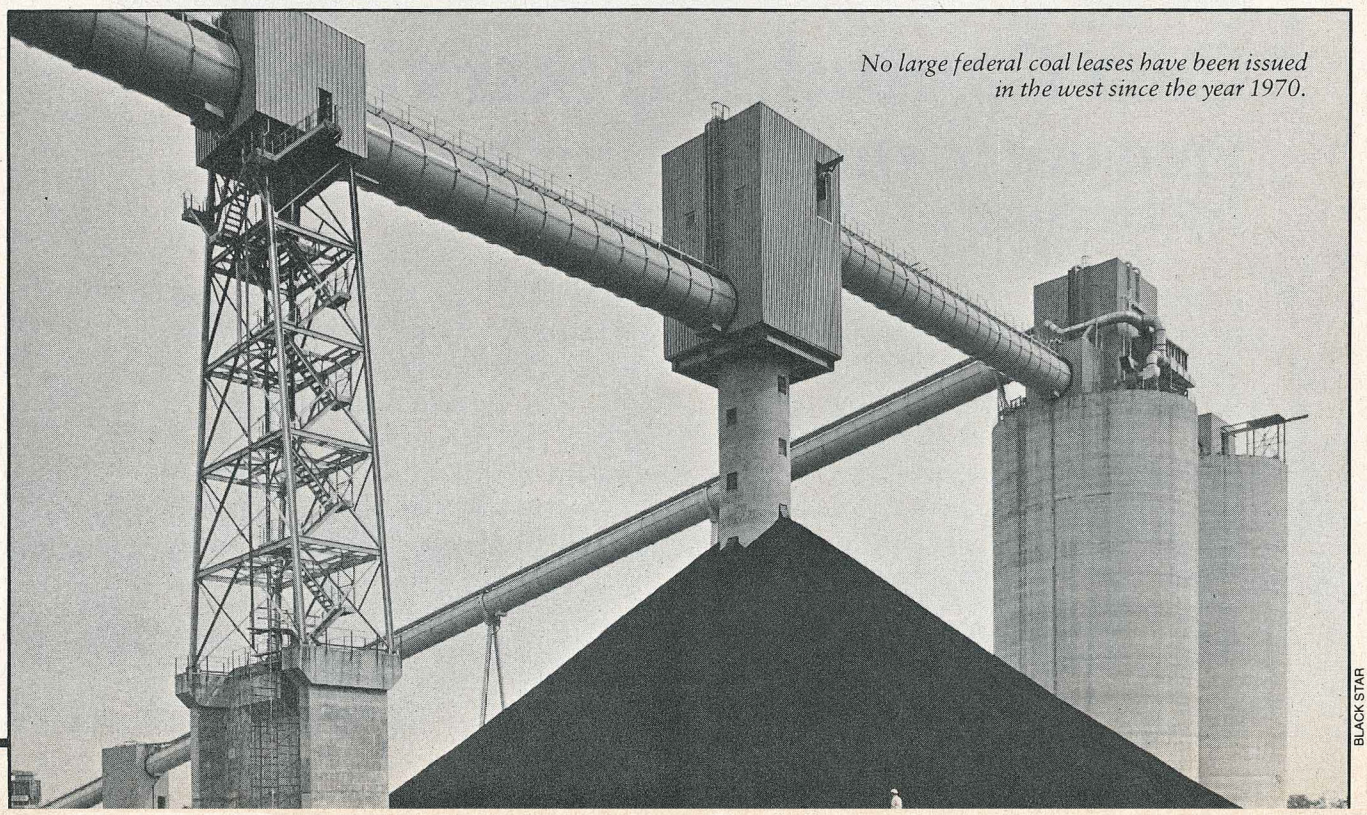
Strip mining regulation has also increased, with 1,000 new pages of regulations added during the last four years alone. These standards needlessly increase the cost of mining and discourage the development of new mines—without necessarily benefiting the environment. The provisions of the Clean Air Act and related regulations are too frequently inflexible. Sulfur dioxide standards, for example, are now out of line with current scientific knowledge. Yet they were the basis for the EPA's announcement in September that it intended to deny the Nevada Power Company's proposal to build a coal-fired plant in Southern Utah—a loss of 2,500 megawatts.

The alternative fuels of the future, such as solar, geothermal, and synthetics, have also suffered from federal involvement. For example, by artificially keeping the prices of oil and natural gas low, the federal government has made it difficult for alternative fuels to compete in the marketplace. Again, federal economic bungling has created an economic environment in which capital is hard to accumulate and profits difficult to earn; and until new investments and technologies can flourish in a strong economy, the full potential of alternative fuels cannot be realized.

Moreover, massive subsidies of particular technologies, such as synthetic fuels (the $20 billion Synthetic Fuels Corporation) and nuclear power (the Price-Anderson liability limitation, research funding, and waste disposal assistance) make it even more difficult for alternative fuels to compete. And government subsidies of the alternative fuels themselves are often wasted, since federal bureaucrats cannot effectively choose the best techniques; instead, they are much more likely to lock us into costly and obsolete technologies, while destroying the others. Not one successful commercial development has come out of four years of DOE "commercialization" programs—just as not one successful answer of any kind for our energy crisis has come out of decades of Washington meddling.

As University of Michigan business economist Edward J. Mitchell has observed, "the energy crisis is a crisis of public policy. It is the consequence of shortage policies adopted without reference to the public interest. There is no evidence that in a free energy market anything resembling a crisis, or even a problem, would have occurred." The energy crisis is the result not of a shortage of energy resources, but of a shortage of common sense. It has taken a government energy policy to give us an energy crisis. ❑

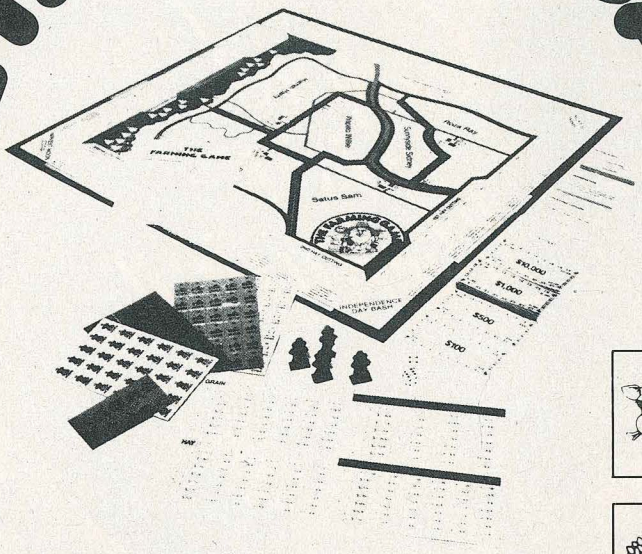
"Robert James Lee" is the *nom de plume* of a Washington attorney who wishes to retain his sources of information within the federal energy bureaucracy.



No large federal coal leases have been issued in the west since the year 1970.

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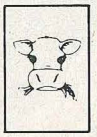


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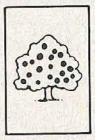
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Psychology for Valentine's

JOAN KENNEDY TAYLOR

The Psychology of Freedom, *by Peter R. Breggin, M.D., Prometheus Books, 242 pp. (discount distribution, Lake House Books, P.O. Box 5919, Washington, D.C. 20014, $12.95 including postage and handling).*

The Psychology of Romantic Love, *by Nathaniel Branden, Ph.D., J.P. Tarcher, Inc., 210 pp., $10.00.*

FEBRUARY IS A MONTH for lovers, and anyone looking for a Valentine's Day gift for a special person couldn't do better than to buy Breggin, or Branden, or both. Here are two first-rate books by libertarian psychologists about love—one, long awaited; the other, a welcome surprise. Here is a book about freedom that includes the topic of romantic love, and a book about romantic love that implies the concept of freedom. The authors stand on common ground in their approach to psychology: both of them emphasize the importance of free will, self-esteem, and the primacy of reason over emotion. Politically, both are active libertarians, who not only support libertarian ideals publicly, but also support the Libertarian Party. Now, having stated what these books have in common, let me discuss them separately—because really they are quite different.

Peter Breggin, who acknowledges in his preface his intellectual indebtedness to "Nathaniel Branden's analysis of the rational pursuit of self-interest," has subtitled his own book "Liberty and Love as a Way of Life." It is a comprehensive approach to psychology that extends libertarian political ideals to the psychological realm. The heart of his approach is the thesis that it is important psychologically to be a loving person—by which Breggin means, not a doormat who accepts abuse from others and claims to love them in return, but a person capable of joy and positive relationships. He sums it up in this way:

> Liberty is the context within which each individual can best develop himself or herself. Love

is the liberated individual's affirmation of life. Liberty and love are the twin principles of the good and happy life.

Breggin starts off by distinguishing between personal sovereignty and personal freedom. The first he defines as "the capacity and the right to be in charge of one's inner, subjective world of feelings, thoughts, and actions," while by *personal freedom* he means the fulfilling or expressing of that personal sovereignty in the external world.

He spends several chapters establishing the ground rules within which he will be operating—the importance of free will and choice, his definitions of concepts such as self-esteem ("the good feeling generated by placing high value on the conscious, ethical, and rational exercise of free will, personal sovereignty, personal freedom, and self-determination"), *love* ("the good feeling generated by placing high value upon another person's existence....Joy or happiness in the presence of another person") and the relation between thought and emotion ("So-called involuntary emotional reactions stem from specific kinds of controllable thoughts or mental decisions").

Then, in chapter six, "Libertarian Ideals to Live By," Breggin takes principles such as voluntary exchange, the right to self-defense, and civil disobedience, which are well-known to libertarians in the political arena, and redefines them in psychological terms. Here he sets forth his code of ethics ("when I use the term *ethics,* I will usually have a more specific meaning than ordinary dictionary definitions. I mean *rational* ethics and I mean *libertarian* ethics"). His four main principles are as follows:

1) You must not treat others by antilibertarian standards, regardless of their bad conduct toward you.

2) Never let others abuse you, even if you have acted wrongly.

3) Never abuse yourself.

4) Never compromise your own ethics because others compromise theirs.

This application of political principles to the psychological realm is, to my mind, both original and convincing. Breggin also applies to personal conduct the legal principle that you may defend yourself only with necessary force—you may not defend your property by shooting trespassers, for instance—and concludes that many, perhaps most, people operate unethically.

Both these books put ethics and psychological structure into the whole phenomenon of "me-centeredness."

Here his distinction between personal sovereignty and personal freedom bears fruit. You may, in order to defend yourself, limit someone else's personal freedom if necessary, but you are *never* justified in invading that individual's personal sovereignty. You may imprison a murderer, but it is never an ethical act to influence his or her mind with drugs or lobotomy. On a more everyday level, you may leave a spouse, even though that spouse claims dependence on you, but you may not attack or undermine his or her self-confidence. "If you attack and harm a person whom you could walk away from, you have become an agressor....This is a radical principle; its application would put almost all hostile, self-defeating relationships out of business."

You can see that Breggin is implying a radical redefinition of *force* when he uses it in the psychological area, to include much behavior that we would not include in a strictly political context. For instance, this is his definition of oppression:

any use of force or deception, or any enforcement of an involuntary relationship, except in self-defense; any infringement on an individual's unconditional right to self-defense; any imposition upon an individual's personal sovereignty, even in self-defense; any other-determined antilibertarian, or unethical action or relationship; any undermining, disparagement, or discouragement of the principles of self-determination.

This is indeed, as he says, "a broad definition that far exceeds the libertarian political injunction against force or fraud....This is a psychological definition of oppression, not a political one." But, he explains, "Ethics and the law do not coincide; ethics defines what is right, while the law defines what is allowed. Many things must be allowed in the interest of freedom, even unethical conduct."

To be a loving, liberated person, according to Breggin, it is necessary first of all to love oneself. Breggin sees love for others as the basis from which we accord them their natural rights. Therefore, if one does not love oneself, one will not only not fully love others, but one will not recognize and defend one's *own* rights. Hence the phenomenon of self-oppression, which Breggin sees as underlying most psychological disturbance.

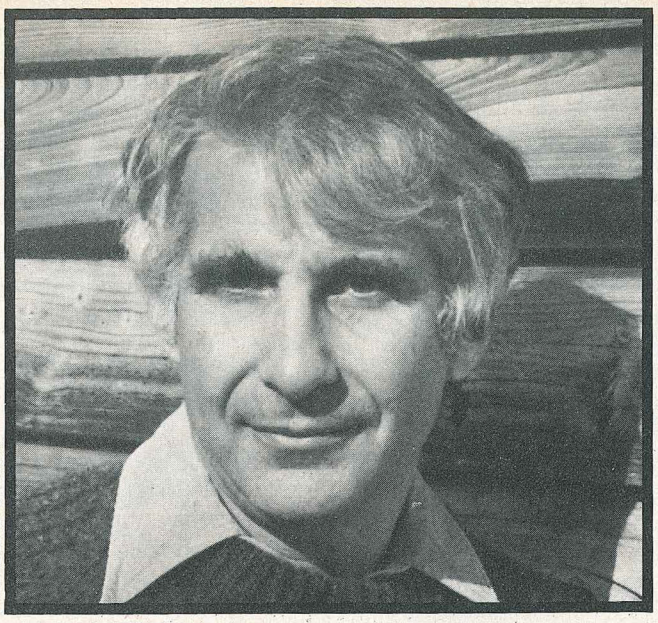
In a chapter entitled "Self-oppression — How People Choose to Fail," Breggin explains why he prefers the concept of personal failure to designate much of what is referred to as mental illness. He uses conventional psychiatric labels such as depression, paranoia, and anxiety, he explains, to make it clear that he is referring to the same behavior as are conventional psychiatrists, even though he does not accept their explanations of the behavior. Rather, he sees such states as "lifestyles of self-oppression," and examines them and their accompanying emotions as strategies from which a self-loving individual can achieve self-liberation.

Breggin holds that a failure to love oneself enough is at the root of all psychological problems, and that we are taught this lack of self-love by our families. "The self-liberating individual can benefit most from confronting, understanding, and overcoming oppression where it has hit the hardest—within the confines of his or her own family." As children, we are helpless with respect to our personal freedom, and too often surrender our personal sovereignty as a result.

The principles of voluntary exchange clarify the nature of self-oppression. Confronted with coercion, the self-oppressive person coerces himself or herself in order to avoid conflict with the feared authority, and, in effect, creates a self-imposed involuntary exchange by using fraud against himself or herself.

Four chapters of this book — 59 out of 239 pages of text—deal with the relations between parents and children. "The oppression of children throughout the world,"Breggin writes, "is so thoroughly accepted that it is used as the model for justifying all other forms of oppression."

Men who wish to oppress women attribute to them traits that they also ascribe to children, including helplessness and dependency. Psychiatrists themselves tend to belittle women with a double standard of normality, indentifying a normal male with a normal grownup, while a normal female is assigned childlike traits. Mental patients in general are similarly oppressed by attributing to them the traits of children, much as it was once fashionable



PHYLLIS LUNDY BREGGIN

Breggin applies to personal conduct the legal principle that you may defend yourself only with necessary force.

to justify slavery in terms of the black's alleged childishness.

These so-called childlike qualities have little or nothing to do with anything inherent in children but reflect instead the child's response to chronic belittlement and oppression. This is why chronically oppressed groups develop similar traits. These traits are adopted by the victims to ensure survival at the hands of the oppressors, who demand helplessness, dependency, and even ridiculousness upon the part of their victims, whether these victims are slaves, mental patients, prisoners, women, or children. When the full force of moral authority and social institutions reinforces these victimizations, allegedly childish traits become commonplace.

This is a lovely book. It speaks to a yearning for self-determination and individual happiness that is the mainspring of today's three great grassroots movements — libertarianism, feminism, and the human potential movement. Up to now, Peter Breggin has been best known as a critic of abusive psychiatric techniques, but with this book, he should reach a wider and more general audience.

Nathaniel Branden, of course, not only speaks to the human potential movement, he has become one of the mainsprings of it. His weekend Intensives are attended by hundreds of people all across the country. Last fall, his first three theoretical books, *The Psychology of Self-Esteem*, *Breaking Free*, and *The Disowned Self* were reissued in one volume, as *A Nathaniel Branden Anthology.* A few months earlier, his newest book was a main selection of The Psychology Today Book Club and appeared several times on *Time* magazine's best-seller list. At last report there were some 75,000 copies of the hardcover edition in print.

Branden began crusading for the importance of self-esteem, choice, and responsibility in the early '60s, well before the original publication of *The Psychology of Self-Esteem* in 1969. The copy on that book's dust jacket announced, "*The Psychology of Self-Esteem* will serve as the theoretical base and framework for Mr. Branden's future work, which will include a study of the nature and psychological meaning of romantic love...." in June 1980 that book, *The Psychology of Romantic Love,* was finally published. For those of us who have been waiting for it, it was well worth the wait.

I find myself assuming that every reader of *The Libertarian Review* will be familiar with the psychological theories of Nathaniel Branden, but of course that may not be the case. For the record, then, Branden was the first psychologist to emphasize the crucial importance of rational self-esteem (which he defines as "the conviction that one is competent to live and worthy of living") to psychological functioning, and the first to develop his approach, which he calls "biocentric psychology," from the idea that just as animals have various tools of survival, so do human beings, the uniquely human tool of survival being reason. Because when he began his practice over 20 years ago the influential psychological schools were using adjustment to society as their standard of psychological well-being, Branden opposed their views by championing the idea that there is an absolute, biologically centered standard of "mental health" — a terminology which is criticized by Breggin and Thomas Szasz — though he recognizes, of course, that the mental health/mental illness concept has been wrongly used by psychiatrists to seize political power.

There seems to many to be a growing disillusionment with romantic love today. But rather than abandon the ideal, says Nathaniel Branden, we should rethink the concept. And he does so in this book, exploring not only the way various civilizations have viewed love and marriage, but also love's psychological roots, "the needs it strives to satisfy, and the conditions for success or failure." In four main sections ("The Evolution of Romantic Love," "The Roots of Romantic Love," "Choice in Romantic Love," and "The Challenges of Romantic Love"), Branden covers a wealth of topics, including Jealousy, Sense of Life, Sex in Human Life, Projecting Visibility, Self-Esteem, The Art of Nurturing, Marriage, Divorce, and the Question of Forever, and Communicating Emotions.

Branden's first books were formal and philosophical in their theoretical explication, which is not to say that they didn't contain colorful case histories. But there has been a radical change in tone from *The Psychology of Self-Esteem* to *The Psychology of Romantic Love*. The assignment Branden seems to have given himself is to make romantic love intelligible, a task in which he succeeds admirably, but he also writes in such a way as to make the reader believe in the possibility of love for himself or herself. "Let me state at the outset," he says, that I am writing from the conviction that romantic love is not a fantasy or an aberration but one of the great possibilities of our existence, one of the great adventures, and one of the great challenges. I am writing from the conviction that ecstasy is one of the normal factors of our emotional life, or can be.

I do not see romantic love as the prerogative of youth. Nor do I see it as some kind of immature ideal, inappropriately adapted from literature, that must crumble in the face of "practical reality." I do see romantic love as requiring more of us, in terms of our personal evolution and maturity, than we generally appreciate. Indeed, that is one of the central themes of this book.

Although the book is connected to and to some extent builds on Branden's previous work (for example, a large chunk of the material in the chapter in *The Psychology of Self-Esteem* entitled "Self-Esteem and

Romantic Love: The Principle of Psychological Visibility" is repeated here) it also stands totally by itself. I notice with interest that *A Nathaniel Branden Anthology* is being advertised as "The three major works from the early stages of his thinking," and that in its brief preface he invites the reader to begin by reading his third book, *The Disowned Self,* which he says is closest to the way he thinks about psychology today. In that book he departed somewhat from his previous emphasis on reason and rationality to stress the importance of self-acceptance; to accept oneself, he wrote, "is to refuse to disown any part of one's experience...to accept what one is, is to let oneself be fully aware, without censorship and without interfering self-criticism, of one's thoughts, feeling, emotions, desires, aversions, actions"; self-acceptance, he argued, is deeper than self-esteem; "it is the root or beginning of self-esteem."

One of the pleasures of reading *The Psychology of Romantic Love* is the glimpses it gives of Nathaniel Branden the feeling man, as opposed to Nathaniel Branden the Mind, whom we have learned to know through his previous works. He speaks throughout, for example, of his relationship with his late wife Patrecia (who died in a drowning accident in 1977) and of her influence on him.

When we met, Patrecia lived "in her body" to a far greater extent than I did and was in far better touch with her feelings; her emotional openness and willingness to be transparent facilitated the process of my own deepening contact with my inner life. Through her, I learned the power of vulnerability, the power of letting others see who I was and what I felt, without defense or apology. I rediscovered the child in myself — not only because she was in contact with the child in herself, but also because she very clearly saw the child in me....

And now, as I sit at my desk, writing these words, I see her face grinning at me—she is almost laughing—and she seems to be saying, "Are you writing this because it really helps to clarify your point, or are you trying to smuggle in a love letter to me?" "I'm not totally certain, Patrecia." "Well, leave it in. Sometimes when you're eager to explain some point you can get a little abstract and remote. Let them have *you*, not just your ideas."

No discussion of Branden on love would be complete without at least touching on his unique contribution to the psychology of romantic love, his concept of the need for psychological visibility. We normally experience ourselves from inside, as a process, Branden points out. "In the course of our life," he writes, "our values, goals, and our missions are first conceived in our mind...and then—to the extent that our life is successful—are translated into action and objective reality....Yet our most important value—our character, soul, psychological self, spiritual being—whatever name one wishes to give it — can never follow this pattern in a literal sense, can never exist apart from our own consciousness."

But when a loved one sees and responds to our character or soul, that person acts as a psychological mirror, reflecting back to us what we are, and permitting us to have the experience we yearn for, the experience of seeing ourselves "out there." This experience is, Branden says, "the core significance" of romantic love, because it is only in a romantic relationship that one can feel the fullest psychological visibility.

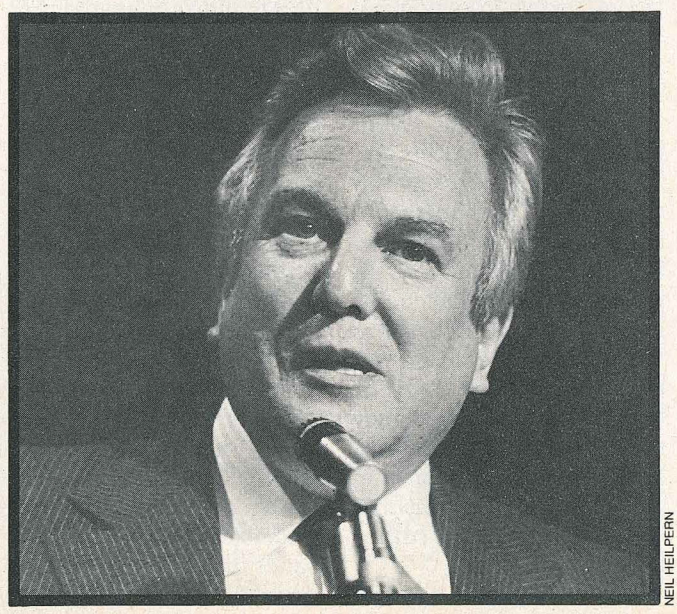
This book has been criticized because its definition of romantic love is "a passionate spiritual-emotional-sexual attachment between a man and a woman that reflects a high regard for the value of each other's person." A letter to the *Los Angeles Times Book Review* complained, for example, "to let such an unduly restrictive, inaccurate statement go by after 11 years of gay liberation activism is appalling." In an answering letter to the *Times,* Branden repeated what he had already stated in his book—that he was not attempting "to deal with the difficult and complex question of homosexuality and bisexuality ... we deal with the mode of man/woman relationships, even though much of what is said clearly applies to homosexual love relationships."

Branden is saying, as I understand him, that to his mind much of the homosexual experience is included in the heterosexual experience, in much the same way that for generations writers felt that the female experience was included in the male and that therefore terms such as *man*, *man's*, and the exclusive use of masculine pronouns could be read as generic. It takes a society time to become uncomfortable with such generic usage. In 1970, I myself was the co-author of a book that was rife with such generic masculinisms; it would have felt false at the time to alter them, but that does not negate the fact that I was insensitive to those I might offend.

The way one decides whether or not such behavior springs from hostility, I think, is by considering other behavior. In *The Psychology of Self-Esteem,* Branden felt comfortable in discussing "man's psychology," but at the same time, one of the few contemporary books he referred to favorably was Betty Friedan's *The Feminine Mystique*. Obviously, then, he was in no basic sense anti-feminist. Similarly, he welcomes homosexuals into his Intensives, from which fact I conclude that he is in no basic sense desirous of excluding their experience from the broad spectrum of human romance.

Both these books have a social value apart from the truth and hope that they communicate. And that is, that they put ethics and psychological structure into the whole phenomenon of

Branden says, "Romantic love is not a fantasy or an aberation but one of the great possibilities of our existence."



NEIL HEILPERN

"me-centeredness" that has so often been criticised (sometimes rightly) as anti-social hedonism.

In the Spring of 1979, Philip Green attacked libertarians, Robert Nozick, and *Inquiry* magazine, among others, in an article in *The Nation*, as contributing to "the assault upon our sensibilities of everyone's 'right' to do what they damn well please without giving a fig for anyone else's needs or concerns." If the person struggling for individual happiness and growth thinks that an accurate description, it can only cause him or her unnecessary pain.

"Individualism," says Branden, in a section of *The Psychology of Romantic Love* on the human potential movement, "is at once an ethicopolitical concept and an ethicopsychological one." These books bring those two concepts together, by showing the relationship between self-fulfillment and the supremacy of individual rights.

What I referred to earlier as the three great grassroots movements of our day (libertarianism, feminism, and the human potential movement) are not only concerned with different aspects of individualism, but they all fit together like pieces in a puzzle.

The libertarian wants to free all people from political authority, but to do so, must persuade them that they are capable of solving economic and social problems voluntarily and that it is unnecessary to agree with Philip Green that "the citizens of every industrial society find the whole 'bureaucratic' apparatus of social security, unemployment insurance, workman's compensation, etc., so invaluable a part of 'the good life'," because they don't have "the faintest idea how to go about allocating ... present income for only vaguely discerned future needs."

The feminist wants to free all women from masculine authority, but to do so, must persuade them that they are capable of independent achievement and that it is unnecessary, to quote a study cited by Letty Cottin Pogrebin in *Growing Up Free*, for the gender barrier to "become so formidable that it even block[s] out fantasies and dreams."

"Thus, one blond moppet confided that what she really wanted to do when she grew up was fly like a bird. 'But I'll never do it,' she sighed, 'because I'm not a boy.'"

The metaphor is haunting. "I could not help wondering," said the researcher, "how many little children believe that only males are capable of something as grand as flight."

The practitioner in the human potential movement wants to free all of us from the need for authority of all sorts to structure our lives, but to do so, must persuade us that we are capable of happiness and of dealing with our own inner reactions and feelings on an ongoing basis. For, as Dr. Branden says in his Intensives, "There can be no such things as intellectual independence or autonomy in a person who is cut off from his own organism, cut off from feelings, emotions, the entire world of inner experience."

This is not to say or imply that every libertarian has to be a feminist or an explorer of the human potential, or even that we need look with sympathy on all who apply those labels to themselves—after all, even some who call themselves libertarians differ with each other on major issues.

But it is to say that any true individualist would do well to be thankful that all three movements exist. In their essence, all three discourage dependency and make it less likely that people will blindly follow leaders — "whether those leaders call themselves husbands or politicians," as my friend Louise Lacey says.

And while we are being thankful, we can be thankful to Peter Breggin and Nathaniel Branden for sending these books as Valentines to the best within all of us, and to the world we all want to see come into being.

Joan Kennedy Taylor is a member of the standing platform committee of the Libertarian Party, Vice President of the Association of Libertarian Feminists, and co-author with Lee M. Shulman of *When to See a Psychologist*. She has worked as a co-therapist in groups at the Shulman Center for Personal Development and at the Free Clinic in Stockbridge, Mass.

Back to basics

MILTON MUELLER

Educating the Worker-Citizen, *by Joel Spring. Longman, 230 pp. $8.95 (paper).*

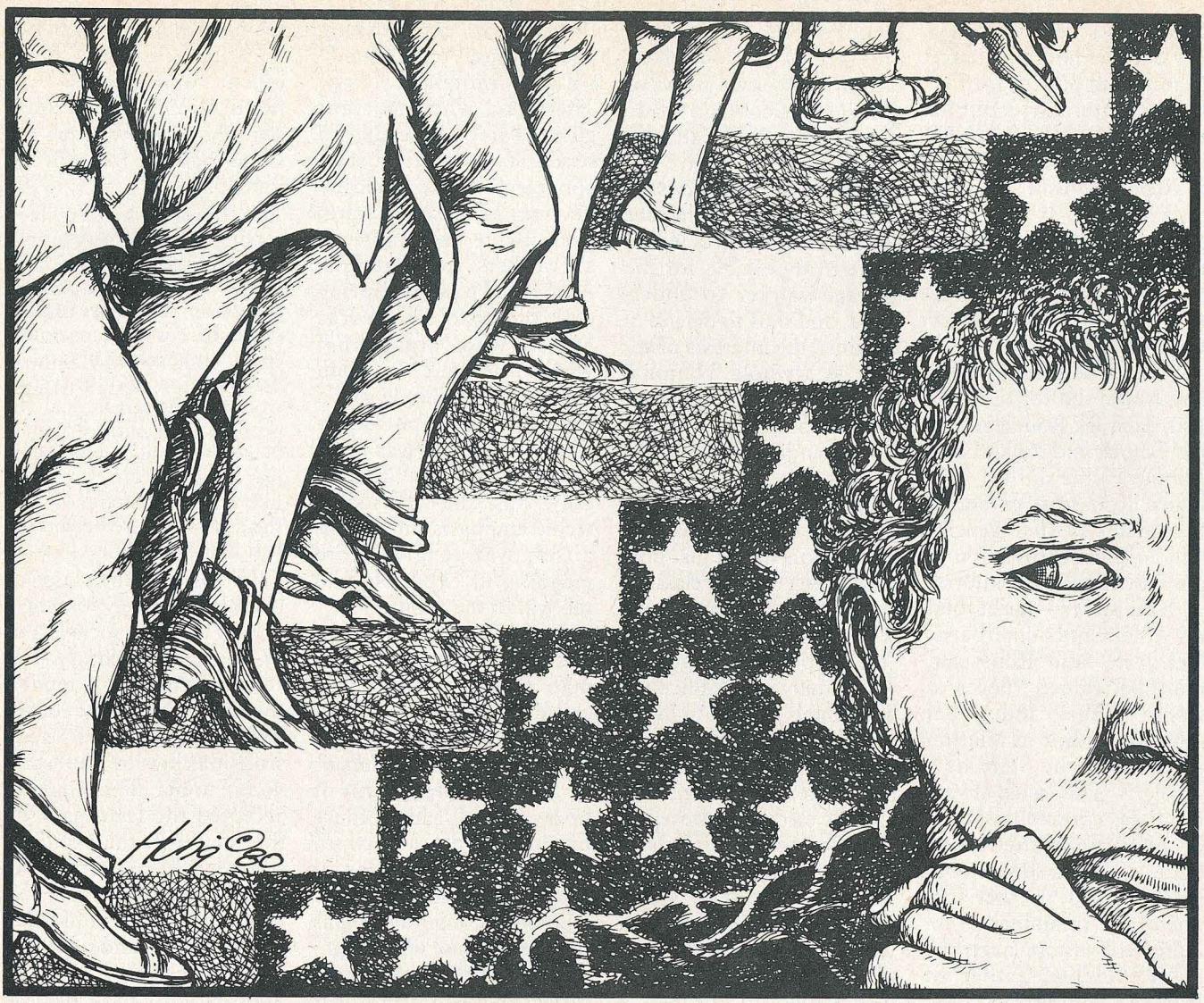
READING THIS LATEST and most ambitious work yet of the radical education historian Joel Spring is an education in and of itself. Since his own education during the 1960s at the hands of such New Left intellectuals as William Appleman Williams and Ivan Illich, Spring has moved consistently toward pure libertarianism. But *Educating the Worker-Citizen* is a work of such profundity that it is more likely to move the libertarian movement in Spring's direction than vice-versa.

Up to now, Spring has limited each of his books to a distinct historical period. *Education and the Rise of the Corporate State* (1972) dealt with schooling's role in the rationalization of the labor market which took place during the Progressive era. *The Sorting Machine* (1976) chronicled the centralization of educational power in the hands of the federal government after 1945, when schools began to be consciously molded to meet the technical and manpower demands of the burgeoning military-industrial complex.

Educating the Worker-Citizen is a work of far greater scope. It is an attempt to synthesize all of Spring's previous analysis into a full scale critique of the role of the school in the modern world. In this new work, Spring's analysis is not bound to any single historical era, but rather cuts through to the philosophical, political, social and economic foundations of modern education as a whole.

The first chapter, "Political Theories of Education; Nationalism, Representation and Bureaucracy," was a revelation to me. Its thesis bears directly on one of the most important historical problems facing the contemporary libertarian movement: the decline of classical liberalism and the betrayal of the American revolution. The significance of this subject should be obvious: if modern libertarians are the inheritors of the classical liberal tradition, and if we expect to improve on its legacy, we must understand what went wrong. This is why the most far-sighted modern libertarians have called attention to the importance of this issue. Murray Rothbard, for example, in his seminal essay "Left and Right", speaks of "an inner rot within the vitals of liberalism" in the nineteenth century, and Leonard P. Liggio, in his essay "Why the Futile Crusade" pinpoints the crucial role of imperialism and war in undermining the liberal values of the West. But to my mind no one has outlined a convincing theory which accounts fully for the decline of radical liberalism and explains why it was superseded by socialism.

Joel Spring, I am happy to say, brings some fresh insight into this discussion. "The major hindrance to the



completion of the liberal revolutions of the 18th and 19th Centuries," he writes, "has been the rise and expansion of the modern school." Spring demonstrates that the liberal revolutionaries were *never* free of the ideology of public schooling, and that the growth of the statist institution called education was therefore not an oversight or an aberration; it stemmed from a fundamental philosophical flaw within eighteenth century liberalism itself—a flaw that paved the way not only for public education, but also for the other plagues of the modern state: nationalism, fascism and communism, and militarism.

What was the great flaw of liberalism? Spring suggests that it was the liberals' belief that the legislature was an adequate check on state power because it reflected "the will of the people." The concept of "popular sovereignty" which guided their challenge to the Old Order, Spring argues, was nothing more than an attempt to substitute the potentially totalitarian power of a democratic nation-state for the monarchical state. Instead of proposing to sweep away state power, that is, they sought to make it reflect the "general will." Modern libertarians, of course, would reject outright any claim that the state can somehow "represent" the "will" of any other collective entity. Thus, popular sovereignty, while liberal to the extent it helped to overthrow the Old Order, was also a collectivist, illiberal artifact. Here, in this mystical claim of collective representation for the democratic state, Spring locates the source of the "inner rot within the vitals of liberalism."

The idea of popular sovereignty, as the name itself suggests, inevitably leads to a dangerous *identification* of the people of a country with the nation-state, and thus to the common idea that government is not a separate and distinct caste to be closely guarded and watched suspiciously, but rather the executor of the will of the people. And as Spring shows, the idea of public education grew naturally out of this identification of the people with the state. The public school, after all, was a place where the "general will" could be manufactured and enforced. It is not surprising therefore that men such as Thomas Jefferson and Adam Smith, whom we may think of as pure liberals but who were actually flawed, *democratic* liberals, were also advocates of government involvement in education.

Nor is it surprising that only a few years into America's lifespan, the contradiction between the pure liberalism of the Bill of Rights and the incipient statism represented by the idea of popular sovereignty began manifesting itself in our national politics. Spring shows how Noah Webster, reflecting (and capitalizing upon) the new country's patriotic spirit, consciously created a national mythology in his widely-read textbooks, making George Washington and other trappings of the centralized state apparatus into symbols of "Americanism." This nationalism

reached its culmination a few decades later in Horace Mann, who pushed for free and compulsory public school monopolies in order to breed a universal "creed of Republicanism" into the citizenry. So it was that popular sovereignty led directly to nationalism, and nationalism in turn paved the way for compulsory state schooling.

What Jefferson, Webster, and Mann did for the U.S., Jean-Jacques Rousseau did for France and Poland and Johann Fichte did for Germany. Rousseau extended the fallacy of the "general will"—the identification of the individual's self interest with the state's—far beyond his American counterparts. Children, said Rousseau, must be trained "never to think of their individual interests except in relation to those of the State as a whole..." They must always be made "conscious of their membership in the Fatherland." "Public education," he concluded, "is therefore one of the fundamental requirements of popular government." Fichte, father of Prussia's compulsory state school system, was far more blunt: he claimed that with mass public schooling Prussia would have the greatest army the world had ever seen.

This connection linking the democratic nation-state, public education, and militarism is far from accidental; it is a logical consequence of identifying the individual's interests with those of the state. Even a cursory look into the history and origins of military conscription immediately reveals the connection between the rise of the democratic nation-state and the beginnings of mass conscription—and total war. With conscription and modern warfare, as with political democracy, the ruling assumption is the same: that the people *are* the state.

Even Adam Smith, darling of today's conservative libertarians and opponent of nearly all other forms of government control, made an exception of education—for military reasons, as Spring shows. The division of labor created by the free market, Smith feared, would make it impossible for the average worker to understand, and thus to defend in wartime, the interests of society as a whole. National education would therefore be necessary to inculcate an understanding of the public interest.

Spring's historical survey of the idea of collective representation shows just how serious an error the classical liberals made. Because there is obviously no such thing as "the people" or the "general will"—only a multiplicity of individuals each with his or her own will—the democratic revolutionaries were forced to rely upon the device of elected representatives to legitimize democracy. Soon, however, the claim to "represent" something called the "general will" came to exhibit uncontrollable elasticity. Unelected professionals in the education bureaucracy correctly noted that elected politicians really represented only *special* interests, but then claimed for themselves the mystical power to represent the *true* will of the people, the students, the society, or whatever other group they found it convenient to think of as having a will of its own. The thoroughly untestable claim of collective representation multiplied right alongside the expanding size of the administrative bureaucracy. Anybody could claim to "represent" anything—and did.

Nineteen-thirties-style fascism and communism were other products of the same mystical claim of collective "representation." Just as democratic liberals claimed that the state represented the "general will," so Nikolai Lenin held that the interests of all working people were "represented" by the vanguard Party. Therefore, when the vanguard Party succeeded in seizing state power, the state apparatus would magically become a *worker's* state, perfectly representative of all workers' true interests. And as for Fascism, Spring cites the historian George Mosse, who "argues that what Hitler and Mussolini promised the people was a form of participation in government that was more meaningful than democracy...Fascism, with its extreme emphasis on nationalism, was to give more meaningful expression to the will of the people."

The people and the state, one and the same—the ultimate legacy of our democratic revolutionaries. How ironic, how chastening, that the classical liberals' pursuit of a more perfect form of liberty could lead, because of a philosophical flaw, to the most abject forms of slavery ever known to man. And how ironic that it was the schoolhouse where eighteenth and nineteenth century liberals first struck their Faustian bargain with state power.

Although public schools claim to be an avenue of social mobility, they actually reinforce existing social positions.

The seeds sown in education however, soon began to spread into other areas. As industrialism progressed, the government school—once a relatively isolated outpost of state power—saw its coercive, rationalizing ethic extended into the economy as well as the political system. In connection with this point, Spring explores the educational philosophies of John Dewey in the U.S., Anton Makarenko in the Soviet Union, and the Communist Party in China. Their similarity is remarkable, and reflects the extent to which the economic functions of state schooling follow much the same logic as its political functions:

> The Chinese kindergarten maxim "serve the people" is a form of economic patriotism that is very much like political patriotism. It assumes that because there is collective ownership of the means of production, the [economic] system works for the benefit of all the people....To assume that state ownership results in equal or just economic benefits is much like Rousseau's argument that the general will represents the best interests of all people.

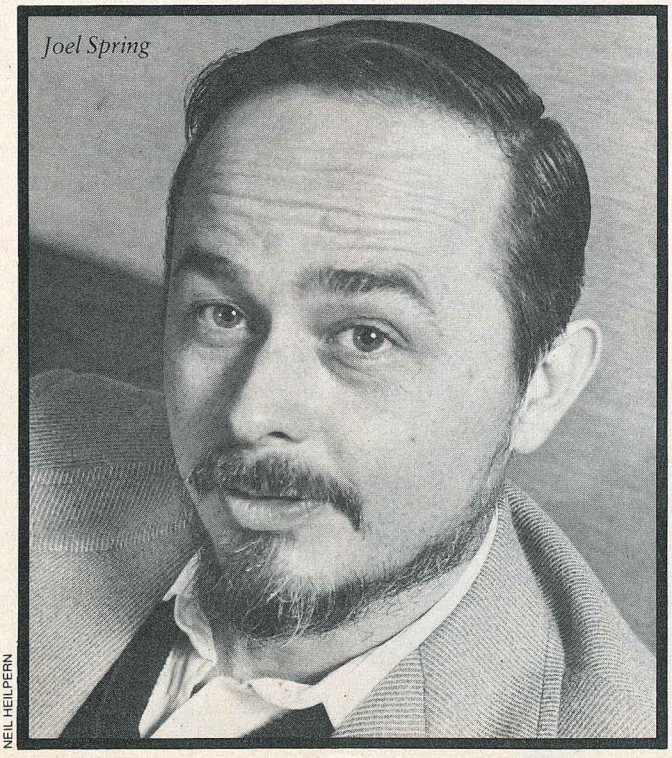
This is why the classical liberals ultimately lost their debate with the socialists in the nineteenth century. The socialists merely extended the liberals' claim of collective representation to decision-making in the *economic* arena. Since liberals accepted the legitimacy of that claim in the political sphere, what grounds did they have to resist it in the economy? They could appeal to liberty and property rights all they liked, but such appeals must have seemed inconsistent with their belief in political democracy. If democratic nation-states were legitimate representatives of "the people," trustworthy guardians of national defense, and capable of defining the "public interest," then why could they not be trusted to intervene in the economy? Why did they no longer represent "the people" when they redistributed wealth?

The heart of *Educating the Worker-Citizen* is thus in its brilliant but complex and sometimes unintegrated exploration of education's role

in the modern welfare state — a role determined by the economic and political needs of a centrally managed society. In Spring's words, the school has become "the supplier of trained human resources needed for [planned and managed] economic growth." With the education system linked to the state, people are transformed into "human capital" and free competition for jobs in the marketplace is replaced with a form of administrative rationing by professionals within the school.

The ideological embodiment of this system is the idea of "equality of opportunity." This ideology is not a smokescreen for "capitalism" as the Left asserts, nor is it a thinly veiled "socialism" as the Right contends. It is a unique and independent statist ideology that guides the thinking of both socialist and welfare-capitalist education systems. The ideology of equality of opportunity offers a sanitized ideal of government as a fair and impartial social arbiter, not a place where people struggle for power and benefits. The picture is one of everyone in society, regardless of background, being plopped onto the same educational conveyor belt, to be sorted into a hierarchical occupational structure by experts and professionals according to their unique abilities. Opportunity equalized by state intervention is considered necessary to a managed society so that each individual "human resource" can make a contribution to the economic hierarchy; equal opportunity is necessary to find the right slot for him. And the free market — the voluntary interaction of individuals without an imposed plan — cannot be trusted to fairly and efficiently conduct this sorting process. Only the technocrats and professionals in charge of the educational bureaucracy can.

In connection with this point, Spring shows that the lowly professional status of teachers is a direct product of the low quality of their professional training. (Departments of Education have always been a joke in academia; indeed, Spring's own school, the University of Cincinnati, gives its the ignominious name, "Department of Education and Home Economics!") At the same time, educational *administrators* are given a more demanding, "scientific" professional training — and their role is defined not as experts in particular academic subjects or the organization of knowledge, but as *business managers,* experts in the administration and management of organizational structures. Thus administrators become higher-level cogs in the educational machine than teachers, and a worker-manager relationship develops.



Joel Spring

NEIL HEILPERN

Because the ideology of equality of opportunity places the professionals who control education in a central position, Spring follows this observation up with a detailed examination of the education system's bureaucratic and professional power structure, and the political assumptions which underlie it. And out of this examination a disturbing picture of contemporary society begins to emerge. We begin to see the outlines of an emerging *society of status* – a rigidly hierarchical, sluggishly bureaucratic world where people's occupations are not defined by the voluntary cooperation of free individuals pursuing their self-interest but are imposed from above by an increasingly centralized and distant bureaucratic structure.

Throughout the entire book, Spring calls into question, one by one, the claims of the modern school. The schools claim to be more fair and efficient than the market as an arena of economic competition, but Spring shows there is no evidence for this. The schools claim to be an avenue of social mobility, the only means by which the disadvantaged can move up the social and economic ladder. Spring refutes this by showing that mobility depends upon other factors; the schools actually tend to reinforce existing social positions. And in some ways they *block* social mobility by making advancement dependent upon the accumulation of educational credentials. The professionals who run the schools claim to be servants of "the public interest," but Spring reveals the underlying self-interest of this claim: equality of educational opportunity "serves to justify the right of professionals to govern education, makes the school the central institution for the distribution of human resources, and consequently gives the professional decision-maker in education a central role in the governance of society." We see how the ideal of rationed equality leads to ever-greater centralization of power in education; funding and decision-making have increasingly gravitated to the state or national level, further and further from the influence of parents and children.

And in the final blow to the mythology of the welfare state, Spring suggests that even in their economically deprived situation, the poor, due to the regressive tax structure used to finance public schools, might be better off if all taxes were lifted from them and they purchased education directly. By getting education *indirectly,* by paying taxes and letting the government provide schools, they lose all control and choice that is still available to the wealthy. And they suffer from that loss, in low-quality, often racist schooling. A market in education provides more information to *suppliers* of education, and more choice (and therefore, control) to consumers of education. Voting, by contrast, is a completely inadequate method of control. One politician might reflect your views on education but not the environment, while another might share your environmental concerns but have different views on education. You may want a school bond issue to pass because you want more money to go

to education, but still be dissatisfied with the kind of education your children are getting. How, Spring asks, do you vote in these cases, and how are the elected representatives to interpret your vote? A free market conveys information much more precisely and allows for more diversity.

In his chapter on "The Economics of Schooling," Spring draws upon free market economists Milton Friedman and E.G. West to demolish the case for government education as a "public good": the idea, so crucial in the development of public schooling, that the widely dispersed, "public" benefits of education justify tax-supported government school monopolies. He draws upon historical studies to show that private, voluntary schools by themselves educated as great a proportion of the population as public schooling later did, and that such schools often had a better mix of social classes than tuition-free government schools.

But this is only the skeleton of Spring's argument. In the book, it is backed up with an enormous richness of detailed evidence — so much so, in fact, that it is easy to lose sight of the forest for the trees in *Educating the Worker-Citizen*. But throughout, one sees that Spring is attempting to synthesize historical, economic, sociological, and political analysis into a radically new conception of "The Role of the School in the Modern World," as his final chapter is entitled. Transcending the assumptions and stereotypes of both Left and Right, he rebuilds our understanding of education from the ground up. This is an important project, because, as Spring demonstrates, education is the quintessential institution, the flagship, of the modern welfare state. Education embodies all of its politico-economic assumptions and its bureaucratic structure, and the welfare state can therefore be evaluated in microcosm by examining the performance and practices of the education system.

This path-breaking analysis is, I think, of profound importance to any libertarian's attempt to understand (and change) the contemporary nation-state. Too often, our dialogue is molded by a false dichotomy between status quo conservatism and state socialism. This dichotomy is supposed to define the spectrum of available choices. But Spring's analysis of education suggests that the real choice is between socialist and welfare states on one hand, and a system of natural liberty on the other. Spring notes at one point that:

> attempts to achieve equality of opportunity through educational institutions seem to be in as much difficulty in socialist countries as in capitalist countries. A perplexing problem in the Soviet Union has been the link between educational attainment and family background....It is not a matter of the social class which owns the means of production perpetuating its power through the school; it is that the hierarchy of professional and bureaucratic positions transmit their advantages to their children through the school.

In education, the varieties of statist thought — conservative, welfare statist, democratic socialist, and communist—seem to have more in common with each other than with liberty.

Near the end of his book, Spring thus reaches an audacious conclusion: "The next most important step society can take in the interest of social improvement and freedom is to separate school and government by eliminating public systems of education." If public education *is* ever eliminated, Joel Spring's work will have helped to pave the way.

Milton Mueller is the National Director of Students for a Libertarian Society.

Nice for them as likes it

VICTORIA VARGA

Victorian Working Women, *by Michael Hiley. David R. Godine, 142 pp., $17.50.*

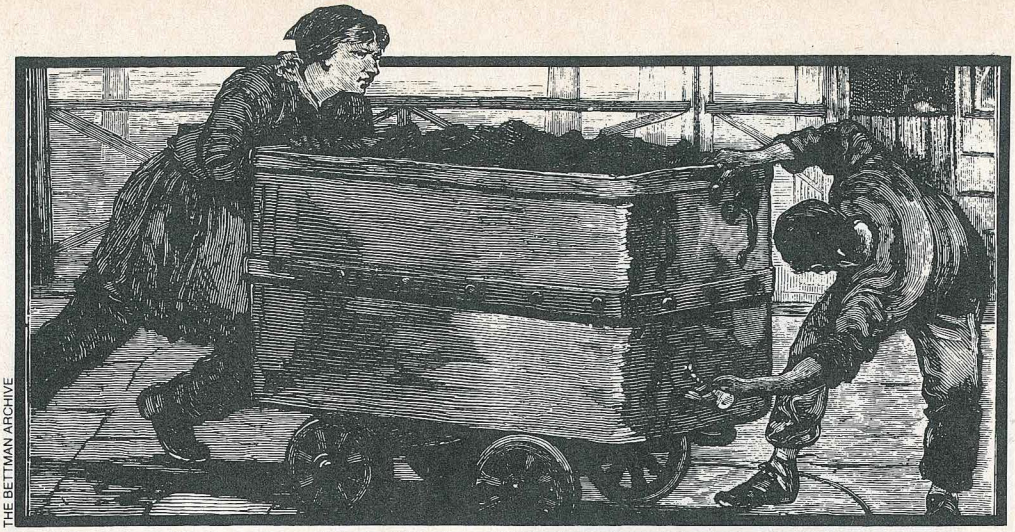
BY THE TIME ARTHUR J. Munby was born in 1828, the Industrial Revolution had been changing the face of England for almost 70 years, one of the major changes being a new availability of jobs for women—jobs that were outside their traditional sphere of home and farm. In 1842, when Munby was 14 years old, *The First Report of the Children's Employment Commission, on Mines* was published. It was this report which first shocked the Victorian sensibilities of the English by describing the cruel labor, the indecencies (the wearing of trousers and the like), and the abhorrent conditions of woman and girl mine workers, and which led, in that same year, to the prohibition of woman workers underground. It *may* have been this widely publicized report that first kindled Munby's interest in the large class of women who worked long and strenuous hours to earn a living.



But Munby was not interested in playing the part of the horrified Victorian reformer, nor did he feel that hard labor was a degradation to womankind. On the contrary, he came to believe that the sturdy women he eventually studied actually benefitted from the exercise of physical labor, and relished the independence their wages gave them. As one of the women he studied told him, the work the reformers thought not nice enough for ladies was "nice for them as likes it."

Over 30 years' time, Munby interviewed, befriended, photographed, and drew portraits of these women at their work. His nearly obsessive diaries, which amounted to millions of words and hundreds of illustrations in the Munby documents at Trinity College, have been excerpted by Michael Hiley, who added his own scholarly and fascinating comments, in order to give us a visual and verbal picture of a different kind of Victorian woman: a vigorous and hardworking person with a clear, honest face and calloused hands.

One of Munby's first research projects was to interview women who had worked in the mines before the ban. They almost unanimously responded that they wouldn't mind working below ground again. One, who had been a subject of the 1842 report, said, "The work was hard, but not too hard for me. I did not dislike it, and if I was not married,



THE BETTMAN ARCHIVE

A woman and a boy, working together on the pit brow, weighing coals.

I'd like to work in the [mine] pit again. I'd like it better than anything else — yes, much better."

Why, then, one might ask, were the mines closed to women, if neither at the request, nor according to the liking, of the women themselves? There are many answers, most of which fall under the label fear. "The battle to secure jobs for the mass of ordinary women was fought against male opposition," Munby wrote, "the men trying to keep women out of their trades, often fearing that women would provide a source of cheap labour to compete with their own." Others feared that women who worked in unsuitable jobs and wore men's clothes would become "callous" and "unsexed"; and that "unsexed" women would become too independent, would consider themselves equal to men, and would be unfit for motherhood, so that the very foundations of society would be undermined.

Munby fought this nonsense in speeches, letters to newspapers and societies, and books. And so did other writers of the period. Hiley cites the following from *Women and Work,* written in 1857 by Barbara Leigh Smith, who argued "that for a woman to work was not to deny her essential femininity."

Work—not drudgery, but work — is the great beautifier. Activity of brain, heart, and limb gives health and beauty, and makes women fit to be the mothers of children. A listless, idle, empty-brained, empty-hearted, ugly woman has no right to bear children.

To think that a woman is more feminine because she is frivolous, ignorant, weak, and sickly, is absurd; the larger-natured a woman is, the more decidedly feminine she will be; the stronger she is, the more strongly feminine. You do not call a lioness unfeminine, though she is different in size and strength from the domestic cat or mouse.

In fact, it was the very laws that tried to define what work was "suitable" for women that sometimes"unsexed" them. Munby found many instances of women who pretended to be men in order to live the lives they wished. One woman told him in 1866 that she was going to try to get a job playing piano at Weston's Music Hall "as a man." "Why not as a woman? 'Oh, the *pay,* Sir! Besides, a woman wants references and all that, and as for accounts, she can't get them to do; but when I go as a lad, they just tell me to sit down and do 'em.'" On this subject, Munby added, "there are scores of women in recent years who have taken to men's work and men's clothing, as bricklayers, grooms, navvies, and what not, in order to obtain that fair wage and that freedom of labour to which they know themselves entitled, though the 'women's rights' folks do not seem to know as much."

Moreover, the tone of "inevitable and eternal" truth in which the Victorian reformers issued their pronouncements about the inherently fragile nature of womankind only served to cloud the historical facts. It wasn't until the Industrial Revolution began in 1760 that there were enough men who made enough money even to consider keeping their wives "where they belonged" — that is, at home and idle. In fact, the ideal woman of the Victorian middle-class was not even allowed her traditional role as home-maker; a retinue of servants performed all her work for her, while she was left to amuse herself at teas, operas, dinners, and balls. The woman such idleness produced was exemplified by an 1876 George du Maurier *Punch* cartoon depicting a swooning woman and her concerned husband and bearing the following caption:

Edith. "Oh Dear! I *am so* tired!"

Loving Husband. "What has fatigued you, my pippetywippety poppet?"

Edith. "Oh! I have had to hold up my parasol all the time I was in the carriage!"

It *is* enervating to do nothing, which is why the most intelligent among the Victorian female middle-class were very nearly driven mad by their imposed passivity. (See Sandra Gilbert and Susan Gubar, co-authors of the recent Pulitzer Prize runner-up, *The Madwoman in the Attic.* What nineteenth century woman writers were doing, says Gilbert in a recent *San Francisco Examiner* interview, was "coming to terms with what it means to be a woman, especially a Victorian woman of a certain class." In their images of confinement, claustrophobia and madness, these writers show what the lack of outlets for intellectual and physical energy did to the victims of society's "idealized" image of women as passive and helpless.) It is no wonder then that Munby was so obsessed with the contrast between the "skilled exponents of fineladyism" and the handsome and very capable working women he talked to



in the streets and fought for in Parliament.

As for Michael Hiley's choice of photographs, engravings, and drawings, they and their captions alone are worth the price of the book. Most of them were taken in studios, where the subjects would come "in their dirt"—i.e. in their working clothes—only if Munby promised them a proper portrait in their Sunday best the following week. Because of the limitations of the camera at that time, and because the photographic style of the day was stiff and lifeless, most of Munby's portraits are of straight-backed, unsmiling women in dirty and practical clothes, often accompanied by their work implements. But there are a few pictures — like the later snapshot of four Manchester working girls who are laughing, heads back, eyes shut—that begin to suggest the friendship Munby must have shared with women and girls all over England.

Hiley himself does not speak out for the rights of working women. Rather, he allows Munby and the faces and stories of the woman workers to do that for themselves. And Munby does a particularly admirable job of fighting the type of bureaucratic meddling—is there another kind?—that destroys one's options for one's own good. As he put it in a letter to a local newspaper:

> It appears to be thought right in England that a Parliament consisting of men only, should have the power of turning several thousand women out of work and wage without their leave and against their will. That is what is meant by liberty. Let those who desire this... ponder this one principle: That men have just as much right, and no more, to interfere with the honest labour of women as women have to interfere with the honest labour of men.

Victoria Varga is an able bodied woman who enjoys manual labor, but works instead as managing editor of *LR*.



UNITED ARTISTS

On View

How The West Was Won

DAVID BRUDNOY

WHAT DO YOU SAY OF a broken movie? That maybe it can be neatly glued back together again, or trimmed and rewired, or rethought? *Heaven's Gate* cost something on the order of $35 million to make, and it consumed ten years, on and off, of Michael Cimino's life, including several script approaches, several fruitless trips to the Hollywood giants to seek funding and backing, and finally well over a year of shooting and editing, slicing a 5½ hour film this summer to the 3 hours and 45 minutes of film that opened one day in New York City—advance reservations only—and closed the next.

I write this the day after *Heaven's Gate* appeared first on screen, the day that brought forth the first of what will undoubtedly be dozens of "official" versions of the incredible story of a presumed masterpiece that flopped so badly, that was shredded by the first critical reviews, and that has now been withdrawn at the request of Mr. Cimino (and surely with the anguished assent of United Artists). The director, whose 1978 film, *The Deer Hunter,* earned him and several of its contributors Oscars, is reportedly planning to "rework" the film; he is said, in the first news releases today, to have regretted allowing his film to be "prematurely" released, in order to be eligible for consideration by the Academy for 1980 Oscars. (The Academy rules specify that a film must be commercially released in New York and Los Angeles before the end of the year for which it will be entered into Oscar competition. The end of the year is the 31st of December, rumor has it; I write this on the 20th of November.) We can count on seeing a succession of other stories in coming months, and hearing a variety of charges and counter-charges, as this mighty and near-endless cinema catastrophe hovers between ignominious death and a chance at rebirth.

Heaven's Gate, as I and a few hundred other people saw it, will undoubtedly never be seen by an audience again, except possibly, a decade from now, by an audience of film students subjected by their instructors to a sado-masochistic experience in the cinema of elephantiasis, or what the curriculum will probably call: Film 101B, Variations on a Theme of Endless Editing. But unless we are to assume that Michael Cimino, a man of enormous talent, ego, energy, and resourcefulness, will contentedly watch his gargantuan, gorgeous project sink without a trace, we must assume that audiences will see *some* incarnation of *Heaven's Gate.* What Vincent Canby of *The New York Times* calls "an unqualified disaster" is in fact a qualified disaster, if there is such a beast; it is a movie of awesome beauty and stupefying dullness, a film coupling rare bits of tremendous acting with long, *long* stretches of horrible acting, a film that is at once among the loveliest ever filmed—Vilmos Zsigmond, who also photographed *Deer Hunter*, is the

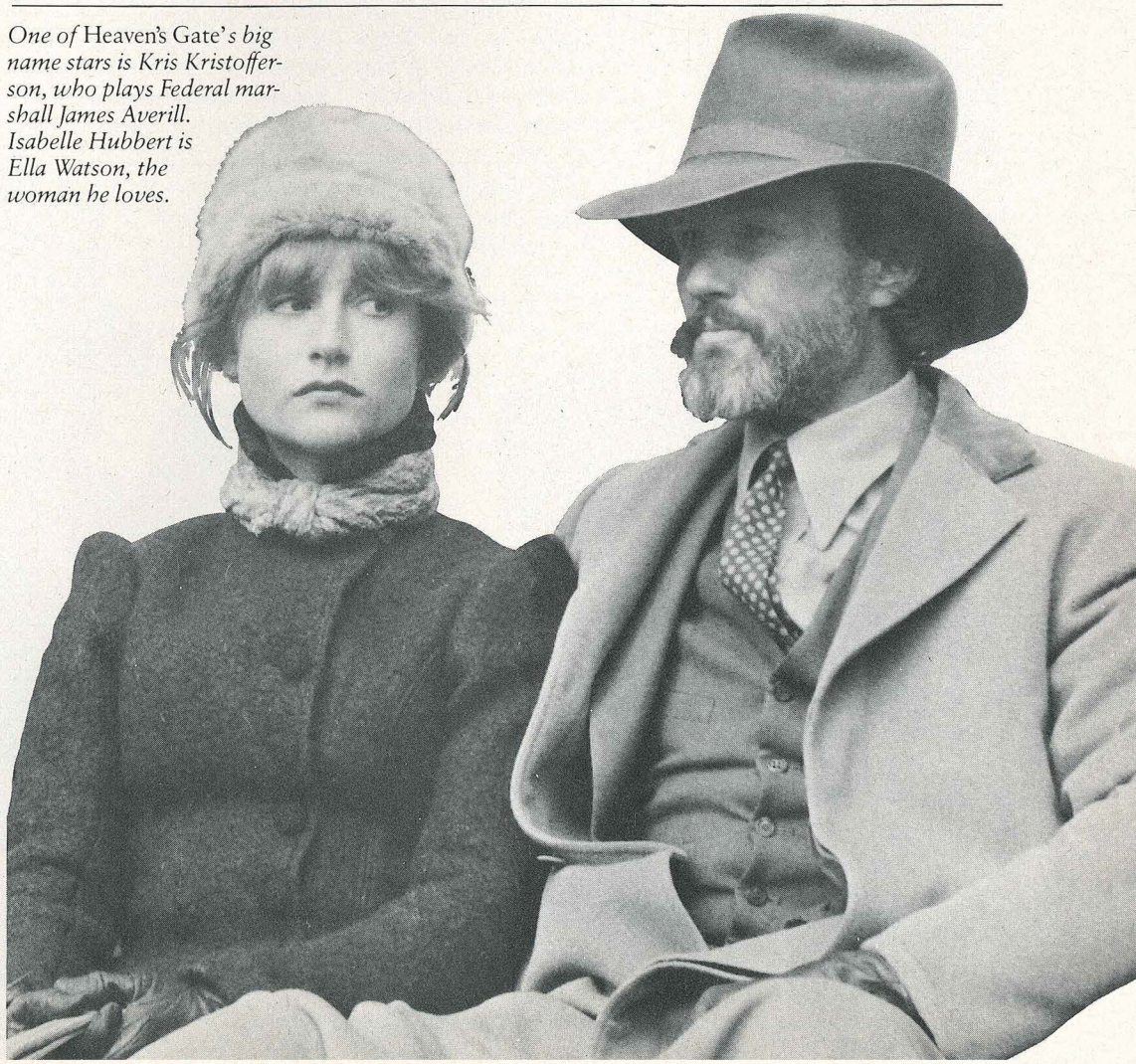
artist to praise here — and among the most abysmally assembled. What *do* you say of a broken movie? Can it be sliced down to manageable size? For there is simply not enough stuff to it to deserve nearly four hours of your time or anybody's time, without also losing whatever thin and fragile threads of narrative that now, more or less (more less than more), bind it together.

Enough will be written by others on the gremlins that must have crawled into Michael Cimino's brain, to lead him so sadly astray. And as the movie hangs in limbo between the time I write this and the time you read what I've written, we can all expect the full *People-Time-Newsweek-American Film-New York-New West*-et cetera treatment of the story behind the story behind the story. I would rather consider here the movie as I saw it, isolate the ingredients that will, or at least should, be retained in the version that will finally be seen by moviegoers everywhere, and consider also the specific problems that made its premature withdrawal from commercial distribution a wise, perhaps the only wise, course at this time.

First, the story. In 1892, near Casper, Wyoming, wealthy cattle owners, evidently with the cooperation of the highest officials of the region, assembled a large gang of mercenaries for the purpose of slaughtering a group of European (largely Eastern European) settlers. As Asa S. Mercer, a contemporary, writes in his *Banditti of the Plains,* "Nothing so cold-blooded, so brutal, so bold, and yet so cowardly was ever recorded in the annals of the world's history. The crime was so great that the lapse of years will only tend to magnify it in the minds of all readers of Wyoming history. In this case the sins of men will live after them." A touch of hyperbole, that, but a useful bit of evidence to record the reaction of the less sanguinary citizens of the time. The episode is known in history as the Johnson County War, which is also the name of Cimino's 1971 screenplay, the first, as I've mentioned, of several versions, in all of which the bare outline of the story is fleshed out with considerable imaginative invention.

The movie begins at the Harvard commencement ceremony of 1870. As an alumnus of Harvard I found no Harvard in Cimino's Harvard, but that is not surprising, since Cimino's Harvard is in fact Oxford. So much for part of the $35 million, though, admittedly, today's Harvard retains little that could pass for yesterday's. Be that as it may, after a top-hatted, lark-like parade along the Harvard-Oxford cobblestone lanes to the Harvard-Oxford great hall, the camera trailing one James Averill (Kris Kristofferson), we enter for a ludicrous address by the Reverend Doctor (Joseph Cotten), followed by a complacent address by the class orator (John Hurt), something to the effect of we're all awfully glad that the sun rises in the East and sets in the West and we wouldn't *dream* of changing a thing. Then we dance and dance and dance and dance and dance and dance, and pretty girls glisten and pant for their pretty boys — "You're beautiful," Averill says to his young lady; "So are you," says she to him — and then we somehow find ourselves caught up in a little roughhouse, and much, much merriment. If you don't mind, I'll discontinue the repetition, henceforth, of words like much, much, and dance and dance and dance; suffice it to say, everything in *Heaven's Gate* that is of the remotest interest is repeated and dragged out way beyond what is necessary or useful or welcome. You'll have to keep this sad fact in mind from now on: Michael Cimino so loved his *Heaven's Gate* that he allowed it to become a monster, a very presentable but utterly untamed monster — huge, rambling, wrapped up in its own exquisiteness.

Now, the Harvard-Oxford graduation thing behind us, we follow Averill, who has become a Federal marshal (for the film, though not in reality), to Casper, and once in Casper, to the ornate meeting chambers of the Cattle Growers' Association, with which the whimsical class orator (Hurt) is connected if not wholly involved, from which Averill was long before expelled, and at which one Canton (Sam Waterston) presides as chief villain. We also see the wretched of the Earth, babbling in guttural tongues, lugging their infants and their things on their broken-down wagons out to their wee parcels of



One of Heaven's Gate*'s big name stars is Kris Kristofferson, who plays Federal marshall James Averill. Isabelle Hubbert is Ella Watson, the woman he loves.*

UNITED ARTISTS

land, land they have bought from afar, and to which they come as to Eden. Eden turns out to have little use for these people, who, in the picture as in life, are being set up for the kill. Says Canton: "Let's not have any last minute sentimentalism about the killing of a few thieves and anarchists." Indeed, some of the impoverished settlers have stolen beef; none is an anarchist, however, at least not as the movie begins, but the Association is bent on annihilation, and little matters like truth slip away.

The tale is poignant. But Cimino is interested, as he was in *The Deer Hunter,* in the sophisticated interplay of fully rounded characters, as well as in some—here, murky but not impossibly dense—philosophical point. And so the retelling of the "plot," such as it is, grows more difficult. Let me simplify: We have two men in love with the same woman: Averill (Kristofferson), a hired gun named Champion (Christopher Walken, like Waterston sporting a mustache, though on Waterston the facial hair makes the man look like a sixth Marx brother, while on Walken it gives him the look of Goldie Hawn in male drag), and a successful French madam, whose brothel draws both the poor immigrants and the wealthy Marshal Averill. The lovely lady is Isabelle Huppert, who is seen here in her first English-language film, and who told Stephen Harvey in *The New York Times* (16 November 1980), "My character is very strong and matter-of-fact about things, much more than the men. All of the men in this movie are large and imposing, but broken inside. The heroine is physically more fragile, but a survivor."

Between the men there is a weird rivalry and some unfinished business, among that business the very strong likelihood that Champion is the fellow we see in silhouette blasting a settler with his shotgun. Averill brings Ella a beautiful carriage and horse and urges her to get out while she can—he has learned that the Association has a hit list of 125 names, and hers is on it—but poor, mean Champion just brings her his love. "You think a woman can't love two men?" Ella asks Averill. Yeah, it's just awfully inconvenient, he answers. Kristofferson is not the strongest suit in Cimino's hand, either in the early section of the film where he is a callow schoolboy at Harvard-Oxford, or in the later section where he is a paragon of rectitude and John Wayney stoicism, grizzled in his beard, but stylish, quite stylish, in his duds.

There are other characters who are given their turn to wander around the sets (all constructed at enormous cost, but each exquisitely authentic) and pontificate. There is John H. Bridges (Jeff Bridges, no relation), who runs a saloon and sides with the immigrants, whom he waters and puts up in a hotel dormitory that resembles the lesser accommodations at Dachau. Bridges believes that "barbed wire and women are the two greatest civilizing agents in the world." He seems to have none of either. There is Mr. Eggleston (Brad Dourif), who is the conscience of the little immigrant community, and who, when the time comes to fight or run, rallies his people with nice rousing declarations such as this: "They advanced the idea that a poor man has nothing to say in the affairs of this country."

And we mustn't forget about our class orator, who, though resisting the Association's decision to wipe out the settlers, goes along for the show-down. He is never without his flask, and he drinks his way through the battle, pulling himself up to his full five foot zilch to inform us, having been called a sonofabitch by the leader of the Association, that "sonofabitch has always been a favorite expression in this country." It is as if Mr. Cimino, who wrote as well as directed *Heaven's Gate,* fretted that if he didn't throw in some bit of low-level profundity every half hour or so we'd never come back from the popcorn stand. I almost didn't.

The most interesting character in the film is

Mr. Eggleston (Brad Dourif, left), the conscience of the immigrant community, and John H. Bridges (Jeff Bridges), the saloon keeper who sides with the immigrants, see trouble brewing at the town meeting.



UNITED ARTISTS

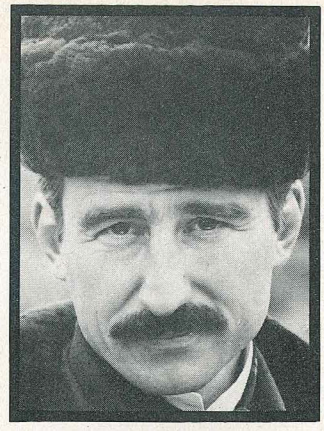
Champion; Walken nearly walks away with the picture, a vision of ambition, maudlin lovelornness, and duplicity — oh, yes, and also a kind of late-blooming honor. His motto: "Want? How the hell do I know! Get rich like you. What else am I supposed to want." Walken's Nate Champion dies quite messily in the movie, like almost everybody else.

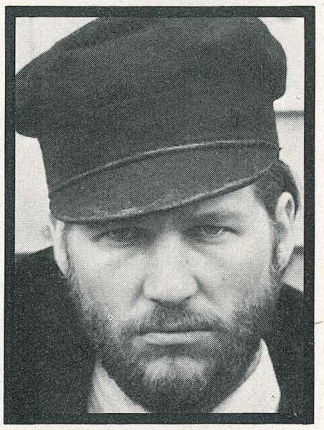
The roundup: After we have learned everything anybody could possibly care to learn about the homely lives of our aggrieved peasants—they gather to dance and roller skate to sweet, rich music, at their social hall, Heavens (sic) Gate—and have seen Ella and her girls at work, and Ella from every angle in the buff, and Averill nude from the waist up, and have gotten it perfectly clear in our heads that the Association is up to no good, and have experienced a half-dozen preliminary slayings, we get down to tacks, which is the battle to end all battles, though even that seems to experience an intermission, as Averill goes back to Bridges's hotel to freshen up. At college our hero paid close attention to his Roman history, and he devises a couple of wheeled engines of destruction with which the good guys surround the bad guys and almost wipe them out, but Canton goes for help, brings the soldiers, rescues his buddies, and then comes back to shoot up most of the remaining members of the cast, save only for one, who is seen a decade later on his yacht, contemplating what he has lost, comforting himself with a different lady, and hearing again the strains of music that for the preceding four hours, give or take a quarter, have been lulling us. Curtain. And curtains, as mentioned, for *Heaven's Gate* #1, but don't give up on the project entirely, not yet.

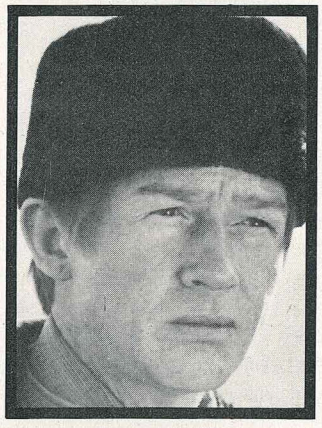
Obviously, even the nicest photography you've seen since *Days of Heaven,* and this movie has it, won't save a film if the story is padded beyond endurance. We really do get a lot more out of less exposure that Mr. Cimino thinks we do. Establishing that our hero and a weak namby-pamby buddy of the villain's graduated from college together adds nothing of substance to what follows, and swell as the Harvard-Oxford section is to see, it can either be truncated drastically or, better, eliminated. The version of this film that you'll see—perhaps, the Lord willing, *Heaven's Gate* #2 — can start with Averill on his trainride to Casper. And half, or more, of the vignettes of the immigrants' lives can be excised with no serious loss. Some of that material is attractive, some outstanding: I found the roller-skating and music-making scene enchanting, and some glimpses of the squalid life these people lived, contrasted with the luxury of the establishment, would make the dichotomy clear and would actually heighten the dramatic tension of the film. Simplify, simplify, as the old Transcendentalist said. Listen, Michael, listen.

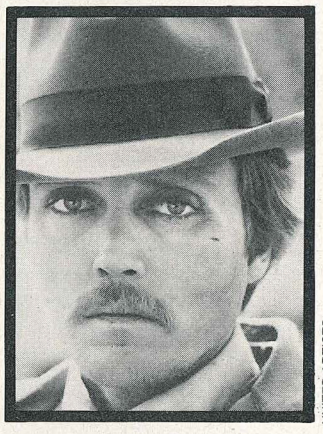
But since much of the movie makes little sense even with the extensive scenes establishing these awkward relationships among the half-dozen major characters, it might be totally incomprehensible as a character study if snipped too liberally. Eureka! Concentrate on the two suitors and the whore as the central "human interest" ingredient, and give much abbreviated attention to Bridges and our silly friend the class orator, and a more impressionistic vision of the immigrants, and you'll not only shorten the picture, you'll help settle it. The battle is the strongest section of the film and, as you would expect having seen Mr. Cimino's way with war in *The Deer Hunter,* it is at times brilliant. One of the baddies sits at a little desk under a tree, 'midst the raging war, toting up — what? I guess he's crossing off the names of the people on the hit list who have, in fact, been hit. It is priceless (though, of course, it is repeated several times) and it fits well within the fine, lengthy battle. Only once does the film lose its footing in the battle scenes, when for some reason the sound system seems to have lost power. I asked, and it hadn't; the film just grows very quiet all of a sudden for no good reason and looks like, or rather sounds like, a mistake. The result *is* a mistake, but it can be corrected easily with a few snips.

I feel like a butcher, and an unwanted, unasked butcher at that, suggesting major surgery to a man whose previous film (reviewed here in March 1979) impressed me tremendously. But I want to see *Heaven's Gate* succeed, and it has enough strikes against it even if edited and brutally shortened, as suggested. It has Kristofferson, who is dreadful; it has Hurt, who is wasted in his role (and so glorious in *The Elephant Man* and *Midnight Express* and so many other things); it has Huppert, who cannot be believed as a madam in a backwater in Wyoming 90 years ago; it has nice but superfluous bits by Joseph Cotten and Jeff Bridges; it has too little of Walken and too little range of expression from the usually wonderful Waterston. Cimino can slice out some of the lesser work by the less crucial characters but what can he do with Kristofferson and Huppert? I should not like to spend the next several months encountering Michael Cimino at the end of his work day; his colleagues and friends will need vast resources of understanding and forgiveness to put up with the anguished man who'll emerge each day from his cutting room, having performed surgery on his beloved creation.







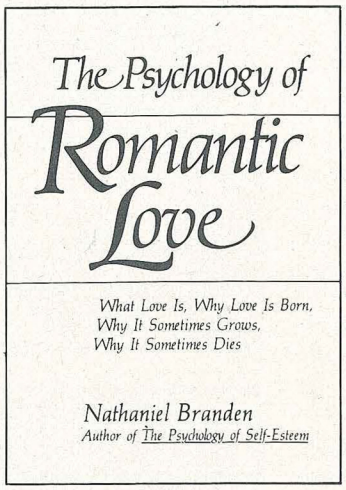


UNITED ARTISTS

Top to bottom) Sam Waterston, Jeff Bridges, Christopher Walken, and John Hurt are a few of Heaven's Gate*'s protagonists.*

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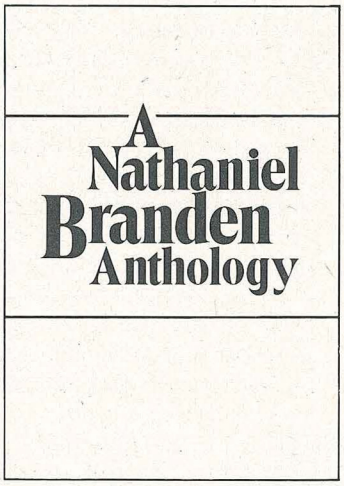
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UNITED ARTISTS

Crowded like cattle inside and on top of box cars, Eastern European immigrants come to the "Eden" of Wyoming's Johnson County, only to be massacred. A contemporary writer said of this true incident that nothing so cold-blooded was ever before recorded.

But I think of a line attached to a brochure about the movie—I can't remember hearing it *in* the movie, though I may have: What one loves about life are the things that fade. Averill says at one point to Bridges: "There is no such thing as chance, J.B., that's a young man's illusion." The lines dovetail, and they offer something of an opportunity to those, primarily Michael Cimino, who will try to salvage a film from this abortion. Illusions, and delusions, are what *Heaven's Gate* is about; the immigrants are constantly bemused, grimly so, about the contrast between the promise of America and the reality of America, the delusions they carried and the illusions that clouded their minds. The wealthy Association members love little except that which does not fade: gold, property, position. They die, so many of them die, because they have come to kill those who have nothing but dreams. Most of the characters upon whom we focus throughout the movie, the "stars," the bankable names that even Michael Cimino needed to get his financing, die too, their illusions wiped away by the reality of a volley of bullets.

When I reviewed *The Deer Hunter* last year in these pages, I wrote, in full appreciation of Cimino's masterpiece: "We are shown a nation whose values are at variance with its customs, also whose values are sometimes inescapably perverted by and trapped by those customs, but whose homely values are at all times more worthy than the orchestrated fanaticisms of the government that would so dearly like us to believe that it is one with the people it ruins, depraves, and murders." Let that stand here, today, as an evaluation, of sorts, of the *intention,* if not, alas, the realization, of Michael Cimino's current film. And add to that a phrase from the first spoken bit in *Heaven's Gate* #1, this from the Reverend Doctor at the commencement ceremony: "The General is not more dependent on the strong arm of the soldier than this country on our hearts and minds."

Do you see? Cimino has a vision, I think it a true vision, of the reality of these United States of America. I think that one really *does* love most about life that which fades, that which is so fragile, so easily spoiled—honor, decency, kindness, tolerance, joy. *Heaven's Gate* would have us understand. *This* version, this #1, is clouded by too much worshipful fondling of the arty for the sake more of Art than of communication; this version, this #1, jes growed, like Topsy, I guess, unstoppable even by its maker, who could not fashion a plausible creation that would impart his vision to others; this version, this #1, sprawls, and it reaches beyond its grasp, and it falls to pieces over and over again; and yet, this version, this #1, contains the seed of something great, something beautiful, something, even with the wrong man and the wrong woman as its leads, that might, when the many vital changes have been made, help open our eyes to some precious piece of truth, some snippet of wisdom, some insights, that will make us all very glad that, even in Hollywood, there *is* such a thing as a second chance. ❑

LR's film critic also reviews for WNAC-TV (CBS), WHDH Radio, and *The Boston Herald American*. He hosts "The David Brudnoy Show" on radio and "Nightscene" on television, writes a newspaper column for national distribution, and reviews books for a number of journals.
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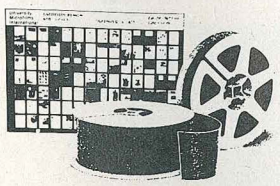
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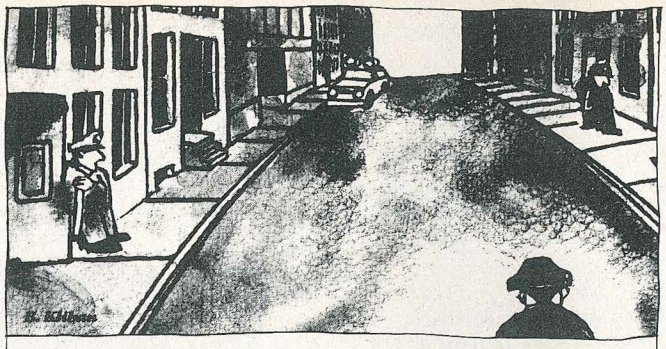
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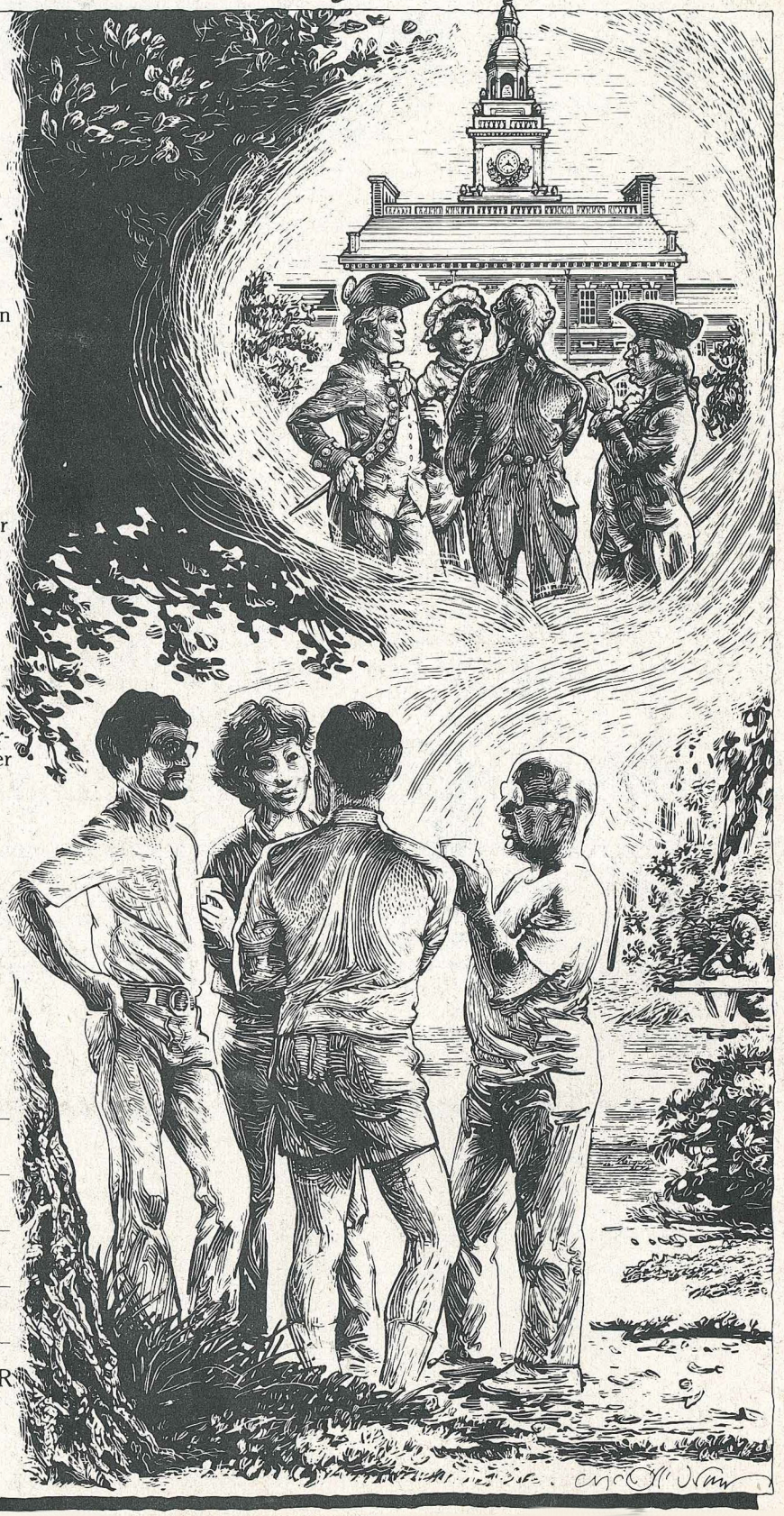
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