policy REVIEW

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Supply Sighs

Dear Sir:

As chairman of the Council of Economic Advisers during 1981–82, Murray L. Weidenbaum was more concerned about his place in the pecking order than with the substance of President Reagan's economic policy. Mr. Weidenbaum's selection as CEA chairman was made late, after much of the work on the Reagan economic program had been completed. Moreover, he had not been a part of the team that during the latter half of the 1970s had achieved bipartisan congressional support for the supply-side policy on which Ronald Reagan campaigned for the presidency.

Consequently, he was unsure of his role in an administration that had decided on its policy before it had appointed its CEA chairman. He has always reassured himself by telling everyone who will listen that "Roberts was just the Treasury's economist" and "such subcabinet appointees normally do not participate in top-level meetings." In other words, he portrays me in his review of my book (Summer 1984) as irrelevant to the policy that I helped to develop over a multi-year period.

The story of the development of this policy fills the first third of my book, but there is no mention of it in Mr. Weidenbaum's review. Instead, he trys to convey the erroneous impression that administration supply-siders "vehemently" objected to a broad-based Reagan program including monetarism, deregulation, and budget cutting. This charge is preposterous and is directly contradicted by an abundance of evidence.

In my November 16, 1981, article in *Fortune*, for example, I tried to stop administration officials from undercutting the four pillars of the program with their numerous expressions of doubt to the media. Moreover, administration supply-siders were particularly keen on budget cutting, and we have criticized OMB director David Stockman on many occasions for failing to deliver on his promises.

Mr. Weidenbaum's assertion that supply-siders overestimated the economy's ability to grow is equally preposterous in view of the extraordinary rate at which the economy has grown.

In his review Mr. Weidenbaum makes many other assertions that even a haphazard reading of my text would not support. For example, I do not bemoan the inclusion of nonsupply-siders on the Reagan team; I bemoan the lack of loyalty and the free ride that some made of their appointments. It was Mr. Weidenbaum who wrote memos to President Reagan contradicting the president's stand on taxes, memos that were then leaked to the press to undercut the president. It was Mr. Weidenbaum who paved the way for the 1981–82 recession by undercutting Treasury's accurate warning in 1981 that monetary policy was on a recessionary course. As my book documents, Mr. Weidenbaum supported the Fed and gave statements to the media that ridiculed Treasury Secretary Regan.

Mr. Weidenbaum's animosity toward supply-side economists is so great that he resorts to dishonest debate tricks to take away their achievement. The incentive effects of taxation, he says, "have been a staple of traditional economics for almost a century." Mr. Weidenbaum does not tell the reader that prior to the impact of supply-side economics on public policy in the late 1970s, the incentive effects of taxation were confined to micro-

economics. Macroeconomic policy explicitly ignored these effects. The unstinting efforts of a few people overcame this grave deficiency in public policy, and this is the story that is documented in *The Supply-Side Revolution.*

Paul Craig Roberts
William E. Simon Chair
in Political Economy
Center for Strategic &
International Studies
Georgetown University
Washington, D.C.

Dear Sir:

It's always a shame when one good man attacks another, especially when there are better targets at hand. This is the case with Murray Weidenbaum's review of Paul Craig Roberts's book *The Supply-Side Revolution: An Insider's Account of Policy-Making in Washington.*

Part of the clash seems to be a matter of style and personality—though I think it a bit unfair to attack Mr. Roberts at the same time for being too Treasury-centric *and* for relying too "heavily on secondary sources." Anyone could attack Mr. Weidenbaum with equal justice for giving the impression that our political system revolves around cabinet meetings, or that the Reagan strategy was first formulated after President Reagan picked his first Council of Economic Advisers. But it would be just as big a mistake in either case. It is precisely for their unique perspectives as participants in history that we are interested in what Mr. Roberts and Mr. Weidenbaum have to say.

And in my experience Mr. Roberts has an uncanny knack for grasping the internal logic of a situation and accurately predicting where, as Aristotle once put it, "the least initial deviation from the truth is multiplied later a thousandfold."

Mr. Weidenbaum is right, of course, that Reaganomics consisted not just of tax cutting, but of four simultaneous initiatives: tax cuts, spending cuts, deregulation, and monetary reform. Mr. Roberts makes the same point all the time—and may be more sophisticated in understanding how these four elemnts fit together in a single economic and political dynamic.

According to Mr. Weidenbaum, "It is in the area of spending cuts that the results have been so disappointing. While federal revenues have declined as a portion of gross national product since 1980, federal spending has risen from 22 percent of GNP in 1980 to 25 percent in 1983." This is quite true. But the simple fact is that this ratio is driven, on both ends, mostly by the state of the economy. A stagnant economy increases automatic social welfare spending and creates pressure for additional "bailouts," while a weak GNP worsens the ratio from the other end. Mr. Roberts has never opposed spending restraint; he is saying, quite sensibly, that if your political capital is limited, you should put it where it counts.

Mr. Weidenbaum also complains that a "constant desire to use the high end of the range of possible economic outcomes—although motivated by the desire to protect the tax cuts from 'backsliders'—created unfulfilled expectations and reduced the credibility of Reaganomics." Yet it was the supply-siders who first predicted the consequences of a perverse monetary policy in 1981 and 1982, and who were among the tiny minority who accurately predicted the timing and strength of the recovery which began in 1983. If the supply-siders had in fact erred so consistently, their adversaries could afford to be merely patronizing right now. What infuriates them is that, on the whole, supply-siders were right.

What I regret most about Mr. Weidenbaum's review, though, is its negative and retrospective thrust. He doesn't show much interest in offering advice on current policy (for example, the crying need for monetary reform), as though the economic and political situation had been frozen at the time he left the CEA. Let's hope that in the future Mr. Weidenbaum devotes more of his estimable powers to that end, and less effort to second-guessing friends who are earnestly trying to do the same.

"Both Mr. Roberts and Mr. Weidenbaum have been valiant warriors in the supply-side revolution, fighting for different pieces of the economic terrain."

Representative Jack Kemp

Representative Jack Kemp
U.S. Congress
Washington, D.C.

Dear Sir:

Murray Weidenbaum's critical review of Paul Craig Roberts's book *The Supply-Side Revolution* is fairly well focused. Yet, like Mr. Roberts's account, it is accurate only in that it accurately represents one dimension of the supply-side story.

Mr. Roberts was a relatively early combatant in the supply-side revolution and held a medium-high post at Treasury in the Reagan administration. But because his interest was concentrated solely on tax policy, his viewpoint was a narrow one. His vantage point is the equivalent of a brigadier general's in the European theater of World War II.

The genesis of the supply-side revolution was not in fiscal policy, but in monetary policy. With the breakdown of the Bretton Woods agreement in August 1971, the earliest supply-siders warned of global

inflation—inflation that would impact the real economies of the world through what became known as "bracket creep."

Because he never really understood the primary cause of the problem, Mr. Roberts fixed his considerable energies and talents on curing the secondary problems. In doing so, though, he aligned himself with the monetarists, those who were primary actors in the destruction of the international monetary system. Mr. Roberts came to believe that tax cuts and monetarism would lead the United States out of the morass. To a large degree, Murray Weidenbaum—also unable to understand international finance and world money—believes the same. Thus his criticism of Mr. Roberts for failing to focus on U.S. domestic budget deficits is wide of the mark.

Both Mr. Roberts and Mr. Weidenbaum have been valiant warriors in the supply-side revolution, fighting for different pieces of the economic terrain. But we will have to wait until the revolution is complete for the historians to give us a broad account of where it came from and why, and what it wrought.

Jude Wanniski
President
Polyconomics, Inc.
Morristown, N.J.

Murray Weidenbaum replies:

It is always gratifying to see a piece that you have written generate a substantial response. In particular, Congressman Jack Kemp's note reminds me of the many battles we have fought side by side to cut taxes, slow down federal spending, and reform regulation.

As should be expected, each participant comes away with a somewhat different interpretation. Yet it is intriguing to note that 1984 finds all of us—Jack Kemp, Paul Craig Roberts, Jude Wanniski, and me—strongly opposed to tax increases.

In any event, a definitive history of the Reagan economic program remains to be written. My confident forecast is that an objective analysis will show that the fundamental contribution to Reaganomics was made by Ronald Reagan.

Castro's Revolution

Dear Sir:

There is much in Lorrin Philipson's article "Castro's Tarnished Silver" (Summer 1984) on Castro's economic failures with which I can agree. Before the revolution, Cuba was a middle-class society with a very high standard of living, for a Latin American country. Speaking as one who lived in Cuba before the revolution and then again 20 years later, I would have to say the standard of living has declined.

Nor can Cuba be described as a free society. Far from it. The press is totally controlled by the state. There is very little freedom of expression otherwise, and, according to human-rights organizations, Castro may still hold as many as 1,000 political prisoners, many of whom are badly treated.

All this is deplorable—and unnecessary. I was convinced in 1959 and I remain convinced today that a *democratic* revolutionary movement could have achieved all the social gains marked up by the Castro regime, but without the costs in terms of economic dislocations and political liberties.

There are, then, plenty of negatives to point to in Cuba. The problem with Ms. Philipson's article is that it points *only* to the negatives, and even those it exaggerates. She gives the impression, for example, that Cubans might starve on their rations alone and that they must therefore turn to the black market, thus risking a prison sentence if caught. This is simply not true. Over the past few years a system of free and parallel markets has emerged to supplement what can be bought with the ration book. All sorts of goods are available now that were not four or five years ago. These markets have made a great difference in the way people live, yet Ms. Philipson does not even mention them.

By trying to convince her readers that the Cuban revolution is an unrelieved series of shortcomings and failures, that it has no significant accomplishments to its credit, Ms. Philipson weakens her case. Her article reads more like an ideological philippic than a balanced assessment. In fact, there have been some successes: among others, a modern fishing fleet where before there was none; a growing citrus industry; quadrupled cement production; and an expanding textile industry.

Further, while some Cubans do not live as well as they did before the revolution, others, the formerly downtrodden 20–25 percent, live much better. No matter how mean their station, all citizens have enough to eat; all have a guaranteed quantity of clothing; all have access to medical care (which is quite good) and to an education virtually free of charge. One sees no children with bellies bloated by malnutrition, no beggars, none of the misery, in short, which overwhelms one in the slums surrounding most Latin American cities. In terms of social justice, Cuba's record is probably better than that of any of its southern neighbors, a fact I find profoundly troubling, and which Ms. Philipson ignores.

Wayne S. Smith
Senior Associate
Carnegie Endowment for
International Peace
Washington, D.C.

Dear Sir:

Lorrin Philipson's "Castro's Tarnished Silver" is a revealing and welcome contribution to the truth behind the alleged accomplishments of the Cuban revolution. Ms. Philipson, along with Norman Luxenburg of the University of Iowa, has taken on the thankless job of custodian of Mr. Castro's statistical integrity.

The principal problem arises from the fact that most American visitors to Cuba do not have the proper frame of reference against which to compare the glowing figures provided to them by the Castro government. Liberal American politicians like George McGovern and Jonathan Bingham, and journalists like Barbara Walters, return to this country enamored of Fidel's win-

ning ways, and impressed by his perennially furrowed brow, which scowls at the unfairness of American policies. If not disingenuous, then certainly naive, these self-appointed champions repeat without question Mr. Castro's figures on Cuba's social and economic progress. If any prerevolutionary statistics are cited at all, these, too, come from Mr. Castro's less than objective officials.

The facts, however, tell a different story. Ms. Philipson has already disposed of the "literacy hoax." But let's examine a few other statistics. Cuba's per capita income in 1957 (Castro came to power in 1959) was $360, second only to oil-rich Venezuela in all of Latin America. Mexico's, for example, was $202, Brazil's only $217. By contrast, Cuba today is near the bottom of the pile in national wealth. Even the demeaning dole of $12 to $13 million per day (!) from Russia fails to improve the economy beyond subsistence level.

Moreover, national wealth in pre-Castro Cuba, by many indicators, was unusually evenly distributed. For example, in 1957 Cuba had 900,000 radios, one for each five inhabitants, a higher ratio than any Latin American country except Argentina. In addition, Cuba had 365,000 television receivers, and more telephones than all of Central America combined.

The theory, promoted by William F. Buckley, Jr., which holds that the extrapolation of statistical trends into the future is a valid forecaster of social and economic improvement, demonstrates the cost to Cubans of Mr. Castro's revolution. If the literacy rate was 78 percent in 1957 *and rising,* is it to Castro's credit that the literacy rate today is 98 percent (if indeed that figure is accurate)? Equal or higher gains have been made by several Latin American nations during that same period.

Moreover, these minimal gains made by Cuba have occurred at a cost. As Democratic President John F. Kennedy once said, "Learning without liberty is always in vain." Education in Cuba is nothing more than indoctrination, in which children are not taught to inquire, but to obey. The lesson is that F stands for Fidel, R for revolution, and Y for Yankee imperialism.

Ms. Philipson, God bless her, is absolutely correct. No, I would not buy a used revolution from Fidel Castro.

Antonio Navarro
Senior Vice President
W. R. Grace & Co.
New York, N.Y.

ments, however, diminish under independent scrutiny. Recently, Professor Carmelo Mesa-Lago, director of Latin American Studies at the University of Pittsburgh, was permitted by the Cuban government to examine the unpublished 1970 census, which revealed only an 88 percent literacy rate for Cubans. Considering that by 1958 Cuba had achieved a 76 percent literacy rate, this is not such a tremendous achievement.

"Most American visitors to Cuba do not have the proper frame of reference against which to compare the glowing figures provided to them by the Castro government."

Antonio Navarro

Lorrin Philipson replies:

In pursuit of a "balanced assessment" of Cuba's 25-year-old revolution, Mr. Smith invites us to believe that economic gains, and very paltry ones at that, are worth the loss of every single human freedom in Cuba. Far from constituting major successes, the improvements Mr. Smith cites are the very least that any government does for its citizens. In 25 years, what is so remarkable about an expanding textile industry or quadrupled cement production?

The peculiar line of reasoning followed by Mr. Smith and other Castro supporters is that whatever happens in Cuba deserves encomium while comparable or greater progress in other Latin American countries is ignored.

Thus one does not hear much about Venezuela's increase in literacy over the past 20 years from 50 to 82 percent, or about Costa Rica's increase in the number of university students from 5 to 17 percent.

What one does hear is that after Castro came to power, Cuba's literacy rate rose to between 96 and 98 percent. Such alleged accomplish-

The great progress of pre-Castro Cuba, as Mr. Smith acknowledges, diminishes the significance of comparing modern Cuba to her Latin American neighbors. Pre-Castro Cuba was already way ahead in nearly every category. Some examples: Cuba's mortality rate per thousand in 1958 was 5.8, one of the lowest if not *the* lowest in the world, as compared to 7.8 in Venezuela, 8.1 in Argentina, 8.1 in Canada, and 9.4 in the United States. Cuba's per capita calorie consumption in 1958 was 2,682, as opposed to 2,353 in Brazil and 2,077 in Peru. In 1957 Cuba had one physician per 1,000 inhabitants, a higher ratio than the United Kingdom in 1959. In 1957–58 Cuba had 17.7 students in higher education per thousand inhabitants—more than the USSR at 9.5, Japan at 6.9, France at 4.1, Italy at 3.2, and the United Kingdom at 1.9.

It is equally fallacious for Mr. Smith to assert that "in terms of social justice, Cuba's record is probably better than that of any of its southern neighbors." Prior to the revolution Cuba did have some of the most advanced social legislation anywhere: 63 percent of the

Cuban labor force was covered for old age, disability, and survivor's insurance, while all the labor force was covered against occupational accidents and diseases, and female employees had maternity insurance.

In 1959, however, unions and the right to strike were abolished. Even in modern Chile, despite deplorable conditions, union workers can and do strike.

Similarly, the 1940 Cuban Constitution forbade capital punishment. Yet in January 1959 the death penalty went into effect and is increasingly applied.

As for Cuba's fishing fleet, it does double duty: aiding Soviet intelligence and shipping Cuban soldiers to Africa. The parallel markets are no great feat either considering that they were established to compete with a flourishing black market. They are hardly beneficial when the average wage per person is $150 a month, providing only $5 a day. Prices on the parallel markets as of June 1984 were: white-sauced cheese, $3.50 a pound; rice, $1.20 a pound; lard (a mainstay of Cuban cooking), $3.50 a pound; tomato sauce, $3.50 a bottle; white refined sugar, $1 a pound; beef, $5 a pound; and $3.50 for 1½ ounces of coffee!

Prior to the revolution Cuba's only rival in material wealth was oil-rich Venezuela. Today, despite an enormous subsidy from the Soviet Union and a debt to the West, Cuba with a per capita income of only $800 per year is one of the poorest countries in Latin America. Only Cuba's military expenditure, which amounts to 10 percent of her GNP, surpasses her Latin American neighbors.

One of the main reasons for the 19th-century wars of independence and a major issue of the revolution was to free Cuba from its economic enslavement to sugar. In 1958 sugar represented 78 percent of total exports; 20 years after the revolution it represented almost 90 percent. Mr. Castro's sugar economy, however, is far from sweet. In 25 years, he has failed to deliver both the economic and spiritual goods.

Infant Mortality

Dear Sir:

In Carol Adelman's "Baby Feat" (Summer 1984) comments of mine on the Food Research and Action Center (FRAC) 1983 infant mortality study are quoted as the first example of how the report was "sharply refuted by a number of scientists." Your selective quote not only fails to reflect the substance of my testimony but also serves to cloud even further the debate over this critical social topic.

My statement that FRAC's conclusion was not accurate referred to the limitations of its statistical analysis. In the paragraph immediately preceding the one cited, I commented on Assistant Secretary Brandt's optimistic interpretation of the flaws in FRAC's analysis by noting that "I believe that the inference that there is nothing to worry about is nearly as unwarranted as the conclusions that were criticized."

My concluding remarks best capture the point of my testimony:

> In summary . . . many of the factors known to be associated with infant mortality are heading in a dangerous direction and need vigorous, careful, and continuous scrutiny. We should not require that a statistically significant, larger number of babies die every year for a substantial number of years before we pay attention to warning signs that might indicate a reversal of health status at such a basic level in this country. FRAC itself raised this point in cautioning that its survey "should not be taken as the 'last word' . . . but . . . should cause responsible people in public life to take a second look. . . ."

Peter P. Budetti
Associate Professor of Social Medicine in Pediatrics
University of California, San Francisco
Washington, D.C.

"Thus far there is scant evidence demonstrating that traditional maternal child health programs improve birthweights among the disadvantaged, especially among blacks."

Carol Adelman

Dear Sir:

Carol Adelman's instructive article "Baby Feat" puts into perspective a public policy issue that is more often awash in the blinding glare of emotionalism than in the spotlight of thoughtfulness. The issue—infant mortality rates in the United States—is one in which I have had a longstanding interest.

In her article, Ms. Adelman observes that infant mortality rates have steadily declined in the United States and in other developed nations. Yet because we still have a disproportionately higher number of low-weight, high-risk infants than countries such as Sweden and Japan, our infant mortality rates continue to compare unfavorably with theirs. Thus, Ms. Adelman continues, to reduce infant mortality further in the United States it will be necessary to lower the incidence of low birthweight.

But, she also observes, we are not entirely clear about which policies will promote this outcome. Our best hope seems to lie in the promotion of preventive services to high-risk mothers and their children.

I am an advocate of the Special Supplemental Food Program for

Women, Infants, and Children (WIC), which was designed to provide nutritious supplemental foods to pregnant, postpartum, and breastfeeding women, and to infants and children who are determined to be at "nutritional risk" because of inadequate diets and inadequate income. WIC has consistently demonstrated its effectiveness in health terms, as well as in cost effectiveness. A major study at the Harvard School of Public Health found that each $1 spent in the prenatal component of WIC averts $3 in hospitalization costs due to the reduced number of low birthweight infants requiring hospitalization. A recent GAO report states that WIC decreases the proportion of low birthweights for infants born to women eligible for WIC by 16 to 20 percent. And the Missouri Department of Public Health found that the incidence of low birthweight was reduced more than 50 percent among babies born to mothers who participated in WIC for more than six months prior to delivery.

Perhaps the WIC program best exemplifies the federal government's approach to preventive medicine and health promotion for pregnant women. Our commitment to this program is shown in its budgetary increases. Between 1980 and 1984, outlays for the program almost doubled. In fiscal year 1984, $1.36 billion provided 3 million women, infants, and children with nutritional supplements.

Progress has been made and continues to be made in reducing the number of infant deaths in our country, although more needs to be done. Through the provision of services, through the promotion of research, and through the nutritional education of young mothers, public policies have taken a lead in addressing this most vexing program. I am grateful for Carol Adelman's serious review of the issue, and I am sure that a similar review, perhaps done a year from now, would show even more positive findings.

Senator Bob Dole, Chairman
U.S. Senate Committee on Finance
Washington, D.C.

Carol Adelman replies:

I was pleased to receive the responses from Capitol Hill to my article on infant mortality.

In matters of science and public policy, it is essential to examine first premises. The first premise addressed in Dr. Budetti's testimony was whether, as FRAC claimed, the steady decline in infant mortality in the United States was being reversed. On that, we agree. Officials from the Department of Health and Human Services (HHS) and various other scientists agree with us that FRAC's conclusion—the major premise of its report and indeed cause for the debate—was wrong.

Facts are one thing. Speculation is another. Dr. Budetti speculates that the factors *associated* with infant mortality were *heading* in a dangerous direction. Yet this is irrelevant to the issue at hand: FRAC's inaccuracies and politicization of the issue.

Moreover, Dr. Budetti's concern with "warning signs" (recession and high unemployment) is misplaced. Over the last several decades, infant mortality has steadily declined regardless of economic fluctuations.

The debate on infant mortality is not clouded by a choice of one quote over others. It is clouded when a group, such as FRAC, fraudulently claims, under the guise of scientific facts and figures, that infant mortality is rising.

Senator Dole has rightly characterized this debate as one "awash in the blinding glare of emotionalism." I agree with the senator's general response to the low birthweight problem—promoting preventive services to high-risk mothers and their babies. Yet it is important to examine whether his combination of prescriptions holds the best hope for a remedy.

For example, the senator cites three studies which found positive effects of the federal food program for women, infants, and children (WIC). The General Accounting Office reviewed 39 studies of WIC's effectiveness in reducing low birthweight. They were able to rate only six studies as medium to high quality. From these the GAO writes, "They give some support, but not conclusive evidence, for the claims that WIC increases infant birthweights."

The report underscores the need to design better evalutions. Only recently, however, has a national-scale evaluation with the appropriate scientific design begun to assess WIC's overall effectiveness. There is regrettably little firm evidence that this $1.36 billion yearly program helps solve the problems it was designed and is funded to solve.

Various researchers have commented on the inconclusive results of feeding programs. A leading scientist in this field, Dr. David Rush, states that unless infant mortality is lowered "it is not at all certain that small changes in birthweight confer other health benefits." And on this point there is virtually no credible evidence of WIC's effect on infant deaths. Nor has the program been shown to affect the most important cause of infant mortality—premature births or babies born before 37 weeks of gestation. Despite all the social programs in the 1970s, prematurity declined only slightly and blacks still show over twice the rate of whites. Similarly, from 1950 to 1972 there was an apparent increase in prematurity rates despite general improvements in socioeconomic conditions.

Thus far there is scant evidence demonstrating that traditional maternal child health programs improve birthweights among the disadvantaged, especially among blacks. Some new approaches now underway—early detection of premature labor among high-risk mothers and its treatment, reducing physical and emotional stress, and controlling drugs and smoking during pregnancy—are more promising.

An analysis by HHS, however, reveals a perplexing disparity. Even mature, married, college-educated black women who have received prenatal care remain twice as likely to have low birthweight babies as their white counterparts. Clearly, we do not have all the solutions, and much more research is needed.

Some might argue that even

should a food program have minimal nutritional results, it still provides an income transfer to the poor, it may serve to attract poor mothers to other needed services, and, after all, such programs are a small percentage of the total federal budget. If so, until the results of the national evaluation are completed, WIC should be justified on this basis and not on the basis of reducing low birthweights and mortality.

Above all, we are fooling ourselves if, in the defense of long-standing programs, we are prevented from researching the real causes of low birthweight and focusing federal and private efforts on new, more promising approaches.

Back to Basics

Dear Sir:

Chester E. Finn's article "Gee, Officer Krupke" (Summer 1984) unfortunately contributes little to the ongoing dialogue on our nation's schools. Mr. Finn continually ascribes to NEA or the "education profession" positions that are *not* ours, then argues against these positions.

His article, for instance, decries the evils of social promotions, but fails to note that teachers and the NEA vehemently *oppose* social promotions. Teachers, in fact, often recommend retention for students who need more time to master basic skills only to have these recommendations overruled by administrators at the insistence of parents.

Mr. Finn also writes of an "education profession . . . obsessed" with a "fear" of raising standards beyond the reach of members of "historically disadvantaged groups." But teachers do not—and have not—supported lower standards. Standards should be set high, and all students should be given the help they need to reach these high standards.

Let me briefly outline NEA's stands on basic educational issues.

We want to see excellence in every classroom. We believe that excellence cannot be obtained without a commitment to equity in education. We believe that teaching salaries should be high enough to attract outstanding young people into education—and high enough to keep outstanding teachers in the classroom.

We believe that every teacher ought to be regularly observed and evaluated by trained evaluators. We believe that incompetent teachers should be dismissed, not receive lower pay than other teachers somehow deemed more "meritorious."

We believe that control of education should remain with local communities and that all levels of government—local, state, and federal—should help provide local school districts and colleges with the support they need to achieve excellence.

Finally, we believe that education must be a top national priority, not a political football. We reject those who play "show and tell" with education's needs before elections, and then play "hide and seek" with education funding after the voters have gone home.

NEA's 1.7 million members do *not* expect everyone to agree on all the various proposals about how to *achieve* educational excellence. But we *do* believe it's time for all concerned to work cooperatively toward the educational excellence everyone seeks.

Mary Hatwood Futrell
President
The National Education
Association of the United States
Washington, D.C.

Chester E. Finn replies:

I do not doubt that Mrs. Futrell believes what she says, but the organization of which she is president regrettably does not seem to agree with her.

The National Education Association (NEA) at its July 1984 convention in Minneapolis categorically rejected the reforms that Mrs. Futrell claims it supports.

The *Los Angeles Times* reported:

> After a year of internal debate, the NEA has not decided to change its basic views. Its report, for example, restates the union's "unalterable opposition" to so-called "merit pay plans" or, for that matter, "any alternative compensation plan" that is not based on "across-the-board salary increases [for] all teachers."

The *New York Times* also found the NEA hostile to reform:

> There is little sympathy among the leaders of the 1.7 million education group [sic] for any change in promotion and evaluation procedures that some say might pit teachers against each other. The difference of opinion here revolved only around the question of how firm the rejection should be.

A recent poll undertaken by Louis Harris and Associates reveals that the NEA does not represent the views of the vast majority of American teachers, over 80 percent of whom favor teacher testing, teacher career ladders, and more expeditious means of dismissing incompetent teachers, as well as more rigorous requirements and promotion standards for students.

Today the National Education Association is not responsive to or reflective of the views of most American teachers. It is certainly not responsive to or reflective of the views of most American parents and taxpayers.

At a time marked by the most remarkable public enthusiasm for better schools that anyone can recall, our largest organization of educators has chosen to stonewall. This is not the view only of cranks, Republicans, or union-baiters. Said the *Los Angeles Times* editorially, a few days after the NEA convention, "The only obstacle still left to merit and competency systems is union leadership itself. Leaders would certainly be well advised, particularly in light of their aggressive reformist rhetoric, to join in support for these programs. . . . If they do not, they could choke off the momentum toward education improvements. If that happens, teachers as well as students would suffer."

Better Off?

Dear Sir:

I write to contest Adam Meyerson's claim in his article "Better Off Than Four Years Ago?" (Summer 1984), that Americans have become far better off economically during the Reagan term than during the preceding years of the 1970s. Citing the average weekly earnings of the American employee, Mr. Meyerson argues that the Reagan administration has reversed the downward economic trend that characterized much of the Carter term of office. This claim is incorrect. In fact, the average income for individual Americans advanced about as quickly under President Carter as under President Reagan, and did so at a far lower price to the nation.

For reasons described below, the commonly used standard to measure the economic advance of individual Americans is the growth of the after-inflation and after-tax income per American (otherwise known as "the real disposable per capita income"), not the average weekly earnings per employee. Use of the standard measure discloses a very different picture from the one Mr. Meyerson reports. Real disposable income advanced from $4,158 per American in 1976 to $4,489 in 1980, an increase of about 8 percent. From 1980 to 1984, under the Reagan administration, income per American has grown from $4,489 in 1980 to a projected $4,910 in 1984, amounting to a gain of just over 9 percent.

Moreover, the price of advance was far less costly under the Carter administration. The 8 percent advance from 1976–80 was purchased at an economic stimulative cost over the four years of $180 billion in federal budgetary deficits whereas the price under the present policies to accomplish their 9 percent gain has been several times higher, a total of $547 billion in federal budgetary deficits. The largest single yearly deficit was $60 billion under President Carter compared with $200 billion under President Reagan. As a result, Americans now have to pay an incredible $125 billion a year to finance the federal debt, about $70 billion more yearly than under the policies that came before the Reagan administration.

Nor should yet another stiff price be ignored: the unevenness of the expansion under the current policies. Tragically, despite the full year of recovery in 1983, poverty still spread to nearly one million more Americans. This is a sharp contrast with the initial recovery of 1976, the year following the last recession of 1974–75. Then poverty declined by nearly one million Americans.

Readers may wonder why the per capita real disposable income measure produces such a different conclusion from the one reached by using the average weekly earnings per employee. For one, the latter measure is insensitive to the total number of people for whom the economy has generated employment.

Contrary to conventional wisdom, the economy provided and filled 3 million more jobs from 1976 to 1980 than from 1980 to 1984. No fewer than 10.5 million full-time jobs came into being and were filled from 1978 to 1980 compared with just over 7 million from 1980 to 1984. The economy in 1976 through 1980 was still having to generate huge numbers of jobs to meet the enormous employment needs of the tail end of the baby boom. That the economy provided for many more people from 1976 to 1980 than 1980 to 1984 is reflected in the per capita real disposable income measure but is not in the average weekly earnings per week per employee.

Nor does Mr. Meyerson's measure successfully deal with changes in the types of workers the economy has accommodated. From 1976 to 1980 the demographics of the baby boom tide brought hundreds of thousands more young adults aged 16 to 24 into the labor market in these years than entered after 1980. Women entered the labor market in larger numbers in the 1976–80 years, too. Traditionally each of these groups of workers has received comparatively low wages. Understandably, the entry and presence of larger numbers of comparatively low-paid workers from 1976 to 1980 relative to 1980 to 1984 had the effect of decreasing the average earnings per week per employee in the former period more than in the latter period.

Naturally, too, the advance of average earnings per week per employee that Mr. Meyerson uses itself correlates closely with the particular stage of the business cycle. The Reagan years from 1982 to 1984 to which Mr. Meyerson refers constitute the first two years of a recovery. How well did these two Reagan years perform relative to comparable years during the 1970s? Average earnings improved in the Reagan years from 1982 to 1984 by $6 per week; during the initial two years of the last such recovery, from 1975 to 1977, average earnings rose by a similar $5 per week.

John E. Schwarz
Associate Professor
Department of Political Science
University of Arizona
Tucson, Ariz.

Adam Meyerson replies:

Mr. Schwarz argues persuasively that life under the Carter administration was not as grim as we sometimes paint it. The average American's inflation-adjusted after-tax income did go up from 1976 to 1980, despite the shrinking of the average wage-earner's paycheck. The reason, as Mr. Schwarz points out, was a boom in employment: More than 10 million more Americans had jobs in 1980 than in 1976.

But this hardly means we were better off four years ago than we are today. Under President Carter, with take-home pay taking a tumble, the average family faced an unpleasant choice: Either its income would decline or more members of the family, usually the mother, would have to work. For female-headed families, the prospect was even grimmer: Every year the average working mother brought home less and less bacon.

Now that take-home pay has stabilized, families with only one wage-earner have more of a chance

to get ahead, or at least to stand still. If mothers with working husbands take jobs themselves, it is more because they want to, than because they are forced to.

It is no wonder that President Reagan draws his strongest support from young people. Young families were among those most demoralized by the choices that declining take-home pay made necessary.

Human Rights

Dear Sir:

In the article "Paddy, We Hardly Knew Ye" (Spring 1984), Dinesh D'Souza incorrectly states that the International Reserve Committee "catalogued human-rights violations across the globe." It did not when Senator Daniel Patrick Moynihan worked on its publicity nor has it—to our knowledge—since.

It did bring thousands of West European refugees who had escaped from Nazi-occupied countries and East Europeans who had been in relocation camps after World War II to the United States. In addition the IRC has since helped Vietnamese, Haitians, and others come to the United States and establish roots.

Henry H. Urrows
Ridgefield, Conn.

Good as Gold

Dear Sir:

Congratulations to Karl O'Lessker for his highly perceptive article "Pyrrhic Defeat" (Summer 1984). Barry Goldwater's nomination in 1964 was indeed the foundation for the conservative movement's later successes, despite his landslide defeat at the hands of Lyndon Johnson that November.

Dr. O'Lessker is right, too, in pointing out that there was nothing in the least quixotic about the idea of running Senator Goldwater against John Kennedy. *Time* magazine (no friend of Senator Goldwater's) remarked in its October 4, 1963, issue: "Until recently most political observers figured that Democrat John Kennedy was a sure 1964 winner, and that it did not make much difference who the GOP candidate would be. Now, many are changing their minds. . . . A state by state survey by *Time* correspondents indicates that at least Republican Barry Goldwater could give Kennedy a breathlessly close contest."

Kennedy's assassination less than two months later changed the picture dramatically. But by then the Goldwater drive had too big a head of steam to be denied the Republican nomination.

I would take issue with only one point: Barry Goldwater vetoed *Choice* (a documentary that had been prepared for his campaign) not because it "was racist" but only because he feared its use of film clips showing black rioters might give rise to *false accusations* of racism. The distinction is of some importance to the honorable, and thoroughly nonracist, people who prepared the documentary.

William A. Rusher, Publisher
National Review
New York, N.Y.

Labor's Bad Bargain

The AFL-CIO Lurches Left

Max Green

The American Federation of Labor and Congress of Industrial Organizations is undergoing a metamorphosis that has profound and disturbing implications for the future of American politics. For decades the labor movement has been criticized by the left for being conservative, if not reactionary. But today there is hardly an item on the most up-to-date liberal agenda that does not have the AFL-CIO's official endorsement. It is a prime supporter of statist remedies for America's economic problems, real and imagined. It supports the current objectives of the civil rights, women's rights, and even gay rights movements. Its foreign-policy resolutions echo the isolationist left: It favors a nuclear freeze and cuts in the administration's defense budget, and opposes aid to countries threatened by Communist subversion or invasion.

These positions are the opposite of what the AFL-CIO has long stood for. They represent a fundamental transformation in the character of the American labor movement, and in particular the abandonment of the guiding principles of its founder, Samuel Gompers. Unlike most of the world's labor movements, the AFL-CIO under the influence of Gomperism had kept its distance both from socialism and from partisan politics. But that has changed. Today, it is forsaking the benefits of independence and forging an alliance with the ideological left of the Democratic Party.

Gompers's Philosophy

Described as either "voluntarism," "trade unionism pure and simple," or "business trade unionism," Gomperism holds that the central purpose of unions is to engage in collective bargaining in order to raise the wages and improve the working conditions of the workers they represent. This is an inherently conservative strategy because it assumes that workers under capitalism can and will prosper once organized into unions. As such, it contrasts sharply with the contending socialist philosophy that very nearly prevailed at the turn of the century. The socialists argue that whatever gains are made at the bargaining table are necessarily evanescent, certain to be vitiated by the dynamics of the capitalist political economy. Therefore, to be effective in the long run, labor must commit itself to a political movement dedicated to the overthrow or, at the very least, the radical reform of capitalism. In either case, collective bargaining would obviously take second place to political action.

Ironically, Gompers's decision to give priority to collective bargaining was based initially on a vulgar Marxist analysis of capitalist society. He agreed with the socialists that the capitalist state was the "executive arm of the bourgeoisie" and, therefore, that state intervention in the economic life of the country would inevitably be on behalf of business and, ipso facto, against the interests of the working class. So strong was his and other labor leaders' fear of state action that for the first several decades of its existence the American Federation of Labor refrained even from supporting minimum-wage legislation on the theory that what started out as a minimum wage could very well become the maximum. In George Meany's interpretation, if "you depended on the law" you would end up being "controlled by the law." It followed that labor's political objectives, as Daniel Bell has written, should be nothing more nor less than the "negative state," which would allow labor to organize and negotiate contracts with employers.

With the advent of the New Deal, labor began to see government intervention as a tool that could be used to improve society in general and the lot of the workingman in particular. The CIO and to a lesser extent the AFL became major forces in Franklin Delano Roosevelt's New Deal coalition, and were instrumental in passing social-security and minimum-wage legislation, as well as the National Labor Relations Act. Over the next several decades, labor was more often than not in the forefront of efforts to expand the horizons of government. And by the late 1960s George Meany proudly proclaimed that the AFL-CIO had long since left behind what he now derisively referred to as the parochial "bread and butter unionism" of the past. Citing labor's often decisive sup-

MAX GREEN, *a former staff member of a leading national union, is a special assistant to the staff director of the U.S. Commission on Civil Rights.*

port for virtually every piece of the Great Society legislation, he announced that it had become "the people's lobby," a title to which it still lays claim.

Bread & Butter Issues

Yet, throughout the Great Society era, labor remained true to Gomperism to the extent that it continued to seek the bread and butter from employers at the collective bargaining table—not from the federal government. While pushing for establishment of the Occupational Safety and Health Administration and other regulatory agencies, the AFL-CIO remained committed to a market economy in which fundamental investment decisions were left in private hands. Therefore, labor strongly opposed the no-growth factions of the environmental and consumer movements.

As long as labor's strategy emphasized collective bargaining, it remained faithful to Gompers's "reward your friends, punish your enemies" philosophy of political action. The AFL-CIO endorsed and worked for candidates who had long pro-labor records, such as Hubert Humphrey. But it did not commit itself to any political movement or party. As George Meany argued, if labor ever tied itself to a political party it would be "saying in effect, we do not only want better conditions for the people we represent, we not only want to raise the standard of life, we want to run the country." And indeed, though the labor movement was mostly associated with Democratic politicians, it had close relations with Republicans, e.g., Nelson Rockefeller, and through the 1960s many craft union leaders identified themselves as Republicans.

Under founder Samuel Gompers, the AFL steered clear of socialism and party politics.

This nonpartisan stance has been the subject of virtually every energy-sapping conflict within the "House of Labor." To take one well-known and often misunderstood example: When Walter Reuther pulled the UAW out of the AFL-CIO in 1968, he could not, when challenged, name a single significant, unresolvable difference that he had with the AFL-CIO leadership concerning any trade-union or public-policy issue. But there was an unbridgeable gulf with respect to partisan politics: Reuther wanted to develop "stronger ties with labor's historic and essential allies in the liberal intellectual and academic community and among America's young people," an unimportant concern for the majority. As a top AFL-CIO official was to note: "Reuther wanted to be known as a leader of the liberal community and was so recognized by many. On the other hand, Meany was a leader of the labor movement. Where he agreed with the liberals he was *with* them, but he was not *part of* the liberal movement. He was the leader of the labor movement, a broad spectrum from far left liberals to far right conservatives."

Political Independence

Under Gompers, under Bill Green, under George Meany, labor remained independent of larger movements for economic, social, and political change. Consequently it was free to develop its own positions on the issues of the day.

This was particularly true of civil rights. Though some

craft unions earned a reputation for excluding blacks, the trade union movement as a whole became integrated earlier than most other institutions in America. Moreover, the AFL-CIO properly deserves a lion's share of the credit for the passage of the landmark legislation of the 1960s. The 1964 Civil Rights Act included a fair employment practices provision at labor's insistence, and the 1965 Voting Rights Act and 1968 Fair Housing legislation were passed only after intense lobbying by the Leadership Conference on Civil Rights, which the AFL-CIO had organized together with the NAACP.

But labor never joined the civil-rights movement. As an institution, the AFL-CIO did not participate in the movement's protest actions, not even in the historic 1963 March on Washington, because it believed that more harm than good would result from mass demonstrations. The AFL-CIO denounced President Nixon's Philadelphia Plan for racial quotas in the construction industry, which had received the enthusiastic support of virtually all civil-rights organizations.

Labor also refused to tailor its foreign policy to the shifting fashions of middle-class liberalism. From the end of World War II through the mid-1970s, the AFL-CIO was the bulwark of anti-Communism in America. This was partly the legacy of bitter struggles against Communists who had tried to subvert the trade union movement in the 1920s through the 1940s. It was also based on a recognition that free trade unions have always been among the first institutions to be destroyed by Communist regimes.

The basic AFL-CIO line, from which it did not diverge for decades, was that American democracy was locked in mortal combat with the international Communist movement.

The basic AFL-CIO line, from which it did not diverge for decades, was that American democracy was locked in mortal combat with the international Communist movement, whose "ultimate end and unalterable aim was world domination." In his first speech after the founding convention of the AFL-CIO, George Meany argued that "no country, no people, no movement can stand aloof and be neutral in the struggle" against this political evil. This uncompromising anti-Communism virtually determined labor's positions on all conflicts between the free and Communist worlds. It gave *unqualified* support to the United States effort to save South Korea from invasion from the North, even though the former was ruled by the repressive regime of Syngman Rhee. And it likewise supported the U.S. intervention in South Vietnam, despite its succession of more or less authoritarian governments. Among liberals, labor got the reputation for having a "reactionary anti-Communist" foreign policy. Indeed, the AFL-CIO's insistence on publicly supporting South Vietnam against Communist totalitarianism precipitated a decade-long political battle with the "New Politics" movement.

The seriousness of this conflict first became fully apparent in 1968 when the New Politics Democrats gave lukewarm support at best to labor's oldest and best friend, Hubert Humphrey, because he did not come out soon enough for a program of unilateral withdrawal of American troops from Vietnam. Four years later labor turned the tables on this "constituency of conscience" when it refused to endorse George McGovern. Said George Meany: "[McGovern's] record reflects no real appreciation of the perils of isolationism nor of the continuing need to participate in the defense of human freedom and human rights in a dangerous world."

This was labor's Last Hurrah, the last time it stood alone in defiance of liberal opinion. Soon, to argue for such independence would be viewed in the labor movement as a sign of eccentricity or crankiness.

Labor's Leftward Drift

In retrospect, the first clear harbinger of what lay ahead came in 1972. The motion to remain neutral in the presidential contest that year passed the Executive Council overwhelmingly, by a vote of 27 to 3. But the vote was not binding on the affiliate unions, which were free to endorse a candidate. And, in the end, unions representing approximately half of all AFL-CIO workers endorsed McGovern. On the whole, the leaders of these unions were hostile to the anti-anti-Communism of the New Politics. Moreover, they realized from the start that McGovern had no chance of winning, and therefore devoted almost all of their considerable political resources to campaigning for House and Senate seats. Their endorsement was symbolic. It was a gesture of support for the Democratic Party, a signal that they wanted to come to terms with the movement against which the Meanyites had declared war.

This set the stage for a revival of the old debate over partisan politics. The only difference was that this time the advocates would win.

For several years there was a stalemate. The Meanyites, led by Al Barkan, director of the Committee on Political Education, tried to rally labor against the New Politics takeover of the Democratic Party. But he failed; he could not even get union delegates to the 1974 Democratic Party charter convention to oppose a quota system for delegates that put unions at a disadvantage. On the other hand, the so-called progressives had neither the strength nor the intelligence to beat Meany at political infighting.

This stalemate was broken by increasing doubts about the Gompers-Meany emphasis on organizing and collective bargaining. At the time of the AFL-CIO merger in 1955, the combined organization represented over 30 percent of America's non-agricultural work force. That figure has continuously declined ever since, and is now about 15 percent. While a cause of occasional breast-beating, this decline was not a matter of great concern

Forty years ago, labor kept to the American mainstream. Today it is mired in partisan politics.

within the AFL-CIO, because labor was still able to negotiate generous contracts for its members during most of the postwar period. But by the mid 1970s, rising competition from non-union firms—both abroad and at home—was eroding the strength of unionized businesses and thus weakening labor's negotiating leverage at the bargaining table. In the mid 1970s, construction unions that had once enjoyed a stranglehold over trades were reduced to negotiating "give-backs." A few years later the once mighty industrial unions, the automobile, steel, and rubber workers, for example, began to negotiate job-security provisions in lieu of increased wages, and then they too were forced to grant concessions.

Statist Economics

These setbacks have led to a dramatic reversal in labor's approach to economic policy. Once a defender of the market economy, it now supports legislation the sole purpose of which is to protect already unionized industries from competition. This is most visible in its advocacy of such protectionist measures as domestic-content laws and import quotas. Formerly a strong proponent of free trade, the AFL-CIO now favors "fair trade," in which labor costs would not be an element of competition. It opposes efforts to lower trade barriers on imports from developing nations (for example, the Caribbean Basin Initiative), on the disingenuous grounds that for their own good such countries ought to develop their internal markets rather than "exporting to the United States market at the expense of United States workers."

As a domestic complement to protectionism, labor is calling for a tripartite National Industrial Policy Board, made up of representatives of organized labor, government and business. The board would oversee the operations of a new Reconstruction Finance Corporation that would be authorized to make guaranteed loans "to the nation's sick industries and decaying communities" and to "new industries with promise for the future." Labor is fully aware that there already exists an abundance of venture capital for new businesses. Its obvious purpose here is to inject capital into struggling, heavily unionized industries.

Labor is also backing legislation that would require corporations planning to shut down inefficient and/or money-losing plants to give workers up to a full year's notice and to justify their decisions to the secretary of labor.

This new economic policy is a radical rejection of the free-market economy in favor of state capitalism. Unlike the AFL-CIO of old, which had no desire to "run the country," labor today believes its very survival as an institution depends on the enactment of legislation that would transform the structure of the American economy.

To enact such radical proposals would require much more political power than labor ever had, and they are

being made at a time when labor's political clout is declining. In 1977, legislation at the top of the AFL-CIO's agenda—including a common situs picketing bill and a set of "labor law reforms"—went down to defeat, and labor had to acknowledge that it no longer had the political muscle to get legislation through Congress on its own. As George Meany put it in a speech to the 1977 AFL-CIO convention that signaled a new strategy of coalition politics: "No group, not in the labor movement, not in the civil-rights and women's groups, can by itself match the raw political financial might of big business. But together these groups represent millions of people, and people, not money, are what this country is all about." No more going it alone, no more fights with potential allies, no more sitting out elections. All that is a luxury labor no longer feels it can afford, because so much, *everything*, now depends on the outcome of political elections. This new perspective has led to a partisan political strategy, with labor, as Walter Reuther wanted, becoming part of a larger, liberal-left movement for economic, political, and social change.

Sellout to the Left

But, as it is finding out, political alliances do not come cheap. The cost, as labor's former leaders feared and predicted, has been nothing less than the AFL-CIO's traditional political independence and integrity. For instance, a strong alliance with the civil-rights movement was unthinkable unless labor first compromised—or better yet, abandoned—its long-standing opposition to quotas. This logic explains its 1983 policy statement on affirmative action, which "strongly advocates that the federal government abandon its retreat from affirmative action efforts and vigorous enforcement of equal opportunity legislation and regulations." Actually, the only difference between the Reagan and Carter administrations on affirmative action is that the Reagan Justice Department has opposed racial quotas. Not so long ago, labor would have hailed any administration, Republican or Democrat, for this change in policy. But political considerations—the new link to the civil-rights movement—act now as a censor. Labor is no longer free to speak its own mind on such issues.

Labor's position on women's issues has been similarly revised to facilitate its new relationship with the feminist movement. Well into the 1970s, the AFL-CIO opposed the Equal Rights Amendment. Then, at its 1979 convention, the AFL-CIO reversed field with a vengeance. It refused to schedule meetings in the states that had not ratified the amendment, an unusual strategy that the AFL-CIO had never even used against states with right-to-work laws.

At the same convention, the AFL-CIO endorsed the feminist concept of "equal pay for comparable worth." Lane Kirkland, who succeeded George Meany as president, has recently claimed that comparable worth is one of the "foundation stones" of the labor movement. The truth is different, as AFL-CIO Vice President Joyce Miller (one of two women on the Executive Council) testified in 1982. "Unions have traditionally opposed job evaluation systems" (the sine qua non of comparable worth) for the obvious reason that they limit the ability of unions to negotiate, which is what their business used to be. In addition, comparable worth is decidedly not in the economic interest of most union members, the overwhelming majority of whom work at so-called male jobs, which would have to be downgraded under a comparable worth plan.

A further example of the new partisanship is a resolution passed at the AFL-CIO's 1983 convention, calling for legislation guaranteeing the civil rights of homosexuals in employment, housing, credit, public accommodations, and public services. In 1972, AFL-CIO leaders complained about the number of "open fags" at the Democratic convention. Their unreserved endorsement of gay liberation's legislative agenda today is described by one top staffer as "smart politics."

Under Gompers, under Bill Green, under George Meany, labor remained independent of larger movements for economic, social, and political change.

Soft on Communism

For those familiar with labor's history, even this, however, does not quite prepare one for the current rewriting of the AFL-CIO's anti-Communist foreign policy. This transformation has been so dramatic that it can only be explained by a desire to conciliate the left wing of the Democratic Party, which showed in 1968 that it was willing and able to sabotage any liberal movement that did not subscribe to its foreign-policy views. It also seems to be motivated by a desire to bring back into the fold those "progressives" in the labor movement whose foreign policy has become identical to the isolationist left's.

The AFL-CIO still denounces the actions of Communist regimes throughout the world, and its International Department, headed by the 73-year-old Irving Brown, still encourages the development of democratic trade unions in countries as diverse as Poland and El Salvador. But in the AFL-CIO as a whole, there has been a subtle yet profound change in orientation. Communism is no longer seen as the epitome of political evil, but only as one evil among many. Arguing against the Reagan administration's foreign policy as expounded by Jeane Kirkpatrick, Lane Kirkland declared in 1981: "They have sought to base a fine choice between the lice who are totalitarian and the lice that are authoritarian. We reject such a choice." This new refusal to support the "lesser evil" means that labor can no longer be counted on to back anti-Communist struggles.

The AFL-CIO's current resolutions on Nicaragua and El Salvador are cases in point. One does criticize the totalitarian Nicaraguan regime, but it is abstract, mean-

ingless anti-Communism since it fails to mention, much less endorse, U.S. support of anti-Sandinista *contras*.

The resolution on El Salvador opposes those "who would impose a Cuban-style dictatorship." But it also opposes any further military assistance to the Salvadoran government unless and until there is progress in implementing land reform, protecting trade union rights, establishing a just judicial system, and bringing right-wing death squads under control. In the meantime, the people of El Salvador will just have to rely on their own resources, as did the South Vietnamese after the United States' withdrawal.

Lane Kirkland played an important role on the Kissinger Commission, which was established to build support for U.S. policy in El Salvador, and the AFL-CIO did pass a resolution hailing the report. But the resolution goes on to say that "Labor is not convinced that the government of El Salvador has met the conditions set forth in the Commission report, and we, therefore, do not support military aid to that government at this time." This has been the AFL-CIO's position for the past several years.

As the fervor of labor's anti-Communism has subsided, so has its support for defense spending. At its 1981 convention, it passed a resolution that "defense problems cannot be solved by blindly throwing money at them," something it has never said about any domestic program, no matter how ill-conceived. More recently, it adopted a statement that acknowledged the massive Soviet military buildup of the past decade, yet recommended an increase in defense spending only "in the range of 5 to 7 percent a year, *with a number of affiliates favoring the lower end of that program, or less*" (my emphasis). The second half of this sentence is just one of many indications that labor will move even further to the left on foreign and defense policy issues.

Even now, on the level of strategy and tactics there is little to divide the AFL-CIO from other liberal-left organizations. For instance, it endorsed and participated in last year's March on Washington (commemorating the 1963 march that labor did not endorse) despite the fact that the march was organized to provide a public forum for advocates of such causes as the Palestine Liberation Organization, the overthrow of the government of El Salvador, the nuclear freeze, and a 25 percent cut in the defense budget.

Labor's Loss

The AFL-CIO's new political strategy is best exemplified by its endorsement of Walter Mondale long before either party's nominating convention. From labor's point of view, Mondale is the perfect candidate, precisely because he is the "candidate of the special interests." His civil-rights policy is that of the civil-rights movement. His women's policy is that of the women's movement. His foreign policy is perfectly compatible with middle-class liberalism's. And his economic policy is the labor movement's. He is, therefore, the personification of the coalition which labor is now attempting to build *within the Democratic Party*.

Which prompts one to ask, what has labor got for all its compromising of principle? With the help of labor, civil-rights groups won an extension of the Voting Rights Act that they hope will go a long way toward establishing a right to proportional representation by race. In coalition with labor, women's groups have lobbied successfully for comparable worth legislation in states throughout the country. If not with labor's support, then in the absence of labor's traditional opposition to similar efforts, liberals have caused no end of problems for the Reagan administration's anti-Communist policies in Latin America. Meanwhile, labor's economic policy has gone nowhere in Congress.

And the odds are that it never will, even if Walter Mondale is elected president. For the American people, including many union members, are unlikely to agree to a vast increase in the power of the federal government now that they have tasted the potential benefits of a less regulated economy.

Unfortunately, there is also little reason for believing that labor will turn back from the bad bargain it has struck with the ideological left. With each passing year it becomes mired more deeply in the kind of partisan politics it resisted successfully for nearly a century. The fiercely independent labor movement, I fear, will slip entirely from our view, and American democracy will have lost one of its most distinctive institutions. ☎

Retreat from Radicalism

The Times It Is A-Changin'

Dinesh D'Souza

For the busy reader, there is no more accurate and complete summary of events around the world than the *New York Times*. Boasting "all the news that's fit to print," the *Times* represents journalism and New York liberalism at its most sophisticated—and arrogant. It also sets the standard for thorough, and in most cases objective, reporting under deadline. By almost every criterion it is the best general-interest newspaper in America, probably in the English language.

The *Times* has won 54 Pulitzer Prizes and has not had to give any of them back. Its roster of newspaper greats would make any rival publisher envious. The legendary managing editor Carr van Anda, probably the only newsman to discover a mistake in Einstein's equations while editing a story about them, helped to secure the worldwide exclusive story on Robert Peary's trip to the North Pole. Edwin James filed a set of spectacular reports on Charles Lindbergh's flight across the Atlantic in 1927. Meyer Berger won a Pulitzer for his eyewitness account of a mass murder spree in Camden, New Jersey. James MacDonald filed the first eyewitness account of a bombing raid, when he accompanied a Royal Air Force squadron over Berlin in 1943. And over the furious objections of the State Department, James Reston uncovered the details of the Dumbarton Oaks conference in 1944, revealing U.S.-British-Soviet plans for a postwar United Nations. In another famous scoop, Mr. Reston turned a bout of appendicitis while visiting Peking in 1971 into a firsthand account of Chinese acupuncture.

With a circulation of 970,000 the *Times* is exceeded in readership by the *Wall Street Journal*, the *New York Daily News*, *USA Today*, and the *Los Angeles Times*. But it wields huge political and intellectual influence. No paper's impact is as multiplied over other news outlets. A recent Gallup poll of reporters and editors nationwide showed that 66 percent read the *Times* daily, compared with 29 percent for the *Washington Post*. The *Times* also seems to be the only newspaper with a reserved seat in the State Department hierarchy for its national-security correspondent, whether Leslie Gelb, director of politico-military affairs under President Carter, or Richard Burt, current assistant secretary for European affairs.

The most glaring exception to the *Times*'s otherwise exemplary coverage has been its treatment of Communist movements and regimes in their early stages. From Stalin in the 1930s, to Fidel Castro in 1957 and 1958, to Ho Chi Minh and the Viet Cong in the late 1960s and early 1970s, to the Sandinistas in Nicaragua from 1979 to 1982, the *Times* has romanticized Communist leaders, sometimes even denying their Marxism itself and their connections to the Soviet Union. In the last two decades the *Times* has given far more attention to the repression under right-wing dictatorships than to the often more sanguinary consequences of Communist takeovers. This has undermined the legitimacy of the United States' anti-Communist foreign policy and advanced the interests of left-wing totalitarianism in the world.

Justifying Stalin

The first example of this misreporting is Walter Duranty's coverage of the Soviet Union in the 1920s and 1930s. Duranty was previously famous for his reporting from France during World War I, and had been among the first Western correspondents to recognize the significance of the early Bolshevik uprisings in Russia. Transferred to Moscow, he seemed to view his mission as justifying the ways of Stalin to America. "Stalin is giving the Russian people—the Russian masses, not Westernized landlords, industrialists, bankers, and intellectuals, but Russia's 150 million peasants and workers—what they really want, namely, joint effort, communal effort," he wrote in 1931.

Duranty wrote off Stalin's barbarisms as the natural growing pains of a new republic. Some of the worst atrocities he did not even bother to report, the most astonishing of which was the indescribably tragic famine in the Ukraine, which drove people to cannibalism and claimed, in all, nearly 5 million lives. This man-made famine—the Soviets were exporting grain at the time—was part of an effort to break the back of peasant resistance to Communism.

DINESH D'SOUZA, *editor of* Prospect *magazine at Princeton University, is author of* Before the Millennium, *a biography of Jerry Falwell.*

But Duranty wrote only about a "famine scare," which he attributed to "partial crop failures." Food shortages that existed, Duranty suggested, were all the result of uncooperative monsoons and slothful peasants who abandoned their crops and went to the cities. In September 1933 Duranty wrote that he had completed a 200-mile trip through the Ukraine and could "say positively that all talk of famine is now ridiculous." No wonder that Malcolm Muggeridge, an eyewitness to the famine, called Duranty "the greatest liar of any journalist that I have met." No wonder that Duranty won the 1933 journalism award from the *Nation* and praise from Stalin himself. In a book published in 1941, *The Kremlin and the People,* he wrote of the forced confessions obtained during the Moscow purge trials: "It is absurd to suggest or imagine that men like this could yield to any influence against their own strong hearts. It is unthinkable that Stalin and Voroshilov and Budenny and the Court Martial could have sentenced their friends to death unless the proof of guilt were overwhelming."

One might wonder how a reporter of such sympathies could survive at the *Times,* which was then an emphatically anti-Communist institution under the aegis of Publisher Adolph Ochs, who was a Republican friend of Calvin Coolidge and Herbert Hoover. Actually Ochs received numerous complaints from readers about Duranty's reporting, but apparently could not bring himself to believe them, perhaps because of Duranty's aristocratic manner and impeccable English accent. Whatever the reason, the *Times* continued to feature Duranty.

Praising Mr. Castro

In 1957 the *New York Times* sent editorial writer Herbert Matthews to Cuba to cover what looked like brewing unrest. Matthews had earlier covered the Spanish Civil War, assuring Americans that "there is precious little Communism" on the anti-Franco side. In 1945 Matthews wrote an article in *Collier's* urging the United States to give the Soviet Union the secret of the atomic bomb. "By refusing to share the secret, we are bolstering Russian suspicions," he argued. In Cuba Matthews interviewed one of the rebels challenging the Batista regime, and profiled him in a series of articles that appeared in the *New York Times* starting February 24, 1957. "Fidel Castro is alive and well in Cuba," Matthews trumpeted. "Havana does not and cannot know that thousands of men and women are heart and soul with Fidel Castro. . . . Fidel Castro and his 26th of July movement are the flaming symbol of this opposition to

THE NEW YORK TIMES, SUNDAY, JUNE 14, 1931.

STALIN DOMINATES RUSSIA OF TODAY

By WALTER DURANTY.

Continued from Page One.

ment unrivaled since Charles Murphy died.

Stalin is giving the Russian people —the Russian masses, not Westernized landlords, industrialists, bankers and intellectuals, but Russia's 150,000,000 peasants and workers—what they really want, namely, joint effort, communal effort. And communal life is as acceptable to them as it is repugnant to a Westerner. This is one of the reasons why Russian Bolshevism will never succeed in the United States, Great Britain, France or other parts west of the Rhine.

Stalinism, too, has done what Lenin only attempted. It has re-established the semi-divine, supreme autocracy of the imperial idea and has placed itself on the Kremlin throne as a ruler whose lightest word is all in all and whose frown spells death. Try that on free-born Americans, or the British with their tough loyalty to old things, or on France's consciousness of self. But it suits the Russians and is as familiar, natural and right to the Russian mind as it is abominable and wrong to Western nations.

Key to Stalin's Power.

This Stalin knows and that knowledge is his key to power. Stalin does not think of himself as a dictator or an autocrat, but as the guardian of the sacred flame, or "party line," as the Bolsheviki term it, which for want of a better name must be labeled Stalinism.

Its authority is as absolute as any emperor's—it is an inflexible rule of thought, ethics, conduct and purpose that none may transgress. And its practical expression finds form in what is known as the five-year plan. The Soviet five-year plan is a practical expression of the dominant principle—which for convenience the writer will call Stalinism, although Stalin still terms it Leninism—which rules Russia today with absolute authority.

In a sense it is far more than a plan—and in another sense it is not a plan at all. It is a slogan for a national policy and purpose rather than the glorified budgetary program which it appears at first sight to be. Most persons outside Russia seem to think that if the five-year plan "fails" it will be the end of Bolshevism and that if it "succeeds" it will mean the end of capitalism elsewhere. Nothing could be more absurd or more wrong.

The five-year plan is nothing more or less than applied Stalinism, and its mass of bewildering figures is only the thermometer to measure the degree of heat engendered by the application of the plan, but is not otherwise intrinsically important. The figures have been changed so often and so considerably as to cease to have real value save as an indication of the "tempo," or rate, at which Stalinism is gaining ground.

Five-Year Plan Provides Goal.

To the rest of the world it is only a menace, in the sense that Bolshevism itself is a menace—which may or may not be true. To Russia it is only a hope or promise in terms of what Bolshevism itself offers. But to the Russian people the five-year plan is infinitely more besides—it is a goal to aim at, and its inception cannot be regarded as a stroke of genius by any one familiar with the Russian nature.

Russians, ignorant or wise, have a positive passion for plans. They almost worship a plan, and the first thing any one, two or more Russians ever do about anything is make a plan for it. That, after making his plan, the Russian feels satisfied and seems to lose sight of the fact that a plan must next be carried out is of the great obstacles Stalin and his associates are now facing.

So, to conceive a whole national policy and everything in the national life as one gigantic plan was the political tour de force that put Stalin in the highest rank. Every one who has employed Russians or worked with Russians or knows Russians finds that if he wants them to jump on a chair, he must tell them to jump on a table, and aiming at the table they will reach the chair. The important thing is that they have something to jump at and make an effort—whether they actually get there all at once or not does not really matter in a country of such vast natural resources and with such a tough and enduring population.

What matters is that they keep on trying, and that is what Stalinism and its five-year plan is set to make them do. In others words, the five-year plan is something for the Russians to measure at, not for the rest of the world to measure Russians by. This sounds confusing, but it is true, and if you cannot understand it you cannot understand Russia.

Chief Purpose Is Direction.

The whole purpose of the plan is to get the Russians going—that is, to make a nation of eager, conscious workers out of a nation that was a lump of sodden, driven slaves. Outsiders "viewing with alarm" or hooting with disdain as they take and play with Soviet statistics might as well be twiddling their own thumbs for all it really counts.

What does count is that Russia is being speeded up and fermented—and disciplined—into jumping and into making an effort and making it all together in tune to the Kremlin's music. That is why the Soviet press utters shouts of joy about the five-year plan for oil production being accomplished in two and a half years and does not care a rap when some meticulous foreigners comment about the fact that nothing like the five-year amount of oil has actually been produced.

What the Soviet press really means is that in two and a half years the daily production rate—or tempo—has reached the point set for the end of the fifth year of the plan—in short, that Oil has jumped on the table way ahead of time. That the said rate may only be maintained with the utmost difficulty has small importance to Russian logic, and rightly so, because a successful effort has been made and what a man has done once that man can do again.

Russia and Russians and Russian logic are different, but the fact that they are different does not necessarily mean they are wrong.

In succeeding dispatches the writer will try to show what this difference is and how it works. More immediately, how the five-year plan works in practice in this, which the Russians call, the "third and decisive year." And, incidentally, by "decisive" they do not mean critical or deciding of success or failure, but victorious—deciding success only.

the regime." Matthews pooh-poohed the suggestion that Mr. Castro was a Communist. "This is not a Communist revolution in any sense of the word, and there are no Communists in positions of control," he reported on page one of the *Times*. Shortly after Mr. Castro ousted Batista, Matthews wrote in a *Times* summary, "In the eyes of nearly all his compatriots, Doctor Fidel Castro is the greatest hero that their history has known." As for the prospect of democracy, Matthews wrote on July 16, 1959, "Most Cubans today do not want elections. The reason is that elections in the past merely meant to them the coming of corrupt politicians seeking the spoils of power." Meanwhile, the rest of the news media reported Mr. Castro's ascent with somewhat greater skepticism. Their skepticism angered Matthews, who attacked them in front of the American Society of Newspaper Editors in April 1960, "In my 30 years on the *New York Times*, I have never seen a big story so misunderstood, so badly handled, and so misinterpreted as the Cuban revolution."

Matthews's fidelity to Mr. Castro was bitterly resented by Earl Smith, then U.S. ambassador to Cuba, who wrote, "The U.S. government agencies and the U.S. press played a major role in bringing Castro to power. Three front-page articles in the *New York Times* in early 1957 by the editorialist Herbert Matthews served to inflate Castro to a world stature and world recognition. Until that time Castro had been just another bandit in the Oriente mountains." President Eisenhower suggested that Matthews had "almost single-handedly made Castro a national hero." The historian Theodore Draper wrote a series of articles in the *New Leader* thoroughly refuting Matthews's assertions that Mr. Castro was not a Communist. And a former Castro official says his boss once turned down Matthews's request for an interview because "both Matthews and the *New York Times* could be considered practically in our pockets, so it was better to keep them in reserve for the future."

Like Duranty, Matthews was protected from rebuke at the *Times* because he was favored by the ruling family. His brilliant idealism and flamboyant personal style were admired by the quiet and influential Iphigene Sulzberger, daughter of Adolph Ochs and wife of his successor, Arthur Hays Sulzberger. (Later she would be godmother to Matthews's only son.) Matthews was also valued politically by Adolph Ochs's relative John Oakes, the left-wing editorial editor who used Matthews's reporting to justify his strident opinion pieces.

The View from Hanoi

At several key points during the Vietnam War, misreporting by the *Times* helped to weaken public support for the U.S. military presence. For example, in a series of articles from North Vietnam in late 1966 and early 1967, Harrison Salisbury gave the impression that the United States was deliberately bombing civilian rather than military targets, and he used casualty figures, unverified, from Hanoi. Shown around the city of Nam Dinh by its Communist mayor, Mr. Salisbury reported that she "regards her city as essentially a cotton-and-silk textile town containing nothing of military significance. Nam Dinh has been systematically attacked by American planes since June 28, 1965. The cathedral tower looks out on block after block of utter desolation. . . . No American communiqué has asserted that Nam Dinh contains some facility that the United States regards as a military objective." In fact, as Guenter Lewy has shown in *America in Vietnam*, Nam Dinh was "a major transshipment point for supplies and soldiers moving south" and "on at least three prior occasions, American communiqués had referred to the bombing of military targets in Nam Dinh."

Cuba Has a One-Man Rule And It Is Called Non-Red

Youthful Castro Regime, Beset by Problems, Is Learning by Doing

By HERBERT L. MATTHEWS
Special to The New York Times.

HAVANA, July 15—Half a year after the revolt against the Batista regime, Cuba is in the midst of the first great social revolution in Latin America since the Mexican Revolution of 1910.

The overthrow of the dictatorship of Gen. Fulgencio Batista Jan. 1, 1959 merely ended the political phase of the struggle for power. In the process, the entire structure of government as it then existed was destroyed and a revolution to establish a different social, economic and political status was begun.

For one who has followed the struggle closely from its beginnings two and a half years ago and has just spent nearly two weeks in Cuba, it is possible to draw an outline of the situation as it really is. This being a period of creation, gestation and transformation, such an outline cannot be simple or complete, but the main features are clear enough.

Premier Fidel Castro, the young man who headed the forces that fought and won the military phase of the struggle, is now so powerful personally that for all practical purposes

Associated Press
Premier Fidel Castro

Continued on Page 2, Column 3

The New York Times, July 16, 1959

Asked recently why he only reported the North Vietnamese version of the war, Mr. Salisbury told *Policy Review*, "If you are reporting from North Vietnam, you are going to have their figures." He attributed criticism of his reports to the Defense Department's desire to discredit him "because I was devastating to them."

During the Tet offensive of 1968, *Times* coverage

helped give the misleading impression that the Americans and South Vietnamese were losing. Charles Mohr, who reported on Tet for the *Times,* now admits that the offensive was "a serious tactical defeat for the Viet Cong and their North Vietnamese superiors." At the time, however, as Peter Braestrup, former *Times* correspondent in Saigon, has documented in his book *Big Story,* the *Times* and most of the media presented Tet as a massive victory for the North Vietnamese. Mr. Mohr admits the veracity of Mr. Braestrup's study. He concedes that "massive erosion of domestic American public support for the war" followed Tet. Yet he defends media coverage of Tet as essentially accurate.

Throughout the Vietnam War, the *Times* printed story after story about the corruption and brutality in the Saigon government, while playing down or ignoring inhuman acts by the Viet Cong and the North Vietnamese. On September 4, 1969, for example, the *Times* published a front-page obituary of Ho Chi Minh. It would be hard to fault the newspaper for quoting Hanoi's official statement on "the great, beloved leader of our Vietnamese working class and nation, who all his life devotedly served the revolution, the people, and the fatherland." But there was no mention in the obituary of Ho's bloodbaths, or of the millions of refugees who fled south from his regime, a foreshadowing of the exodus of the boat people after the conquest of South Vietnam in 1975.

Indeed, readers of the *Times* were so accustomed to reading about American excesses that they were poorly prepared for the atrocities that followed the U.S. pullout. *Times* reporter Sydney Schanberg won a much-deserved Pulitzer for his valiant reporting of Communist genocide in Cambodia. But shortly before the holocaust, he reported from Phnom Penh that "unlike administration officials in Washington . . . most Cambodians do not talk about a possible massacre and do not expect one." And throughout the Cambodian holocaust the *Times* made sure its reports on the killings were balanced by cheerful features: "Vietnamese Salute Independence Day," July 14, 1975; "Life is Peaceful in Delta," September 16, 1975. According to a survey by Accuracy in Media, the *New York Times* and the *Washington Post* together mentioned human-rights violations in Southeast Asia only 13 times in 1976, at the height of the bloodletting. By comparison they had 124 stories on human-rights abuse in Chile and 85 such stories on South Korea.

Excusing the Sandinistas

Until recently *New York Times* coverage of Central America tended to italicize human-rights negligence in El Salvador while virtually ignoring greater suppression of freedom in Nicaragua. Alan Riding of the *Times* published without skepticism Sandinista claims that they sought a pluralistic, democratic society; when elections were repeatedly postponed he quoted various excuses. He praised the literacy program in Nicaragua but gave short shrift to its highly charged ideological content. Mr. Riding did concede that "some conservative groups have protested that the campaign is being used to promote the Sandinista National Liberation Front, and even to indoctrinate the population along leftist lines." He did not cite what was being taught in literacy primers—for example, that Yankees are "the enemy of humanity" or that "the guerrillas vanquished the genocidal National Guard."

Warren Hoge reported in January 1982 that "it is indisputable that Nicaraguans today suffer less state repression of fundamental freedoms than do the people of countries in the region like Guatemala and El Salvador whose right-wing governments do not draw the same kind of critical comments from Washington." This statement may have seemed plausible at the time, but the important point, which Mr. Hoge failed to make, was that the Sandinistas were moving in a totalitarian direction, while their neighbors were moving toward free elections, partly as the result of U.S. pressure.

Readers of the Times *were so accustomed to reading about American excesses in Indochina that they were poorly prepared for the atrocities that followed the U.S. pullout.*

Mr. Hoge dismissed the Reagan administration's theory that Nicaragua was arming itself beyond its defensive needs, noting simply that this opinion was "not shared by Latin American and European diplomats in Managua." He did not identify these diplomats. Asked today about his pro-Sandinista reporting, Mr. Hoge appears puzzled by the question. "I am a very nonideological person," he says.

On January 11, 1982, Raymond Bonner, a former litigator for Ralph Nader, filed a story in the *Times* charging that U.S. military advisers had watched Salvadoran military personnel torture two teenagers. The article was prominently featured on page two of the *Times.* It turns out that all the information in it was based on charges made by a deserter from the Salvadoran military, whose testimony contained several contradictions. No attempt was made to confirm the charges, nor could the *Times* produce corroborating evidence when the U.S. State Department denied the allegations and asked for proof. Now Executive Editor Abraham Rosenthal concedes that Mr. Bonner's story was "overplayed" and probably should not have been run. "Legitimate criticism of that story can be well taken," he told *Editor and Publisher.*

The torture story was only the most conspicuous example of the credibility Mr. Bonner attached to any criticism of the Salvadoran government or U.S. policy. In fact, Latin-based journalists say that, given the sympathy Mr. Bonner developed for the guerrillas, he could not view the civil war with any degree of detachment. The *Columbia Journalism Review,* in a story favorable to Mr. Bonner, quoted one Central American correspondent

saying, "Ray allowed the outrage we all feel to boil over. He allowed his hate for the Salvadoran military to boil over. And he saw the left rather romantically." Mr. Bonner himself told *Policy Review,* "A lot of reporters have been stunned by the brutality of the El Salvador government and have been outraged that the United States has been supporting that government and deceiving the American people." But Mr. Bonner seems to have been so obsessed with the misdoings—both real and imagined—of a U.S. ally that he paid little attention to what was actually going on in El Salvador. The international surprise following the enthusiastic voter turnout in the Salvadoran elections of 1982 was an excellent indication that reporters such as Mr. Bonner had not been properly covering the country's politics.

A Generation of Left-Leaning Reporters

These stories somehow fell outside the *New York Times* tradition of speedy, accurate, and disciplined reporting. Founder Adolph Ochs promised his readers balanced coverage that would "allay, rather than excite, agitation, and substitute reason for prejudice, a cool and intelligent judgment for passion, in all public action." His editorial policy was sternly anti-Communist. In 1917 the *Times*'s patriotism was questioned when it advocated a negotiated settlement with Austria at a time when the Allies had all but beaten her into surrender. The *Herald* of New York made a bid for some of the *Times*'s readership with its advertisements, "Read an *American* paper," a scarcely veiled reference to Ochs's German origins. But it was Ochs's view that the United States could negotiate from a position of strength and stop the bloodbath. He was so aggrieved by accusations of apostasy that he considered having the *Times* appear without any editorials at all.

In 1945 Ochs's successor, Arthur Hays Sulzberger, declared that the *Times* "would not knowingly employ any so-called Communist or any other kind of totalitarian in our news or editorial departments, for we have a deep-rooted prejudice for democracy and a deep-seated faith in our capacity to develop under a system of law." In the early 1950s Sulzberger unhesitatingly fired a *Times* copyreader who pleaded the Fifth Amendment when asked by a congressional committee about his ties to the Communist Party. When the Soviets invaded Hungary in 1956 a *Times* editorial summed up its attitude toward Moscow: "We accuse the Soviet government of murder. We accuse it of the foulest treachery and basest deceit known to man. We accuse it of having committed so monstrous a crime against the Hungarian people yesterday that its infamy can never be forgotten or forgiven."

Today *Times* editorials have the same accusatory tone, but the scolding finger is more likely to be pointed at a president who saves Grenada from being turned into a Soviet satellite like Hungary. A *Times* editorial called the Soviet invasion of Czechoslovakia in 1968 a failure of U.S. diplomacy; meanwhile, columnist Anthony Lewis wrote that "the West can help most by remaining quiet and calm." *Times* editorialists in recent years have bent over backwards to avoid criticizing the Soviets for arms control violations, for complicity in the papal assassination attempt, and for the horrifying use of chemical and biological warfare. Yellow rain charges against the Soviets, wrote the *Times* in 1982, "have not been fully confirmed. Besides, they describe small-scale use against unprotected people in remote areas." Nobody was hurt, that is, but little brown people.

Much has been written about how Watergate and the Vietnam War aroused an abiding press suspicion of the U.S. government. At the *Times,* distrust had been building since 1961, when the paper prepared an exposé of President Kennedy's plans for invading Cuba. At the suggestion of James Reston, *Times* publisher Orvil Dryfoos ordered the story moved to a less prominent place on page one, and any mention of an "imminent invasion" of Cuba deleted. This caused resentment among several editors, whose grumblings were vindicated by the Bay of Pigs fiasco, after which even Kennedy admitted that perhaps the *Times* had been too diffident: If it had published all it knew, the invasion might have been cancelled and the tragedy averted. This incident was repeatedly cited 10 years later by *Times* editors to justify printing the Pentagon Papers against government wishes. In *Bad News,* a critical book on the *Times,* former *New York Daily News* correspondent Russ Braley argues that the Pentagon Papers case placed the *Times* in institutional opposition to the elected government; indeed, it had a vested interest in the humiliation and collapse of the government. That is why Watergate was so savory to the *Times:* It reinforced its sense of the presidency as self-serving, and the press as virtuous and the true protectors of the people's interest.

Until recently Times *coverage of Central America tended to italicize human-rights negligence in El Salvador while virtually ignoring greater suppression of freedom in Nicaragua.*

In this period it wasn't just the *Times*'s editorial pages that moved to the left, but also its news sections. The new ideal was for reporters to undermine those in authority. For this journalists searched endlessly for anyone disgruntled with the present leadership or seeking change, whom they pressed for denunciations and rewarded with favorable coverage or, where the occasion demanded it, anonymity. The Bay of Pigs, Vietnam, and Watergate also provided political *direction* for enterprising reporters. Stories revealing the moral and strategic folly of the use of American force, the inspirational value of Communism to the suppressed masses in the Third World, and the discrepancy between the heroic ideals and unethical behavior of U.S. leaders, brought high praise from the journalistic community.

Yet *Times* reporters and other newsmen were probably not being consciously ideological. As Hilton Kramer, former arts editor at the *Times* and currently editor of the *New Criterion,* puts it, "For most liberal journalists their political prejudices do not strike them as liberal. They feel they are simply reporting the state of nature. Those who disagree with them are viewed as ideologues."

Weary of Partisan Reporting

But one important man at the *Times* has grown weary of partisan reporting in the tradition of Duranty and Matthews, which, ironically, has reached its apogee during his own term as executive editor and man-in-charge. Abraham Rosenthal personally interviewed and hired a generation of left-leaning reporters for the *Times,* the vast majority of them from Columbia and other top journalism schools. He took them for their enterprise and skill, but seemed to regret their monolithic views as early as 1967, when at a seminar held by Professor Chris Argyris of Harvard he complained that "the editorial page has gone toward the left, the columnists are liberal to liberal-left, and many of the bright reporters have come out of an atmosphere of advocacy." Mr. Rosenthal was then assistant managing editor after reporting for the *Times* from Poland, Japan, and India. He argued that the *Times* had "to pull back to center. The paper should not be politically discernible."

Mr. Rosenthal became executive editor in 1969, but only recently has he acted to curb ideological reporting in the newspaper. Gay Talese in *The Kingdom and The Power* describes how Mr. Rosenthal triumphed over the various duchies and fiefdoms that fought among each other for control of the *Times*. Perhaps he wanted to consolidate his power at the newspaper before attempting to reform its news coverage.

Reporters at the *Times* also suggest that Mr. Rosenthal postponed his effort to restore balance because he believed, with some justification, that even though his reporters were liberal they were among the most talented and experienced hands in the business. All his colleagues describe Mr. Rosenthal as a perfectionist, so it is understandable that he would be reluctant to restore political centrism at the cost of losing news scoops to rival newspapers. Yet Mr. Rosenthal has always had old-fashioned views about journalism. "He hates ideological or emotional baggage," a *Times* reporter in the Washington bureau says.

Many *Times* reporters also say, often with regret, that Mr. Rosenthal has become more conservative. Charles Kaiser, former *Times* reporter now with the *Wall Street Journal,* describes Mr. Rosenthal as a "neoconservative." He has "shifted gradually to the right over the years," Mr. Kaiser says. Unquestionably he is anti-Communist. Recently he was attacked for printing Claire Sterling's 6,000-word summary of the Italian judiciary's investigation into Bulgarian connections with the Pope's would-be assassin Ali Agca. Mr. Rosenthal did not ask a *Times* staff writer to do the story, as is customary; his selection of Miss Sterling was particularly telling, because she broke the initial story in *Reader's Digest,* and *Times* reporters had been hostile to her conclusions.

Perhaps even more extraordinary, in 1982 Mr. Rosenthal sent a letter to the editor of his own newspaper, denouncing an obituary that appeared in his own news columns. The obituary stated that Wladyslaw Gomulka, the late Polish leader, had demonstrated that a Communist country could be ruled "without resort to overt police terror." Wrote Mr. Rosenthal: "That statement is incorrect and an insult to all the Poles who suffered under [Gomulka's] rule." The executive editor described Gomulka as "repressive, harsh, ideological, and his government stayed in power only because the Poles knew that its overthrow would mean invasion by the army of the Soviet Union."

A second explanation is Mr. Rosenthal's responsiveness to the paper's market. The newspaper has proved time and again that it cannot be blackmailed by advertisers, but it is affected by its readership. One of Mr. Rosenthal's major accomplishments as editor was to avoid what his business staff predicted would be a financial debacle in the 1970s. He did this by breaking with the *Times*'s tradition of antiseptic reporting and unoriginal layout. Special sections such as "Sports Monday" and "Weekend" were introduced. The writing and headlines were livened up; for the first time salty features such as Erica Jong's recipes, titled "Fear of Frying," began to appear. Readership soared as a result of the less forbidding format. Mr. Rosenthal is also not above catering articles to targets of the latest circulation drive. He has been criticized for assigning fewer stories about rundown sections of New York, and more celebrations of life in the Hamptons. If Mr. Rosenthal can adapt his newspaper to the cultural preferences of his readers, why should he ignore political shifts? Surely he is aware of the rightward drift of New Yorkers, particularly Jewish and Catholic readers. The city now elects Edward Koch as mayor, not John Lindsay.

"We accuse the Soviet government of murder. We accuse it of the foulest treachery and basest deceit known to man."

—Times *editorial after the Soviet invasion of Hungary, 1956*

Rosenthal's Reforms

The most conspicuous venue of reform is the *New York Times Magazine,* once mostly independent of the daily newspaper, but now directly under the executive editor's control. This year, the magazine has published several reassessments of liberal enthusiasms. In "What Constitutes a Civil Right?" Morris Abram argued

against reverse discrimination and quotas. An article by Richard Bernstein on the United Nations was not only critical of the UN's anti-Israeli and anti-American positions but also questioned the desirability of the organization's continued existence. Anti-Communist articles have appeared frequently in the magazine, among them Victor Krasin's "How I Was Broken by the KGB," Nicholas Gage's "Looking for Eleni," and Mr. Rosenthal's moving evocation of Poland before and after Soviet occupation. Another remarkable piece that the *Times* would probably not have featured five years ago was Fox Butterfield's account last year of revisionist scholarship on Vietnam, which punctured every left-wing orthodoxy about the war. The *Times Magazine* has also featured the

The front page is less likely now to feature articles on suffering welfare mothers, and more likely to chronicle the resurgence of patriotism and family values.

second thoughts of feminist radicals who have rediscovered the institution of the family. Fran Schumer's "A Return to Religion" noted the increase in religious interest among intellectuals and the East Coast elite.

Since the news sections of the *Times* are not overtly opinionated, their rightward shift is much less evident. It should not be overestimated, but it is there, and can be measured by the increasing agitation over the *Times* on the part of Alexander Cockburn, who writes press criticism for the *Nation*. Foreign Editor Warren Hoge says that "if there is one phrase that Rosenthal uses over and over again here, it is 'We've got to get the pages straight politically.' " Mr. Hoge adds that "if there is a story that is naive or uncritical toward either right or left, we hear about it from Abe." As a result of this conscious effort toward balance, it is not unusual to find such stories as "America's Astounding Job Machine: Employment is Growing at a Record Rate—Even in Manufacturing. It's the Delight of Reagan and the Envy of Europe." This article, on page one of the Sunday business section, went on for several columns, and was in marked contrast to the Reagan-bashing slant of the paper's previous economic reporting. The front page is less likely now to feature articles on suffering welfare mothers, and more likely to chronicle the resurgence of patriotism and family values in various parts of the country.

There are still some activist reporters on the *Times*, but they are in the minority, and none of them covers a major beat. Even those reporters who are liberal are careful not to let their personal views surface in their stories. The term that best applies to such men as Bernard Gwertzman, Thomas Friedman, Francis Clines, R. W. Apple, John Burns, Craig Whitney, Hedrick Smith, and Bill Kovach is *professional*. One media analyst observes, "These guys are not looking to save souls or overthrow governments. They are professionals of the old type." One of the best reporters, Paris Bureau Chief John Vinocur, has been denounced by Mr. Cockburn as a "sedulous Reaganaut" for his reports on the growth of French anti-Communism and the collapse of President Mitterrand's socialist policies. The most politicized reporters for the *Times* in the past are either retired, like Harrison Salisbury, on the op-ed page, like Tom Wicker and Sidney Schanberg, or employed outside the newspaper business, like David Halberstam, Seymour Hersh, and Raymond Bonner.

An American Comeback

What's in store for the *New York Times*? Abraham Rosenthal's effort to restore balance is welcome, but how long will it last? That could depend on whether his ideals of uniformly skeptical reporting are taken up by other editors. Mr. Rosenthal is only three years away from retirement, and though there are rumors about his staying on, he told *New York* magazine he would "probably" step down when he reached 65. The most commonly mentioned names for Mr. Rosenthal's successor are Assistant Managing Editor Craig Whitney, Foreign Editor Warren Hoge, Editorial Editor Max Frankel, National Editor David Jones, and Washington Bureau Chief Bill Kovach. Obviously the new executive editor's political and journalistic convictions will influence the future course of the *Times*.

But what we are witnessing now is a distinctly American comeback. The *New York Times*, America's greatest newspaper, is reaffirming its greatness by retreating from the radicalism of the last two decades and once again taking up responsible journalism. It is the first liberal institution to identify the excesses of liberalism, mainly its flirtation with Communism, and to seek to correct them. Many *Times* readers feared that the newspaper did not have such resilience. Abe Rosenthal is proving them wrong.

Taking Liberties

The ACLU Strays from Its Mission

Richard Vigilante and Susan Vigilante

For over sixty years the American Civil Liberties Union has been the nation's most able and dedicated advocate of the liberties guaranteed us in the Bill of Rights.

It has defended free speech and opposed censorship; it has fought for racial equality; in labor disputes it has defended the rights of workers and "bosses" alike. In the 1930s it opposed the censorship of Joyce's *Ulysses*. In *Brown v. Board of Education,* the 1954 case that ended legal segregation in public schools, it supported the NAACP with an amicus curiae brief. Throughout the 1960s it was active in the civil-rights movement, providing legal assistance for civil-rights activists of all races.

In defending what it sees as the principles of the Bill of Rights, the ACLU has never shrunk from unpopular causes. Throughout the 1920s and 1930s, it defended the right of Communist leaders to free speech and free assembly. In the 1970s, the ACLU was instrumental in obtaining the right to abortion on demand. It also defended the right of American Nazis to demonstrate in various communities in the United States, some of them with large Jewish populations. The most widely publicized of these cases, involving Skokie, Illinois, cost the ACLU an estimated 35,000 members, at least 10 percent of its membership.

Though widely considered a liberal institution, the ACLU has long attracted the support of many conservatives. In recent years, however, conservatives have frequently complained that the organization has gone beyond the defense of civil liberties to do battle for partisan and even bigoted and anti-American causes. The most frequent charges are three:

1. That many members of the organization are anti-religious, with some carrying their hostility toward conservative religious denominations to the point of bigotry; and that the organization itself has sought to intimidate or penalize the exercise of religious belief;

2. That in the sphere of social conduct the ACLU has gone beyond advocating tolerance and now works to actively undermine traditional moral standards;

3. That in its foreign-policy cases the ACLU has consistently worked to hamper U.S. efforts to contain Communism.

Pursuit of the Absurd

"Congress shall make no law respecting an establishment of religion or restricting the free exercise thereof." In the ACLU's interpretation, this clause of the First Amendment not only forbids the establishment of a particular national church but also excludes virtually all religion from public life. This stand does not make the organization antireligious, says the ACLU's Executive Director Ira Glasser; in his view, a strict separation of church and state actually benefits religion. He contends that religious belief flourishes in societies that keep religious disputes out of public life.

Even if the ACLU is not hostile to religion, the objective effect of its efforts has been to reduce the place of religion in American life and to restrict religious speech in a way the ACLU would never allow other forms of speech to be restricted. And on occasion the ACLU's scrupulous pursuit of the separation of church and state has led it to the point of the absurd.

A perfect example is the ACLU's view of Christmas celebrations. Most cities and towns in the United States give Christmas some kind of public nod—wreaths on office buildings, fir trees strewn with colored lights, city sidewalks dressed in holiday style, silver bells, and so on. But the ACLU is constantly vigilant lest these holiday celebrations violate the establishment clause. In 1981 the Rhode Island affiliate of the ACLU sued the City of Pawtucket to stop the display of a crèche of the Christmas nativity scene. The ACLU lost the case this spring, when the U.S. Supreme Court ruled that portraying a historical event does not constitute an establishment of religion. In 1979 the ACLU sued the public schools of Sioux Falls, Iowa, to stop the singing of "Silent Night" at the annual Christmas assemblies.

The ACLU is relentless even outside the Christmas season.

In Minnesota the organization sued a high school to

RICHARD VIGILANTE *and* SUSAN VIGILANTE *are members of the American Civil Liberties Union. Mr. Vigilante is coauthor of* Grenada: The Untold Story, *to be published by Madison Books this October.*

force it to cancel plans to have a prayer recited at its graduation ceremonies. (The school backed down, as do many potential defendants faced with ACLU lawyers.) In April 1982 the superintendent of a school district in Spanaway, Washington, was lectured, if not threatened, by the local ACLU chapter for permitting a high school to put on *Jesus Christ, Superstar* as its spring play. The ACLU president informed him that Bethel High School was "engaging in religious instruction," and that "further violations of this kind may result in more direct and more drastic action by the ACLU."

The ACLU is led into absurdities because it sees religion as an almost irresistible persuasive force. Nat Hentoff, the *Village Voice* columnist, is something of a gadfly to the ACLU, though he himself is a member who has served as a director of both the national ACLU and the New York affiliate. He explains that a "slight majority of the national board and some of the national lawyers . . . seemed to be . . . afraid of making religious speech first-class speech, the way all other speech is." The reason: "They really ascribe these extraordinary powers to religious speech."

As a result, the ACLU is constantly anticipating establishments of religion where there is little practical danger of any such thing. It is true that organized school prayer, even when voluntary, raises complicated issues on which reasonable constitutionalists can disagree. But the ACLU has frequently gone far beyond opposing organized school prayer, to opposing virtually all religious expression in the schools. It has opposed such innocuous solutions as moments of silence. It opposes vouchers and tuition tax credits. It even opposes most forms of so-called "equal access"—the proposition that student religious groups should be able to meet in public schools after school hours on the same basis as other student organizations–which is supported by many groups, including religious denominations, that oppose organized school prayer.

Silence in the Schoolroom

Connecticut, like more than twenty other states, allows a moment of silence at the start of the public-school day. The Connecticut affiliate of the ACLU opposes this. Quoted in the *New York Times*, Connecticut CLU Director William Olds called the periods of silent meditation "clearly religious," and cited complaints that teachers folded their hands during the periods, or told students that they, the teachers, pray during the minute of silence. Mr. Olds objected because he believes the action of any teacher pressures students to do likewise. "The younger the student," he said, "the greater the pressure to follow a teacher's direction, however subtle that may be."

The implied attitude—that any display of religion is by nature coercive—becomes even more evident when the subject is equal access. In the ACLU's first equal-access case, *Tinker v. Des Moines* in 1969, the organization actually came out in favor of permitting religious speech in the schools, but under very peculiar circumstances. Mary Beth Tinker, the daughter of a Methodist minister, was suspended from her high school for wearing a black armband as part of Vietnam protest. But, she explained, she was wearing the armband not as an act of political speech, but as an act of religious speech. She wore it during two days of the Advent season as part of an act of religious mourning for the dead. The ACLU sued on Miss Tinker's behalf and won. In virtually all subsequent cases, however, the ACLU has been on the other side of the equal-access question.

The most important equal-access case is *Lubbock Civil Liberties Union v. Lubbock Independent School District* (1982). For some years previous to the case the public schools in Lubbock, Texas, had been allowing morning Bible readings over the schools' public-address systems. After protests and threats of a lawsuit the practice was dropped. But enough people were upset with the loss of the Bible readings that the school board enunciated the following policy: "The school board permits students to gather at the school with supervision either before or after regular hours on the same basis as other groups to be determined by the school administration to meet for any educational, moral, or religious purpose, so long as attendance at such meetings is voluntary." The Lubbock ACLU sued to have the policy overturned and won.

At the very least, the ACLU is suspicious of religion, so suspicious in fact that on occasion ACLU affiliates have clearly violated their own principles in order to punish the devout.

We asked a number of ACLU spokesmen to explain the danger in allowing students to meet voluntarily after school to hold religious meetings. Invariably the danger they saw was that other students might perceive the religious activity as being endorsed by the school and perhaps be offended, or converted.

David Isbell is a Washington lawyer who serves on the Executive Committee of the ACLU's board of directors. The danger to be guarded against, he argued, is that "so-called voluntary activities, when examined closely, turned out not to be voluntary. . . .The school tends to be in the position of sponsoring [religious activity], or to be perceived to be in the position of sponsoring it."

We asked why this possible "perception" mattered, especially if it were incorrect? The ACLU does not normally condition a speaker's rights on the unpredictable perceptions of whoever might be in the audience. Why did they do it with religious speech?

Mr. Isbell's answer was that he was sure that compulsion was at work, because he distrusted the motivations of the people who desired these meetings to be held.

"Why so much insistence on the so-called right to voluntary prayer in public school?" he asked. "Why must it be in school?. . . I'm not aware of any religion that considers the public schools to be an important place

of prayer." He suggested that religious activity, even on a professedly voluntary basis, is "intended to be compulsory. . . . I don't really think that people who want to see prayer in the public schools are concerned that their children are being deprived of the opportunity to pray. They are concerned that other people's children aren't getting enough prayer. . . . I think the religious groups who are most in favor of school prayer are also the evangelical groups, who are interested in recruiting others. . . . It tends to be, I think, characteristic of those which favor school prayer that they want to convert people. And I think they correctly perceive school prayer as a good way of converting, and I maintain the suspicion that that is a major motivation."

We asked how he would respond if an outraged parent came up to him and said, "The ACLU is willing to let the Hitler Youth meet in school, but you won't let my child's prayer group meet."

His answer, he said, would be, "Why does your kid have to pray in school? . . . Are you really interested in your kid praying . . . or isn't your real interest in getting other people's kids to pray?"

We asked the obvious question, which was, "The Hitler Youth, whom you wish to allow, are there because they want to convert other people to hating Jews. Why don't you analyze their motivations before letting them exercise their rights?"

"There is a difference between religious speech and all other kinds of speech," he said, "and there is a difference in the kind of involvement the government can have in it." This pretty much sums up the ACLU position: Religion is a special kind of speech from which children must be protected. We asked the Reverend Barry Lynn the Nazi question. Mr. Lynn is the ACLU's legislative director and leader of its fight against various equal-access bills in Congress. His answer: "There is clearly a distinction made between religious speech and activity and any other speech and activity. . . . There is an establishment clause which limits and tempers only religious speech and activity. There is no establishment clause which in any way limits economic, cultural, historical, or philosophical expression. . . . The state may embrace any economic, political, or philosophical theory; it may not embrace or enhance any religious activity." Religion is a force so powerful that the Constitution protects us from it and was clearly meant, by at least some of the Founding Fathers, to do so.

Led by Barry Lynn, the ACLU succeeded in preventing any strong equal-access legislation from passing in Congress. The version of the bill that did finally become law did so without the ACLU's opposition. It would allow religious groups to meet in public schools, but only at those schools with very liberal policies on extracurricular activities—that is, if the Nazis could meet, then so could the Presbyterians. The day after the equal-access bill was passed, Mr. Lynn told the *New York Times* he was pleased with the legislation, not for religious reasons, but for reasons of free speech. "To the extent that the bill protects and clarifies secular free-speech rights it's a good bill," he said. "I suspect that if two years from now we find American troops in Nicaragua, it would be a real good tool for students who want to organize groups against that."

Because of its positions on these questions the ACLU has often been accused of being antireligious. This is a difficult charge to assess. As Nat Hentoff pointed out, it is hard to ascribe bigotry even "to individuals, let alone to a group," especially one as diverse as the ACLU. On balance, Mr. Hentoff at least does not think the ACLU is motivated by religious bigotry. But he also told us, "I used to think I was the most anticlerical kid on the block, until I got on that national board."

Saving the World from Jerry Falwell

The ACLU is certainly sensitive on the point. Five years ago it surprised many of its critics by supporting the right of Pope John Paul II to say Masses on state and federal property during his visit here. On the face of it, this support was simply in keeping with the official ACLU policy that public areas "must remain open to all groups, both religious and nonreligious." But it was also good public relations. As Ralph Temple, then executive director of the ACLU's National Capital Area affiliate, boasted in the ACLU newsletter, *Civil Liberties,* "The Pope's visit gave us an excellent chance to show how unideological we are."

The Virginia ACLU was actually trying to punish Liberty Baptist graduates on the basis of some private beliefs it only suspected them of holding.

At the very least, the ACLU is suspicious of religion, so suspicious in fact that on occasion ACLU affiliates have clearly violated their own principles in order to punish the devout. One of the most glaring incidents of this was a 1983–84 battle over the Virginia State Board of Education's accreditation of the biology education program of Liberty Baptist College (founded by the Reverend Jerry Falwell).

Accreditation of the program would have qualified Liberty Baptist graduates to be hired as biology teachers by Virginia public school districts and, through reciprocity arrangements, by public schools in other states. The ACLU of Virginia opposed accreditation on the grounds that Liberty Baptist students were taught creationism, and therefore to allow them to teach in the public schools would be tantamout to an establishment of religion.

It was an extremely aggressive position to take. Liberty Baptist teaches evolution in its biology classes, and its graduates are at least as well acquainted with the facts of evolutionary theory as the typical public school biology teacher. The college also exposes students to creationism, and notes that neither theory has been proved. (Dr. Pierre Guillermin, president of the college, explains that the

school has a doctrinal commitment to the belief that the literal truth of the six-day, 24-hour Genesis account of creation will eventually be vindicated.)

The ACLU's objections as stated to the press and explained to us by Chan Kedrick, executive director of the Virginia ACLU, were:

1. That Jerry Falwell, in sermons delivered not at the college but at his church (a separate entity), has condemned evolution and argued that Liberty Baptist students should learn evolution in order to refute it. Mr. Falwell holds no executive position with the college, though he sits on its board of directors. But, according to Mr. Kedrick, "Anyone who doesn't believe Jerry Falwell runs Liberty Baptist is living in a dream world."

2. That all teachers at the college are required to sign a doctrinal agreement professing that they accept the literal truth of every word of the Bible; and

3. That Liberty Baptist College had accepted accreditation from an association of fundamentalist colleges that itself endorses creationism.

The implications of the Virginia ACLU's position are staggering. Creationism is already banned from the public schools, thanks to the ACLU, and teachers employed by the public schools have always been required to stick to state-approved curricula. But the ACLU's position presumes without evidence that fundamentalists would violate state law and sneak creationism into the schools. It seeks, therefore, to punish fundamentalists not for any wrongdoing but for their privately held religious beliefs. Indeed, because it is the Liberty Baptist faculty, not the students, who must sign the doctrinal statement, the Virginia ACLU was actually trying to punish Liberty Baptist graduates on the basis of private beliefs it only suspected them of holding.

Mr. Kedrick denied that this was the ACLU's goal, but refused to give an alternative explanation. We asked Executive Director Ira Glasser what he thought of the case. He wouldn't criticize the Virginia affiliate, but clearly had his doubts: "It is not usual for us to get involved in affirmatively seeking to deny accreditation to a college; we normally don't do that. . . . To my knowledge we have never engaged in that kind of thing before, but whether it is proper . . . depends on the facts."

By ACLU standards Mr. Glasser is something of a moderate. Like everyone with whom we spoke he denied that the ACLU was antireligious; indeed, he brought up the subject before we did. But he did think that there was, among many ACLU members, a shortage of sympathy for believers, particularly fundamentalists and others associated with the "Religious Right":

"In part because we are always in an adversarial position with some of these forces," he explained, "you get to see each other as enemies. . . . I think on a larger level a lot of ACLU people do not see the agony I think some of the fundamentalists are in." He believes that, like "the Amish in Pennsylvania," many fundamentalists feel that "the outside world is a source of evil. They feel assaulted by much of what is modern. I think that goes for sexual mores, for movies, for television, for many forms of entertainment. . . . A lot of fundamentalist groups . . . feel that they have somehow lost control over their right to bring

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The ACLU imputes dangerous and almost magical powers to religious speech.

up their children the way they want, they have somehow lost control over their right to transmit to their children their values and not somebody else's values. . . .The institutions of the family and the church until very recently in history have been the institutions that have transmitted those values." The fundamentalists feel that those "institutions have been swept away by the larger society and that the two instruments that have been most destructive are the public schools and television. I have myself some sympathy for that," he says, "because I think that people have a right to bring up their children the way they want." However, he explains, the fundamentalists' enemy is not the government but the prevailing mass culture. And, unlike the Amish, "their attitude is not to withdraw from [for instance] the schools, their attitude is to go in and control the schools, and that's where we get into conflict."

Beyond Tolerance

The ACLU has always vigorously defended the rights of those whose lifestyles place them in conflict with established social norms. However much some conservatives might disapprove of the ACLU's activities in this area, it is impossible to deny that the organization's position has been genuinely civil-libertarian; it is difficult to conceive of a civil-libertarian organization that would condone laws regulating sexual mores or other private behavior.

Occasionally, though, the ACLU has gone beyond advocating tolerance all the way to working for the overthrow of traditional moral norms. This has been

especially clear in regard to the traditional family and the respective rights of parents and children. Though in some cases the ACLU has firmly defended the rights of parents against interference from social-welfare agencies and other state institutions, in a number of controversial cases the ACLU has come down decisively for overturning traditional views of the family, sometimes so slighting the rights of parents as to put their children in danger. The ACLU has defended the right of young adults to remain within so-called "cult" religious groups, such as the Hare Krishnas, against efforts by their parents to kidnap or "deprogram" them. The ACLU has also vigorously supported the notion that students subjected to school discipline have due process rights similar to those of accused criminals and cannot be punished without courtlike procedures. In the opinion of some education experts the ACLU's activities in this area have severely undermined school discipline and academic effectiveness, thus hurting the very students the ACLU meant to help.

In the ACLU's world, parents who resist the sexual revolution should lose their children to the state.

But the ACLU's most controversial activities regarding the "rights" of children involve minors' reproductive rights. In 1983 the Department of Health and Human Services announced a regulation that opponents branded "the squeal rule." It said that clinics receiving federal funds that distributed prescription contraceptives to unmarried minors must notify the child's parents within ten working days. The ACLU, along with Planned Parenthood and others, immediately went to court to overturn the regulation. The plaintiffs claimed that the rule would scare youngsters away from clinics, thereby inviting an increased number of teenaged pregnancies. The ACLU also claimed that along with violating the adolescents' right to privacy, the proposed rule also discriminated on the basis of sex, since the only prescription contraceptives currently available are for women. Despite protests from pro-family groups and others, the ACLU position prevailed, and a federal judge granted an injunction against the rule.

In a similar case in Akron, Ohio, the ACLU took a more aggressive position. An ordinance there required that in the case of a minor seeking an abortion her parents would have to be notified before the operation could take place. The ACLU sued to have the law overturned. But they didn't stop there.

A group of Ohio parents had entered the case on the side of the government (in defense of the notification requirement), contending that their rights of parental control would be violated if the law were overturned. The presence of individual "intervenors," as they are called, transforms the government's case from one in which government prerogatives are being defended against the assertion of individual rights (for example, the rights of the minors seeking abortions) into one in which two sets of individual rights (in this case, parents v. minors) are being disputed.

The ACLU won the case and sued for attorney's fees. This has become customary in civil-rights cases, but only when it is the government that loses. Because the government has lots of money and is usually seen as defending its own prerogatives rather than someone's rights, the courts have not hesitated to stick the government with the bill when it fails to prove its case. But in this case the ACLU was able to stick the parents, who entered the case to defend their rights, with a $100,000 bill for attorney's fees. The effect of such a tactic will certainly be to discourage other private citizens from defending their rights against the ACLU. According to Professor Grover Rees III of the University of Texas Law School, should the ACLU succeed in frightening away such intervenors, it will be able to monopolize the "individual-rights" position in civil-rights cases. Since the individual-rights side has in practice great legal advantage over the government-prerogatives side, intimidating other groups from defending their rights will help the ACLU win more cases.

In both the above cases the ACLU's advocacy of children's rights produced a revolutionary change in family law in which parents lost part of their right to raise their children, not because of any wrongdoing but merely because they differed with the state on clearly debatable moral points. In the ACLU's world, parents who resist the sexual revolution should lose their children to the state. In fact, defense of the sexual revolution is, consciously or not, one of the ACLU's most important tasks. In abortion cases, in which parents' and childrens' rights are at stake, the ACLU has explicitly or effectively taken the side of the sexual revolution.

Right to Abortion

The ACLU is committed foursquare to the right to abortion. It supports a full-time lobbying and litigating effort called the Reproductive Freedom Project. Its position is that abortion is a basic civil right, rather than a controversial political question. In a strongly worded fundraising letter the ACLU lists the religious right's opposition to abortion as one reason it fears that movement is spearheading a new McCarthyism. As Nat Hentoff, who is anti-abortion, has pointed out, it has even passed up opportunities to defend the free-speech rights of pro-lifers.

The ACLU has not taken any position on the various Baby Doe infanticide cases in which handicapped children have been denied lifesaving medical treatment that would ordinarily be extended to other children. In the view of some ACLUers, like Mr. Hentoff, the inaction is a glaring violation of the ACLU's usual standards. Ordinarily the organization can barely restrain itself from entering cases in which helpless defendants are being denied the equal protection of the laws.

Mr. Hentoff, in fact, has been agitating for almost two years to get the ACLU to take a stand, but the only action the organization has taken has been to set up a committee to look at the question. The ACLU has refused appeals from Mr. Hentoff and several civil-liberties lawyers to get involved in an Oklahoma case in which doctors have withheld treatment from handicapped children on the basis of a prospective-quality-of-life formula, by which children who come from poor or deprived backgrounds were less likely to receive treatment than those with wealthier parents who could provide a better "quality of life."

Mr. Hentoff explained that "Ira [Glasser] was mad at me because I said in some column that the ACLU did not react to this, because he said he didn't even know about it. Well, that may have been sloppy writing on my part. But . . . he knows about it now, and the ACLU has still not said anything about it. A number of us . . . have been trying to get . . . the Reagan administration to stop this in Oklahoma, and to bring suit against the doctors involved, and we have had not one whit of help from the ACLU. I find this incredible on the basis of equal protection of the laws and due process."

It is possible the ACLU position will change somewhat. Ira Glasser told us that he was outraged by the 1982 Indiana Baby Doe case in which a Down's syndrome child with an easily treatable, and not uncommon, blockage in his esophagus was denied treatment and slowly starved to death. But about other cases involving more serious defects he was less sure. He also thought it was possible that some ACLUers had not come out in favor of the Babies Doe because they didn't want to be on the same side as the right-to-lifers.

Sorrows of Young Walter

There is, of course, one particularly famous case in which the ACLU thought it imperative to defend not the rights of the children but that of the parents—the case of Walter Polovchak.

In January 1980 Michael and Anna Polovchak emigrated to the United States from the Ukraine. Within a year Michael decided to return to the Soviet Union. Subsequent court testimony suggested that he had never intended to stay: He had a mistress in the USSR and wanted to drop his family here and return to her. He proceeded to make arrangements to do just that. But the Soviets wouldn't cooperate. They would not let Michael back into the Soviet Union unless he brought his family with him.

Walter, who had been raised by two aunts and had had little contact with his father, refused to return. The father's first reaction, according to Walter's lawyer, Julian Kulas, was to ask the court to legally dissolve the relationship between him and his son, perhaps thereby facilitating his return. But just at that point the ACLU sought out Polovchak senior and offered him their services in helping get Michael back to the Soviet Union. The ACLU won in court but lost in practice—before Walter could be sent back he turned 16 and was granted asylum on his own behalf.

The case embarrassed some, though hardly all, ACLUers. And the explanations for why a civil-libertarian organization would want to send people to the Soviet Union varied with the degree of embarrassment. Some of the ACLU leaders we spoke with argued, almost apologetically, that the case was an unfortunate one that the ACLU entered only because the court in which it was brought was insufficiently solicitous of the parents' procedural rights. These procedures, they argued regretfully, had to be protected even when they might produce undesirable consequences.

Nat Hentoff was forthrightly opposed to sending Walter back to Russia: "I think that there are times when not only the ACLU but a good many liberals and people who regard themselves as civil libertarians place too much stress on the authority of the natural family, as against the rights of the child. In this case I had no doubts at all, because if you say that the natural family had the right to take the kid back to the USSR, that would be the end of it. You know, usually you can say, Oh well, when he reaches the age of majority he can decide for himself, whether he wants to be Catholic or whatever. Once he gets back to Russia there is no second shot."

The explanations for why a civil-libertarian organization would want to send people to the Soviet Union varied with the degree of embarrassment.

But there was a strong unembarrassable faction. Frank Haiman, the ACLU national board member from Illinois, where the Polovchak case was brought, argued that the "principle that was paramount was the right of parents to bring up their children in their own way. If they were going to take him to Canada or Australia nobody would have had a second thought about it. It was because they were going to Russia that people got all excited about it and wanted the state to intervene."

We asked how he reacted to the idea that the desire to take the child back to the Soviet Union was in itself proof of the unfitness of the parents.

He thought it was "ridiculous. It's like saying that Amish people who want to keep their kids out of public schools and educate them privately because they don't want them to be exposed to our material worldly values, that we should take those kids away from them. . . . Maybe the kid wants to go to public school and doesn't want to be part of the orthodox Amish community. No, it's just part of our tradition that until the kid is 18 or 16 or whatever . . . the parents have the right to bring him up as they please as long as they don't engage in physical child abuse." (Mr. Hentoff's response on hearing Mr. Haiman's answer: "An Amish kid can always walk off the farm and go to the nearest city.")

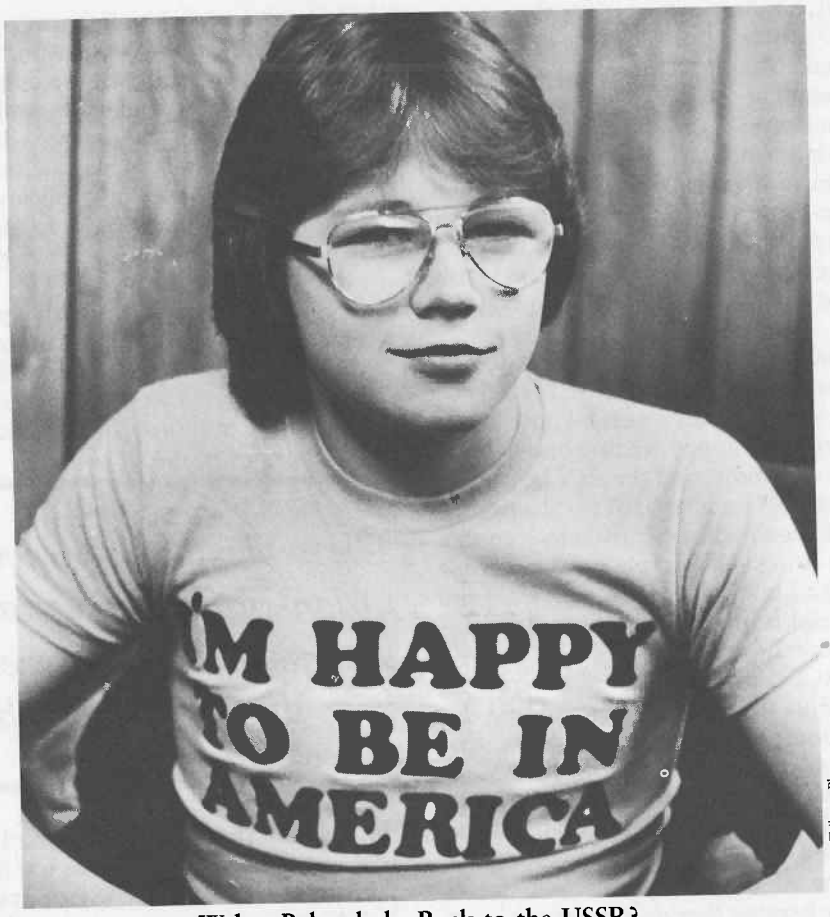
Certainly, we asked Mr. Haiman, he could see a differ-

ence between the Amish and the Soviets?

"What's the difference?"

The Soviets are totalitarians.

"What if they wanted to take them back to South Africa or Cuba? It just seems to me, the parents are going back to Russia, they want to take their children with them. I don't think the government they are going back to is relevant to whether or not our government or our society has a right to intervene."



Chicago Tribune Photo

Walter Polovchak: Back to the USSR?

There is an interesting footnote to the story. According to Julian Kulas, Walter Polovchak's lawyer, shortly after the Polovchak case gained national attention, the New Jersey ACLU undertook to defend a Chilean child in circumstances almost identical to Walter's. The Chilean child wanted to remain in the United States rather than return home. The ACLU lawyer in the case called Mr. Kulas to ask him for advice. Mr. Kulas, surprised, inquired about the inconsistency. The New Jersey ACLU lawyer pointed out that the two state affiliates were not responsible for each other's actions but also explained that the difference in the two cases was that Chile was a fascist dictatorship, while Russia was a socialist country. (The lawyer says today she doesn't remember making the remark, and doubts she would have said it.)

Aiding Communism?

Though the Polovchak case was not strictly a foreign-policy issue, it highlighted another major criticism of the ACLU: that it has ventured beyond its original purpose by entering the foreign-policy arena, and that its positions on this subject, rather than being civil libertarian, are merely left-wing. And in some cases, it is charged, ACLU positions may have the unintended effect of advancing not liberty but Communism.

The ACLU's history does not aid its reputation in this area; it has frequently given observers cause to worry that it is soft on Communism. Roger Baldwin, who founded the ACLU to defend American freedom, was in one important way the man least qualified for the job: He was a Communist sympathizer, a self-avowed soldier in the march of socialism. Although Baldwin himself was never identified as a card-carrying Communist, members of his first board of directors were: Max Eastman was editor of a Communist newspaper, *The Masses;* William Z. Foster later became president of the U.S. Communist Party; and Helen Gurley Flynn was long associated with the *Daily Worker.* Baldwin himself, in his 30th Reunion Harvard Classbook, wrote, "I am for socialism, disarmament, and ultimately for abolishing the state itself as an instrument of violence and compulsion. I seek social ownership of property, the abolition of the propertied class, and sole control by those who produce wealth. Communism is the goal."

As the years went by, Communism became an embarrassment for the organization, and by the 1930s the ACLU had fallen under government suspicion. In 1931 the House Special Committee to Investigate Communist Propaganda reported, "The American Civil Liberties Union is closely affiliated with the Communist movement in the United States, and fully 90 percent of its efforts are on behalf of Communists who have come into conflict with the law." Twelve years later the California Senate Subcommittee on Un-American Activities asserted: "The American Civil Liberties Union may be definitely classed as a Communist front or 'transmission belt' organization."

In 1940 the ACLU decided to rid itself of Communist influence. It adopted what came to be known as the 1940 Resolution, which said that Communists, Ku Klux Klansmen, and others who failed to meet "the test of consistency in the defense of civil liberties in all aspects and all places" would thenceforth be banned from governing positions within the union. But that resolution was itself banned 27 years later. And in 1976 the ACLU board "rehabilitated" Helen Gurley Flynn who had been ousted under the 1940 resolution.

Today there is no prohibition against Communists on the board, but there are no known Communist Party members on the board, either. However, in two impor-

tant ways the modern ACLU is aiding the Communist cause, albeit unintentionally.

1. The ACLU has fought repeatedly in Congress, the courts, and public debate to hamper U.S. efforts to aid our anti-Communist allies or punish Communist countries that export revolution.

2. It has mounted a campaign to restrict public debate by intimidating those who would raise painful questions about Communist and Soviet participation in the American political arena. Ironically, it has done this in the name of protecting "dissent" and free speech.

The ACLU's foreign-policy efforts are spearheaded by the Center for National Security Studies, which it sponsors jointly with the Fund for Peace, and headed by Morton Halperin. The center's motto, displayed on every issue of its newsletter, *First Principles,* comes from a letter from James Madison to Thomas Jefferson: "Perhaps it is a universal truth that the loss of liberty at home is to be charged to provisions against danger, real or pretended, from abroad."

The slogan is not mere boilerplate. For the ACLU, at least as represented by the center, the principal foreign policy goal is to play down or reinterpret threats from abroad so they will not be used to restrict civil liberties as the ACLU understands them.

The ACLU opposes, and has fought in either Congress or the courts, virtually all "covert action," most "clandestine intelligence" gathering (i.e., spying), and in one case aid to an important U.S. ally with a poor human-rights record. The net effect of these efforts has been to hinder U.S. opposition to Communist expansion. The ACLU may, at some point, have undertaken some major initiative that advanced U.S. interests and hindered Communist expansion, but our research never turned one up and no ACLU leader ever mentioned one to us.

Singling out El Salvador

In 1982 the ACLU board of directors, after a vigorous debate, voted to work toward halting U.S. aid to El Salvador on the grounds that by aiding the Salvadoran military the United States was directly aiding the death squads and violating the human rights of Salvadorans. Along with America's Watch the ACLU has issued a number of reports on human rights in El Salvador, all highly critical, placing almost all the blame for the political violence in that country on the right. The reports seek to discredit President Reagan's biannual certifications to Congress that the human-rights situation in El Salvador is improving. By law, without those certifications U.S. aid to El Salvador would have to cease.

The principle at work here, explained Ira Glasser, is that the United States should not help other countries deny their citizens the basic rights that the United States extends to American citizens. Nat Hentoff believes the El Salvador position is proper and perfectly consistent with the ACLU's general civil libertarianism. He did not think it was at all an indicator of leftist sympathies.

The ACLU, however, has never protested U.S. aid to left-wing or Communist regimes. It did not protest U.S. aid to the Sandinistas during the several years they were receiving American aid; it has never protested the generous credit terms the United States extends to the Soviet Union, which amount, in effect, to aid; it has never entered the battle against technology transfer to the USSR though American computer technology has certainly assisted in the surveillance and repression of Soviet citizens. Indeed, to the extent that it has been involved in technology issues, the ACLU has advocated reducing restrictions on what can go to the Soviets or anywhere else.

Mr. Glasser admits the point, though he thinks that the aid we send to most Communist regimes is too indirect to be compared to aiding the Salvadoran military. But he also explains that many ACLU board members opposed the ACLU's activities on the Salvadoran question precisely because of this inconsistency. The present consensus, he says, is that the ACLU will not take such a position again.

In 1976, according to Morton Halperin, director of the Center for National Security Studies, the national board went so far as to find all U.S. employment of "clandestine intelligence" improper, dangerous to civil liberties, and perhaps unconstitutional. In practice, Mr. Halperin explains, the ACLU has never acted on the prohibition. Most board members now feel that the finding was too extreme and will probably be repealed soon. But though he will admit some spying, Mr. Halperin and the Center for National Security Studies are steadfast in regarding covert action as out of bounds. Congress has no right, he maintains, to approve such operations in secret, because it thereby precludes free debate on the subject.

A long account of the administration's actions against Nicaragua, published in *First Principles,* reveals clear political bias. The Sandinistas are referred to constantly as "leftists," as if the policy of the Reagan administration were aimed at keeping Central America from falling to roving bands of McGovernites. The Sandinistas' attempts to revolutionize the cultures and forcibly confiscate and collectivize the lands of the Miskito, Rama, and Sumo Indians are referred to as "well-intentioned, but insensitive attempts by the Sandinistas to integrate the east coast into the mainstream of Nicaraguan life." The Sandinistas are portrayed as "increasingly fearful and intolerant" while their enemies are "increasingly brutal and destructive."

Another lengthy article in *First Principles* criticized the secrecy of U.S. arms shipments to Afghan rebels. Such secrecy, it contended, makes it impossible to debate real U.S. goals in the region. It is possible, the article also suggested, that the Afghans owe their present predicament to the United States, because, according to Moscow at least, the Soviet invasion was "a response to U.S., Chinese, and Pakistani 'interference.'"

Everyone in the ACLU denies sympathy with the Soviets. There is no reason not to accept these denials—it is getting harder and harder to find even openly committed leftists who admire the Soviets. Nat Hentoff was very confident on the point: "If you were implying that there's some kind of softness on Communism, that's the one thing you won't find in the ACLU. . . . You cannot be for total dissent, total exchange of opinion, and have any kind of support for Communism. . . . The notion of a

bunch of Com-symps, as they used to be called, proliferating inside the ACLU is not right at all. I'm very sensitive to that stuff. I read *Darkness at Noon* as a lad and I've never forgotten it. So I reach out for intimations of that attitude. And I haven't found very much of it at all in the ACLU. . . . There may be, but I just haven't found it."

Fighting the Red-Baiters

Rather, the ACLU position might best be characterized—and the prominence it gives the Madison quote supports this—as anti-anti-Communist. They are opposed to Communism, but they are not fanatically opposed as, for instance, all decent Americans have agreed to be fanatically opposed to Nazism. Thus their second

"WORTHY OF DEBATE"

UPI/Bettmann Archive

Over the years the ACLU has defended free speech on behalf of everybody from Henry Ford to the Ku Klux Klan. In 1977 the Illinois affiliate of the ACLU attracted nationwide attention when it went to court to defend the right of a group of American Nazis to hold a demonstration in Skokie, a predominantly Jewish suburb of Chicago. The ACLU won its case, but it cost the organization nearly a third of its members. Despite such cost, however, the ACLU did not give up. In March 1978, for example, the Northern California affiliate argued with the San Jose City Council to allow a Nazi rally. Again, the ACLU won. (Even on this issue, though, the ACLU has its limits. The Texas CLU declined to defend the right of local Nazis to offer, by means of a recorded telephone message, a reward of $5,000 "for every nonwhite person killed during an attack on a white person." The ACLU decided the First Amendment does not extend to bounty offers.)

The Nazi cases, more than any others, show how seriously the ACLU takes the right to free speech. Many of the ACLU's members are Jewish; Aryeh Neier, who at the time of the Skokie case was ACLU executive director, is himself a Jew who fled Nazi Germany. Nevertheless, he defended the Nazis' right to speak.

Why? For the ACLUers free speech is a sacred right, to be defended with the same sort of faith—and zealotry—with which some believers defend the Bible.

We asked ACLU Legislative Director Barry Lynn how defending the Nazis benefited society. His answer was that all contending ideas, no matter how absurd or repulsive, deserve a serious hearing. "The notion that certain racial groups ought to be treated differently from the way they are now [is a] serious idea. We might find [these ideas] abhorrent, but they are not trivial issues. They are still worthy of debate. The idea that some people ought to be subservient to other groups [is an idea] that has shaped modern history."

Mr. Lynn defended pornography on the same grounds: The ideas reflected in pornography have been around a long time; therefore, they are serious ideas. "A fundamental argument of pornography," he said, "is that women ought to be subjugated. Now, that is an idea which has held sway in much of the world for the last two thousand years, or even longer. It is certainly an important idea, even though it is an idea we as a society are coming to repudiate. But it is a serious idea, and not an idea which ought to be suppressed."

major foreign-policy activity—fighting the red-baiters.

The 1983 "Peace Links" controversy gives a perfect example. Senator Jeremiah Denton, speaking from the Senate floor, loudly denounced Peace Links, a group of pro-freeze wives and mothers, for including on its advisory council the Women's International League for Peace and Freedom and the Women's Strike for Peace, both widely suspected of being, or at least cooperating with, Soviet front groups. The *Washington Post* ran an editorial criticizing Mr. Denton for using "guilt by association" to discredit the freeze. But the editorial also took Peace Links to task for allowing the freeze movement to be tainted by such suspect associations.

The ACLU, in the persons of Executive Director Glasser and President Norman Dorsen, was furious at the *Post* for inviting "a revival of McCarthyism":

> The *Post* questioned the "judgment" of Peace Links in "tainting" itself with such associations. The implication is that Peace Links should dissociate itself from such organizations and question its other associations so it does not invite the kinds of attacks made by Reagan and Denton. Is the *Post* suggesting that Peace Links should impose a loyalty oath: Are you now or have you ever been a "Soviet front" group or connected with one? . . . McCarthy used innuendo and guilt by association to destroy freedom of association. Let us not have that again.

In other words, questioning the propriety of conscious associations with pro-Communist groups is itself improper. The ACLU believes that such assertive anti-Communism, though it involves no government action, chills debate, constricts free speech, and threatens freedom of association.

Barry Lynn, the ACLU's legislative director, has written a 60-page monograph titled "Polluting the Debate" on this and related points. The monograph was published originally by "The Douglas Inquiry Into the State of Individual Freedom," but is distributed by the ACLU's Center for National Security Studies.

Mr. Lynn sets out his thesis with a quote from Justice Douglas himself: "We seem largely incapable of conducting [an invigorating dialogue] because of the growing rightist tendencies in the nation that demand conformity—or else. We are inhibited when we should be unrestrained. We are hesitant when we should be bold." The monograph is a blunt, partisan attack on the legitimacy of the anti-Communist right's very participation in the national-security debate. He claims that the anti-Communists pollute the debate when they try to intimidate their opponents by questioning "the loyalty and independence of those who hold non-orthodox views." ("Non-orthodox" and "dissenting" are used throughout as substitutes for "left-wing.")

This plea for diversity quickly becomes ironic—even comic. Not only does Mr. Lynn, in the name of vigorous debate, rule out whole areas of discussion, such as possible Soviet influence in American politics, he seems to find virtually any vigorous criticism of left-wing institutions beyond the pale of decent political behavior. No left-wing individual or organization is ever accused of engaging in debate pollution.

Mr. Lynn was furious that the *New York Times Magazine,* through a piece by neoconservative journalist Joshua Muravchik, associated itself with the veteran conservative accusation that the Institute for Policy Studies is suspiciously sympathetic with Soviet foreign-policy goals. (Mr. Muravchik did not claim that the IPS was funded or directly controlled by the Soviets.) For Barry Lynn, IPS merely represents the left of center, and any more serious charge smacks of McCarthyism. What especially irritated him in this case was the unaccustomed success of the conservative media in getting its story into a mainstream newspaper.

Human Events' exposé of the National Education Association's politically charged curriculum on nuclear war was picked up by the national media, including the *Washington Post.* It didn't charge the NEA leaders with being Com-symps or commit any obvious breach of journalistic ethics: Like all news stories it contained debatable points, but it was well within reasonable bounds. Yet Mr. Lynn cites the national media's attention to the story as an example of pollution.

The ACLU has been so successful in protecting constitutional principles that there are few genuine civil liberties issues at stake today. The devil makes work for idle hands.

For similar reasons he disapproved also of the controversial "60 Minutes" exposé of the National and World Councils of Churches' support of Marxist governments, revolutionary groups, and organizations. Not only did the "60 Minutes" story provide a "veritable field day for right self-congratulation," it illustrated "that insidious form of pollution of debate which occurs when distorted information, inaccurate characterizations, or illogical conclusions prepared for an initially limited audience are adopted uncritically and then disseminated by persons or institutions which themselves have a high degree of public credibility." In this case the "pollution" included "permitting Methodist Pastor Edmund Robb of the Institute on Religion and Democracy to claim that the NCC was engaged in 'a pattern of support of totalitarian leftist regimes . . . across the world' as well as 'apology for this type of oppression.'"

Though the accuracy of Mr. Robb's charges would seem to go to the very root of whether the program was responsible, Mr. Lynn never even attempted to refute them. He does claim that NCC and WCC spokesmen got too little air time to respond. But again, though his complaints are a little obscure, the essence of his argument seems to be that the very subject matter should be

out of bounds. He was also indignant that CBS could make such enthusiastic use of a source such as the Institute for Religion and Democracy.

In a section titled "Current Trends Opposing Dissent," he identifies the religious right's entry into foreign-policy issues as one of those trends. When left-wing activists make incriminatingly pro-Soviet remarks, the rules of debate, for Lynn, forbid conservatives from mentioning them. Thus, when Ms. Randall Forsberg, a freeze leader, makes statements such as "I think that if all these factors work together—the peace movements, the political leadership, and the Soviet government—in a very careful, focused, coordinated, and clear way, the [deployment of American] missiles can be stopped," he doesn't censure her for inviting the Soviets to interfere in American politics. He does censure anti-Communist writer John Rees for the "McCarthyite" tactic of quoting Forsberg's remark and calling it a "shocker."

The truth is that the United States in 1984 is dizzyingly, gloriously free.

Legal Adventurers in a Free Land

Why does the ACLU seem to have strayed so often from the path of genuine civil libertarianism? One reason may be that it has been so successful in protecting constitutional principles that there are few genuine civil liberties issues at stake today, and the devil makes work for idle hands.

When the ACLU was founded six decades ago, there was an urgent need for an organization committed to protecting even our most basic civil liberties. Jim Crow still ruled in the South, accused criminals were commonly interrogated under improper conditions and tried without benefit of counsel, denominational prayer and Bible readings were foisted on school children of diverse faiths, the freedom of political speech was not nearly as all-encompassing or as secure as it is today. The ACLU entered the lists, and now, largely because of ACLU efforts, things are drastically different.

The ACLU today warns about an "unprecedented threat" to civil liberties from the Reagan administration, but this is hard to take seriously. The Reagan administration is disputing some important points in the courts, but if it won every one of them it would not reduce practical liberty in this country one iota. The truth is that the United States in 1984 is dizzyingly, gloriously free—ignoring some restrictions on economic behavior, it is the most radically free society in the history of the civilized world.

The problem for the contemporary ACLU is that though the protection of our basic liberties as laid out in the Bill of Rights is a hard job it is also a simple one—all our most important rights are clear, concrete, and relatively easy to define. With those basic liberties secure, as they are today, civil-libertarian watchdogs have two choices. They can resign themselves to the noble but perhaps tedious job of conserving already secured basic rights, or they can become legal adventurers, discovering or creating ever more obscure and abstract constitutional liberties. The latter is the course the ACLU has taken. And all too often the new discoveries have turned out not to be liberties at all. ☎

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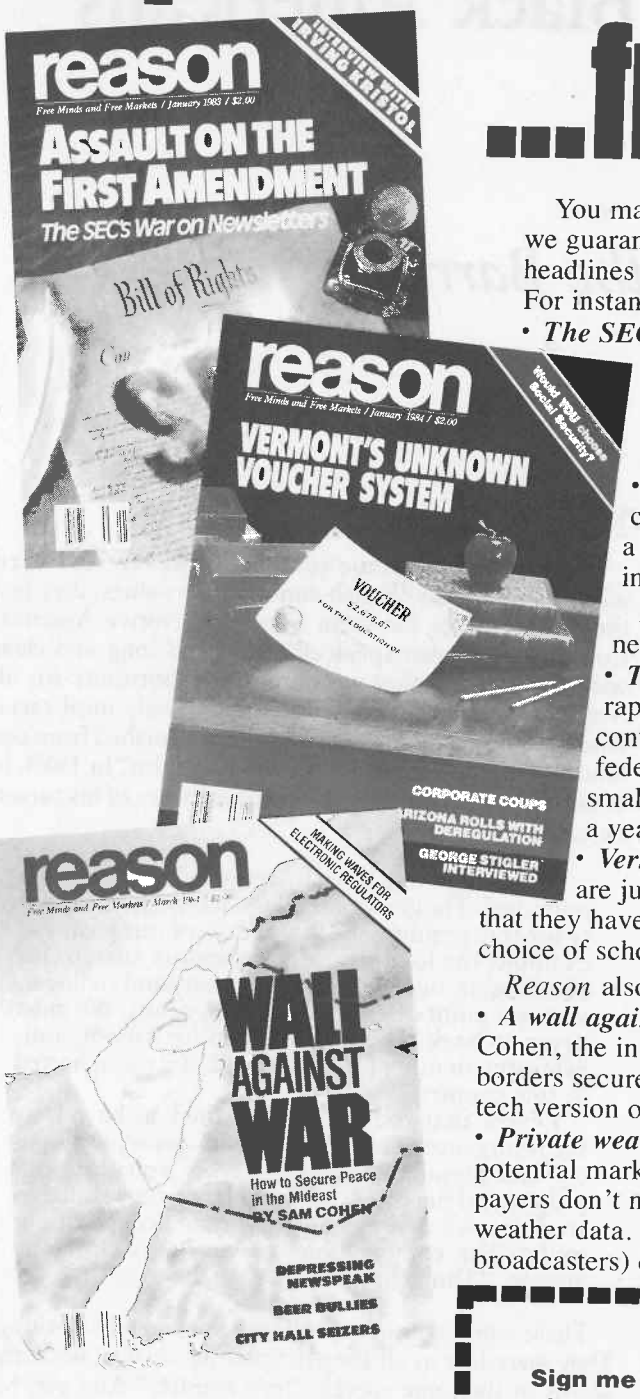

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Conservatives and Black Americans

Overcoming the Barriers

Adam Meyerson

Conservatives today draw strength from a newfound diversity. We enjoy the support of Jews, Protestants, and Catholics, of union members, farmers, and businessmen, of college students and pensioners, from all regions of the country. We are beginning to draw substantial support from our Hispanic *hermanos*. But an important group is missing from this roster. Black Americans.

There is a river, a wide Mississippi, that separates the majority of black Americans from the conservative political movement, and until it is crossed conservatives cannot make a full claim to national leadership. We conservatives must build bridges, we must wade through muddy waters, we must reach across this river in any way we can. We will never be able to create the America we want if it is sundered by racial barriers.

How far we have to go is grimly revealed in opinion polls. Ronald Reagan has aroused the fear and hostility of black America as no political figure has since Barry Goldwater in 1964. Even whites who disagree with President Reagan tend to like him personally. Blacks do not. A poll in early August showed that 76 percent of blacks planned to vote for Walter Mondale this November, only 4 percent for Mr. Reagan. In scores of close senatorial, congressional, and gubernatorial races, Democratic and liberal strategists are counting on a high anti-Reagan turnout among blacks to make the difference for their candidates.

What makes this division so tragic is that on many issues black Americans and conservatives are natural allies. Richard Viguerie, publisher of *Conservative Digest*, put it well in a recent article urging that blacks be at the forefront of President Reagan's election campaign:

> Most (blacks) oppose busing and reverse discrimination. Sixty-four percent favor a voucher system for education, 96 percent want more discipline in the schools, and 89 percent favor a constitutional amendment to balance the budget. Less than 40 percent support abortion-on-demand, and a whopping 85 percent believe the American economic system is the best system for industrialized countries. Two-thirds are "extremely proud to be an American."

Old wounds continue to ache, however, and even while many blacks cherish conservative values, they feel there is no place for them in a conservative America. Conservatives must speak out loud and long and clear with the message that we stand for opportunity for all Americans, and that we will toil ceaselessly until racial discrimination and prejudice has been banished from our land. President Reagan has begun to do this. In 1983, in what was one of the most eloquent speeches of his career, he said:

> Our nation, too, has a legacy of evil with which it must deal. The glory of this land has been its capacity for transcending the moral evils of our past. For example, the long struggle of minority citizens for equal rights, once a source of disunity and civil war, is now a point of pride for all Americans. We must never go back. There is no room for racism, anti-Semitism, or other forms of ethnic and racial hatred in this country.
>
> I know that you've been horrified, as have I, by the resurgence of some hate groups preaching bigotry and prejudice. Use the mighty voice of your pulpits and the powerful standing of your churches to denounce and isolate these hate groups in our midst. The commandment given us is clear and simple: "Thou shalt love thy neighbor as thyself."

These comments never received much media coverage. They were lost in all the attention devoted to two other words in the same speech: "evil empire." And yet, Mr. Reagan's denunciation of racism was as significant as his denunciation of the Soviet Union. It was all the more significant because it was delivered in Orlando, Florida, until recently a segregated city, before a conservative white audience, the National Association of Evangelicals.

No previous administration has articulated a more fair-minded philosophy of racial justice than the Civil Rights Commission of Clarence Pendleton and Linda Chavez and Morris Abram. They are articulating the vision of society expressed by Martin Luther King, Jr.,

ADAM MEYERSON *is editor of* Policy Review.

Jack Kightinger/The White House

From the White House to the schoolhouse; President Reagan salutes achievement in a Washington classroom.

and Roy Wilkins, and Thurgood Marshall in his brilliant arguments against segregated schools—a society where the law does not look at the color of your skin, where individuals are judged as individuals and not as members of groups, and where constitutional rights of all individuals are protected by federal law, if necessary, as the president says, "at the point of a bayonet."

Reaching Across Party Lines

But if we are to win the trust of black Americans, it is not enough just to make speeches and articulate philosophies. Not only words but deeds must demonstrate that we care about blacks as people, and want to expand opportunities for them as much as we do for all Americans.

We must appoint blacks to positions of real power and influence and visibility, and not simply "black jobs." This is already happening, in some unexpected quarters. Senator Jesse Helms hired an articulate young black, Claude Allen, as his campaign press secretary. James Watt hired J. J. Simmons III as his number-two man at the Department of the Interior. Gerald Ford, of course, chose for secretary of transportation one of the nation's most distinguished lawyers, William Coleman. Perhaps Mr. Reagan, if he wins a second term, should offer the chairmanship of the Council of Economic Advisers to Thomas Sowell, one of the towering intellects of conservative thought.

We must salute black accomplishments. President Reagan recently visited Jefferson Junior High School in southwest Washington, D.C., a model of educational excellence. He invited to the White House one of the nation's most inspiring leaders, Coach John Thompson, and his Georgetown University basketball champions. In his latest State of the Union address, he paid tribute to Barbara Proctor, "who rose from a ghetto to build a multimillion-dollar advertising agency in Chicago."

And we should go to the ghettos. We should applaud and support the black police captains who are smashing the crime that has paralyzed black neighborhoods. We must reach across party lines. Just as we turn to Jeane Kirkpatrick and Richard Perle for the best foreign-policy talent the Democratic Party has to offer, so we must salute black mayors such as Wilson Goode of Philadelphia and Thomas Bradley of Los Angeles, who are working for racial peace and economic growth in their cities, unlike divisive politicians such as Chicago's Harold Washington, who is setting race against race.

We must take our message to black communities, and listen as much as we talk. Representative Robert Livingston, a Louisiana conservative, visits the housing projects of New Orleans, accompanied by his black staff, and asks the people there how he can serve them. This is probably one of the reasons that he wins about 85 percent of his black constituents' vote. Senator Strom Thurmond of South Carolina has close ties with the presidents of the state's black colleges. Representative Newt Gingrich takes his ideas to inner-city Atlanta. "How many people here have jobs?" Mr. Gingrich asks a crowd. About half the audience raise their hands. "How many receive less in take-home pay than you expected?" Same number of hands. "How many want more money to be taken out of your paycheck so that spending on food stamps can rise?" No hands. The people in that room probably won't vote conservative this November. But they have just started thinking about the conservative opportunity society.

"Conservatives can best appeal to minority commu-

nities by simply taking an interest in them," says Paul Weyrich, director of the Committee for the Survival of a Free Congress. "Most of the interest that we have shown has been theoretical. They don't know us as people. When they get to know us as people they will listen to our ideas. But we spend far too little time where they are."

Perhaps the most significant bridge-building is taking place in the Protestant churches, historically the most segregated institutions in America. The Reverend Jerry Falwell, president of the Moral Majority, preaches regularly at black churches around the country, and frequently invites black pastors such as the Reverend E. V. Hill of Los Angeles to preach on his televised "Old-Time Gospel Hour." "Black fundamentalists and white fundamentalists," Mr. Falwell tells black congregations, "have far more in common with each other than either of us with either of the major parties." He admits that he grew up with all the racial prejudices of the southern town where he was born. Not until he started reading the Bible did he realize that prejudice is wrong.

Conservatives must speak out loud and long and clear with the message that we stand for opportunity for all Americans.

For several years, Jerry Falwell and the Moral Majority have been working with a coalition of 500 black pastors in Washington, D.C., headed by the Reverend Cleveland Sparrow. Their projects include a feeding program for the elderly poor. Every summer Liberty Baptist College sends about 150 students to work in inner-city ministries, among them a Watts neighborhood program directed by Mr. Hill. Next year, Ronald Godwin, executive vice-president of the Moral Majority, is planning to host a major interracial convention of conservative Protestant ministers.

Mr. Godwin has already helped put together the American Coalition for Traditional Values, an organization that is bridging the traditional differences between charismatics, Pentecostals, Southern Baptists, and other conservative Protestant denominations. "Wouldn't it be historically significant," he asks, "if that group could be brought together with outstanding black ministers from across the country? When that meeting occurs, neither the Democratic nor the Republican Party will ever be able to take either group for granted again."

Climbing the Ladder

Speaking recently before the Opportunities Industrialization Centers of America, a black job-training organization, Representative Jack Kemp stated the central domestic-policy challenge for conservatives: "The greatest statesman of this century, Winston Churchill, used to say that a true welfare society places a floor beneath which people shouldn't be allowed to fall, and builds a ladder on which all should be allowed to climb." The political strength of liberalism is that it offers help to the needy. But it does not offer them a way out of poverty. Conservatives will truly speak for the majority when we offer all Americans a way up the ladder.

The most important program we can provide is sustained economic growth without inflation. Of the 6.4 million new jobs created between December 1982 and July 1984, more than 900,000 were for black Americans. This is not enough, of course; we must go further. But these are real jobs, not dead-end CETA or Model Cities jobs. They offer more opportunity for blacks than any welfare program.

We must also recognize that some people will need a helping hand, even in a growing economy. The conservative opportunity society means supporting—and experimenting with—those government programs that genuinely help people move out of welfare dependency.

An example would be a program that successfully eradicated illiteracy. One of the principal barriers to black economic advancement is that 47 percent of blacks over the age of 18 cannot read or write beyond the fourth-grade level. If you cannot read, you cannot fill out job applications, you cannot balance a checkbook, you cannot read safety instructions on machinery, you cannot do clerical work in offices. You cannot participate, in other words, in a modern economy.

It is by no means clear that a new government program could teach adults to read and write. Evidently an old program, the public schools, failed to teach them when they were young. There would be no point in supporting a program that didn't work. But we must look for ways to devise a successful program. We would be performing a supply-side miracle: releasing the energies of millions of Americans, who had previously been prevented from making fullest use of their talents.

"The cry coming from black Americans is a cry for a chance to make it in the system," writes Representative Mickey Edwards, chairman of the American Conservative Union. "And that is the cry that Republicans must respond to if their fishing expedition is to bring up more than rubber tires and old shoes."

When William Brock, currently the administration's special trade representative, was chairman of the Republican National Committee, from 1977 to 1981, he made a special effort to recruit black candidates and to encourage state and local parties to broaden their base at the precinct level. "The majority of blacks," he says, "are working very hard and desperately trying to hold together their families. They have pride in themselves, ambition for their children. They have the same concern as the majority of white Americans. They just have a bit of a tougher time."

Mr. Brock says it is "particularly appropriate for conservatives and Republicans to seek out these people who have demonstrated so much character in overcoming hardship. They epitomize the American dream."

This dream is what today's conservatives stand for. We must work to achieve it for all Americans.

Economic Paralysis in El Salvador

What the Guerrillas Don't Destroy, Central Planning Does

Claudia Rosett

On a narrow street in San Salvador, an American adviser to the Agency for International Development slows his armored jeep and peers ahead. "A dead end," he says. "I don't go down dead ends."

In a country terrorized by roughly 9,000 Marxist-Leninist guerrillas, his caution is wise. But coming from an economic adviser, his words are ironic. During the past four years, both the United States and the Salvadoran governments have gone down too many dead ends in their efforts to reform and support the economy. Massive intervention by the state has eroded incentives, stalled production, and aggravated the terrible poverty that creates fertile ground for insurrection.

Four years ago the Salvadoran government tried to break the traditional oligarchic control over the economy with three major "reforms." It monopolized control over credit by nationalizing all domestic banks, it monopolized trade in the country's chief export, coffee, as well as in sugar, and it expropriated hundreds of the country's largest estates and thousands of small plots, in a sweeping agrarian reform. The effect was to take ownership and control of resources that had been concentrated in the hands of a few, and concentrate them even more—in the hands of the state. With one jump, El Salvador went from an almost feudal system to a quasi-socialist system, without ever giving capitalism a chance.

Not all is grim, however. For the first time in half a century the people of El Salvador have a democratic government, and they are eager to make it work. Their enthusiasm is clear from the high voter turnout in recent elections, despite guerrilla threats. But before democracy can take firm root in Salvadoran soil, newly elected president Jose Napoleon Duarte must do more than find a way to defeat the guerrillas. He must also dispel the economic problems that are likely to persist as long as the country has a command economy.

Since 1979 El Salvador's gross national product has dropped 25 percent, and average per capita income has dropped 29 percent. Over the same period, unemployment has risen from 6.7 percent to 30 percent, and as much as 40 percent in the countryside. And since 1979, private investors have pulled an estimated one billion dollars—or more than 25 percent of one year's GNP—out of the country, fearing not only violence but further confiscations.

The United States, and to a lesser extent multilateral lending institutions such as the Inter-American Development Bank, have tried to help by supplying almost one billion dollars in economic aid via loans and grants since 1979. But so far the best AID can say is, in the words of one official, "We consider it a great achievement to have gotten GNP growth up to zero last year." Zero growth is also projected for 1984. That is not enough for a country where agriculture has been set back 20 years, and where per capita GNP in 1983 was estimated at $720.

Economy Under the Gun

What would clearly help the Salvadoran economy most would be to win the war. This calls into question the United States' stress on economic over military aid—a ratio of three to one in 1983, although less today. The effort to "overwhelm the guerrillas with resources," as one U.S. embassy official put it, breeds waste and corruption. The only way to pump capital into an economy and keep it there under adverse conditions is to close the economy and direct where the capital goes. While that may be to some extent unavoidable during a war, it is a recipe for poverty. Even if the war is won, El Salvador may be left with a centrally planned economy, unable to compete in world markets, and geared to subsist on U.S. handouts. As a country in continuing economic distress, it would remain a ripe target for future Communist-backed agitation.

This does not have to be. In the 1960s and early 1970s, prior to the political turmoil and extension of state controls over the private economic sector, El Salvador's GNP had been growing at a relatively rapid 5.5 percent average a year, while receiving less than one-tenth the amount of foreign aid it gets today. It was no free market; the oligarchy had a considerable hand in the economic pro-

CLAUDIA ROSETT *is managing editor of* Policy Review *and is writing a book on Chile and the Chicago Boys.*

cess, and used its power to economic advantage. But the country was starting to industrialize, and the economic future held some promise for the poor as well as the rich. Banker Luis Escalante Arce, for example, former president of the Banco Agricola, found in the 1970s that because other banks were reluctant to lend to small farmers, he could make money with a loan package tailored to that market. In the end, even entrenched oligarchs will do business with the poor, because both can profit from it. The Salvadoran people have a reputation for industriousness, and their willingness to work and find a way is the reason the economy has not sunk even further. On the streets of San Salvador multitudes of peddlers go to work early and stay late. On the farms they grow crops even though the penalty levied by the guerrillas can be death. The businessmen carry guns and hire guards to watch their factories and shops, but they carry on.

Much of the economic decline, of course, is due directly to the civil war. The guerrillas have aimed their hit-and-run attacks less at military targets than at power stations, bridges, and businesses, with the explicit aim of destroying the country's economic base. Symptoms of this violence are everywhere. Two private guards keep watch over a McDonald's restaurant in San Salvador to prevent a repeat of past bombings. Many offices are protected by high walls, metal doors, and private guards carrying machine guns. A businessman, asked whether he fears kidnappers, flips back his jacket and pulls a .45 caliber pistol out of a shoulder holster. All this makes it hard to concentrate on business.

But the threat of armed violence is too often invoked as a blanket excuse for what ails El Salvador's economy. It is the biggest single problem, but the economic reforms of 1980—backed by the Carter administration—would have crippled even an economy at peace.

Uncertain Property Rights

El Salvador's most damaging economic policy problem today is the uncertain status of property rights following the expropriation of banks and farms. People are wary of investing capital in property that is not clearly their own, or that may be taken away in the future. This problem is especially acute on farms, where only a small fraction of the land seized by the government in 1980 has since been deeded to the peasants. After four years of bureaucratic gear-grinding, title had been transferred to the peasants as of July 1984 for only 54 of the roughly 400 large estates (official estimates of the number of large estates vary), and to fewer than 11,000 of the 62,692 small plots targeted for reform. The rest are still the property of the government agency ISTA, the Salvadoran Institute of Agrarian Transformation.

On the large estates, property rights are not even clearly settled when title is granted. By law, these estates cannot belong to individuals. They must be managed as peasant cooperatives and run by committees. Members of these cooperatives are not genuine owners, because they cannot sell their shares. A member who wants to leave his coop must simply abandon whatever investment he has made. This has to some extent the effect of freezing coop members on the farms where they happened to be working at the time of the agrarian reform, a feature reminiscent of medieval feudalism. The rigidity of the plan hurts production by hampering the trade of goods and services. But to grant equity rights, says one Salvadoran political observer, "would destroy the spirit of the collective."

The peasants seem less interested in the spirit of the collective than in trying to make a living, however. An agricultural economist who advises the cooperatives reports that many of them have developed a feature for which Soviet collectives have long been famous: the private farm plot. "Generally the cooperatives give their members a small plot to grow their own vegetables," he says. Recently on the large Nancuchiname cooperative in the eastern Usulutan province, some 40 members went a step further and petitioned the coop's board of directors for permission to rent plots of about 70 acres each from the coop, a request at the grassroots level which would effectively undo the land reform. Some peasants have been even more direct; several of the cooperatives have petitioned to have the land returned to the former owners. Their requests have been refused by the government.

Even if the war is won, El Salvador may be left with a centrally planned economy, unable to compete in world markets, and geared to subsist on U.S. handouts.

On the medium-sized farms, originally slated to be given to the peasants, but never expropriated, production incentives have been damaged. The threat of expropriation has hung over the owners "like a sword of Damocles," according to one landowner who grows coffee on his medium-sized farm.

Property rights have been further called into question by the government's decision to compensate former landowners primarily with near-worthless government bonds that yield only 6 percent a year and mature at nominal value in about 20 years. There is talk, favored by some members of President Duarte's Christian Democrat Party, of allowing the holders of agrarian bonds to swap them for shares in bankrupt industrial concerns currently owned by a government holding company, CORSAIN. This trade of worthless bonds for worthless state companies would at least have the desirable effect of putting the companies in private hands. But nothing has yet been done in this direction, and the once-burned former landholders are unlikely to work hard to turn the companies around unless they have guarantees that they would not be stripped of the proceeds a second time.

Trouble Brewing in Coffee

Besides the nebulous or nonexistent property rights to some land, farmers face another kind of disincentive. Since 1980 the government-run coffee institute, INCAFE, which formerly competed with a dozen or so major brokers, has been the monopoly buyer of coffee for export (there is a similar state monopoly on the sugar trade). INCAFE sets the price at which it will buy coffee, and the farmers have no legal recourse. After paying export taxes of $35 a bag, farmers get about $40 for a bag that sells for $140 to member countries of the international coffee cartel. At that rate, says one grower, it is "worth smuggling" to Guatemala, where farmers can get up to 50 percent more for their beans. The government wants coffee to subsidize the rest of the economy, says this grower, pointing out that the coffee export tax raises about 20 percent of total government revenues. "But that's like trying to support yourself on a drowning man's shoulders," he adds.

Since 1980 coffee production has dropped about 25 percent. Sugar production is down more than 30 percent from 1979.

INCAFE also pays growers at its own pace, which is not fast. At times the institute has been more than a year in arrears to some growers, who are left without cash to finance fertilizers and pesticides for the next year's crop. And one Salvadoran economic analyst calls INCAFE, which has about 800 employees, the kind of institution that can easily be "a beautiful mechanism for financing graft and payoffs."

There were two rationales for the creation of INCAFE, and it is not clear that either has been well served. The first was to break the grip of the oligarchy on the coffee trade. But that grip has merely been transferred to the less efficient, more powerful hands of the state. The second rationale was to ensure that foreign exchange earned by selling coffee was reinvested in El Salvador. But because a producer must get government approval in order to spend his earnings, he has less incentive to produce—which lowers foreign-exchange earnings and worsens the very dollar shortage that the government wants to cure.

Although no one has satisfactorily separated the effects on crop production of violence, low commodity prices in recent years, state trade monopolization, and the land reform, the numbers tell a dismal tale for which the land reform and INCAFE must bear at least some responsibility. From 1975 to 1980 coffee production rose about 50 percent. Since 1980 it has dropped about 25 percent. Production of sugar, another important crop, is down more than 30 percent from 1979 levels, and cotton production today is half what it was in 1979.

More shocks are in store. Although 5 percent of the coffee trees must be replanted each year to maintain production, for the last five years there has been virtually no new planting. Since coffee trees take a few years to mature, this neglect will not take a heavy toll until the late 1980s. But it lies like a jagged reef across El Salvador's future economic course. Coffee is the country's dominant industry, and its sale abroad brings in more than half the country's foreign exchange.

Rationed Credit

Another economic problem all Salvadorans face is the result of the bank nationalizations: the rationing of credit. Although even private banks "ration" credit in the sense that they dole it out from a limited supply, they are able to accommodate the needs of individual borrowers by varying the interest rates according to the merits of the projects being financed. This flexibility is critical to the smooth working of an economy. It allows a bank to take a chance on someone with a new idea, or tide a businessman over a period of uneven income. There is room to adapt to the varying credit needs of an unpredictable world. And private banks must try to please a customer—or risk losing him to another bank.

But the nationalized banks have no such flexibility or need to please. Interest rates are fixed by the government, and blocks of credit are earmarked for projects the government favors. Because the state-owned banks must deal constantly with other government agencies, there can be long delays and mind-boggling *tramites*, the Spanish word for red tape. At Manufacturas de Papel, a corrugated box manufacturing company on the outskirts of San Salvador, the owners say they don't lack orders, but they are constantly strapped for the credit that would enable them to process those orders. "They give us credit, but not as much as we need," says Eduardo Aviles, co-owner and general manager of the factory.

Nor is bank credit the only bottleneck. In 1980 the government also imposed strict foreign-exchange controls to keep capital from leaving the country. Anyone who wants to buy dollars to pay for imports must get Central Bank approval. Factories stand idle because they cannot get the dollars needed to buy raw materials. Mr. Aviles says that one of his biggest problems is obtaining dollars to buy cardboard from the United States. Some companies must wait so long that they go out of business. This past July, for example, two soap factories closed because they could not get dollars to buy tallow.

The foreign-exchange situation is further complicated, and made even more wasteful, by the existence of two exchange rates, a set-up notorious for the illegal arbitrage opportunities it provides at government expense. The Central Bank sells foreign exchange to some customers at the official rate of 2.5 colones to the dollar, and to others at roughly four colones to the dollar, with the aim of giving a favorable rate to importers of raw materials or basic consumption necessities. But it is tempting for importers with access to the official rate to present padded invoices, buy extra dollars at the official rate, and resell them for a profit on the black market, a practice known as "over-invoicing." As one U.S. embassy analyst admits,

"A certain amount of leakage is inevitable" with a system of differential exchange rates such as this. The Central Bank has recently beefed up its efforts to check invoices, but the only thoroughly effective way to eliminate the leakage would be to return to a single, realistic exchange rate. Differential rates effectively subsidize those who are allowed to buy at the lower rate, and they invite graft and cronyism, along with fraud. If subsidization is the goal, it is more efficient to do it directly.

The United States tries to alleviate the foreign-exchange problem by providing dollar loans or grants. But with this aid we bring conditions and programs that specify how resources must be used, and make the Salvadoran economy even more inflexible. Most of our aid can be used only to buy U.S. goods, even if a better deal can be had elsewhere. One AID official explains that this condition is "designed to help American businessmen," which seems an odd priority in this tiny, war-wracked economy, though it may be practical politics back in Washington.

Enlisting Market Incentives

The common defense of aid to El Salvador is that without it the Salvadoran economy would collapse under the pressures of war. There is sense to this argument. But along with it usually comes an explanation that the entire roster of controls and nationalizations is also necessary to keep the economy going long enough to win the war. Much of that is nonsense. Victory is not achieved by creating a centrally planned economy and force-feeding it capital as if it were a rebellious infant. That brings on the kind of economic indigestion that afflicts El Salvador today. State intervention in the private economic sector should go only far enough to be useful in winning the war, not so far that it becomes another enemy of the people.

For now, investors in both the United States and El Salvador are still waiting for President Duarte to establish the economic policy direction of his new administration. That direction will affect whether El Salvador will continue to be a country in which zero growth is regarded as an achievement, or whether it will begin to realize the potential of its hard-working people.

The United States has enormous influence over economic policies in El Salvador. The agrarian reform was designed largely by an American law professor, Roy Prosterman. Our aid programs double as considerable bargaining chips, as embassy officials concede. We should be looking for every viable means to restore market incentives in El Salvador, thereby urging the country toward economic health instead of dependency on foreign handouts. The United States should encourage the rapid establishment of genuine property rights, both on the cooperatives and the small farms. One way of bringing capital into the country while restoring faith in property rights would be to compensate the former landowners in full—the most solid form of assurance that they will not be stripped of profits on future investments.

State intervention in the private sector should go only far enough to be useful in winning the war, not so far that it becomes another enemy of the people.

The banks should be denationalized, as should the coffee and sugar trade monopolies. The special subsidies and aid programs should be streamlined by establishing one realistic exchange rate, and aid recipients should be allowed to spend their money wherever they can get the best bargain, instead of trying to squeeze help for American business into an already long list of priorities.

Some economic controls and subsidies may be vital to the effort to win the war. But both the United States and Salvadoran governments should be looking for every chance to get rid of controls that shackle the economy rather than brace it for a fight. Free-market incentives are powerful allies of freedom and economic progress. They should be enlisted in El Salvador to help win the war and build for the future.

Democracy's Hall of Fame

Anti-Communist Heroes of the Third World

Michael S. Warner

One of the supreme ironies of our times is that Marxists are so shameless in their hero worship. For all their talk of the dialectic and laws of history, Marxists understand that in practice revolutions are by no means inevitable; they must be waged and won by *revolutionaries*. Lenin, Mao, Ho Chi Minh, Sandino—Communist movements everywhere have erected cults of personality. They recognize the power of heroes, even dead heroes, to crystallize popular hopes and resolve.

We might do well to take a page from their book. Democracy has heroes of its own, and not only Western leaders such as Washington, Lincoln, and Churchill. The Third World also can boast of democratic men and women who have defeated Communism, or are valiantly fighting it now. Ramon Magsaysay of the Philippines, General Sir Gerald Templer in Malaya, Romulo Betancourt of Venezuela, Jonas Savimbi of Angola, and Eugenia Charles of Dominica have successfully fought for freedom and human dignity, and their stories can provide both instruction and inspiration for anti-Communist democrats everywhere.

Ramon Magsaysay: Huks on the Run

After World War II and the Communist seizures of China, North Korea, and North Vietnam, Marxist insurrections threatened nearly every country in Southeast Asia. The Philippines, newly independent from the United States in 1946, were particularly vulnerable. Stalinist agitators fanned the grievances of Filipino peasants in the late 1940s, and soon bands of rebels, the Huks, were wreaking havoc on the dominant island of Luzon.

Huk guerrillas seemed to be everywhere in central Luzon—attacking police posts, ambushing vehicles, kidnapping, killing, and otherwise terrorizing their enemies. The Huk politburo brazenly operated in Manila itself, the capital city. By the summer of 1950, 10,000 guerrillas were fighting the Filipino army, and because of the war in Korea, little American aid could be spared. The lackadaisical government of President Elpidio Quirino appeared ineffectual in dealing with the threat.

But in September 1950 President Quirino appointed a new secretary of defense. Ramon Magsaysay, a former bus mechanic, had been a hero in the resistance against the Japanese occupation, and after independence served as chairman of the armed services committee in the Filipino House of Representatives. His impact as defense secretary was almost immediate. On the night of his inauguration Mr. Magsaysay met secretly with a member of the Huk politburo, who wanted to defect. Shortly afterwards, a series of raids in Manila netted six politburo members, almost 100 other Huks, and thousands of valuable documents.

Mr. Magsaysay was determined to smash the Huks, and in the following months he seemed to be everywhere. Roaming the countryside in a jeep, oblivious to the danger of ambush, and often accompanied only by American adviser Colonel Edward Lansdale, he checked on the progress of the war and ferreted out corruption. His portly figure and loud Hawaiian shirts were soon familiar to the troops and people of "Huklandia," as the Manila press dubbed the battle zone, and his surprise inspections became legendary. So did his hot temper. Colonel Lansdale recalled that the possibility of a visit from Mr. Magsaysay reformed many petty criminals both in the military and outside it. "Every time I have the drawer open with all that stamp money in it and start getting tempted to help myself," remarked one postal clerk, "I get to thinking that that damn guy would take that moment to show up and catch me."

Mr. Magsaysay emphasized two ideas, both basic to successful counterinsurgency operations.

First, the military had to be made a reliable anti-guerrilla force. Mr. Magsaysay improved discipline and morale, reorganized the army into 1,200-man Batallion Combat Teams, created special reconnaissance and raiding patrols, and promoted officers on the basis of their combat performance rather than their desk-top diligence. He told commanders in his ungrammatical but effective way, "Take officers who could lead and yank out those who are inefficient in your outfits, and I will back you." Realizing that in Mr. Magsaysay they had a

MICHAEL S. WARNER *is a graduate student in history at the University of Wisconsin.*

Ramon Magsaysay defeated the Huks and in 1953 was elected president of the Philippines by a landslide.

leader who wanted to win, his soldiers began to fight.

Second, Mr. Magsaysay convinced the people of Huklandia that their government cared more about them than the Huks did. He made his soldiers treat peasants with respect, and he listened to the complaints and information provided by villagers. Perhaps his best-known measure was the Economic Development Corps program (EDCOR), which gave land and a chance to start anew to Huks who surrendered. Mr. Magsaysay explained his strategy in terms no one could misunderstand: "With my left hand I offer the Huks the way to peace, the way that will give them a home and economic security; with my right hand I shall crush all of those who wish to destroy our democratic institutions."

Secretary Magsaysay's energy and charisma soon had the Huks on the run, and by the end of 1952 their remaining cadres were little more than isolated bandits. The *Philippines Free Press* named him "Man of the Year" in 1951, noting, "His efforts in fighting the Huks have been crowned with success, resulting in the breaking of the 'spinal column' of the Communist movement." Almost as many Huks surrendered as were killed or captured, a sure measure of his political as well as military victories. In 1953 Mr. Magsaysay ran for president and won by a landslide. Unfortunately, he died in an airplane crash in 1957. The Philippines have not remained a liberal democracy, but thanks to Ramon Magsaysay they were spared Communist rule and thus still have hope for the future.

Winning Hearts and Minds in Malaya

While Mr. Magsaysay was beating the Huks, British General Sir Gerald Templer was combatting guerrillas in Malaya, then under British rule. The Communists were capitalizing on unrest among Malaya's ethnic Chinese. Led by Chin Peng, they mounted a bloody campaign of terror in the late 1940s. By 1951 they had frightened and demoralized the entire colony, and even assassinated the British high commissioner in a roadside ambush.

Happily for all but the Communists, the man Prime Minister Winston Churchill picked to replace the murdered Sir Henry Gurney was a courageous soldier and proved a surprisingly skillful politician. "Every inch the soldier," General Templer was the son of a colonel. Schooled at Wellington and Sandhurst, he fought in the trenches in the First World War, made the Olympic hurdles team in 1924, and 12 years later was decorated for gallantry in Palestine. In World War II he became Britain's youngest lieutenant general, and commanded an armored division in Italy. Appointed a military commissioner in occupied Germany, General Templer at one point sacked an obscure burgomaster named Konrad Adenauer for alleged laziness and incompetence.

Like Mr. Magsaysay, the intense and deceptively frail-looking General Templer had a near instant effect on the war. His fiery temper and ceaseless energy were soon the talk of Malaya. As high commissioner and director of operations (no man had ever held both posts), General Templer wielded more civil and military power than any British officer since Cromwell. He grasped the importance of the war's political facets; indeed, he coined the famous maxim that to beat guerrillas one must win "the battle for the hearts and minds of the people."

General Templer was an exponent of independence and an opponent of racism. As he put it, "You can and should have independence if you help me to get rid of these Communists." He also made no secret of his disgust for the polarizing racism of the colony's contentious factions, especially the persecution of the ethnic Chinese, whom he sought to make equal partners in Malay society. Sir Gerald did not simply run the government, he inspired its citizenry.

The general's first concern was implementing the Briggs Plan (named for the former director of operations,

UPI/Bettmann Archive

Deceptively frail-looking General Sir Gerald Templer brought hope and resolve to beleaguered Malaya.

General Sir Harold Briggs). Thousands of poor Chinese squatters farmed the jungle's edge and furnished supplies and recruits to the Min Yuen, a Communist front. Templer resettled half a million Chinese in "New Villages," trained and armed them as Home Guards, and gave them the chance to own the land they farmed. This proved a mortal blow to the Communists. Suddenly bereft of their support, the guerrillas retreated deeper into the jungle, only to be hunted relentlessly by the British army and Malay police.

With the help of Sir Robert Thompson he used psychological warfare against the guerrillas. Information that led to the capture of rebels earned informants huge cash rewards. Half a billion "safe conduct" passes scattered over the jungle urged guerrillas to surrender. And the secret but deadly Special Branch—a cloak-and-dagger team including female double agents—hounded the Communist leaders.

Where there was once despair General Templer brought new hope and resolve, and by 1953 the rebels' isolation and dimming prospects were clear to all. But before leaving, the general warned against overoptimism with characteristic bluntness, vowing to "shoot the bastard who says this Emergency is over."

General Templer resigned his post in June 1954, confident of victory but fearful his presence would overshadow the upcoming Malay elections. Promoted to field marshal, he later served four years as chief of the Imperial General Staff. He died in London in 1979. The Malaya he fought for is now part of Malaysia, a democratic bulwark in Southeast Asia, while Singapore, which split off from the Malay peninsula to form its own independent nation in 1959, is one of the most prosperous nations in Asia.

Saving Democracy from Castro

After conquering Cuba in 1959, Fidel Castro immediately began to support Communist insurgencies in such countries as Colombia, Peru, Bolivia, and Nicaragua. His primary target for subversion was the fledgling democracy of oil-rich Venezuela. But that country was to be Mr. Castro's first major disappointment, largely because of the skill and tenacity of one of Latin America's greatest democratic leaders.

President Romulo Betancourt spent all his adult life working to reform his country. Three times he had fled into exile (the first when he was only 20), each time eluding a different dictator. In Costa Rica in the 1930s he briefly flirted with Communism, but rejected it when he realized it offered little to Venezuela. By his 30th birthday Betancourt was a household name, known for integrity and commitment to democratic reform. He was a warm, scholarly man, and Venezuelans adored him. After the ouster of dictator Perez Jimenez in 1958, Mr. Betancourt returned from exile for the last time and won the country's first presidential election in a decade.

Venezuela soon faced dangers from left and right. General Jimenez's sympathizers in the army mutinied twice, in 1960 and 1961, but loyal troops quickly suppressed both uprisings. Having seen Venezuelan democracy stifled by renegade officers in 1948, Mr. Betancourt as president took pains to cultivate the military's good will. He improved their pay and living conditions, praised their loyalty, and quietly weeded out untrustworthy officers. He strengthened the army with American counterinsurgency training and better intelligence, and he overhauled the country's police force, recruiting and retraining it from the ground up.

These reforms proved fortunate when Communist subversion began in earnest. Mr. Castro recognized that the success of Venezuela's democratic example was inimical to the spread of Marxism in Latin America. "At the top of their lungs," Mr. Betancourt wrote, the Communists "proclaimed that the Venezuelan experiment had to be destroyed." His administration returned this enmity, taking a strong anti-Cuban stance from the outset.

Open unrest flared in October 1960 when the Movement of the Revolutionary Left called for revolution. Riots at the Central University and elsewhere resulted, and policemen and troops battled protesters in the streets of Caracas (the riots also precipitated a huge demonstration of popular support for the Betancourt government that dwarfed the student protests). More riots erupted after the administration broke relations with Cuba in late 1961. Early the next year leftist guerrillas holed up in caves in the Sierra del Coro and began a sporadic insurgency that smoldered for the rest of the decade. Still more riots in Caracas left 39 dead. And in the spring of 1962 two more mutinies, of leftist marines, had to be crushed.

Throughout this ordeal Mr. Betancourt's faith in democracy and the Venezuelan constitution never wavered. He never stooped to the Communists' level by fighting them outside the law. "Democracy cannot defend itself by adopting the methods of dictatorship," he wrote. Mr. Betancourt, and the army, knew that the terrorists sought

"Democracy cannot defend itself by adopting the methods of dictatorship," wrote Venezuela's Romulo Betancourt.

to provoke massive repression, and recognized that a military takeover would inflame popular grievances and help bring the left to power.

Accordingly, Mr. Betancourt fought strictly by the book. Though he suspended constitutional guarantees more than once, he did so in accordance with the emergency powers vested in his office. Only after an apparent assassination attempt in 1963 did he outlaw the "pro-Castro extremists," and not until that October did Betancourt strip the immunity of the Communist senators and deputies in the National Congress. Venezuela's Supreme Court upheld both actions.

A patriot, reformer, and "man of the people," Mr. Betancourt knew the importance of winning and holding popular trust. Land reform, growth, and prosperity defused the Communists' major propaganda weapons. Mr. Betancourt made the army and police protect the law-abiding Venezuelan, and the citizenry repaid these efforts with information and support. His methods worked, as he saw in 1964 when he wrote, "It would be difficult to find another country as immune as Venezuela to the totalitarian virus that Cuba exports." In December 1963 Mr. Betancourt became his country's first elected president to complete his term and peacefully relinquish his office. He died in New York City on a vacation in 1981. The democracy he guarded has flourished, and today Venezuela is perhaps the most stable country in Latin America.

Rollback in Angola

Marxist guerrillas have long been lionized as freedom-fighters. But today, the tables of insurgency have been turned, and popular figures are waging guerrilla wars against Marxist regimes in Cambodia, Afghanistan, Angola, and Nicaragua. The most successful struggle so far has been Jonas Savimbi's fight to liberate Angola.

The son of a native railroad worker and patriot who died in a Portuguese jail, Jonas Savimbi decided while still young to fight Portugal's rule. After studying in Lisbon and Lausanne (he holds a Ph.D. in political science), he joined Holden Roberto's pro-Western National Front for the Liberation of Angola (FNLA). He rose quickly, becoming the front's foreign minister before his 30th birthday. But clashes with Mr. Roberto angered Mr. Savimbi, and he resigned in 1964. For over a year he traveled, meeting Che Guevara (whom he thought rather stupid) and Mao Tse-Tung, and training at China's Nanking Military Institute. Returning to Africa in 1965, he founded the National Union for the Total Independence of Angola—UNITA—and installed himself as president of its central committee.

With help from China and Egypt, Mr. Savimbi's men fought the Portuguese until the signing of a peace treaty (the short-lived Alvor Agreement) in January 1975. But despite the agreement's provisions for a coalition government and elections, Angola's rival factions were soon fighting each other. The Marxist Popular Front for the Liberation of Angola (MPLA) with 11,000 hastily deployed Cuban soldiers, seized the capital (Luanda) and easily fended off a small force of UNITA, FNLA, and South African units.

Unhappily for Angola's new colonizers, however, neither Mr. Savimbi nor UNITA was broken. Rejecting a Marxist offer to "share" power, Mr. Savimbi led a handful of loyalists on a grueling "long march" deep into the country's interior. In the wilderness the Portuguese called the Land at the End of the World, UNITA regrouped and launched a new guerrilla war. Today Mr. Savimbi bides his time, slowly expanding UNITA's territory and harassing the Cubans and the MPLA with his audacious sabotage and wide-ranging attacks.

Western journalists return from "Free Angola" astounded at Mr. Savimbi's miracle. Expecting a ragged handful of musket-toting natives, they instead find a professional army with high morale despite shortages and no pay. Mr. Savimbi's more than 10,000 soldiers have fought, and beaten, the Cubans in pitched battles. "Free Angola" is larger than many countries, and reporters tell of UNITA hospitals, machine shops, command bunkers, churches, and even a secretarial school.

Mr. Savimbi's charisma, intelligence, and drive are responsible for UNITA's success. "If he were killed, I don't know what would happen to UNITA," said one soldier to the *Washington Post*'s Leon Dash. A big, imposing man with a wide beard and a liking for silver-tipped walking sticks, Mr. Savimbi speaks seven Western and African languages. His appeal transcends tribal lines and commands an "almost mythical allegiance." His own philosophy is vaguely social democratic. He is not a capitalist, and he told Henry Allen: "I have no capital.

No one in Angola has any capital." But neither is he a doctrinaire socialist. A recent UNITA document speaks of national recovery and planned development, but adds that the country's "move into entrepreneurship" will ensure "the attainment of economic prosperity more rapidly and more surely" than concentration of economic power in government or in "giant-sized enterprises."

Mr. Savimbi has been called an opportunist for taking aid from sources as diverse as China and South Africa. He trades with Pretoria and gets some aid from Mr. Botha's government, but claims he has no choice and that he loathes apartheid. "When a man is drowning in a river filled with crocodiles, he does not ask whose hand pulls him to shore," he told correspondent Richard Harwood. It is difficult, especially for Mr. Savimbi's critics on the left, to remain consistent in condemning him for these ties. Other African leaders who trade with South Africa, notably Zimbabwe's Robert Mugabe, are not censured.

Mr. Savimbi cannot beat the estimated 20,000 to 35,000 Cubans in Angola on his own, but he can and will continue to make life miserable for the Communists. By all accounts UNITA has thwarted their attempt to dominate and remold Angola. In last year's offensives, Mr. Savimbi's army seized and briefly held a town only 100 miles from Luanda. In February they took the diamond-mining center Kanfunfo. The only way Angola's ruling Marxists can stop these inroads is to bow to Mr. Savimbi's demands—expulsion of the Cubans, negotiations, and popular elections.

Yves Guy Berges/Sygma

Jonas Savimbi's charisma, intelligence, and drive are responsible for UNITA's inroads against Communism in Angola.

Liberating Grenada

Early on the morning of October 25, 1983, President Reagan stood in a White House briefing room and told a stunned world that American troops were at that moment liberating Grenada. By his side was a dignified black woman in her sixties.

They each read their own short statements, and in the flurry of questions that followed, one reporter asked Mr. Reagan: "Do you think the United States has the right to invade another country to change its government?"

He hesitated a second, but before he could speak the woman beside him stepped to the microphone.

"And I don't think it's an invasion, if I may answer that question," she said. Surprised but obviously pleased, the President nodded his agreement.

"What is it?" the reporter fired back.

"This is a question of our asking for support," she answered in a lilting Caribbean accent. "We are one region. Grenada is part and parcel of us in organization, and we don't have—we don't have the capacity ourselves to see to it that the Grenadians get the freedom that they require to have to choose their own government."

She was Mary Eugenia Charles, prime minister of Dominica. Granddaughter of a slave, she studied in Toronto and at the London School of Economics, then returned to Dominica to launch her career as a lawyer and businesswoman. In 1968 she founded the Dominica Freedom Party, and after helping lead the island's drive for independence from Britain (granted in 1978), she spearheaded the Freedom Party's opposition to the corrupt Patrick John, the country's first leader. In 1980 she won the prime ministry with a landslide victory.

The island of Dominica is tiny and very poor—it exports mainly bananas—with few resources and no beaches to draw tourists. But Mrs. Charles won't take help from just anyone. Among her first acts as prime minister was stopping a Cuban-sponsored scholarship program for Dominican youths: "Too militaristic. Too revolutionary," she told the *Miami Herald*'s Beverly McFarland. In December 1981 a savage band of Rasta-

UPI/Bettmann Archive

In 1983 Eugenia Charles moved decisively to stop the spread of Communism in the Caribbean when she requested American help to liberate Grenada.

farians, ex-soldiers, and mercenaries (some with ties to the Ku Klux Klan) attempted a putsch that ended in two bloody gunfights with Dominican police.

Mrs. Charles and her Caribbean neighbors watched with horror as Mr. Bishop began to militarize Grenada. "It didn't take a genius to figure out what was going on," she said. "You get little snippets of information," such as reports of Cubans, Russians, and other tourist types "with no visible means of support driving around in fancy cars."

The arms buildup, Mrs. Charles told an audience last December, made her fear those weapons were "meant also for the other countries which had shown quite clearly that they were not and would not adopt the philosophy that was being spread in Grenada."

"What could happen to us in a couple of hours in an island like ours?" she asked.

In October 1983 the Grenadian pot boiled over. Marxist hardliners toppled and later murdered Bishop. On October 21 a hurriedly called meeting of the Organization of Eastern Caribbean States, chaired by Mrs. Charles, convened in Barbados to decide how to meet this new danger. Governor-General Paul Scoon, the only legal authority still alive on Grenada, requested their help, and they "knew something had to be done. We could not have gone on living like this."

Together they could only muster about 300 men—hardly enough to invade Grenada. "We looked for someone who could help us," Mrs. Charles said in December. Britain, France, and Canada were sympathetic but refused to send troops. So they turned to America: "They had the capacity." She had visited the aircraft carrier USS *Independence* earlier that year, "and I knew that boat alone could do the job that was going to be done in Grenada."

With no dissenting votes the organization moved to request American help. The appeal was sent to Washington on October 23, and two days later Communism lost its first country in 64 years.

Grounds for Hope

What links these five leaders—Magsaysay, Templer, Betancourt, Savimbi, and Charles—is their shared effort to stem the advance of Communism in the Third World. Each leader and each case is different from the others in important ways, to be sure. Yet their very diversity highlights an essential fact: that the leaders and the common people of the Third World, if instilled with the desire to preserve their freedoms and given the means to do so, can prove more than a match for their Communist enemies. In these violent times that is good news indeed, for it is grounds for hope.

How Jimmy Carter Fooled the Arabs

And Other Oil Shockers

S. Fred Singer

Over the past 11 years the world has witnessed two spectacular increases in the world price of oil, a quadrupling in 1973, from $3 to $12 per barrel, and a tripling to $36 in 1979–80. Most experts predicted the price would rise ever higher.

Today, however, we have an oil glut. The price currently stands at $29 and is falling, despite a worldwide economic recovery and fears that the Iran-Iraq war will continue to interfere with Persian Gulf tanker traffic. The price could drop below $20 shortly (in real terms, less than the 1974 price), but it should then rise slowly as low-cost oil is gradually depleted.

These oil trends are not a mystery, but a proof that economics really works. The price rises have encouraged conservation and the substitution of oil by cheaper, competing energy sources. Today less than 10 percent of U.S. electricity is generated by oil. In France, Japan, Taiwan, and South Korea, nuclear power is growing at a spectacular rate. Other countries are switching to coal or gas, or are developing hydroelectric power. OPEC's oil output has fallen in half, from 32 million barrels per day in 1979–80 to 17 mbd in 1984, and Saudi Arabia's has fallen by nearly two-thirds.

Three Lessons

To understand a variety of puzzling events in the oil business and to demolish many popular myths, one needs to remember only three related facts:

- Oil is a fungible substance. In spite of differences in quality, sulfur content, and specific gravity (weight per unit volume), one barrel of oil is essentially interchangeable with any other.
- There is one world oil market, and therefore one world price. The only variation, a matter of a dollar or less, is due to differences in transportation costs to Rotterdam, Singapore, Houston, and other major transshipping ports and refinery centers.
- In spite of appearances and pronouncements to the contrary, the price of oil is set by supply and demand—like any other commodity.

These three principles will be useful in analyzing a number of policy issues: the price of oil, the "need" for strategic stockpiles, and the international oil-sharing agreement.

Oil Price Mania

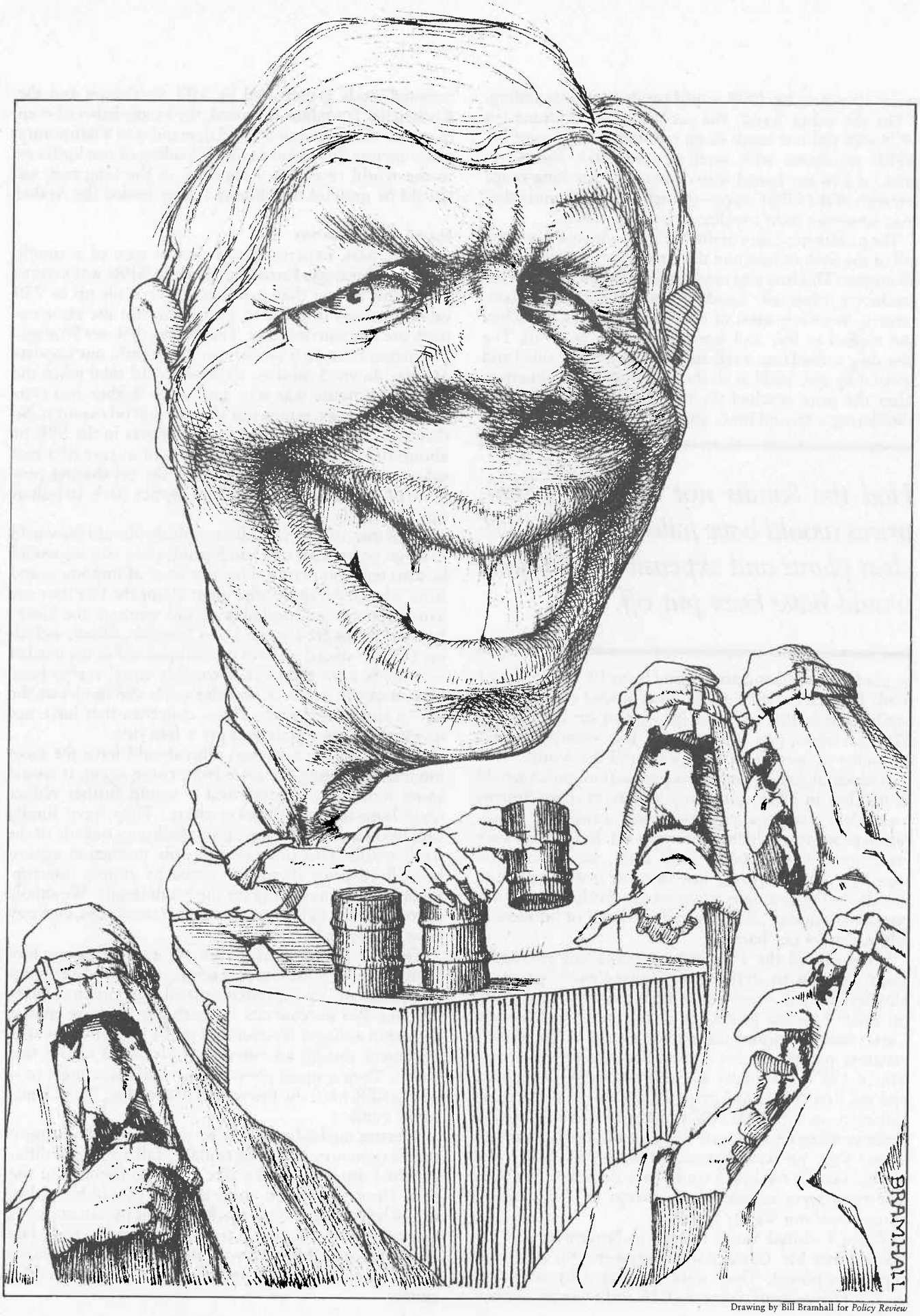
How does OPEC set the price of oil? The question is predicated on just one of many myths. OPEC does not set the price of oil. Contract prices follow the spot market price, which is set by free bargaining. OPEC's only means of affecting the spot price is to adjust its oil output and thereby influence world supply. If OPEC cuts output, for example, it can reduce supply and raise the price (or keep it from falling). But OPEC cannot influence demand; only consumers control demand, based on their buying decisions, which depend on the price of oil and on other factors such as income.

An interesting point arises. If OPEC wants the price of oil to be extremely high, it must reduce its output toward zero—but then its revenues also drop toward zero. Conversely, too high an output would flood the market and drive prices down, again lowering revenues. One can see that there must be an optimum price for OPEC that maximizes revenues and profits.

The "core" of OPEC, consisting of Saudi Arabia and the other Arabian producers of the Persian Gulf, has an interest in maximizing profits over the long term: Its reserves are sufficient for 50 years or more; and, because of sparse populations, the financial needs of these countries have historically been small and they can afford a long view (although their budgets have now climbed to match and exceed oil income).

I estimate that the 1973 price increase to $12 per barrel was close to the OPEC optimum. That price rise came about only after OPEC countries nationalized the oil concessions held by multinational oil companies and restricted the growth of oil production. In the years preceding 1973, prices had been held down by a continuous boom in oil production, which had been doubling

S. Fred Singer *is currently visiting professor at George Mason University in Fairfax, Virginia, specializing in energy policy. His latest book,* Free Market Energy, *has just been published by Universe Books.*



Drawing by Bill Bramhall for *Policy Review*

every 10 years; by 1979 world production was falling.

On the other hand, the second price increase (in 1979–80) did not result in an optimal price, except for OPEC producers with small reserves, like Algeria. A price of $36 per barrel was contrary to the long-range interests of the OPEC core—though the Saudis and other core countries didn't realize it for three years.

The proximate cause of the 1979 price increase was the fall of the shah of Iran and the virtual cutback of Iranian oil output. This loss was made up by increases from other producers, especially Saudi Arabia. Nevertheless, consumers, in anticipation of even higher prices, panicked and rushed to buy and stockpile quantities of oil. The hoarding turned into a self-fulfilling prophecy, aided and abetted by two sudden slashes in Saudi oil production. After the price reached the mid-thirties, Saudi Arabia, blundering a second time, attempted to defend the price by gradually reducing production from 10.5 to close to 3 mbd. By March 1983 OPEC was forced either to cut production further or lower its price. It cut the price to $29, but this price was still not low enough to halt consumer conservation efforts around the world.

Had the Saudis not cut production, prices would have fallen in 1981. Nuclear plants and expensive oil projects would have been put off.

Had Saudi Arabia not cut its production, prices would have fallen in 1981, and many long-term commitments for nuclear plants, gas pipelines, and expensive oil exploration projects would have been put off. But by now such investments have become sunk costs; the price of oil would have to drop very low to make it worthwhile to idle them. For example, it would pay to close down our operating nuclear plants only if the price of oil were to fall below $4 per barrel.

What caused the 1979 buying panic and persuaded Saudi Arabia to defend an unsustainable price—a blunder that will surely cause them economic and political grief? I would give a lot of the credit to President Carter and his curious fixation on energy as the world's greatest problem—the "moral equivalent of war." March 1977 saw Jimmy Carter's first MEOW message and his first National Energy Plan. It went nowhere in Congress, so other MEOW's followed. Each warned of the impending energy crisis when the oil supply would no longer keep up with demand—the famous "gap" that any economics freshman could have dispelled. Yet these assertions went unchallenged, except by a few whose voices were not widely heard.

When I visited Saudi Arabia in November 1982, I learned that Mr. Carter's warnings were still widely accepted as gospel. They were supported by seemingly authoritative reports from the CIA and a variety of international study groups, led by MIT professors and the Rockefeller Foundation. Indeed, the Saudis believed even then that the drop in world oil demand was a temporary phenomenon due either to the unloading of stockpiles or to the world recession. I suppose, in the long run, we should be grateful that Jimmy Carter fooled the Arabs!

Rainy Day Reserves

In the past, experts agreed that in case of a supply cutoff the Strategic Petroleum Reserve (SPR) was vital to U.S. security and that it needed to be built up to 750 million barrels in order to protect us. But the same experts are less worried now. They tell us that our Strategic Petroleum Reserve is already up to 400 mb; our imports are way down (5 mbd vs. an expected 12 mbd when the SPR target figure was set); and Saudi Arabia, our erstwhile embargoer, is now our sixth largest oil exporter. So they figure: We have 80 days of imports in the SPR or about 500 days of Saudi imports. And in case of a real catastrophe, these experts look to the oil-sharing program of the International Energy Agency (IEA) to pull us out of trouble.

All of this, of course, is utter rubbish. Should the world price go up because of a Saudi production cut, we would be affected—no matter what our level of imports is and from whom. All those who gloat about the fact that our Saudi imports are negligible should write on the blackboard one hundred times: *Oil is fungible.* All oil, including U.S.-produced oil, will be swapped out in the market by traders *until* the price is roughly equal everywhere. Our stockpile and everyone else's SPR can moderate the rise in this single price. Those countries that have not invested in a stockpile will get a free ride.

It's the Saudis, however, who should have the most interest in keeping the price from rising again. It would cause more conservation and it would further reduce their long-term oil market share. They have finally caught on and are setting up oil stockpiles outside of the Arab world. This provides not only protection against short-lived price increases caused by supply interruptions, but also a nest egg for the Saudi family. We should encourage and help them set up such stockpiles, especially in the United States.

There is still a debate within our government on how to manage the SPR. It makes sense, when oil prices jump, to release oil by a predetermined and preannounced amount. But bureaucrats (of both parties) have resisted the use of a trigger reaction and prefer instead to use their judgment during an emergency. I would rather they didn't. Their natural conservatism will cause them to sit on the SPR until the proverbial "rainy day," which may never come.

A better method would be to auction off all or some of the oil right now by selling tradable call options of different time durations and strike prices to the highest bidders. Upon expiration, more options should be sold for the oil held "long" in the stockpile. This privatizing of the stockpile would remove it from bureaucratic control but would leave the SPR as a symbol against any tendency to reimpose price controls and allocations during an emergency.

Consumers Unite

The IEA was set up in Paris in 1974 in the panicky reaction to the Arab oil embargo (which never worked). The IEA was conceived as a consumer cartel—a sort of counterpoise to OPEC (which was mistakenly believed to be a cartel). The consumer cartel didn't work either, so another rationale was developed: The IEA was to coordinate the sharing of oil supplies during an emergency (this, after the 1974 experience had clearly shown that embargoes don't work and that the world market will distribute oil supplies).

National interests came into play in a strange way. The United States (in the person of Henry Kissinger) believed it would remain a target of Arab oil embargoes and therefore wanted a sharing scheme. European countries were afraid that the United States would outbid them on the world oil market and split NATO apart. France never joined the IEA but preferred instead to deal bilaterally with Arab oil producers, notably Iraq.

They were all wrong. The United States cannot be effectively embargoed (remember that oil is fungible and that there can be only one world price) and never has been. The United States does not outbid Europe. In the first place, private U.S. companies, not the government, purchase oil. Secondly, consumers willing to pay the higher price, be they Americans or Europeans, outbid other consumers. That is the essence of a free market. France, especially, paid a heavy price for "guaranteed access" to oil. In addition to needlessly paying extra billions of dollars, France also made political concessions, such as furnishing a nuclear "research" reactor to Iraq that could produce nuclear weapons material.

It should be clear that the IEA oil-sharing agreement is either useless or preposterous, depending on the price at which the sharing is to take place. That little matter—like sex among the Victorians—has not been openly discussed by the IEA. If the sharing price is to be the spot price during an emergency, then everyone can buy oil at that price and the IEA is not needed. If, on the other hand, the much lower pre-emergency price is to be used, then the sharing becomes a clear subsidy from low per-capita importers (the United States and the United Kingdom) to high importers (Japan and Western Europe).

The IEA pact is likely to cost the U.S. consumer oil, or money, or both. But the real danger is that the IEA scheme, which is based on demand restraints and allocations, could drag the United States back into price controls and oil allocations. Strangely enough, Japan and much of Europe, which never had price controls or oil crises in 1974 and 1979, have now built up a control-minded bureaucracy anxious to spring such schemes on their unsuspecting populations. They seem to have learned the wrong lesson from our experience!

Moreover, the Department of Energy's regulatory apparatus—defunct after oil price deregulation in 1981—has metastasized into numerous state energy offices. These state employees are waiting for the next crisis when the Feds will provide their governors with set-aside oil for "hardship cases." It is time to drop the IEA scheme—and quickly, before more mischief is done.

Price controls, oil hoarding, and oil sharing do not work. In fact they are a part of the problem. If the United States is to avoid more oil "shocks," we must resist our own regulatory folly.

Tax-Slashing 1981

The Kindest Cuts of All

Grover Norquist

In the early 1870s, the United States of America became the largest economy in the world. In 1984, America became the world's fastest growing major economy. We are growing faster than Japan. Faster than West Germany. Only Singapore and Taiwan have been able to keep pace with America's real growth of 7.6 percent over the past 12 months.

Why? Where did this burst of economic growth come from?

Just a few years ago we were admonished that we suffered from malaise—that there were limits to growth—limits to our future and our dreams. Taxes were creeping ever upward. The economy was veering between double-digit inflation and high unemployment.

The Economic Recovery Tax Act of 1981 changed all that. The tax cut slashed personal income tax rates by 25 percent for all Americans. It accelerated depreciation for business investment, dropped the capital gains tax from 28 percent to 20 percent, and sharply reduced gift and inheritance taxes.

Keynesian economists told us that the tax cut would be wildly inflationary and raise interest rates. They were wrong. Interest rates fell from 21.5 percent in 1980—their highest level since the Civil War—to 13 percent. Inflation fell from 12.4 percent in 1980 to below 4 percent for the past year. The recession of 1982 ended when the tax cut was fully implemented in January 1983.

The supply-siders who pushed for the tax cut promised us that reducing tax rates would increase the incentives to work, save, and invest. And that is exactly what has happened. The resulting economic activity has been explosive.

Since the third installment of the tax cut took effect in 1983, more than 6½ million new jobs have been created. Total employment has jumped to a record 105.4 million—5 million above its previous peak. The percentage of working-age Americans employed rose to a historic high of 60.0 percent in June 1984.

Facing lower taxes and thus higher rewards for hard work and risk-taking, more Americans are becoming entrepreneurs. The number of self-employed has risen by nearly 400,000 since December 1982. New business incorporations, as measured by Dun and Bradstreet, have been increasing by more than 600,000 a year—twice the rate of a decade ago.

And the job bonanza is particularly impressive when compared with the European nations, which have followed a model of industrial policy rather than tax cuts. In May 1984 alone, the American economy generated 880,000 new jobs, more than the Common Market countries of Europe have created in the past 12 years.

Investment-Led Recovery

The supply-siders also predicted correctly that tax cuts would fuel a surge in investment. Venture capital expanded by 56 percent in 1983 over 1982. Initial public stock offerings raised $12.6 billion in 1983—more than the total garnered in the previous 10 years.

In the first six quarters of the recovery, business fixed investment rose by 25.4 percent. Investment in durable equipment jumped by 32 percent. The increase in investment is almost three times stronger than in the previous four recoveries. This is no normal business cycle. This is an investment-led recovery highlighting the confidence investors have in our future.

Some Keynesians, recognizing the strength and reality of economic growth, have moved to take credit for the recovery. They argue that the federal deficits are the true engine of growth—not the greater incentives of lower tax rates. Lester Thurow has joined this chorus by announcing that "President Reagan has become the ultimate Keynesian."

But this belated attempt to take credit for a recovery they did not predict will not work. The claimed paternity is refuted by the facts.

Despite the *Washington Post*'s assertion that this is a classic consumer-led recovery, consumption grew by only 5.4 percent in 1983, compared with real GNP growth of 6.2 percent. During this period, according to Norman Ture, investment grew by 37.4 percent, six times faster than consumption.

GROVER NORQUIST *is chief speechwriter for the U.S. Chamber of Commerce.*

Higher Tax Revenues

Tax cuts have also generated higher tax revenues, especially in the top brackets. In 1981, at the insistence of Democratic congressmen, the top marginal rates were cut from 70 percent to 50 percent. The result was exactly as supply-siders predicted. Money came out of non-productive tax shelters and into productive, wealth-creating, and taxable investments. And contrary to conventional wisdom, the tax burden shifted toward the rich.

Indeed, as syndicated columnist Warren Brookes has reported, "those with incomes above $500,000 paid 40 percent more tax revenues in 1982 than in 1981. One of the primary reasons for this huge increase was a 55 percent rise in the number of returns filed by those reporting $1 million or more in adjusted gross income."

The accelerated depreciation provisions of the 1981 tax bill have boosted the internal cash flow of American companies, which are now able to meet 75 percent of their non-financial needs internally, up from 58 percent before the tax cut. Cash generated through depreciation on corporate and non-corporate assets has risen to $377.3 billion. Add undistributed profits of $78 billion and personal savings of $118 billion, and a total of $569.8 billion is available to finance America's borrowing needs, both public and private.

Even this larger figure does not fully state the increase in savings. The bull stock market which ran the Dow Jones up from 780 in August 1982 to over 1,200 expanded the personal wealth of Americans by more than $500 billion. While this jump in wealth does not show up in flow-of-funds statistics, it represents true savings available to finance borrowing needs.

Falling Deficit

Political opponents of the tax cut have wisely chosen to ignore those heartening statistics. Instead, critics argue that the tax cut has created federal deficits as far as the eye can see. These deficits, they say, will sop up all available capital, thus driving up interest rates, reigniting inflation, and leading to a collapse. The solution they offer is to increase taxes to bring down the deficit and avoid Armaggedon.

But the tax cut of 1981 did not cause the present federal deficit.

The deficit is the difference between total spending and total revenue. Federal revenues now take in 18 to 19 percent of the GNP, the same as in the 1970s. Federal spending, however, has jumped from an average of 20 to 22 percent to almost 25 percent in 1983. We are witnessing deficit *spending*—not inadequate taxation.

Further, the deficit is not $200 billion. The deficit hit a recession-induced high of $195 billion in fiscal year 1983, but economic growth has expanded the tax base and reduced social spending, particularly unemployment compensation (down $17 billion in the first nine months of FY 1984). The deficit is now running at about $170 billion and will continue to fall in real terms and as a percentage of the gross national product.

Tax increases will not close the deficit. This was attempted with the ill-fated Tax Equity and Fiscal Responsibility Act of 1982. We were promised three dollars in spending cuts for every one of the $98 billion in tax increase. Yet, when the smoke cleared, Congress had spent every penny of the new revenues plus some. We got $1.16 of spending increase for every dollar of additional taxes. The deficit widened. Another round of tax increases will only slow the growth of the economy and increase rather than decrease the deficit.

California turned a $1.5 billion deficit in 1983 into a $1 billion surplus after refusing to enact a statewide tax increase. Instead, the state raised revenues through the economic growth created by the federal tax cut. State budgets are now $60 billion in surplus as a result of the national economic recovery.

Economic growth raises tax revenues as more people go to work and join the payrolls. At the same time, it reduces federal spending on social programs and the demand for social welfare programs.

"The results are in—and unmistakable. The tax cut of 1981 worked."

The results are in—and unmistakable. The tax cut of 1981 worked just as its proponents said it would. It increased incentives for individuals to work, save, and invest, and the American people responded quickly and decisively. And the economic growth the tax cut created has given us the means to further reduce the already falling deficit.

It is ironic that just as the low tax policy of the Reagan administration is proving itself successful on all fronts, leading politicians of both parties have failed to understand how and why the economy is growing at 7.6 percent, a rate usually reserved for inflation figures.

Worse, these politicians are calling for a return to the very policies of high taxation and high federal spending that failed so miserably in the 1970s.

The rest of the world, however, is beginning to understand why America is once again the model for economic growth. Impressed by the vitality and entrepreneurship he witnessed on a recent trip to Silicon Valley, France's President François Mitterrand has announced a tax cut of 8 percent. Britain's Prime Minister Margaret Thatcher, after experimenting with monetarism and trying repeatedly to cut spending first and taxes second, has come up with a new budget with lower marginal tax rates. In the last few years workers have held massive demonstrations in Japan, Sweden, and Ireland, each time demanding tax cuts.

Our secret for rapid economic growth is no secret. The whole world has seen and marveled at the power and strength of the American economy when tax cuts unleash the talents, the energies, and the genius of the American people. ☎

The Marketplace of Ideas

Forty Years of Best-Selling Conservative Books

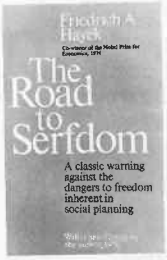
Jean Savage

Best-seller lists are usually the terrain of sensational novels, diet books, and Garfield the Cat. They seem unlikely places to find the titles of serious works extolling the virtues of individualism, freedom, and Christian morality. But the demand for conservative books is out there, and over the past 40 years dozens of such books have climbed to best-seller status. As defined by the publishing trade, this means selling at least 30,000 copies in the first flush of publication, with healthy continuing sales.

Frequently these conservative best-sellers have been published without advance notice, and without acknowledgment by the literary establishment. Some have not even been included on coast-to-coast best-seller lists. Nor have they always been the most original works intellectually; in many cases they have popularized ideas from more seminal works. Nonetheless, many of these conservative best-sellers have fired the American imagination and deeply influenced the nation's politics.

What follows here is an abbreviated list of conservative best-sellers, a dozen of America's more popular books over the last forty years.

The Road to Serfdom



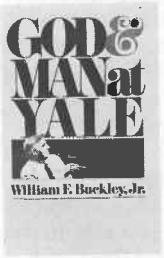
The first, and probably the most important, title on this list had one of the most inauspicious beginnings. Friedrich Hayek's *Road to Serfdom* was rejected by several major publishing houses before it was brought out in 1944 by the University of Chicago Press in a printing of only 2,000 copies. The book was snapped up, and larger printings followed immediately. In early 1945, it was condensed and reprinted by the *Reader's Digest*, and distributed by the Book-of-the-Month Club. To date, it has sold 79,000 in hardcover, 127,000 in paperback, and continues to sell at least two to three thousand copies a year.

The enduring popularity of *The Road to Serfdom* is the result of Mr. Hayek's timeless, succinct warning to the West of the dangers of collectivism and totalitarianism. In the midst of a war in which one totalitarian state was a U.S. enemy, another an ally, Mr. Hayek showed their common basis in socialism, and the seeds of statism in all of Western society. He wrote of the blindness of modern liberals to the conflict in principle between freedom and socialism, and his words are still fresh today:

> It is more important to clear away the obstacles with which human folly has encumbered our path and to release the creative energy of individuals than to devise further machinery for 'guiding' and 'directing' them. . . .

Mr. Hayek became a Nobel laureate in economics in 1974, and the special importance of his book among conservative best-sellers is confirmed by the acknowledged debt of many of the other authors.

God and Man at Yale



How a famous institution failed to live up to treasured American ideals was the takeoff point for *God and Man at Yale* by William F. Buckley, Jr., published in 1951. In his outburst against his alma mater, written a few years after his graduation, Mr. Buckley depicted Yale as a great university that claimed to uphold American values of individualism and Christianity, while inculcating the opposite. He made detailed criticisms of books, professors, courses, and their overwhelming leaning toward collectivism and secularism. He ended by calling on the alumni to challenge Yale's policies. Although Mr. Buckley's publisher, Henry Regnery, had planned a huge publicity campaign, the book caused such a furor in the academic community and the press that no further promotion was needed. *God and Man at Yale* sold over 40,000 copies in hardcover, and has averaged sales of about 900 a year in Regnery-Gateway paperback.

JEAN SAVAGE *is an editor in the copy department of The Heritage Foundation.*

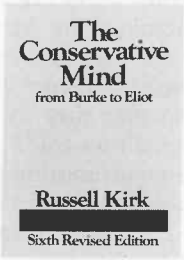
Mr. Buckley has, of course, been a best-selling author many times since *God and Man at Yale,* but for the conservative movement this was his most important title. Its value far outstripped its sales, for it brought forward a clear voice against the liberal hold on the intellectual establishment. This move was soon consolidated by the founding of *National Review,* with Mr. Buckley as editor, in November 1956.

Witness

Few episodes have had more impact on American intellectuals than the 1950 trial of Alger Hiss. The classic confrontation between Mr. Hiss, the popular, liberal State Department official, and Whittaker Chambers, his soul-searching, ex-Communist accuser, continues to inspire analysis and comment today. *Witness,* the 808-page book that the trial wrung from Mr. Chambers, became a best-seller in 1952. Its prepublication serialization in the *Saturday Evening Post* reached hundreds of thousands, and it is still in print in Random House hardcover today. Historian George Nash ranks it with *The Road to Serfdom* as "an assault on the American left at a moment of acute uncertainty."

Witness was far more than an account of the reasons for Mr. Chambers's revelations about Mr. Hiss. It was an eloquent personal testament, linking the struggle against Communism to the eternal religious struggle of good against evil. One of the book's early fans, President Reagan, recently bestowed posthumously on Whittaker Chambers the nation's highest civilian award, the Medal of Honor.

The Conservative Mind



In 1953 Henry Regnery, who had published *God and Man at Yale,* brought out a more scholarly, modest best-seller. *The Conservative Mind* by Russell Kirk discussed conservative thought from Edmund Burke to George Santayana. Mr. Kirk pitted the tensions of the modern, industrialized world against the traditional concepts of divine order and natural law. He wrote of the connection between property and freedom, and maintained that innovation does not automatically equal progress.

The Conservative Mind received wide acclaim as a brilliant piece of scholarship, which showed the continuity of diverse lines of conservative thought. The book appealed to many who were reacting against collectivism on grounds ranging from party politics to religion. It sold over 30,000 copies in hardcover, and is still in paperback print, selling an average of two to three hundred copies a year.

Atlas Shrugged

Novels also have a place on the conservative best-seller list, and one of the best known is the controversial *Atlas Shrugged* by Ayn Rand, published in 1957. Although the book deals with one of conservatism's most pervasive themes—laissez-faire economics—it was not accepted by some conservative thinkers.

Ms. Rand developed a ruthless objectivist philosophy in a black versus white tale of what happens when the men of the mind go on strike. Technocrats, engineers, and managers face off against the Children of Darkness, an amorphous mass of leftists and liberal New Dealers. The message, as proclaimed by one of her protagonists, is: "I swear—by my life and love of it—that I will never live for the sake of another man nor ask another man to live for mine." For some, this motto implied rugged individualism. For others, a dictatorship of a technological elite. But whatever the spread of opinion, and despite its length of 1,168 pages, sales of *Atlas Shrugged* soared to over a million copies in its first six years and to date have reached 132,000 in hardcover and over 4 million in paperback.

Conscience of a Conservative

Another conservative book which sold millions of copies was Barry Goldwater's *Conscience of a Conservative,* published in 1960. In this book, Mr. Goldwater made no claim to earth-shattering new truths. Instead, he reaffirmed traditional conservatism, strict constitutionalism, states' rights, and limited government. His argument took off from Russell Kirk and was written under the "guiding hand" of Brent Bozell. But what counted was Mr. Goldwater's drive to put conservatism on a practical plane. As a U.S. senator, he saw the failure of conservative reason to translate into political realities:

> Though we Conservatives are deeply persuaded that our society is ailing, and know that Conservatism holds the key to national salvation—and feel sure the country agrees with us—we seem unable to demonstrate the practical relevance of Conservative principles to the needs of the day.

Conscience of a Conservative was brought out in a printing of 10,000 in March 1960, by the virtually unknown Victor Publishing Company of Shepherdsville, Kentucky. But Americans recognized an authentic conservative, as the *Chicago Tribune* called him, and they bought 3.5 million copies of his book. It became a best-seller, made his name a household word, and helped him gain the Republican presidential candidacy in 1964.

A Choice, Not An Echo

While Mr. Goldwater was running for president, in 1964, another author published the first in what became a long string of best-sellers. Rarely reviewed, never on best-seller lists, published by the Pere Marquette Press, Phyllis Schlafly's books have sold millions of copies. *A Choice, Not an Echo* was the first. Mrs. Schlafly describes it as "The History of Republican National Conventions, a longtime hobby of mine. It's a fascinating story. I knew it, and I wrote it." A briskly written description of the so-called kingmakers in her own Republican Party, it commended Barry Goldwater as the people's choice for president and took to task those kingmakers who would have had it otherwise. She linked the choices of powerful moderate Republicans with their accommodations to liberal philosophy. In each convention, from

CONSERVATIVE BEST-SELLERS

	COPIES SOLD
The Road to Serfdom (1944) by Friedrich Hayek	206,000
God and Man at Yale (1951) by William F. Buckley, Jr.	69,700
Witness (1952) by Whittaker Chambers	*
The Conservative Mind (1953) by Russell Kirk	37,750
Atlas Shrugged (1957) by Ayn Rand	4,132,000
Conscience of a Conservative (1960) by Barry Goldwater	3,500,000
A Choice, Not An Echo (1964) by Phyllis Schlafly	3,000,000
The Unheavenly City (1970) by Edward C. Banfield	100,000†
A Time for Truth (1978) by William E. Simon	2,550,000
Free to Choose (1979) by Milton Friedman	1,240,000
Wealth and Poverty (1981) by George Gilder	350,000
A Christian Manifesto (1981) by Francis August Schaeffer	312,000

*unavailable
†1970–1972

1936 on, she referred to the pertinent issues and showed how, in the interest of the financial world they represented, the kingmakers tended to give in to Soviet and Chinese Communists. *A Choice, Not an Echo* sold 3 million copies.

Phyllis Schlafly's books (including *The Gravediggers, Strikes from Space, The Power of a Christian Woman, Kissinger on the Couch)* deserve special note because they may have been the first to articulate the mentality of today's New Right conservatism. They argued for American well-being first, based on recognition of the Communist threat, adherence to Christian principles, and reduced statism.

The Unheavenly City

In 1970, despite the left's hegemony over public discourse, a conservative best-seller emerged. During the "model cities" years, Edward C. Banfield's *The Unheavenly City* made the rash claim that the cities and urban life were not declining, and had actually improved in recent years. The difficulty, said Banfield, lay in government programs that confounded good intentions and good solutions, and exacerbated urban problems by raising city dwellers' expectations above possible fulfillment.

Mr. Banfield's book was among the first of a new genre of conservative writings which not only found fault theoretically with liberal policies, but also showed on the basis of case studies how liberal solutions had failed. *The Unheavenly City* was also among the first neoconservative publications. Mr. Banfield said:

> By far the most effective way of helping the poor is to keep profitseekers competing vigorously for their trade as consumers and for their services as workers. This, however, is not a way of helping that affords members of the upper classes the chance to flex their moral muscles or the community the chance to dramatize its commitment to the values that hold it together.

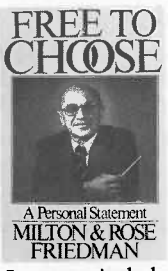
Even diehard do-gooders had to read this book, and it sold 100,000 copies in the first two years.

A Time for Truth

By 1978, midway through the Carter administration, many conservatives felt a growing frustration with liberal spending and regulation. William E. Simon articulated this sense in *A Time for Truth,* a vigorous, witty argument against government sprawl, punctuated by Mr. Simon's experience as secretary of the treasury and as "energy czar." Mr. Simon sums up his sense of urgency in his dedication: ". . . to my children, so that they can never say, at some future time, 'Why weren't we told?'"

Thanks in great part to Mr. Simon's own promotional efforts, the book sold more than 150,000 in Reader's Digest Press hardcover, and more than 2.4 million were printed in Berkeley paperback.

Free to Choose

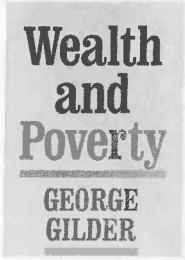


Today, the name Milton Friedman is widely known. The best-selling *Free to Choose,* written in 1979 by Mr. Friedman and his wife, Rose, plus the popular TV series of the same name, explained to a nationwide audience his brand of free-market economics and its political implications. Over 1.2 million copies of the Harcourt, Brace, Jovanovitch book are in print. But Mr. Friedman's notions had been best-seller material before, in the 1962 book *Capitalism and Freedom,* of which the University of Chicago Press has sold 17,900 in hardcover and 474,000 in paperback. Mr. Friedman's Nobel Prize in economics was awarded between the two books, in 1976.

Free to Choose surpasses Mr. Friedman's earlier book

in making clear, even to those unschooled in economics, how the market works. Even liberal critics urged the public to read the Friedmans.

Wealth and Poverty



Another best-selling book about capitalism has been George Gilder's *Wealth and Poverty,* published in 1981 by Basic Books. Mr. Gilder couched his discussion in three sections. "The Mandate for Capitalism" explained that wealth (supply-side economics, small businesses, technology, and private sources of creativity) creates the only ambience in which it is possible to fight poverty effectively. "The Crisis of Policy" debunked welfare, pointing out that the collectivization of real risks and costs harms economic well-being. And "The Economy of Faith" was an encomium to optimism and risk-taking as the soul of enterprise.

Mr. Gilder's thesis that the motive of capitalism is giving, rather than rational self-interest, exposed him to argument and criticism. But his enthusiasm for capitalists won him readers. His book has sold over 125,000 in hardcover, and 225,000 paperback copies are in print.

A Christian Manifesto

The same year, 1981, also saw the publication of *A Christian Manifesto,* by the late Francis August Schaeffer. This book has sold 312,000 copies to date, and is representative of a number of best-sellers which connect the so-called New Right to the conservative movement. They are distributed chiefly through Christian bookstores, and do not appear on the best-seller list of the *New York Times.* But they add a grassroots base to the more purely intellectual aspects of the conservative movement.

Like all best-seller lists, this one has left out many significant books. Conservatives have written prolifically over the last 40 years, and many of their books have sold well. But the books mentioned here provide at least a brief guide to those conservative ideas that sell, and that have helped to shape today's political agenda.

A Handful of Idealists Changed the Nation!

Conservatives used to talk a lot...

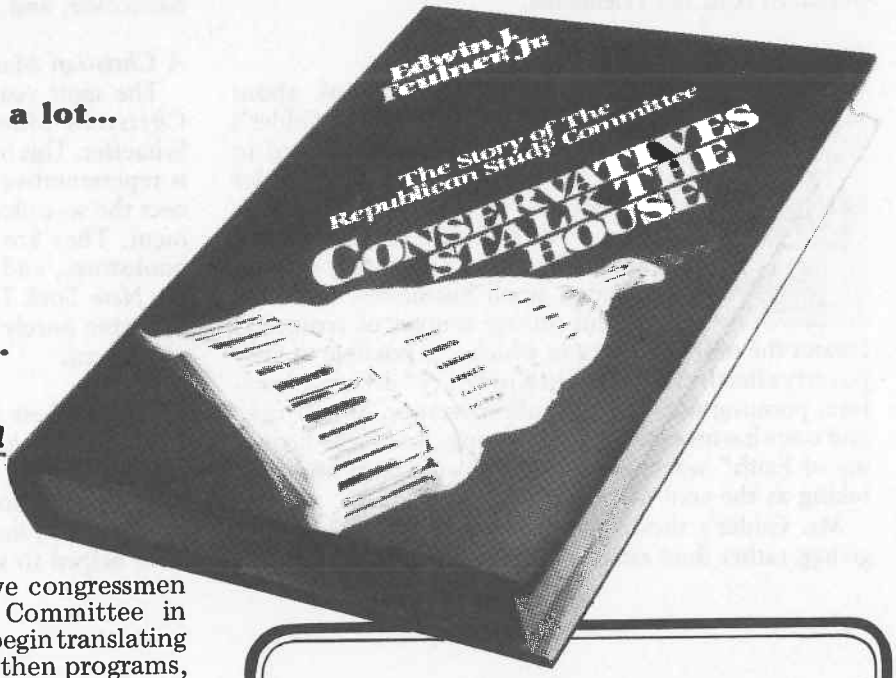
Vote a lot...

Write letters...

Draw up programs...

Contribute to committees...

But they didn't get results!



That's why a handful of conservative congressmen organized the Republican Study Committee in 1973. *Someone, somewhere*, had to begin translating grassroots ideals into power politics, then programs, then law!

How it was done

Conservatives Stalk the House is the inside story of the most important, influential, sophisticated political organization on the Right—a group hardly anyone, even in Washington, knows about!

In that Watergate year, a handful of Republican conservatives—a tiny minority within a minority—organized themselves, despite the total hostility of the GOP leadership, and the catcalls of the well-oiled and powerful liberal Democratic Study Group.

Conservative laws

Bit by bit, over the years, the RSC became influential, gained members, and began to thwart liberal programs and even enact legislation, such as the legalization of gold, *and the Reagan tax reform package*, even though badly outnumbered by Democrats.

The RSC acquired a reputation for superb research; gradually it supplied the political ammunition not just for conservatives—but for most of the GOP— and a lot of conservative Democrats as well.

Reagan's Troops

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The 200-Year Teaparty

Secrets of the Tax Revolt, *by James Ring Adams (San Diego: Harcourt, Brace, Jovanovich, $16.95).*

Way back in the 14th century, an Arab statesman-philosopher named Ibn Khaldun described the undoing of ruling elites who keep raising taxes that lead to economic decline. "At the beginning of the dynasty, taxation yields a large revenue from small assessments. At the end of the dynasty, taxation yields a small revenue from large assessments," wrote Khaldun.

As James Ring Adams observes in his new book, *Secrets of the Tax Revolt,* "Khaldun described the Laffer curve as well as anyone would six centuries later."

In this "must" book for thinking conservatives, Mr. Adams draws on both classical economic theory and the politico-economic history of eight states to show that, even under democratic governments today, Khaldun's cycle still holds true. Tax excess brings on economic misery, which leads inevitably to tax revolt.

Mr. Adams is a *Wall Street Journal* editorialist who has followed the modern American tax revolt since its inception in the 1970s. In this book, acting as a "historical geologist," he shows how today's tax revolt fever has begun to melt what he calls the "Ice Age glacier" of liberalism and economic stagnation that had gripped the country. The result of his field work is a stylish, yet scholarly, addition to politico-economic thought in America.

From Locke to Laffer

Mr. Adams refutes the notion that supply-side theory is merely a fad of some curious contemporary conservative cult. America, he shows, was a direct product of supply-side thought in 17th and 18th century politico-economic theory. And today's tax revolt is the "third wave" of a cycle of anti-tax movements throughout our history.

The first wave was the adoption in most state constitutions of John Locke's insistence on a "uniform rule" of "proportional taxation." Locke's ideas lie at the core of today's tax revolt. "If the purpose of the state is (as Locke's *Social Contract* spells out) to protect the property accumulated by individual labor, then the conclusion follows rapidly that taxation ought to be limited," Mr. Adams writes.

As Lockean philosophy evolved into American ideology, the basic result was to rule out redistributive tax systems. To this date, Massachusetts, the nation's most "liberal" state in its politics, has a flat-rate income tax solely because its constitution contains the Lockean social contract on uniform and proportional taxation. Three times in the past 17 years, constitutional amendments to change it have been overwhelmingly rejected at the polls.

Locke's contract theory was further developed into full-blown anti-tax ideology by David Hume and Baron de Montesquieu, who asked: "Will the state begin by impoverishing its subjects to enrich itself? Or will it wait for the subjects to enrich it by their own prosperity?" President Reagan could not say it better. And David Hume was still more blunt: "Exorbitant taxes, like extreme necessity, destroy industry, producing despair, and even before they reach this pitch they raise the wages of the laborer and manufacturer and heighten the price of all commodities."

Those who see the adverse effects of rising marginal tax rates as figments of the imaginative theories of Jude Wanniski, Arthur Laffer, Robert Mundell, and the *Wall Street Journal*'s editorial page are in for a rude awakening. As Mr. Adams says, "In 1776 . . . tax revolt and tax theory leapt forward together, propelled by the same philosophical tradition." Alexander Hamilton quoted both Hume and Montesquieu in the Federalist Papers. Thomas Jefferson ran on the Reaganesque promise to repeal all internal taxation. And Andrew Jackson's "laissez-faire populism" endorsed popular control over government spending.

The second wave brought the discovery that while politicians might be afraid to tax, they could not resist borrowing. The resulting debt crises led to constitutional conventions in the 1860s and 1870s in which state after state finally adopted laws requiring public referenda on bond issues.

The third wave, which continues today, was the adoption of initiative and referendum (I & R) amendments that culminated in the great "propositions" of California and Massachusetts, and tax limitation amendments in Tennessee (1977) and Ohio (1983).

Mr. Adams describes these historical waves and their crucial players in three chapters. In early Massachusetts history, the proportional property tax covenant was written into the state constitution. In New York, politicians first invented revenue bonds to build the Erie Canal, and later used them to circumvent the debt referendum process. This ruse, along with crushingly high taxes, bankrupted both the state and the city by 1975. And in California, in the 1850s, placer-mining (based on individual claims) populism led to the first I & R amend-

ments by Hiram Johnson, which, in turn, produced the 1978 earthquake known as Proposition 13. In other chapters, Mr. Adams also shows tax limit theory at work in Louisiana, Texas, Ohio, Michigan, Vermont, and New Hampshire.

Along the way, he provides fascinating vignettes. For example, in 1764 Britain's Prime Minister George Grenville "miscalculated the Laffer Curve effect" when he cut the custom duty on molasses going into America from six pence to three. "His three-penny duty was still too high. It did triple the revenue, but when the rate was later reduced to one pence, the revenues increased even more."

Proposition 2½

From the economic history of various states, Mr. Adams infers the first secret of the tax revolts, that "falling tax burdens and rising technologies" are a "magic formula" for economic growth. He readily admits that there are states with low (but not necessarily falling) tax burdens that have been declining because they ignored the new technologies—Ohio, for example. But, while admitting that tax burden is not the whole issue, he cites ample econometric evidence that it plays a central role in differentiating the experience of one state from another.

Mr. Adams's second secret of the tax revolt is, "Forget special tax breaks for business. Lower the personal tax burden." As he explains:

> The most powerful engine of a state's economy is its native small and growing business. More than two-thirds of the nation's (non-government) work force is on the payroll of companies with fewer than 250 employees. If a state wants to grow it does not need corporate managers. It needs entrepreneurs. And these economically savvy individuals are extremely alert to the impact of taxation. The number of such people will expand or contract depending on the rewards.

In Massachusetts, for example, the high-tech industry boom has been far more the result of lowering property and personal income taxes than of giving business tax breaks, which do not necessarily offset the state and local taxes that punish the creative engineer or programmer.

In 1975, Massachusetts was the paradigm of an overtaxed, stagnant economy. As Mr. Adams notes, from 1966 to 1974, "the Massachusetts tax burden swelled from 28th among the states to fifth." And it rose to an all-time high in 1977 under Governor Michael Dukakis. At the same time, the Massachusetts high-tech economy plunged, with personal income falling from 110 percent of the nation in 1971, to 103 percent in 1978, from 36th in growth to 47th. Over 100,000 manufacturing jobs were lost.

But, as Mr. Adams shows, such situations invite the kind of tax revolt that in 1978 threw Mike Dukakis out of office for his largest-in-history tax increase. Voters elected fiscally conservative Edward King, and in 1980 rammed Proposition 2½ through by a 60–40 margin. By 1983, the Massachusetts tax burden had been cut nearly 20 percent, from 17.7 percent of personal income to 14.2 percent, from 5th to 22nd highest in the nation, the largest state drop in history.

From John Locke to Arthur Laffer, tax revolt is a strong American tradition.

The economic fallout came surprisingly fast. Unemployment plunged to 3.9 percent in June 1984, lowest in 14 years, and 3.2 points below the unemployment rate of the nation. In 1983 state personal income had recovered to 112 percent of the national average; and from the nation's 3rd *slowest* growing in 1977, to the 6th *fastest*. The only major industrial state with a stronger economy is Texas, which still has one of the lowest tax burdens in the nation and no state income tax, and whose low-tax "secrets" of success Mr. Adams spells out in chapter 8.

The danger, of course, is that while low taxes are a tradition in Texas, Puritan social guilt about wealth and production goes deep in Massachusetts. The prosperity and $400 million revenue surpluses generated by tax cutting have, ironically, given the liberals a new political lift.

But for now in Massachusetts, as in America, the economic springtime of the tax revolt still holds promise. "Supply-side theory and the tax revolt have joined to melt away" what Mr. Adams calls the "frigid weight" of a liberal Ice Age, revealing the outlines of an earlier America. He is right. "The climate is young. The landscape is fresh. The new world buds with infinite possibility."

Warren Brookes

WARREN BROOKES *is a nationally syndicated columnist for The Heritage Features Syndicate. His latest book is* The Economy in Mind.

Ode to Capitalism

The Spirit of Enterprise, *by George Gilder (New York: Simon and Schuster, $17.95).*

George Gilder, whose *Wealth and Poverty* became a handbook for the newly arrived Reaganites in 1981, is back with a fresh offering just in time for the second term. His latest work, *The Spirit of Enterprise,* is a celebration of entrepreneurs and a manifesto of the policies that will enable them to lead the economy out of darkness. (By "entrepreneur," Mr. Gilder means executives of giant corporations as well as scrappy proprietors.)

Innovators deserve celebration, and few can sing their praises as exuberantly as George Gilder. He calls proper attention to their vital role in fostering growth. And he espouses policies—chiefly the elimination of distortions in the tax code—that would release entrepreneurial energies and enhance economic efficiency. But Mr. Gilder's song of enterprise is marred by a misunderstanding of economics and by uneven business journalism.

As he states in the opening paragraph of his prologue, he sees modern economics as "an elaborate stage of theory, without a protagonist to animate the play." The real world, of course, has drama and heroes galore. Mr. Gilder searches them out and tells their stories with a palpable sense of excitement and fascination. But in explaining why his heroes are so crucial to human progress, Mr. Gilder levels a barrage at economists that is undocumented and unnecessary.

Neoclassical economics, as expounded by the likes of Armen Alchian, William Meckling, and Milton Friedman, sees the world as composed of rational, utility-maximizing individuals who use their intellects, instincts, and skills to make the most of their opportunities in life. This is true of all, from the Manhattan mugger to the Silicon Valley C.E.O. But Mr. Gilder maintains that this description is all wrong. The entrepreneur, he writes, "is not chiefly a tool of markets but a maker of markets; not a scout of opportunities but a developer of opportunity; not an optimizer of resources but an inventor of them. . . . " In fact, Mr. Gilder's entrepreneur and Mr. Meckling's maximizing man are one and the same. If Mr. Gilder has a complaint with the neoclassicists, it is simply that they have been trumpeting the centrality of innovators too softly.

The telling of how entrepreneurs have served the economy in recent years, and how politicians have hobbled them, is strewn with distracting and detracting generalizations about economists that simply do not bear close inspection. For example, Mr. Gilder damns economists for focusing on aggregate revenues and ignoring the perverse incentives and distortions caused by loopholes. He is apparently not familiar with the output of Arnold Harberger, Martin Feldstein, and scores of other economists who have done extensive work on the distortions spawned by the tax code.

And in Mr. Gilder's most sweeping indictment of all, he writes that "the study of markets and money yields only trivial or negative insights about economic growth and progress." In fact, economists study money and markets because such study yields valuable information about the way the world works.

Moral Code of Capitalism

The source of Mr. Gilder's disdain for economists is his belief in the moral and ethical superiority of the capitalist system over all others. Capitalism, however, is simply a way to arrange economic affairs. Like all economic systems, it is inherently and unalterably amoral. Certainly capitalism is the economic system most conducive to liberty, opportunity, and prosperity for the greatest number of people.

Yet even these justifications for capitalism are insufficient for Mr. Gilder. In *Wealth and Poverty* Mr. Gilder built an anthropological misreading of the Kwakiutl Indian potlatches into the proposition that capitalism is essentially altruistic, and that investment is a form of giving. He carries that thought further here, defining his entrepreneur as the givingest giver of all. He writes of Henry Ford: "Perhaps most important, he showed that high profits come from giving, through low prices and high wages, rather than from gouging for what the traffic will bear. This discovery is the moral code of capitalism."

By the end of the book, the entrepreneur emerges as someone reminiscent, at least in preeminence, of Nietzsche's *übermensch:* "Entrepreneurs must be allowed to retain the wealth they create because only they, collectively, can possibly know how to invest it productively. . . . By the process of creating and responding to markets, they orient their lives to the service of others." Mr. Gilder does concede that occasionally entrepreneurs can fall from grace. Those entrepreneurs who revel in vain consumption, he warns, "betray the very essence of their role and responsibility in the world."

Much of what Mr. Gilder writes sparkles with insight and rhetorical flourish, however. On previous government attempts to nourish promising technologies: "Stultifying every search for the 'sunrise' firms of the future was the blinding midday sun of political fashions and settled interests." On the social costs of private enterprise: "The negative externalities of capitalism seem notable chiefly because they are dwarfed by the colossal benefits casually offered without charge." And a quote from geologist John Masters on the loneliness of the innovator: "You have to recognize that every 'out-front' maneuver you make is going to be lonely. . . . That warm sense of everything going well is usually the body temperature at the center of the herd."

Celebrating the Entrepreneur

The Spirit of Enterprise is at its best when Mr. Gilder departs from the cosmic and spins his tales about individual entrepreneurs. These are yarns told with heart and gusto. In addition to the stories of Ford and Masters, he recounts the exploits of Idaho potato titan Jack Simplot, the Cuban immigrants who made Miami prosper, and the Japanese entrepreneurs who, much more than MITI, the Ministry of International Trade and Industry, have made life so difficult for less agile U.S. corporations. But

Mr. Gilder gets carried away when he analyzes his latest fascination, microelectronics. He finds heroes where they do not exist, dismisses successes that depart from his mold, and exaggerates the accomplishments of his favorite company.

Mr. Gilder has lately discovered what is known as the experience curve, the phenomenon in which costs plummet as production of a new product expands. Entranced by his find, he lionizes Texas Instruments, the company that has most openly and aggressively exploited the curve. TI took a commanding lead in calculators and beat the Japanese by pricing below cost, confident in the knowledge that cost would fall with volume. It did the same in digital watches, and in home computers. All true, but woefully incomplete. TI, in fact, bought so heavily into the experience curve that it neglected all else, and became a model of failure in consumer marketing. After its early victories the company lost to the Japanese in cheap calculators and digital watches. Moreover, TI is no longer a big factor in semiconductors, its basic business, other than chips for calculators and watches.

The brightest star in Mr. Gilder's galaxy is a small Boise company called Micron Technology, founded in 1979 to develop a 64K dynamic random access memory chip. Micron is indeed a testament to the ingenuity and perseverance of entrepreneurs, in this case twin brothers Ward and Joseph Parkinson and a college dropout named Douglas Pitman. The Parkinsons and Mr. Pitman, with financing from Mr. Simplot and a handful of other Idaho businessmen, set out to develop and manufacture their 64K ram on a comparative shoestring. Less than three years later they had done what venture capitalists and leaders in the semiconductor business said could not be done.

It's hard to oversell Micron, but Mr. Gilder manages, by understating the creative achievements of its competitors. He cites "the apparent failure" of a company called Inmos, a venture underwritten by the British government that Mr. Pitman and Ward Parkinson worked for briefly. In fact, Inmos is the world leader in 64K static rams and appears to have made a new breakthrough with a microprocessor that it calls a transputer. Mr. Gilder also brushes aside a collaborative research project between the Japanese government and private companies. Yet the Japanese now have 55 percent of the world market for 64K rams, and their research project helped them achieve technological parity with U.S. producers of chip-making equipment.

The central point of *The Spirit of Enterprise* is that the realization of our economic potential requires new tax and regulatory policies that will bring about what Mr. Gilder calls "the resurrection of entrepreneurs." With economic freedom under constant assault by an army of social engineers, such an eminently sensible argument needs articulate expression. Would that Mr. Gilder had made it more persuasively.

A. F. Ehrbar

A. F. Ehrbar *is a member of the board of editors of* Fortune.

Rusher to Judgment

The Rise of the Right, *by William A. Rusher (New York: William Morrow & Company, $15.95).*

Bold-puckish, gauntlet-throwing, sentence-dashing William F. Buckley, Jr., launched the magazine *National Review* in 1955. Never since has American political debate been the same. With his panache and agile wit, Bill Buckley freed conservatism of its fuddy-duddy aura. And he amassed in *National Review* such mighty intellects as Frank Meyer, Whittaker Chambers, James Burnham, and Willmoore Kendall, who week after week, then fortnight after fortnight, battered down the monopoly of liberalism and socialism in American thought. So regnant had the liberal orthodoxy been that Mr. Buckley proclaimed in his inaugural issue, only half in jest, that *National Review* "stands athwart history, yelling Stop." It is a measure of his success that conservatives today can look eagerly upon the 21st century, and claim that their time has come.

One of Mr. Buckley's shrewdest decisions was to appoint as publisher a young Wall Street lawyer then ferreting out Muscovites for the Senate Internal Security Subcommittee. Arriving at *National Review* in 1957, and sticking to his post to this day, William A. Rusher brought to the magazine both his financial acumen and a keen understanding of practical coalition-forging politics. He became an influential columnist and television personality in his own right, though more sober than the stylish Mr. Buckley. And working behind the scenes for such organizations as the Draft Goldwater Committee and the Young Americans for Freedom, Bill Rusher has been one of the principal choreographers of the modern conservative movement.

Mr. Rusher has now published a political memoir, aptly entitled *The Rise of the Right.* His story opens with Lionel Trilling's remark in 1950 that "in the United States at this time liberalism is not only the dominant but even the sole intellectual tradition. For it is the plain fact that there are no conservative or reactionary ideas in general circulation." It closes with the administration of Ronald Reagan. In between, it is packed with information on the organizations and campaigns that paved the way for conservative victory—from Young Americans for Freedom to the Moral Majority, from the New York Conservative Party to the Reagan and John Ashbrook campaigns against Richard Nixon.

Toward a Conservative Renaissance

In explaining the growth of conservatism, Mr. Rusher properly gives center stage to the Draft Goldwater mobilization orchestrated by Clifton White. Senator Goldwater suffered a devastating spill in 1964. But his candidacy galvanized tens of thousands of grassroots activists, and inaugurated the political career of Ronald Reagan.

From an organizational point of view, the most significant legacy of 1964 was that conservatives took the lead

in mailing-list technology. Thanks to direct-mail wizards such as Richard Viguerie, conservative candidates were able to raise funds from an extraordinarily broad base of $25 and $50 donors, while listless liberals relied on labor unions and a few rich sugar daddies. Just as important, as Mr. Rusher puts it, direct mail was "a brand new avenue of national communications for political purposes." Conservatives no longer had to worry so much about the liberal media distorting their message. They could go directly to voters through the post office.

The Goldwater campaign was also a harbinger of a new and highly effective political strategy. For the first time, conservative Republicans unhitched their elephants from the Dewey-Eisenhower-Rockefeller Northeastern wing of the party, and started trying to appeal to the fastest growing population centers, the South and the West. The right was no longer cloistered in boardrooms and country clubs. It was taking its message to suburban shopping malls and stock car races and ethnic festivals. The goal was to weld a coalition between economic conservatives from the GOP and social conservatives who had traditionally been Democrats and independents. As Mr. Rusher notes, Senator Goldwater wasn't entirely comfortable with this strategy or with the ideologues who had done the most to nominate him; a devoted party man, the Arizonan chose Republican pros rather than Clifton White to run his campaign. But Mr. Rusher argues that 1964 "marked a major shift in the control of the Republican Party from the eastern liberals to an aggressively conservative coalition of the South, the Midwest, and the West." As such, it foreshadowed a conservative electoral majority.

Border Battles

Mr. Rusher reserves his harshest criticism for Richard Nixon, not only for his Watergate high jinks and the resulting loss of Indochina, but for his wage and price controls, his expansion of Washington's regulatory octopus, his arms control and détente policies, and his abandonment of Taiwan. Mr. Rusher calls conservative support for Mr. Nixon "the blunder of 1968," and in 1972 he broke with his *National Review* colleagues in refusing to endorse Mr. Nixon's reelection. A McGovern presidency, Mr. Rusher contended at the time, would be preferable to a second Nixon term, for "under McGovern, conservative opposition to liberal or leftist proposals would be vehement and frequently successful (many would never become law), whereas under Mr. Nixon such opposition is for all practical purposes nonexistent."

By contrast, Mr. Rusher departs from many of his conservative brethren in his unequivocal praise for President Reagan. "Conservatism, it seemed to me, not only had never had a finer champion in the White House but, in the light of the odds in politics, could rarely if ever expect to be quite so lucky again."

Over the years, conservatives have often disputed the boundaries of their movement. Mr. Rusher recalls the battles between libertarians and traditionalists in the 1950s, as well as *National Review*'s denunciation of the conspiracy theories of the John Birch Society, among them its charge that President Eisenhower was a Communist. He recounts Bill Buckley's defense of the Panama Canal treaty against right-wing protest. But he doesn't bring out the disagreement among conservatives in their response to Joe McCarthy. Mr. Rusher avidly supported Senator McCarthy. Indeed, he attributes his conversion to conservatism—he had originally been a liberal Republican—to his dismay over President Eisenhower's attack on McCarthy. But Mr. Rusher omits mention of the opposition to McCarthy among other conservatives at the time, including Robert Nisbet and Whittaker Chambers. "We live in terror," Mr. Chambers wrote Bill Buckley, "that Senator McCarthy will one day make some irreparable blunder which will play directly into the hands of our common enemy and discredit the whole anti-Communist effort for a long while to come."

Champions of the Little Guy

Mr. Rusher might also have devoted a little more attention to two phenomena in recent years that go a long way toward explaining why Ronald Reagan is in the White House today.

The first is the democratization of conservatives' economic rhetoric. Ronald Reagan, Jack Kemp, Lew Lehrman, Newt Gingrich, and other conservatives have accomplished one of the most astonishing political transformations in American history: They have turned smaller government, hard money—even, perhaps, the gold standard—and the free market into populist causes. By embracing the tax revolt, they have successfully portrayed liberals as backers of special interests, and conservatives as champions of the little guy. At the start of *The Rise of the Right,* Mr. Rusher cites Russell Kirk's "canons of conservative thought," among them the "conviction that civilized society requires orders and classes." This idea is totally foreign to the new populist conservatism, which embraces opportunity and upward mobility for all Americans.

The second change is that conservative politicians have made their peace with the welfare state. Ronald Reagan largely accepted Social Security and Medicare in 1980, as Barry Goldwater did not in 1964. This may or may not be an advance. But it helps to explain why Ronald Reagan won and Barry Goldwater did not. One of the greatest challenges for Mr. Reagan, should he win reelection, will be to sustain his tax-cut populism. To do so, he will have to gain political support for cuts in transfer payments, support that has always eluded conservatives in the past.

The Rise of the Right is written for a conservative audience that will share most of the author's assumptions. It is not likely to win converts among liberals, but ought to give them a better idea of why they have been losing. Moderates may not feel that Mr. Rusher is speaking to them. But for anyone interested in the emergence of the conservative movement as one of the most powerful political forces in America, Mr. Rusher's book will be fascinating history and an indispensable guide.

Adam Meyerson

ADAM MEYERSON *is editor of Policy Review.*

Innocence Abroad?

Endless Enemies, *by Jonathan Kwitny (New York: Congdon & Weed, $19.95).*

Jonathan Kwitny is one of the most professional reporters around. Recently he so thoroughly chronicled the business shenanigans of Lynn Helms that, when the head of the Federal Aviation Administration subsequently felt obliged to resign, there was scarcely any of the usual administration muttering that here was yet another victim of media persecution. Working the Third World, the home of our "endless enemies," he's one of the few American journalists who repeatedly hunkers down in the countryside and finds out from the ordinary folks whether there is any truth in the statements of government officials and U.S. diplomats back in the capital city.

Mr. Kwitny's energetic reporting is the saving grace of *Endless Enemies,* which is clearly intended as a summation of what he has learned in visits to 80 countries as a Peace Corps volunteer, a backpacker, and, for the past 13 years, a reporter for the *Wall Street Journal.* The power of Mr. Kwitny's reporting comes through in the first 100 pages of this book, which are devoted to that paragon of the corrupt African state, Zaire. The U.S. government, most notably the Central Intelligence Agency, along with major U.S. banks and the International Monetary Fund, are all part of the guilty-by-complicity network that has sustained Zaire's president for life, Sese Zeko Mobutu, as he has systematically looted his country for nearly two decades.

Mr. Kwitny makes a good case that the United States overreacted to Soviet probing for influence in the newly independent Congo when we helped overthrow the constitutional government in 1960 and then set the stage for Mobutu's seizure of power in 1965. What we got for our trouble was a corrupt and repressive regime that ensures Zaire's continued impoverishment by its crushing of free markets and individual enterprise. This is one of Mr. Kwitny's central themes, and one that liberals and conservatives for their separate ideological reasons rarely touch on—that the United States continues to support self-proclaimed anti-Communists like Mobutu, or Ferdinand Marcos of the Philippines, who foster government-sanctioned monopolies, really a special form of socialism, that benefit only themselves and their cronies. Mr. Kwitny also shows how private U.S. banks and the U.S. Export-Import Bank, along with the World Bank, encouraged Mobutu to pile up debt, although they knew at the time that enormous amounts of their loans were being siphoned off in corruption. When the looted Zairian economy was incapable of generating enough money to repay the debt, the IMF stepped in with a financial support package that included, as usual, austerity measures that imposed yet more hardships on the majority.

With Zaire as his text, preacher Kwitny can command a receptive and ideologically broad congregation. There's little denying that the United States in the 1950s and 1960s was overly inclined to intervene, with too little forethought, in other countries' affairs. Our botched attempts in Zaire and Vietnam are testimony to that. Nor is it hard to find Americans, right, left, and center, who are appalled by the Reagan-backed IMF bailout of the New York banks that shoveled money at Third World nations.

Unlikely Scapegoat

But in his otherwise impressive treatment of Zaire, Mr. Kwitny gives us an initial glimpse of the flaw that runs throughout his book. Underlying his detailed account of our relations with Zaire is the implication that, if we hadn't intervened in that unhappy nation's affairs and supported the unsavory President Mobutu, Zaire today would be a more congenial place, both politically and economically. That's unlikely, however. Even in Africa, candid intellectuals, surveying the economic stagnation that has settled on one single-party African state after another, regardless of the extent of foreign interference, are beginning to reject that anti-U.S. position as scapegoatism.

But this is a what's-wrong-with-the-world book, and Mr. Kwitny has a simple answer: America is what's wrong with the world. The United States is to blame for the failure of Zaire and for almost all the unhappy political events on this planet since the Second World War. In developing this thesis, Mr. Kwitny is at his best describing the sometimes heavy-handed U.S. foreign policy of over two decades or more ago. The skilled reporter breathes new life into the old stories of how the CIA engineered the overthrow of the governments of Iran and Guatemala.

In his ambitious attempt to give the reader little less than a world tour, however, Mr. Kwitny falters. A description of Indonesia is wrongheaded, probably because it is based largely on secondary sources and a visit the author made 14 years ago. He seems oblivious to the great improvements in the life of the average Indonesian, particularly in rural Java, where half the population lives. Mr. Kwitny's reporting on the Philippines is quirky; he devotes more than a page to a self-publicizing and unimportant anti-Marcos activist in the United States, whose following is negligible. The reporting is also erroneous; he treats as extant a guerrilla group that hasn't existed for 15 years.

Mr. Kwitny has little sympathy for Communism, and his reporting on China and Cuba in this book is better than most of the articles written by U.S. journalists after brief visits to either country. He conveys a good sense of how the state in both China and Cuba controls everyday behavior. But his otherwise largely benign view of everyday Cuban life ignores the growing body of information on the extent of Cuba's political repression and economic failures. When he describes the large salaries that Cubans boast of, he fails to say that there's so little Cubans can buy with their pesos that some are willing to risk trading them illegally for U.S. dollars at three to five times the official rate that Mr. Kwitny uses to calculate their salaries. Finally, Mr. Kwitny is so taken by Fidel Castro that

he likens him to Polish Solidarity leader Lech Walesa, saying the two men "have much in common. Both have sworn a commitment to bring their people independence, despite a history of domination by an overwhelmingly powerful neighbor. . . . Yet one man, and his followers, we idolize. And the other, and his followers, we have waged war on for 25 years." Put aside the relatively small point that Cuba is now much more tightly tied to the Soviet Union than it was to the United States before Castro won his revolution. The important distinction between the Pole and the Cuban is that Walesa opposes state oppression while Castro exercises it.

Mr. Kwitny's inclination to trace unpleasant events on this globe back to the United States extends even to Mao Tse-tung's decision to launch the Great Proletarian Cultural Revolution that plunged China into political and economic chaos in the mid 1960s. Mr. Kwitny opines that Mao was prompted largely by the presence of U.S. troops in neighboring Vietnam—a theory certain to bemuse virtually all Sinologists. He also flirts with the idea that we and our allies, not the Soviets, were responsible for the Soviet invasion of Afghanistan.

If only the United States were to stop supporting authoritarian, anti-Communist leaders, and opposing leftists and Communists once they come to power, Mr. Kwitny suggests, then Communism, at least in the Third World, would wither and die. Indeed, if it weren't for the United States, leftist revolutions would almost certainly be benign: "There is only one reason why a country would want to adopt Marxist-socialism today. Unfortunately it is often a valid reason. Marxism-socialism is often the only way a country can avoid American imperialism." And if a Marxist-socialist country like Cuba exports a particularly vicious brand of revolution, that too is the fault of the United States. Mr. Kwitny acknowledges that Cuba is currently indoctrinating a new generation of Third World Marxists in the belief that revolution succeeds only through ruthless political repression. The explanation for this, he says, is Communist self-defense; the United States has demonstrated that it can undermine less-than-ruthless regimes, such as those of Salvador Allende of Chile and Jacobo Arbenz of Guatemala.

Thus all that's necessary for Communism to wither away is for good Americans to do nothing. Mr. Kwitny's case for noninterventionism relies on his belief that Marxism-Leninism, one of the most powerful ideas in history, will fall under the weight of the political repression and economic stagnation that it engenders. This is naive, ahistorical, and very American; we tend to forget that most of mankind has lived under long-lasting regimes that are politically repressive and economically stagnant.

Neo-Isolationism

Toward the end of his book, Mr. Kwitny insists that he is an anti-interventionist, not an isolationist. But what he has written is firmly centered in the neo-isolationist stream that has run through our foreign-policy thinking since Vietnam. It is a stream that will continue to run strong as long as our interventions are poorly planned, executed, and abandoned, as was the recent visit of our Marines to Lebanon.

Which brings us to some central questions about U.S. interventionism today, questions this sweepingly anti-interventionist book ignores. For instance, when and how should the United States consider intervening in a foreign nation's affairs? Interventionist acts, like Clausewitz's politics and war, lie along a continuum—from the mild and benign, such as a U.S. ambassador's general endorsement of human rights, to the bold, such as the CIA's funding of an insurgent group. Would Kwitny have opposed the recent, heavy-handed, and largely successful U.S. pressure on the rulers of El Salvador, Guatemala, and the Philippines to hold honest elections? To demand such changes in a foreign country's political system is surely more interventionist than shipping arms to an existing government.

The weakness of *Endless Enemies* lies in its fidelity to the anti-interventionist spirit of the 1960s. Perhaps this is a weakness Mr. Kwitny himself senses, for in his conclusion he carefully hedges his position by declaring that "nonintervention is certainly not pacifism. There are potential violent threats to our safety and our commercial rights, and we should be prepared to defend them." But he leaves unanswered the question of where to draw the line between U.S. defense of its legitimate interests, and "interventionism." This is one of today's most troubling foreign-policy questions, however. The failure to address it leads easily to the often indiscriminate neo-isolationism that continues to undermine our foreign policy. And Mr. Kwitny's workmanlike reporting does not help us here.

Ross H. Munro

ROSS H. MUNRO *is a correspondent in the Washington bureau of* Time *magazine. He covers national security and intelligence.*

Topic of Cancer

The Apocalyptics, *by Edith Efron (New York: Simon and Schuster, $19.95).*

Edith Efron's *The Apocalyptics* has the truth, all the truth (well, almost all), and nothing but the truth about the supposed cancer epidemic in America today. Henceforth, any serious discussion of the scientific basis of government regulation of suspected carcinogens must take into account this book.

Detective Efron hunts down, through thousands of studies, every allegation that a substance causes, or is suspected of causing, cancer in animals or people. "I report," she tells us, "on every category of carcinogen that has ever been recorded in the literature. There are more reported carcinogens in this book, and more categories of carcinogens, than the layman has ever dreamed

of." The cumulative effect is stunning: When the charges of a cancer epidemic are subjected to her careful, fair-minded, and thorough sorting-out, they collapse. And in their place arises an epistemology of the abuse of science. In an intellectual tour de force, Miss Efron demonstrates how apocalyptic scientists-cum-publicists have indicted a whole industry by weaving a set of meanings into the subject of chemical carcinogens with little reference to the facts. Once the assumptions of these apocalyptics have been accepted, as to a considerable extent they have been, their conclusions are (in the language of modeling) "hard-wired," inescapable. The result is that no conceivable findings can refute their conclusions.

What are the assumptions and how are they given meaning? Here is Miss Efron:

> Assumption No. 1: Since there is evidence that most known human carcinogens are also carcinogenic in animals, we shall assume, despite the absence of proof, that small groups of laboratory animals can serve as biological stand-ins for our entire society.
>
> Assumption No. 2: Since no one knows what amount of a carcinogen is required to trigger the growth of a malignancy, it must be assumed that there is no threshold dose—i.e., that no amount of any carcinogen is safe.
>
> Assumption No. 3: Given the capacity of chemicals to react with and to compound the effects of carcinogens, and given a cumulative barrage of carcinogenic molecules in the environment, one must assume that even one molecule of any carcinogen is a potential hazard.
>
> Assumption No. 4: Since no one knows which single or several molecules will give someone cancer, one must assume that all carcinogenic molecules are hazards and that, consequently, they must be banned or a technological barrier erected to protect workers and the public.
>
> Assumption No. 5: Since scientific findings in the realm of chemical carcinogenesis often contradict one another, data showing "guilt" must be considered truer than data showing "innocence."

If even a single molecule can kill and maim, and since tools of measurement now permit discovery of parts per billion or trillion or less, then many products of technology have to be forbidden or regulated. If individuals vary greatly in susceptibility to carcinogens, and if the most susceptible are taken as the standard, many more substances will have to be regulated. And if the apocalyptics succeed in getting government to agree that there is no such thing as a non-carcinogen, but only substances not yet proven guilty, all industry has to be controlled.

These are the propositions Miss Efron correctly attributes to the apocalyptics:

> Apocalyptic Proposition No. 1: Nature's role in cancer causation is insignificant because over the eons man and animal have adapted to natural substances.
>
> Apocalyptic Proposition No. 2: Any substance not created by nature is a dangerous violation of evolutionary "balance," and we may assume that carcinogenicity is a preferential attribute of synthetic chemicals.
>
> Apocalyptic Proposition No. 3: The vast majority—perhaps as much as 90 percent—of cancer deaths are attributable to the synthetic products of the chemical industry which developed after World War II.
>
> Apocalyptic Proposition No. 4: Our economic system, with its powerful corporations, its huge investments in technology, its profit motive, its manipulative advertising that induces artificial needs in consumers, is responsible for most of the cancer that is killing one out of every four.

Capitalism is a social and economic cancer. Q.E.D.

Hurt in the Name of Health

What is the truth? The small truths, amply documented by Miss Efron, are that these propositions are false, probably false, or unproven. The larger truths are more amazing. Life is chemicals; nature is chemicals; people are chemicals. The separation between synthetic and natural chemicals in regard to carcinogens is entirely misleading. Carcinogenic material is found in substantial quantity in ordinary food untouched by additives. In a recent issue of *Science*, biochemist Bruce Ames estimates that what he calls "nature's pesticides" overwhelm manufactured pesticides in our food by something like 10,000 to one. Why, then, the immense public furor over the one and not the 10,000? Because (and here I speak for myself) one cannot plausibly convict nature of the crimes one wishes to attribute to capitalism. The endless assertions that "environmental" (meaning industrial) factors are responsible for 80 to 90 percent of cancers, when the best epidemiological evidence suggests 2 to 8 percent, may be explained in the same way: If by environmental causes one means eating and drinking and style of life, rather than the products of industry, the accusation loses its political force. Saying "life kills" would not mobilize the masses against the system any more than blaming Mother Nature.

Let's play a parlor game. Among the many ordinary foods from herb teas to alfalfa sprouts (to reveal my Berkeley connection) that have poisons in them, is the homely potato. If it could not resist predators, it would not be around to be eaten. Our mothers told us that its vitamins are concentrated in its skin. That is true. But what mother did not know was that its poisons are in the same place. It all makes sense; if we were potatoes and wanted to protect ourselves, where would we place our poisons? The rational potato knows—out in the jacket mother told us always to eat.

Life is like that, the good and the bad intermixed. There are even foods that are anti-carcinogens, thus carrying on the war of the worlds in our bodies. Nor, need I add, is there anything wrong with eating the potato, as its benefits outweigh its harms.

When people are exposed to large doses of potent carcinogens over long periods of time, it is, of course, wise to guard against the adverse effects. But when the public is urged to avoid even minimal contact with car-

But how will they protect themselves from their own saliva?

cinogens, there being no evidence to support the proposition that the body treats the synthetic differently from the natural, this is equivalent not only to rejecting modern technology but to denying life itself. Listen to Miss Efron report on her extensive survey of carcinogens:

> Large numbers of natural substances which have been said to be carcinogens or which interact with other natural substances to promote or produce carcinogens are prerequisites for human life. Man cannot survive without air and water, which are said to be naturally "contaminated" by many carcinogens. Man cannot survive without oxygen, in particular, reported to be mutagenic and implicated in many types of malignancies. Man cannot eat without a variety of nutrients, many of which have been reported to contain chemicals that are carcinogenic, co-carcinogenic, or mutagenic, many of which are reportedly radioactive, and many of which contain reportedly carcinogenic metals. Man cannot digest those nutrients without saliva and digestive bacteria, both of which, according to the data, have been implicated as carcinogens, or as producers of carcinogens. Man cannot function as a sexual being or reproduce his own kind without sexual hormones, and they too have been reported to be carcinogenic. Finally, man cannot seek shelter from the elements or from predatory beasts, or cook many natural foods in order to detoxify them, without fire, but combustion is said to produce mutagens and carcinogens. . . . If the "prudence" of the no-threshold theory were to be invoked, crucial physiological functions might have to be medically prohibited. A theory which, according to the scientific literature, would kill off the human species cannot be accepted as prudent.

Why not be prudent in avoiding the merest contact with industrial chemicals that might be in some way connected to cancer in some people? There are good reasons for opposing the idea of taking no chances, for the concept is delusive in every aspect. Immediately the question of knowledge—Are there good grounds for regulation?—is thrown out. Suspicion replaces probability. Nor is there any way of taking no chances. Harm is done as government tries to ward off it knows not what danger. Since no government can give guarantees against cancer, blame is bound to attach to this false promise. As unemployment grows higher than it would be and income drops due to industrial decline, people are hurt in the name of health. The benefits of trying new technology are lost. No risk means no learning, hence no opportunity to do better. Ever.

Since people get sick from being in hospitals, a phenomenon called iatrogenic disease, we would have to close them, despite the good they do, on the undeniable grounds they also do some harm. Why is it better to be half-safe? Because trying to be all safe makes you sick.

While Edith Efron's discussion of scientific evidence is impeccable, her social judgments are severe. "It is a harsh fact," she writes, "that millions of American citizens have been so thoroughly besieged by myths, errors, and falsehoods about environmental cancer that they have been plunged into neoprimitive pathology." She is not above using the apocalyptics' metaphor:

> Cancer in a culture is a far more devastating and dangerous disease, and possibly more incurable, than cancer in an individual. . . . Scientific endeavor becomes the means by which a nation is told grotesque untruths about itself, and . . . most serious scientists remain silent while such untruths are told to the public for a decade.

Her harsh conclusions, I believe, are warranted because they are based on fact. The objective of the apocalyptic scientists is to convict corporate capitalism of causing cancer. By showing that capitalism kills, that it rots out our insides for profit, they hope to undermine its moral basis. The apocalyptics say that because the United States is the capitalist capital of the world, it is also the cancer capital. Miss Efron shows that such a view is, itself, a kind of social poison.

Aaron Wildavsky

AARON WILDAVSKY *is a professor of political science and public policy at the University of California, Berkeley.*

Ku Klux KGB

Dezinformatsia: Active Measures in Soviet Strategy, *by Richard H. Shultz, Jr., and Roy Godson (Arlington, Va.: Pergamon-Brassey's, $19.95 hardcover, $12.95 paperback).*

While preparing to compete in the Olympics this past summer, athletes from several Asian and African countries received threatening letters purporting to be from the Ku Klux Klan but containing grammatical mistakes typical of Russian translations into English. Attorney General William French Smith, addressing a meeting of the American Bar Association, minced no words: This was the job of "another organization devoted to terror: the KGB."

No doubt. Former KGB officer Stanislav Levchenko, who defected to the West in 1979, charges that the decision to write those letters was made at the highest levels, probably in the Politburo itself.

Forgeries have been the KGB's stock in trade for decades, although most have gone unpublicized. When Congress examined a spectacular amount of evidence concerning recent Soviet forgeries and other subversive measures, on July 13 and 14, 1982, the media all but ignored the event. Yet many forgeries are far more successful than the Olympic threats. One forged letter, supposedly sent by Alexander Haig to NATO Secretary General Joseph Luns in 1976, discussed the possible use of U.S. nuclear forces in Europe "in an emergency." One of the most influential Soviet efforts in the past decade, according to Mr. Levchenko, was a forged U.S. Army Field Manual instructing Army intelligence personnel in subversion of foreign officials and military officers. First mentioned in 1975, this manual has been the subject of articles published in 20 countries, including the United States.

Forgeries are only one of the tasks of the KGB, however. Another is the theft of Western—particularly American—high technology and military secrets. And the KGB is actually a rather small weapon in Moscow's arsenal of political warfare, or "active measures," against the West. A recent Central Intelligence Agency estimate of overall Soviet spending for its active-measures program is $4 billion a year.

Another term for active measures is *dezinformatsia,* the title of a new book by Professors Roy Godson of Georgetown University and Richard Shultz of the Fletcher School of Law and Diplomacy. This book is a fine first step in exposing Moscow's ideological strategy.

The authors explain that the aims of Soviet political warfare fall into six rough categories:

- to convince the West that the United States is primarily to blame for international conflicts;
- to portray the United States as aggressive, militaristic, and imperialistic;
- to isolate the United States from its friends;
- to discredit Western military and intelligence capabilities;
- to prove that the United States is no friend of poor countries;
- to mislead people about real Soviet intentions and to create conditions favorable to Soviet plans.

These goals are apparent in Soviet literature that is easily obtained by any interested reader. During the 1967 Arab-Israeli war, for example, *Pravda* charged that the United States and Great Britain were the motivating forces behind Israeli "aggression." During the period of so-called détente in the 1970s, Soviet overt propaganda continued to portray the United States and NATO in negative and defamatory terms.

In addition to overt propaganda, over the past decade the Soviet Union has made increasingly sophisticated use of international front organizations, notably the World Peace Council. In September 1977, for example, a WPC pamphlet announced the launching of a "worldwide campaign . . . for the prohibition of the neutron bomb." The following year, a series of meetings, demonstrations, and rallies, throughout Europe and the United States, were organized by the WPC. On May 22, 1978, the WPC took advantage of the Special Session on Disarmament at the UN to present Secretary General Kurt Waldheim with a letter said to have been signed by 700 million people in support of disarmament. In an accompanying statement, the WPC strongly criticized American development of the neutron weapon. In April 1978—despite the West German government's agreement to deploy neutron warheads—President Carter decided to cancel deployment. The WPC campaign, in that instance, succeeded.

The use of "agents of influence" is another example of highly successful *dezinformatsia.* A fascinating case involved Pierre-Charles Pathé, a journalist who reached some 500 high-level opinion-makers in France through a newsletter called *Synthesis,* which focused on French, European, and international political, economic, military, and scientific concerns. In its pages Mr. Pathé attacked West German measures against terrorism for being too "repressive," and he portrayed terrorism itself as a sign of decadence and German excesses. Much of the thrust of *Synthesis,* however, was anti-American. In June 1977, for instance, an article intimated that the head of the FBI was behind the killing of President Kennedy.

To what extent Mr. Pathé was influential in France is hard to say. As the son of a French film pioneer, and the brother-in-law of a minister, a French ambassador to the United States, and a president of the state-owned Renault auto firm, he was certainly in a good position to seek high-level recruits for the KGB. In 1978 Mr. Pathé was caught passing money and documents to a Soviet official, Igor Kuznetsov, and convicted of espionage.

Dezinformatsia concludes with interviews with the two most prominent former active-measures agents currently in the United States, Ladislav Bitman and Stanislav Levchenko. These interviews are in some respects the highlights of this informative volume. Mr. Bitman, who defected in 1968, had focused on political figures and journalists from the entire political spectrum as disinformation targets. A Czech, Mr. Bitman demonstrates the extent of Soviet bloc cooperation in the Soviet program of subversion. Mr. Levchenko stresses the significance of

using conservative newspapers for the dissemination of Soviet themes, noting that the vast majority of his contacts when he worked as a reporter in Japan were unaware of his KGB affiliation. Mr. Levchenko adds that the Soviet foreign affairs magazine *New Times,* for which he worked, is "in large part, directed against foreign elites . . . the kind of individuals, the Soviets know, who read the magazine and are influenced by it."

Dezinformatsia ends with an unfortunately brief glossary of technical terms, partly compensated for by a useful index. The book's main flaw, however, is that its academic tone leaves the reader with no overwhelming sense of outrage, nor an appreciation of the horrors to which Soviet propaganda can lead. This may reflect a deliberate editorial effort to avoid the slightest hint of hysteria, exaggeration, or incompletely documented hyperbole, which could destroy the book's credibility. But *Dezinformatsia* should be read against the background of Vladimir Bukovsky, Alexander Solzhenitsyn, and the testimony of others who have lived the remorseless implications of Soviet "active measures."

Juliana Geran Pilon

JULIANA GERAN PILON *is a senior policy analyst with the Heritage Foundation.*

The Crisis Continues

The Liberal Crack-Up, *by R. Emmett Tyrrell, Jr. (New York: Simon and Schuster, $16.95).*

R. Emmett Tyrrell, Jr., is, much of the time, a gentle sort of man, the type who, in Henry Higgins's self-description, "never could, never would, let an insulting remark escape his lips." A very gentle man.

But occasionally even Bob Tyrrell's good nature can be stretched beyond its limit. The result is likely to be something like the following memoriam to the Carter administration, which can be found in his new book, *The Liberal Crack-Up:*

> American foreign policy became a ribald joke before the world. American domestic policy wheezed and groaned as more and more flapdoodle was piled onto it. Galoots and wretches manned our government. Our culture flaunted the worst of fourth-rate vulgar. The Great Republic seemed to be taking on the appearances of a banana republic. Europeans long given to patronizing us suddenly fell silent and began to worry. Was that the sound of Soviet tanks revving up off to the east or was it just a growl from the Politburo? By 1980 things had grown serious. Jimmy Carter was the worst president of the twentieth century. Harding has been redeemed.

Such outbursts must be excused. They are mitigated by the fact that the targets of *The Liberal Crack-Up* are deserving ones. Indeed, how could a man with Bob's laser intelligence and sense of the absurd describe the massive 1970s assault on the American polity by a noisy pack of modern know-nothings without succumbing to violent emotion?

The Liberal Crack-Up is simply therapy, which professional counselors tell us we all need and deserve. Mr. Tyrrell lets his true feelings about the environmentalists, the feminists, the no-nukers, and the Third Worlders all come out. Surely, Dr. Joyce Brothers would forgive Bob his stress-relieving excesses. And surely any truly sympathetic shrink would indulge all those others of us who have been waiting so long to hear someone with Mr. Tyrrell's skills tell them that they were not insane during the 1970s. Rather, a large part of the public policy debate of that era was insane.

The Liberal Crack-Up is indeed marvelously therapeutic for those of us who suffered through the flapdoodle and cant, wondering if there was any redeeming social merit in all the liberal crusades and movements that were said to be just the right washday miracles to cleanse the nation of its "post-Vietnam guilt." Mr. Tyrrell provides the answer. And the answer is, simply, no.

> The chloroform of egalitarianism was spread everywhere in the 1970s. Prior American values of self-reliance, personal liberty, and competence were heaved overboard. Whining and alibiing became the new Fourth of July oratory, and the born loser was crowned as the new American folk hero. Along with this abandonment of older American values came a new class of busybodies to elucidate the new hokum and to harass the productive elements of the Republic. The welfare state had turned many theretofore toiling Americanos into parasites, and this new class of busybodies lived as superparasites, deriving nourishment from the dependence of the welfare clients.
>
> The busybodies scudded out of the universities, the institutes, and the foundations, pious in their higher wisdom and ceaselessly counseling more dependence to the dependent, and resignation to the taxpayer. As conditions worsened at home and abroad, these superparasites blandly prescribed submission, or, as they were wont to say, "restraint." There was, as Carter's rubes put it, "nothing that can be done about it."

But Mr. Tyrrell is too smart not to know that there was method to the hokum. The New Age liberals are a particularly sneaky bunch of political radicals. Their rhetoric is all about saving the environment or protecting an unsuspecting public from the horrors of cyclamates, but the point of it all is to discredit bourgeois America. In their scare scenarios, there is usually a capitalist lurking behind the threats to mankind and all God's other creatures. Some of us have been wondering for years why American radicals have felt it necessary to disguise themselves as conservationists, or scientists, or consumerists, in all cases defending the public from a thousand dangers. One answer could be that American free-market capitalism is simply too strong for a direct assault. It must

first be softened up with a steady barrage of suggestions that the capitalists are conspiring to, you name it, cut down all the trees, poison the food, irradiate ova, destroy every fish in New Hampshire.

No doubt it has been a source of terrible frustration to the New Age liberals that the voters took them at their word. With the election of Jimmy Carter they were invited to do something about all these horrors they were describing. Mr. Carter brought them into the government so they could seal off the forests, inspect the food, shut down the nuclear plants, and save all the fish and sea mammals. While they were at it, they also had a try at New Age geopolitics, that is to say, stepping back to allow the Russians elbow room for accomplishing the Leninist dream of a world liberated from capitalism.

After the experiment had run its natural course, proving what incompetents the radicals really were, the voters elected Ronald Reagan. But of course we're not really rid of them yet, which brings us to the serious side of the Tyrrell book—yes, I fear that for all its reading fun it is a serious book. Here again Mr. Tyrrell says it with a flair:

> Feminism, civil rights, environmentalism, all were the costumes of the masked politicians of the New Age. . . . Most pols will at least admit to being pols. The masked pols would not even admit to this. Rather they insisted that they were simple humanitarians, environmentalists, civil-rights activists, and worse. Pishposh; one need but glance at their voluminous pronunciamentos to comprehend their power-hungry extremism.

Those of us who have tried to figure out the social and psychological origins of New Age radicalism are given an answer by Mr. Tyrrell, or at least part of an answer. The New Age, he says,

> was created willy-nilly by those who could not bear the burden of personal freedom, rationalism, relativism, and affluence, all of which proved to be too much for vast herds of our progressive brethren and sistren. Thus they attempted to soothe themselves with a new system of values and ideas. The values and ideas are, as we have seen, very wretched; but that did not restrain progressives from attempting to inflict them on their fellow Americans. Happily, some areas of American life have remained tolerably invulnerable; but other areas—for instance, academe—have almost wholly capitulated and so gone to seed.

The New Age liberal in failure has turned nasty:

> Liberalism had become virtuousness to the point of viciousness. . . . The New Age liberal had become a genuine reactionary. Like the Southern racist of yore, he held out desperately against progress.

Will the New Age liberals make a comeback, if, for example, the United States suffers some new adversity? Mr. Tyrrell doubts it. "Their view of the good life is too pointless and idiotic. . . . Yet if their dominance of the cultural and intellectual life of the Republic is not broken, the sad fact is no one else will win either. All will lose as the Greeks lost, and the Romans too."

As I hope readers can see from my liberal (pardon the expression) quotation of Mr. Tyrrell's book, he has not written a screed. He has written great satire, surmounting the best he has offered in his syndicated column and the *American Spectator*. As great satire should, it strikes at the place where the rich, successful American republic has proved itself to be vulnerable—its too friendly tolerance of fools. If Bob Tyrrell isn't always a gentle sort of man, it is something some of us are deeply thankful for, because his natural enemies aren't gentle either.

George Melloan

GEORGE MELLOAN *is deputy editor of the* Wall Street Journal*'s editorial page.*

Space-Age Conservatism

Window of Opportunity: A Blueprint for the Future, *by Newt Gingrich with David Drake and Marianne Gingrich (New York: Tor Books/St. Martin's Press, $14.95).*

Georgia Republican Newt Gingrich is known to most of us for his role in the House of Representatives as tormentor-in-chief of Democratic Speaker Tip O'Neill—in itself a worthy pastime.

On the evidence of Mr. Gingrich's newly published manifesto, *Window of Opportunity,* however, there is considerably more to this three-term congressman and his audacious Republican colleagues than a quest for tactical advantage in parliamentary debate. Their forays against the Democratic majority in the House are part of a much larger enterprise—which has as its objective nothing less than a total transformation of our politics.

Window of Opportunity is the personal testament of Mr. Gingrich, but it may also be read as a kind of ideological hornbook for the "conservative opportunity society," a group of aggressive GOPers in the House that includes Vin Weber of Minnesota, Bob Walker of Pennsylvania, Henry Hyde of Illinois, and Jim Courter of New Jersey, among others. While they are frequently described as "young Turk" insurgents against the formal party structure, they are closely allied with such rising figures of the Republican leadership as Jack Kemp of New York and Trent Lott of Mississippi—an alliance clearly visible at this year's Republican convention in Dallas.

The Gingrich essay is a medley of futuristic notions, ranging from the exploitation of space to supply-side economics to the elements of a new Republican electoral strategy. In its pages, the reader encounters what may seem to be an odd conjunction of high enthusiasm for computers and laser beams with calls for prayer in the schools and lower taxes—a kind of high-tech, space-age

conservatism. The effect is somewhat like reading a conflation of Jack Kemp and Alvin Toffler—both of whom in fact supply endorsements of the book.

The burden of the argument is that the United States, and the world at large, stand today at the threshold of a vast new era of expansion, and that official policies must be geared to getting us across that threshold. Mr. Gingrich is pro-change, pro-growth, and pro-technology in his discussion of economic matters, while stressing the need for old-fashioned spiritual and intellectual values.

It is by correctly positioning itself on such issues, Mr. Gingrich argues, that the Republican Party can best serve its own political interests, and those of the nation. The Democrats, in his view (for which there is considerable evidence), are wedded to the concepts of limits, hostility to growth and technological change, and to redistribution of a static economic product. In contrast, he says the Republicans must present themselves as the party of vision, and economic advance—in a word, of hope.

"The opportunity society," Mr. Gingrich writes, "is almost the reverse of the welfare state; by focusing on opportunity and strength rather than victims and welfare, we create an expanding range of possibilities; each success creates the arena for future successes; by using the entire society as a framework for development, we open up options and opportunities unthinkable inside the welfare-state framework."

In pursuit of this vision, Mr. Gingrich supports accelerated development of the space program, a fast go-ahead on the so-called "star wars" defense system, decentralization of government and industry through increased use of computers in the home, strong incentives for saving and investment, encouragement of industrial change, and a host of experimental approaches to revamp the current practices of business, health care delivery, and the educational system, to name a few.

Two criticisms of the Gingrich thesis that have occurred to early reviewers are that he offers a mishmosh of ideas that don't really go together, and that, alternatively, he is simply repackaging basic conservative doctrine in a different sort of paper and ribbons. His eclectic, anecdotal style of writing lends some credence to such charges, but the underlying logic of his position is nonetheless impressive. The book supplies a quite coherent, and authentically different, way of looking at our politics.

To judge the inner logic of such futuristic conservatism, we need only look at the folks on the other side of the argument. Liberal policy-makers committed to environmentalist notions in terms of value and big government in terms of economics have taken a notorious turn against technology and growth, creating a self-fulfilling policy of pessimism and decline. The result has been a suffocating system of governmental meddling which stifles economic progress and in turn becomes the pretext for further interference.

This cycle of calamity may be seen most plainly in the sequence of events leading up to the energy crisis of the 1970s. The alleged depletion of our petroleum supplies a decade past was entirely the creation of government policy—mainly through the workings of federal price controls. Such as Jimmy Carter and the Club of Rome, however, blamed the problem on natural limits and/or the perverseness of the private sector, demanding still more restrictions on economic conduct, leading to still more privation and paralysis.

All of this stands the true relationship of things on its head, and continued long enough can result in the kind of terminal stagnation that has afflicted collectivist economies around the globe. Mr. Gingrich is trying to turn the subject right-side up again: To show that limited government and private markets, by freeing up creative energies and allowing efficient organization of resources, are the proper method of overcoming limits and providing abundance; that an atmosphere of economic liberty is conducive to innovation and improvement; and that government regulation, rather than helping achieve such benefits, generally represents the interests of some pressure group that feels threatened by change.

Even more important than this, however, is the strategic vision that Mr. Gingrich brings to the argument—and that guides the activities of the "young Turks" in the House. Better than most politicians, and certainly better than most Republicans, he understands that the key to winning any argument is deciding what it is going to be *about*. If you can write the resolved clause of a formal debate, you should be able to debate anybody on anything—since you can focus discussion on the things you want to talk about, forcing your opponent to operate within your conceptual framework.

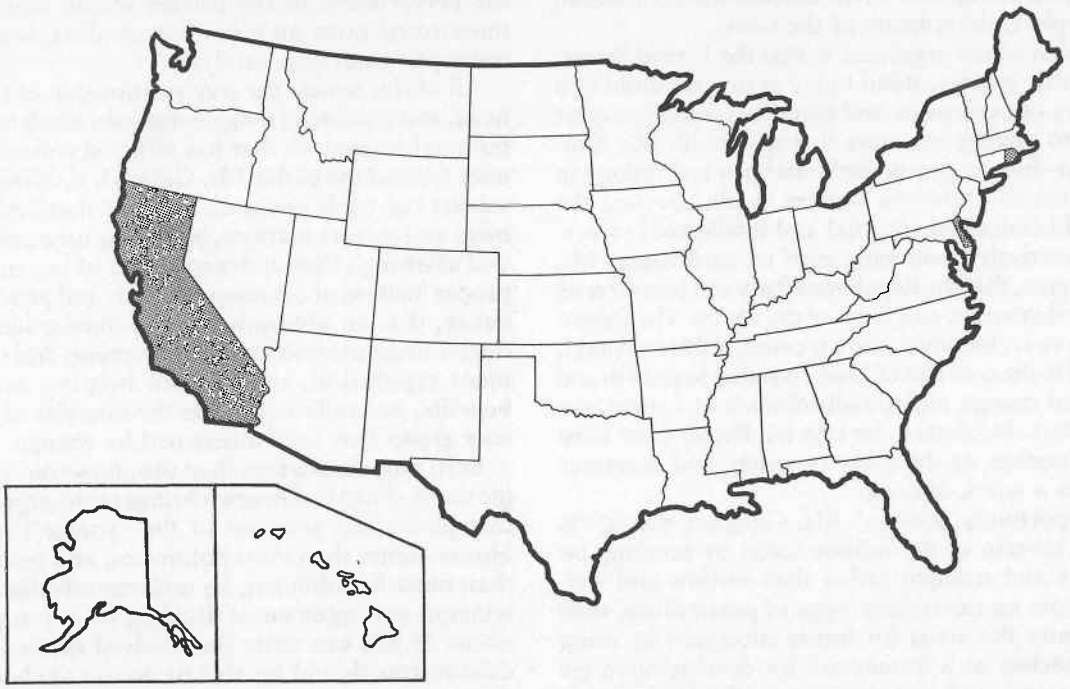
What Mr. Gingrich and his allies are attempting to do is to re-write the resolved clause of our politics. For decades, they recognize, the terms of our national discourse have been dictated by the liberal-left—making it, essentially, an argument about which political party is going to do the better job of dividing up the economic pie and supplying government benefits. As long as the debate is conducted in these terms, Republicans and conservatives will lose. This book, and the "young Turk" offensive in the House, are attempts to change all this—to wrest the intellectual and rhetorical initiative from the left.

There are aspects of Mr. Gingrich's discussion with which I, for one, would disagree. In his enthusiasm for computers, he seems at places to view education as merely a method of transmitting data, when in fact it is, or ought to be, an exercise in teaching people how to think. And his discussion of the economic benefits derivative from government programs in space, or other places, smacks of the "broken window" fallacy—ignoring the alternative benefits that would have resulted had the same resources been applied elsewhere.

These are, however, relatively minor disagreements considering the many excellent things the author has to tell us. Newt Gingrich and his colleagues still have a long way to go, and there are many hazards confronting them along the road. But, judging by this book, they have made a bold beginning toward creation of the good society that they envision.

M. Stanton Evans

M. STANTON EVANS *is director of the* National Journalism Center.



Delaware

Does Pete du Pont Have the Chemistry to Be President?

Patrick B. McGuigan

Tiny Delaware may not appear the most likely springboard for a presidential candidacy. But in the race for the post-Reagan Republican nomination of 1988, the popular governor of the First State, Pierre S. du Pont IV, could be a strong contender. What "Pete," as people call him, lacks in major media exposure, he has been making up in yeoman's work at the grassroots for the Republican Party across the country.

In 1979, Governor du Pont organized GOPAC, a political action committee that helps Republicans to challenge incumbent Democrats in state legislatures. By the end of 1984, it will have helped some 1,200 challengers in more than 35 states, with a success rate of 42 percent over the past five years. In the present election cycle, GOPAC is helping 400 candidates with a budget of $550,000. Mr. du Pont has separately raised another $500,000 for Republican candidates during the last few years. In September and October of this year, he is devoting 20 days a month to the Reagan/Bush reelection effort. Should he choose to run in 1988—"that is a question," he says, "for down the road"—he may be in a position to collect on some IOUs.

Better Living Through Tax Cuts

In the meantime, he is attracting attention for the spectacular supply-side turnabout of Delaware's economy during his two terms as governor. The state was at rock bottom in 1977 when Pete du Pont took the reins of power from Sherman Tribbitt, the liberal Democrat he had crushed with 57 percent of the vote. Unemployment exceeded the national average for most of the 1970s. Delaware's bond rating on Wall Street had sunk to B-aa 1, the lowest among the 50 states. In the mid-1970s, the budget was in deficit for four out of five years, and 22 separate tax increases were enacted. The marginal top income tax rate, 19.8 percent, was the highest in America.

Today, Delaware is booming. The state's credit rating is back to a solid AA, and the budget has been in surplus for several years. In June this year, the Democrat-controlled legislature, which cut income taxes by 9 percent in 1979, passed a second tax cut of 10 percent, effective next year. The personal exemption will rise from $600 to $800, and the top marginal rate, now down to 13.5 percent, will fall again to 10.7 percent (moving the state to seventh heaviest in income tax burden).

The result, according to University of Delaware economist Eleanor Craig, is a vindication of supply-side theory.

PATRICK B. MCGUIGAN *is editor of the* Initiative and Referendum Report, *a newsletter published by the Institute for Government and Politics.*

Unemployment is down to 5.5 percent, almost two percentage points below the national average. Employment is up in virtually all sectors of the state economy, including manufacturing. Tax breaks and regulatory relief for banks, passed in 1981, have resulted in 15 financial houses relocating all or part of their operations to Delaware, among them Chase Manhattan and J. P. Morgan & Company.

Political Chain Reaction

Behind the governor's economic success has been a shrewd political strategy. From the beginning, he played confrontational hardball with the legislature in tackling state spending, while at the same time building grassroots coalitions in support of his economic programs. And he has been able to dominate the political agenda of a Democratic legislature by preempting the leadership with his own initiatives.

Immediately after taking office, Governor du Pont let it be known that he would not tolerate business as usual in the state capital. He ordered a freeze on state construction contracts and state government hiring. In April 1977, he confronted the legislature and defeated—by one vote in each chamber—an automatic pay increase for the state's 22,000 employees. Then, on the Fourth of July, he vetoed the entire budget for fiscal 1978, saying it was far out of balance. It was the first veto of an entire budget in the state's 190 years. Although the veto was promptly overridden, it proved the new governor was serious.

In 1980, he showed just how tough he could be when he marshaled the passage of two constitutional amendments restricting the government's revenue powers. The first allows annual appropriations to reach only 98 percent of projected tax revenues, holding the remaining 2 percent in a contingency fund which can be spent only with three-fifths support in both legislative chambers (the resulting surplus is now approaching $70 million). The second requires tax increases or newly created taxes to secure similar three-fifths support.

To pass both the amendments and the tax cuts of 1979, the governor built a coalition that included business leaders and some Democrats. "I won substantially in 1976, so a lot of the legislators' supporters were my supporters. We went to the major employers in Delaware, some of them Republicans and some of them Democrats, and we said: 'How about helping get some votes?' The coalition was put together in the form of a business round-table that began to lobby on a bipartisan basis for cutting taxes. We built it step by step."

His program proved immensely popular, and he won a second term in 1980 with 71 percent of the vote, breaking a string of three straight gubernatorial incumbents who had failed to win reelection. In both his gubernatorial races, he was the strongest statewide Republican candidate, winning overwhelmingly even in solidly Democratic Wilmington.

He has been able to take advantage of his popularity by constantly going on the legislative offensive. This year's tax cut resulted from a proposal of his in January, and it stole the Democrats' thunder. Later, in the summer, he called the legislature back for a special session to enact

Pete du Pont: Collecting IOUs for 1988?

the Blue Collar Jobs Bill, a package giving tax and other incentives to businesses that create jobs in particular industries.

Old Brandywine in a New Bottle

Pete du Pont hails from one of the wealthiest families in American history, though not from its richest branch. Along the banks of the Brandywine River in northern Delaware, E. I. du Pont built a gunpowder factory early in the 19th century. The company moved into widespread research and development of chemicals, eventually diversifying into other products. The Du Pont Company is still the largest employer in the state, where roughly one-third of the manufacturing employment is in chemicals.

Du Ponts have always played a vital role in Delaware politics, representing the full range of ideological beliefs and partisan affiliation. Until recently, elements of the family controlled all of the state's major media.

Young Pete grew up in Bois des Fasses, the family homestead outside of Wilmington, and then was sent off to the New Hampshire boarding school Phillips Exeter. He studied engineering at Princeton University, graduating in 1956, served as a lieutenant in the Navy, and earned a law degree from Harvard in 1963.

While working as a quality-control engineer for the family business in the mid-1960s, Mr. du Pont began to get involved in politics. A volunteer in the Barry Goldwater campaign, he went on in 1966 to become vice-chairman of the GOP in Brandywine Hundred (one of the state's traditional political subdivisions dating back to colonial days). In 1968, he won election to the Delaware House of Representatives.

Mr. du Pont was elected as the state's only congressman in 1970. Initially somewhat conservative, Mr. du Pont moved to the left during his three terms in Congress, winding up with 1975 and 1976 ratings of 51 percent and 39 percent on the *Conservative Register* maintained by the Committee for the Survival of a Free Congress. During his final term in Congress, he frequently parted company with Republican colleagues, often voting in

support of organized labor positions, as well as for the Legal Services Corporation and public financing of congressional elections.

However, as governor he has moved steadily to the right, and not merely on economic issues. In the past two years, he has begun a conscious outreach to movement conservatives, seeking opportunities to appear before such groups as the American Legislative Exchange Council, the Free Congress Foundation's Capitol Hill Forum, and the Council on National Policy. On one recent trip to Washington, he received a briefing on social justice issues from Connie Marshner of the Child and Family Protection Institute.

William D'Onofrio, head of the anti-busing National Association for Neighborhood Schools (based in Wilmington), commented on Mr. du Pont's years as chief executive and his earlier terms in Congress: "As a congressman, Pete du Pont started as a 70 percent [conservative] vote and deteriorated to a 30 percent. As governor, he started as a 100 percent fiscal conservative who just threw his hands up on the social issues. That's where he stayed. As governor, he has done a fantastic job fiscally."

Funding for public education has increased steadily during Governor du Pont's tenure. An outspoken opponent of judicial activism, he is an articulate opponent of forced busing, based in part on his state's own successful, if sometimes troubled, compliance with busing orders.

The governor has sometimes clashed with the Du Pont Company on environmental questions. He has a "tough on crime" reputation, having supported and signed legislation reinstating a Delaware death penalty. However, concerned about the increasing cost of prisons, he has promoted the work of a commission studying alternatives to jail for some crimes.

Dover Soul

The *Almanac of American Politics* calls Mr. du Pont the personification of *The Preppy Handbook,* down to such details as his "frayed button-down collars." But the supposed preppiness is not in evidence in discussions with Mr. du Pont, and the governor enjoys overwhelming personal popularity in a state where voters like their politicians accessible and down-to-earth. Bill D'Onofrio, a frequent critic of Governor du Pont, says, "This guy is something special. He is very charismatic, [but] he can get down with the boys and talk their language."

The governor's charm and ability to deal with "just folks" was demonstrated repeatedly during a busy day late in the general assembly's regular session last June. Midway through the morning, after a series of policy and strategy meetings with close advisers, the governor surprised the janitor of the Legislative Hall—soon to retire after many years in that post—by presenting him with the "Order of the First State."

Later in the day, a Legislative Hall employee dropped into the governor's office with her husband, who had never met Mr. du Pont. The governor rose from his desk and took several minutes to chat with the two, demonstrating one of the special advantages for citizens in a small state. The woman indicated she was a Democrat, as was her husband. But commenting on Mr. du Pont's governorship as they turned to go, the man remarked, "I just want you to know you've picked up a fan." The woman chimed in, "Make that two."

Mr. du Pont says his closest adviser is his wife, the former Elise R. Wood of the Pennsylvania "Wa Wa" food chain family. They have been married for 25 years and have four children, three boys and a girl. Mrs. du Pont worked for the Reagan administration in the Privatization Bureau of the Agency for International Development, and this year she is running for Congress against one-term incumbent Democrat Thomas Carper.

Pete du Pont, meanwhile, is stepping down as governor after his second term expires in January 1985, as required by state law. He passed up an opportunity for greater national attention when he declined to challenge incumbent liberal Democrat Senator Joseph Biden, up for reelection this year. Asked why he did not run, Mr. du Pont reflected: "I have been a legislator for eight years of my life. And later, for almost eight years of my life, I have been an executive. As an executive, I not only win some arguments, I decide what we are going to argue about. I set the agenda, and then I have the opportunity to set the agenda in motion. I am much more comfortable in an executive role than in a legislative role."

Will he run for the highest executive office? "We have a president whom we'd better get reelected. From now to November, we had better work on that." Mr. du Pont is likely to land with a nationally prominent law firm, but he will devote a good part of his energy to GOPAC. He plans to expand the work of Jobs for America's Grads, a public-private training and retraining program he pioneered. Finally, he is expected to assume duties as vice-chairman of the Hudson Institute, the defense and foreign-policy research organization made famous by the late Herman Kahn.

Meanwhile, conservative strategists argue that Mr. du Pont is a plausible candidate. Paul Weyrich, executive director of the Committee for the Survival of a Free Congress, says Mr. du Pont is "within the range of consideration. He's not somebody about whom you would say, 'Oh my God, no.'" Connie Marshner of the Child and Family Protection Institute says he is "honestly, fairly open-minded on the social-justice issues." She notes that Mr. du Pont "seems to be the kind of guy we can work with" in the pro-family movement, but adds that he can expect to have some difficulty on the abortion issue.

Congressman Newt Gingrich (R-Ga.), one of the leaders of the Conservative Opportunity Society group in the House of Representatives, counts himself among Governor du Pont's admirers. "Pete du Pont has been a leader in the House, in reforming state government and rebuilding the economy and jobs of Delaware, in developing a nationwide Republican legislators' program, and in helping lead the nation toward a new commitment to parental influence, local control, strong discipline, and excellence in education." As for the future, Mr. Gingrich observes, "No consideration of post-Reagan Republican presidential candidates would be complete without Pete du Pont on the list."

PETE DU PONT TALKS ABOUT NATIONAL ISSUES

From interviews with Patrick B. McGuigan in June 1984.

On the federal budget:

"There's only one thing worse than a budget deficit of $200 billion. That is a balanced budget with a $200 billion tax increase. You have to balance your receipts and your expenditures, but do it at the lowest possible level of taxation.

"You're never going to ensure expanding employment opportunities and a stable economy without spending restraint. After all, economically, what can you do for the people of the United States? You can work for job opportunities, and you can ensure that the value of their money isn't eaten away by inflation. Those are the two most important economic goals, and I don't see how you're going to achieve either of those without a constitutional spending restraint."

On the International Monetary Fund bailout:

"I think it wouldn't hurt to let a little free enterprise creep into the money-lending business in this country, and let some of the lenders bear the consequences of their banking decisions, just like the farmer bears the consequences of his . . . decisions."

On the courts:

"The courts have cut loose from their constitutional mandate. We didn't empower them in 1787 to be super legislatures . . . roving commissions to do what they think is best—we empowered them to interpret the law.

"There are even cases in which judges have appropriated, or ordered appropriation of, funds. I can't think of a graver constitutional breach than for the federal judicial branch to appropriate monies, seizing state legislative powers."

On abortion:

"*Roe v. Wade* was a Supreme Court reaction to a very difficult legal tangle. You have a classic example of hard cases making bad law. It is a practical solution to divide pregnancy into trimesters and say you may regulate the first trimester this way, the second another way, and the third yet a different way. But it has left no one comfortable. I think a constitutional amendment to prohibit abortion is not a very workable solution because there [are] clearly some examples . . . where you would want to permit an abortion. The pregnancy as a result of rape being . . . the best example. I don't think anyone would argue that a woman ought to carry a child under that circumstance to term. On the other hand, you cannot go to the other extreme and devalue human life to the point that you say, 'It just doesn't matter. Anyone can have an abortion under whatever circumstance they like.'"

On tuition tax credits and vouchers:

"Rather than adding deductions, credits, or so forth to our taxes, what we ought to be doing is simplifying the tax system and getting the rate down for everybody."

On quality of education:

"We have allowed driver's education and photography to be substituted for calculus and chemistry. We have allowed kids to load up on electives when what we really ought to be doing is loading them up with homework. . . . We need to test teachers to make sure they are competent; we need to pay a good teacher more money than a not-so-good teacher."

On school prayer and equal access:

"Religious observance has a fundamental relevance to life in the United States. Not to allow the use of public school buildings for voluntary prayer is, to me, mystifying. I favor prayer in school. Obviously, I do not favor state-composed prayers, the requirement of certain prayers in school. But freedom of religion to me means equal access to school facilities for groups who are interested in religious study. I support school prayer."

On quotas and affirmative action:

"I think most Americans would agree that some kind of outreach effort to make jobs and job opportunities available to blacks and Hispanics and all Americans is appropriate. I think almost all those same Americans would agree that setting a quota on how many minorities there shall be in a certain job in a certain factory is not something we should be striving for. We have an effective affirmative action program in Delaware that has brought women and minorities into our state government in higher paying and supervisory posts than they used to hold, and that is good. But no one ever said that the state of Delaware must have a percentage of your work force of a certain racial composition. That would not be good."

On his political philosophy:

"I am a conservative. I believe that many of the problems of the country can be solved by institutions other than government, be those institutions church or community or social organizations. [The overriding goal of conservative government should be] to foster a climate in which every American family has the opportunity to excel and the freedom to do what they think best for themselves and their family. The thing that has distinguished America from other countries in the history of the world is the freedom and the opportunity that we have given to people for 200 years." ☎

Rhode Island

Sunset for Industrial Policy

Allan Feldman

As late as a year ago, "national industrial policy" was taken seriously as one of the Democratic left's most promising "new ideas." It was a central theme of both Walter Mondale's and Gary Hart's candidacies. And it was picking up support among businessmen as the answer to Japanese competition, even though economists from the Brookings Institution to the Heritage Foundation had decisively shown that Japan's advances were achieved in spite of, rather than because of, its industrial policy.

But today industrial policy is dead as a political idea. It was killed by the voters of Rhode Island on June 12.

Usually in special statewide referenda, only 8 percent to 12 percent of Rhode Island's voters come to the polls. But on June 12, more than 29 percent turned out to vote on a proposal, called the Greenhouse Compact, that would have done for the state's economy what the advocates of industrial policy would like to do for the nation's. The proposal had been endorsed by Governor J. Joseph Garrahy, most of the state legislators, Senators John Chafee and Claiborne Pell, Congressman Fernand St. Germain, the presidents of all the universities in Rhode Island, the state's Chambers of Commerce, the heads of Textron and Fleet National Bank, and the state AFL-CIO. Proponents of the compact outspent its opponents by $300,000 to $15,000. But in spite of—or, perhaps, because of—its eager embrace by the state's political establishment, the state's voters turned thumbs down 121,079 to 29,998, or 4 to 1 against.

The compact lost like nothing ever lost before in Rhode Island. It was crushed in each of the 39 communities in the state. Its best performance was in Narragansett, Governor Garrahy's hometown, where it was turned down 2 to 1. In Providence, it was beaten 3 to 1. In Warwick, the state's second largest city, it was smashed 5 to 1. In working-class Central Falls, where people would presumably be excited about more jobs and higher wages, it was trounced 4 to 1.

$250 Million Price Tag

The compact was largely the brainchild of Ira C. Magaziner, a management consultant, industrial-policy advocate, and adviser to Democratic presidential hopefuls Walter Mondale and Gary Hart. Mr. Magaziner, a former Brown University student activist, coauthored *Minding America's Business* (with Robert D. Reich of Harvard), a blueprint for a national industrial policy. He hoped to make Rhode Island a shining example to other states and to the nation.

Mr. Magaziner made the following arguments on behalf of the Greenhouse Compact:

(1) Jewelry, textiles, machinery, and other old-line major industries in Rhode Island are declining, and will not survive foreign low-wage competition. Without a major program, jobs will be lost and income will fall.

(2) There is too much fighting between labor, management, and government. (In fact, Rhode Island has been the locale for some of the country's longest strikes, including a two-year-old strike still going on against Brown and Sharpe Manufacturing Company. Some observers other than Mr. Magaziner attribute these long strikes to the state law providing unemployment benefits to all strikers after a six-week waiting period.)

(3) Rhode Island needs a Strategic Development Commission, which would build an economic-policy consensus among representatives from organized labor, banking and business, government, and the universities.

(4) This commission should steer the Rhode Island economy toward growth areas, using a combination of powerful levers:

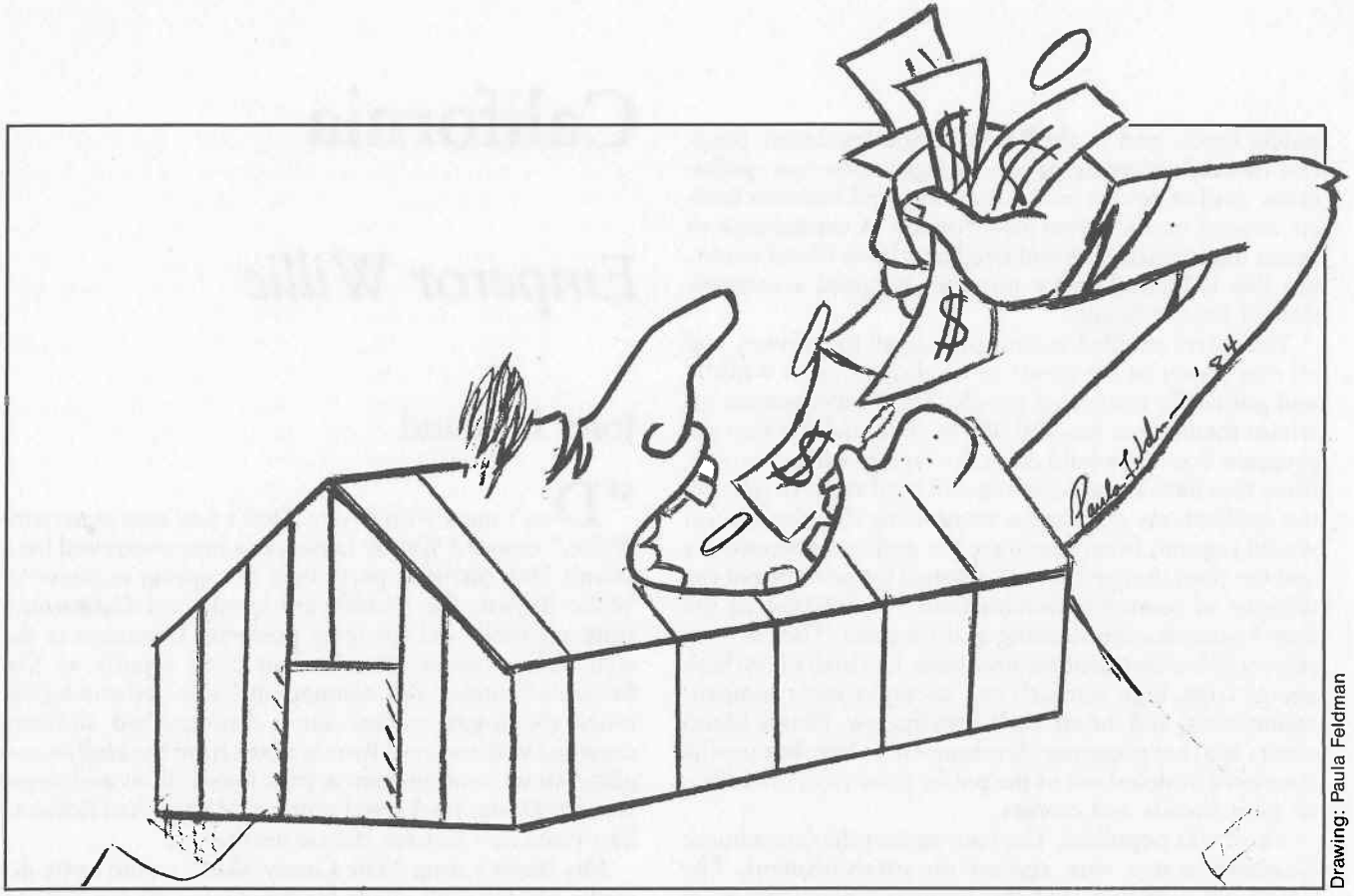
- a $60 million "grant-note" program to encourage firms to hire more workers. A firm would apply to the commission for a loan of about $2,000, which it would get if it hired a worker at a wage of roughly $8 per hour. If the job lasted 12 years, the loan would be forgiven. The commission predicted 30,000 jobs could be created through these grant-notes to businesses.
- a $40 million "new product development program." A business with an idea for a better mousetrap would apply to the commission for funds. If the mousetrap succeeded and made a profit, the firm would pay back the funds at an "equity" rate. If the mousetrap failed, the firm wouldn't have to repay a cent.
- a $40 million "business greenhouse" program to fund new firms. Venture capital partnerships would be licensed by the commission, and granted large tax subsidies for financing new Rhode Island businesses.
- a $50 million "research greenhouses" program to establish applied research facilities. Four such greenhouses were described by the commission, in robotics, geriatrics and gerontology, clinical trials, and thin film materials. These would be allied to existing research programs at the University of Rhode Island and Brown University. This program would create the major industries of Rhode Island's future.

The Greenhouse Compact was to cost around $250 million in public funds, in a state with fewer than a million people. A federal program with the same per capita price tag would cost around $60 billion.

High Taxes and Poor Policy

The intellectual case against the compact was made by a group of economists from Brown University and the

ALLAN FELDMAN *is an associate professor of economics at Brown University.*



Drawing: Paula Feldman

University of Rhode Island. We dissected the pro-Greenhouse arguments point by point:

(1) Although manufacturing wages are low in Rhode Island, personal income is about on par with the national average. The state's economy has been expanding without the Greenhouse Compact; the number of jobs grew by 15 percent between 1970 and 1980.

(2) There have been long strikes in Rhode Island, but it doesn't have the labor-management problems of Michigan, or Pennsylvania or New York. In fact, a relatively small fraction of the Rhode Island private-sector work force is unionized; the big unions here are public-sector unions.

(3) The commission is not needed. Bankers and venture capitalists are available to lend money to promising businesses. If a firm has a good idea for a better mousetrap, private financing is available. If the commission were created, its decisions would inevitably be politicized. It would give money to firms that couldn't get private financing and therefore were poor risks. It would give money to firms with cozy relationships with the governor, or with legislative leaders, or with the AFL-CIO.

We raised other arguments against the compact: It was biased in favor of the export sector, a neo-mercantilist stance contrary to 200 years of economic analysis. Its arithmetic regarding the grant-note program was phony: A $2,000 grant would not induce a firm to create and maintain for 12 years a job it would not otherwise have created. Furthermore, the compact would have meant higher taxes for a state already heavily taxed.

Why did voters turn so overwhelmingly against industrial policy in Rhode Island? What do they say? The *Providence Journal* did some nonscientific post-referendum sampling. Here are some reactions from no-voters: "You're going to be paying more taxes, and there's too many taxes now. . . ." The compact was "political cronyism" and wouldn't be good for small businesses. "New Hampshire has done a fine job with a simple operation. You don't have to set up a commission and go through all this hoopla."

More comments came in letters to the editor, printed two weeks after the referendum: "The voters are weary of the 'good old boy politicians' and do not trust a government almost totally controlled by one party." "When [Democratic legislative leaders] appointed themselves to the Greenhouse Commission, they compromised its credibility, which was already suspect to the taxpayers." "Long live free enterprise."

Spirited Opposition

Voters in Rhode Island, a heavily Democratic, blue-collar state, rebelled against the Greenhouse Compact for three basic reasons. First was taxes. The Greenhouse proponents said the compact programs would be self-financing. But Rhode Island voters knew $40 million from the state treasury does not come from the tooth fairy. They knew $120 million in state debt would have to be paid back with interest. Rhode Island taxpayers are willing to pay for highways, bridges, schools, hospitals, and other efforts for the common good. But they are not willing to pay taxes to provide grants for big businesses and big banks. They don't like welfare for the rich.

Second was power politics. Mr. Magaziner and other Greenhouse architects had been genuinely concerned about keeping politics and venality out of the commission. But the commission was to disburse $250 million in

public funds, and so the Rhode Island legislature properly insisted on participation by legislators—i.e., politicians. And of course union, banking, and business leaders insisted on their own participation. A commission of saints might have been endorsed by Rhode Island voters, but this industrial-policy program required a commission of human beings.

The voters rebelled against placing all that money and all that power in the hands of an elite group of wealthy and politically connected people. Small businessmen (of whom there are at least 20,000 in the state) felt that the program benefits would go to the big firms like Textron, firms that have the accounting and legal staffs to prepare the applications and do the monitoring the commission would require, firms that have the political connections and the clout that gets the attention of the governor or the director of economic development. The owners of the little businesses saw nothing in it for them. They saw no reform of business climate problems, like high taxes, high energy costs, high worker's and unemployment compensation costs, and the striker's-benefits law. Rhode Island voters felt that economic development is fine, but profits shouldn't be doled out of the public purse, by politicians, to their friends and cronies.

Third was populism. The vote against the Greenhouse Compact was a vote against the establishment. The voters not only saw that this industrial policy program was a power grab, they also viewed it as a power grab by the ins. The compact had been endorsed by virtually all the political leaders of the state. It was pushed by the university presidents. It was pushed by the heads of the Chamber of Commerce, by the big banks. It was pushed by the Rhode Island Commodores, a group of self-described "business, professional, and community leaders, who serve as ambassadors for the state." It was vigorously pushed by the *Providence Journal*. The compact was endorsed by practically everybody who is anybody in Rhode Island.

But when all those Very Important People endorsed the compact, the average voters got suspicious. Then they got resentful. And the more important people endorsed the compact, the more resentful the voters got. The voters knew the Greenhouse Compact wouldn't lift the tax and regulatory burdens on those struggling to rise; it would provide grants to those already at the top. It wouldn't shrink the state bureaucracy; it would expand it. It wouldn't improve business for the struggling jewelry manufacturer; it would boost Fleet National Bank's venture-capital subsidiary. It wouldn't cut the average voter's taxes, but it would slash Narragansett Capital Corporation's taxes. It wouldn't improve schooling for the son or daughter of the average worker in Providence, but it would support Brown and URI research faculty.

A statue of the Independent Man stands above the Rhode Island statehouse. As the state's leaders marched under the banners of industrial policy, the state's voters looked toward the Independent Man, and made up their own minds, in spirited opposition to the establishment.

In short, let's keep taxes down, let's not put more public money and power in the hands of the politically connected, and long live free enterprise.

California

Emperor Willie

John H. Fund

"Don't mess with Willie. Don't you ever mess with Willie," crooned Wendy Lanka, in a tune composed for a swank 50th birthday party held this spring in honor of Willie Brown, the flamboyant speaker of California's state assembly and the most powerful Democrat in the state. Miss Lanka, described in press reports as Mr. Brown's "number one companion," was performing her mock tough-guy routine for a distinguished audience crowded with many of Brown's fans from the Hollywood glitterati set, among them actress Joan Collins and singer Sammy Davis, Jr. A good number of them had flown to San Francisco just for the occasion.

Mr. Davis's song "The Candy Man" would aptly describe Mr. Brown's knack for convincing the powerful to sweeten his campaign pot. The birthday bash doubled as a giant fund-raiser to perpetuate Mr. Brown's artful rule of the California assembly: More than 1,100 notables paid $500 each for the privilege of attending. The cool $500,000 in net profit, however, only represented a sixth of Mr. Brown's minimum goal of $3 million that he wants to divvy up among Democratic colleagues.

Mr. Brown may need a lot more. On the ballot this November is a Republican-sponsored initiative that would overturn an overtly partisan Democratic redistricting plan and empower a commission to redraw new legislative and congressional district boundaries. "If the Republicans get a new redistricting map, they could conceivably seize control of the assembly in the 1986 election and make Willie Brown the minority leader," says *Sacramento Bee* political editor Ed Saltzman.

But Mr. Brown faces an even more immediate problem: In June voters passed Proposition 24, an initiative that strips him of most of his cherished powers as speaker, including the power to appoint committee chairmen and members. The measure, passed by 53 percent to 47 percent, requires a two-thirds majority for most procedural decisions in the legislature, giving the GOP a virtual veto. It also cuts by 30 percent the legislature's budget of $130 million, up from $73 million in fiscal 1979–80. Some budget cuts have already been announced, and the first layoff notices to legislative employees have been issued. "Emperor" Brown, however, has defied the electorate and simply refused to implement the rules changes. "It's a curious stalemate," says GOP Assemblyman Dennis Brown, who is no relation. "Prop

JOHN H. FUND *is deputy editorial features editor for the* Wall Street Journal.

24 is the law of the land, but Willie has just decided we should sue him in Rose Bird's packed court (the liberal-dominated California Supreme Court) if we don't like it."

Loud Speaker

In a state known for its unconventional and even eccentric politicians, Mr. Brown is a political original. He grew up in grinding East Texas poverty in what would today be called a "single-parent family." During his summers he picked cotton and corn. On the day he graduated from high school in 1951, the already ambitious Mr. Brown left his hometown to join an uncle living in San Francisco.

Only seven years later, he had worked his way through school to become the president of the graduating class of Hastings College of Law. In 1964 Mr. Brown was elected to the first of 10 terms in the California State Assembly from a district that included the intersection of Haight and Ashbury.

Mr. Brown soon gained a reputation as the Peck's bad boy of the legislature. His seat was barely warm when he launched a kamikaze challenge to the authority of then Speaker Jesse "Big Daddy" Unruh. He was banished to an office cubbyhole so small that visitors had to sit on chairs in the hall.

"My ego is like a cancer. It just keeps on growing."

By 1974, with Mr. Unruh gone, Mr. Brown had worked his way up to chairmanship of the powerful Ways and Means tax-writing committee. That year he was the odds-on favorite for speaker. But his abrasive style worried many of his colleagues. (Mr. Brown had called one portly legislator a "500-pound tub of Jello" and publicly acknowledged, "My ego is like a cancer. It just keeps on growing.") He was ignominiously defeated; even his fellow black legislators deserted him. Two years later he failed in a comeback attempt and was exiled to a slightly larger office than before—one that could accommodate Mr. Brown and two thin secretaries.

Mr. Brown curbed his arrogance and bided his time. His moment came in late 1980 after a yearlong pitched battle for the speakership between two Democrats, Assemblyman Howard Berman (now a congressman) and then Speaker Leo McCarthy (now California's lieutenant governor), that had ended in an apparent Berman victory. But a last-minute "stop Berman" plot developed between Democratic members who backed Mr. McCarthy and the Republican minority. Both were concerned over Mr. Berman's reputation for ruthlessness against his foes, regardless of their party. The plotters looked to Willie Brown as a compromise candidate. In a summit meeting with the GOP leadership he struck an uncommon deal for their support by giving up some of the enormous powers held by the speaker and granting the minority a short-term promise that they would be treated fairly. The majority of votes cast for Mr. Brown came from Republican conservatives. The new speaker could not contain his glee at the triumph. Messrs. Berman and McCarthy had sunk $2.3 million into currying support from Democratic members, while Mr. Brown had spent only $40,000. "And most of it on clothes," he chortled.

"I don't know anything I couldn't do," the expansive Mr. Brown told reporters. "I don't know any profession I couldn't excel at. . . . I don't know any subject matter I couldn't master." What is unusual about such bombast is that it may be true. "Willie is unquestionably the brightest guy in the legislature," says Dennis Brown, perhaps the most conservative member of the assembly.

Hand-Stitched Suits

Since his elevation to speaker, Mr. Brown's extravagant and fast-paced lifestyle has been a guaranteed story assignment for California feature writers. Although he has lately shifted into the slow lane, stories about Mr. Brown's penchant for fine clothes, fast cars, and high-wire living are legion. One Sacramento insider recalls the day that "we got a call from the Highway Patrol that its troopers had clocked Brown doing 95 on [the interstate to San Francisco]. But that wasn't the real problem. They said he was reading a newspaper at the time."

At least once a week, Mr. Brown swings through the doors of San Francisco's exclusive Wilkes Bashford men's store. His shopping list includes $110 Schogen shirts, $250 red lizard boots, $50 Pancaldi ties, and $1,500 hand-stitched Brioni suits from Italy. His annual clothes budget was already at least $20,000 by 1981. He explains his tastes by saying, "It is my effort to be, for you the observer, a nonoffensive, interesting, and pleasing piece of art. Period. No more need be said." Certainly Mr. Brown has changed haberdashers from his 1960s days when as a young legislator he sported a Nehru jacket complete with love beads. Now he brags that his private office is bigger than his hometown.

But there is far more to Willie Brown than perfectly

creased imported trousers. His skill with the gavel has enabled him to roll over the Republican minority countless times. With an impassioned speech he single-handedly stopped an attempt to impose fees on California community college students. He has kept a chokehold on conservative crime and welfare legislation. In 1975 he authored a bill legalizing all private sex acts between consenting adults. He also cosponsored and successfully shepherded into law a bill reducing to a simple fine the penalty for possession of less than one ounce of marijuana.

Gann's Gauntlet

Frustrated by the speaker's control, the Republicans counterattacked with Proposition 24, the latest skirmish in a political guerrilla war against California's liberal political establishment. Their hit man was septuagenarian Paul Gann, cosponsor of tax-slashing Proposition 13 in 1978 and head of successful initiative campaigns to place a cap on state spending and to enact an anti-crime measure known as the "Victim's Bill of Rights."

Prop 24 is a direct threat to Willie Brown's well-oiled patronage machine. Robert Fairbanks, editor of the monthly *California Journal* and former Sacramento bureau chief of the *Los Angeles Times,* has written, "The Democrats have been using their control of the legislature to build a powerful political apparatus, one that selects candidates, elects them, and keeps them in office with a supply of lobbyist-contributed campaign funds." Realizing that the rules changes in Prop 24 would derail his gravy train, Mr. Brown has simply avoided putting them into effect.

Mr. Gann has responded to Mr. Brown's maneuverings in the only way he knows how: by filing another initiative. The latest Gann idea makes Proposition 24 look like a Christmas present to the legislature. It would establish a part-time legislature, just as existed in California prior to 1966, reduce legislative salaries from $32,000 to $24,000 a year, limit each legislator to eight years in office, and, in a not-so-subtle slap at Willie Brown, make it a felony for an elected official to refuse to implement an initiative passed by the voters. If it qualifies for the ballot, Mr. Gann's measure would likely go before the voters in June 1986.

Whatever the outcome of the Gann-Brown duel, Proposition 24 has already inspired efforts to curb legislative power in other states, including Michigan, Oregon, Alaska, Florida, and Idaho, according to Cindy Simon of the National Conference of State Legislatures.

Party Politics

The 1984 Democratic presidential convention, appropriately enough, came to Willie. San Francisco extended its famous hospitality to the party faithful, but even San Francisco couldn't hold a golden gate to Willie Brown's July welcoming bash for "15,000 friends." Brown hired an army of caterers to occupy two entire waterfront piers at Fisherman's Wharf for an all-night extravaganza. The tab for feeding and watering the delegates, journalists, and assorted street people ran into the hundreds of thousands of dollars. Guests reached the food and drink only after wending their way past replicas of 20 San Francisco landmarks, 4,000 potted plants, and live performances by Jefferson Starship and comic Robin Williams.

But as Mr. Brown danced under the stars, he might have reflected on how soon all this grandeur could come to an end.

While the Republicans have declined to file suit against Mr. Brown's refusal to fully implement Proposition 24, they are planning to use it as a campaign issue in the November elections. "We're going to seek a change of venue," says GOP Assemblyman John Lewis of Orange County. "We will go to the court of public opinion rather than the court of Jerry Brown." If Republican charges of Speaker Brown's arrogance in refusing to implement the measure pay off and they defeat Democrats by running against "the imperial speaker," Mr. Brown's tenure as the legislature's "main man" could be in jeopardy. "Willie Brown's star has lost some of its luster among assembly Democrats," says political consultant Henry Olson. "If Democrats hold on to only a narrow majority in the assembly, look for a caucus attempt to oust Brown which might succeed."

Even the speaker's admirers worry that his political trapeze act may not stay in the air. "You simply can't be a politician and go around bragging about the $1,500 suits you wear and calling yourself the Ayatollah of California and expect to get away with it," one says.

But if Mr. Brown is worried, it doesn't show. He has been down for the count before and always bounced back. "I have no intention of going back to a small office ever again," he recently said. His eyes flashed and his smile widened, as he drove off into the night in his black 12-cylinder Jaguar.

Department of Disinformation

Sofia's Choice

"Police are convinced, according to government sources, that Mr. Agca acted alone."
—*New York Times,*
May 15, 1981

"I am deeply upset by the criminal attack carried out against you. I wish you a rapid and complete recovery."
—Leonid Brezhnev's message of condolence,
Pravda,
May 15, 1981

"At the root of this terrorist attempt against the Pope is a turbulent Islamic society, pregnant with nasty surprises."
—columnist Joseph Kraft,
May 19, 1981

"Trail of Mehmet Ali Agca: 6 years of Neo-Fascist Ties"
—*New York Times* headline,
May 25, 1981

"There can be no serious suggestion that the deed was motivated from Moscow or the man trained by Moscow or its agents."
—*Christian Science Monitor,*
June 2, 1981

Judge Ilario Martella, who was presiding over the Italian government's investigation of the assassination, "asked to be relieved of his job."
—*Le Monde,*
December 26, 1982

"The Italian legal authorities now admit there is no decisive proof involving Sergei Antonov . . . and his release is believed imminent."
—London *Sunday Times,*
April 24, 1983

On May 8, 1984, the Italian State Prosecutor filed in court a 78-page document asking for the indictment and trial of three Bulgarians, including Sergei Antonov, and six Turks for conspiring to assassinate Pope John Paul II on May 13, 1981. The report is based on over 25,000 pages of documentation gathered by Judge Martella, who did not leave his post. It concludes that the Bulgarian secret services recruited the man who shot the Pope in a plot to weaken the Solidarity movement in Poland. The report declines to mention Soviet intelligence by name, but, referring to the turmoil in Poland, says that "some political figure of great power took note of this most grave situation and, mindful of the vital needs of the Eastern bloc, decided it was necessary to kill Pope Wojtyla."

John Carson

Railpolitik

"President Reagan . . . believes the wild and woolly West was settled without any food stamps, without Social Security or a federal government. . . . Of course, President Reagan's history is wrong. . . . It was the federal government that opened the West and settled the frontier with the Land Ordinance in 1785 . . . that laid out the transcontinental railroad; that changed the Midwest desert into the breadbasket of the world with water and reclamation projects."
—Senator Ernest Hollings,
Washington Post, July 8, 1984

It is Senator Hollings's history—like his geography and political science—that is wrong, or misleading, or just plain mixed up.

Actually, federal government land laws before the Civil War were designed to raise revenues rather than to settle the frontier. The Land Ordinance of 1785 set a relatively high price of one dollar an acre for land, with a minimum purchase of 640 acres. This hindered rather than helped settlers.

Western discontent with revenue-enhancing policies eventually impelled a Republican-dominated Congress to adopt the Homestead Act in 1862. The Homestead Act was much closer to the laissez-faire principles Senator Hollings accuses President Reagan of, since it essentially provided free land to settlers.

The Civil War Congresses also began subsidizing "transcontinental" railroads (railroads that originated west of the Mississippi River and ran to the Pacific Ocean) with grants of unsettled lands along their projected right-of-way, cash, or both. Ultimately, about 130 million acres of such land served as the tangible security the railroads used to raise private investment capital both in this country and abroad.

The land grants helped build the transcontinental railroads faster than would otherwise have been the case, and thus helped settle the West. But the political "sleaze factor" accompanying this episode was the worst the country had ever seen, and it eventually forced Congress out of the land-grant business in 1871. And during the depression of the 1890s, all the transcontinental land-grant railroads wound up in bankruptcy courts. The only transcontinental railroad that remained solvent was the Great Northern, which was also the only one built in the 19th century without a land grant.

The federal government's reclamation projects did not make the "Midwest desert" into the world's

breadbasket. The area along the Mississippi that became the nation's granary was not dry, and the semiarid and arid states of the Great Plains, and the Pacific Coast states, were mostly settled before Theodore Roosevelt committed the federal government in 1902 to huge irrigation and reclamation projects. The acreage under federally sponsored irrigation or reclamation projects has never been more than a minuscule fraction of American farmland, and Congress has had to bail them out of financial difficulty again and again.

Howard Dickman

Star Dreck

"[The Soviets] have a rudimentary [anti-satellite weapon]. The first version worked, by any definition, only about 50 percent of the time, and the new, improved version works about zero percent of the time."

—Astronomer Carl Sagan in *Common Cause* magazine, May/June 1984

What Mr. Sagan calls "rudimentary" is the Soviet capacity to launch a three-ton satellite, to maneuver that satellite to within a few thousand feet of another satellite traveling at seven miles a second, and to destroy the target satellite.

Mr. Sagan's numbers are also lower even than those of other critics of American anti-satellite weapons development, such as Richard Garwin. In the June 1984 issue of *Scientific American,* Mr. Garwin and two coauthors wrote that the radar-guided "first version" of the Soviet anti-satellite weapon destroyed 70 percent of its targets when allowed two orbits to overtake them. Its success rate for one-orbit sorties was 50 percent, and its overall kill rate was 64 percent.

This original version has "killed targets at altitudes of up to 980 miles, and the U.S. Department of Defense credits it with almost double that capability. "In a week or more," writes Mr. Garwin, the Soviets may be able to knock down our photo-reconnaissance, ocean surveillance, and meteorology satellites, and a good share of our navigation and electronic intelligence satellites as well.

Since 1976 the Soviets have tried a "new, improved" infrared guidance system for their laser weapon, but the new homing device has apparently failed in all of its six tests to date. Security concerning this new system is very tight—an Air Force spokesman refused even to discuss it. But even were the Soviets' new version the total loss Mr. Sagan believes it to be, its failure does not diminish the threat to our satellites posed by its predecessor and by other Soviet weapons.

Michael S. Warner

Loose Connection

"When public issues are addressed [at the Republican convention], it is in a language of suggestion and abandon which shows no concern for connecting with the realities of the world. Nobody felt up to challenging Jeane Kirkpatrick's remarkable version of how the Russians had nearly taken over until the Reagan administration bravely dammed the tide. Where?"

—Flora Lewis, *New York Times,* August 24, 1984

Perhaps if Miss Lewis had been paying attention to Ambassador Kirkpatrick's speech, she would know where the Soviets had been taking over. Mrs. Kirkpatrick was quite explicit:

"From the fall of Saigon in 1975 until January 1981, Soviet influence expanded dramatically into Laos, Cambodia, Afghanistan, Angola, Ethiopia, Mozambique, South Yemen, Libya, Syria, Aden, Congo, Madagascar, Seychelles, Nicaragua, and Grenada."

This tide has indeed been stopped. Since 1981, no country has gone Communist. Grenada has been saved from Communism, and Mozambique may be next.

Who is failing to connect "with the realities of the world"?

East of Eden

"We discovered vital religious communities wherever we went, from Tallinn to Tashkent."

So commented John Lindner, program director of the American-Soviet Church Relations Office of the National Council of Churches. Mr. Lindner was one of the 266 American church leaders who toured the Soviet Union earlier this year and proclaimed it a land of religious liberty.

To reach their conclusion, the tour members had to ignore, for starters, some direct evidence. While the tour members were at services at the Moscow Church of Evangelical Christian Baptists, two Russian demonstrators were ejected for displaying banners reading, "This is a persecuted church." But the religious leaders' ignorance unaccountably extends even to the following:

The Soviet Constitution, though guaranteeing religious freedom, explicitly forbids children under 18 from receiving religious education or participating in religious activities. As evidence, in a recent Soviet pamphlet, Edward Filimonov, the deputy director of the Institute of Scientific Atheism, attacked the Baptist church for violating Soviet law by allowing "adolescents of 14 to 16 to be baptized."

About 200,000 Soviet Pentecostals are considered illegal for refusing to register with the official Evangelical Christian church, and most of the active members of their unofficial church councils are in prison camps. Some 30,000 Pentecostals and Baptists have applied for exit visas, being unable to practice their religion in the Soviet Union.

Similarly, 40,000 Jews are awaiting permission to emigrate. According to the Research Center for Religion and Human Rights in Closed Societies, the Soviet government's propaganda is so anti-Semitic that it "brings back memories of the Nazi anti-Semitic publication *Der Stuermer.*"

Ever since gobbling up Lithuania in 1940, the Soviet Union has been trying to suppress the Catholic

church there. One of the most recent victims is Father Sigitas Tamkevicius, who was sentenced in December 1983 to six years in a strict-regime prison camp and four years of exile. His crime: organizing the Catholic Committee for the Defense of Believers' Rights, giving children religious instruction, and holding Christmas celebrations for children.

In a report on the Russian Orthodox church for the Central Committee of the Communist Party, V. Furov, chairman of the Soviet Council on Religious Affairs, writes that the number of clergy "who study in theological schools cannot compensate in any way for the natural attrition of priests." The council controls the numbers, explains Mr. Furov, by preventing "fanatics" and "extremists" from "being admitted to theological schools."

A more accurate observation by the tour leaders would have been that some religious communities in the Soviet Union have remained "vital" despite all the efforts by Soviet authorities to suppress them.

Adam Wolfson

Red Zinger

"A president who felt ties of brotherhood with the peoples with whom we coexist on the planet might well assert a higher national priority than the bizarre holy war against Communists in which non-Communist Nicaragua shows up as an enemy and Communist China an ally."

—Richard J. Barnet,
Los Angeles Times,
July 5, 1984

Mr. Barnet's designation of Nicaragua as non-Communist might come as a surprise to Defense Minister Humberto Ortega, who proclaims to his troops that "Marxism-Leninism is the scientific doctrine that guides our revolution." It might perplex his brother, Daniel Ortega Saavedra, the Sandinista junta coordinator, who tells crowds that neither "bullets nor ballots" can reverse "revolutionary power" in Nicaragua. And it might amuse philatelists who have been admiring the Sandinistas' lovely postage stamps honoring the People's Republic of Bulgaria, hardly a traditional concern of the Nicaraguan people.

The reference to China as an ally might similarly puzzle Deng Xiaoping and his Peking comrades, who have made a special point of keeping their distance from both the Soviet Union *and* the United States. Currently, the United States and China do enjoy cordial diplomatic relations. Trade amounts to about $4 billion per year, one quarter of the American trade with Taiwan. China also provides U.S. intelligence with listening sites in Sinkiang to monitor the Soviet military. And to the consternation of American conservatives, the United States is selling Peking advanced military equipment financed by taxpayer-subsidized credit. But by no stretch of the imagination does either the United States or China call the other an ally.

There is nothing "bizarre" about Ronald Reagan's making distinctions between Nicaragua and China. Communism in any country is abhorrent to everyone who believes in the American values of democracy and individual liberty. But American presidents must be doubly vigilant against Communist countries allied with Soviet military might and committed to overthrowing the governments of neighboring countries. U.S. relations with Peking improved after the Chinese broke with the Soviets and reduced their support of guerrillas in Thailand, Malaysia, the Philippines, and elsewhere in Southeast Asia. Nicaragua, by contrast, is a Soviet "base," in the words of Marshal Nikolai Ogarkov, then chief of the Soviet general staff. The Sandinista junta is dedicated to "a revolution without frontiers" in Central America. If Nicaragua were to keep out the Cubans and Soviets and stop threatening its neighbors—for example, if it were to cut back its 100,000-man military and close its command-and-control center for Salvadoran guerrillas—there would be no reason why it could not enjoy peaceful coexistence with all countries in this hemisphere.

Adam Meyerson

Reporter's Miscarriage

"MEXICO CITY, Aug. 8—The United States said at an international population conference here today that the development of free-market economies was 'the natural mechanism for slowing population growth.'"

—*New York Times,*
August 9, 1984

This was the lead paragraph of a report by Richard J. Meislin on a speech by James L. Buckley, chief of the U.S. delegation to the United Nations International Conference on Population. However, it seems that Mr. Meislin must have read a different speech from the one Mr. Buckley delivered. Here is the pertinent section of Mr. Buckley's address:

"Population growth is, of itself, neither good nor bad. It becomes an asset or a problem in conjunction with other factors, such as economic policy, social constraints, and the ability to put additional men and women to useful work. People, after all, are producers as well as consumers.

"Hong Kong and South Korea are cases in point. They have few natural resources, and over the past 20 years they have experienced major increases in population, yet few nations have experienced such rapid economic growth. We believe it no coincidence that each of these societies placed its reliance on the creativity of private individuals working within a free economy.

"Some developing nations chose a different path, that of a tightly controlled, centrally planned economy. In such cases, the concentration of economic decison-making in the hands of planners and public officials tends to inhibit individual initiative, and sometimes crippled the ability of men and women to work towards a better future. In

many cases, agriculture was devastated by government price controls that wiped out the rewards for labor. Job creation in infant industries was hampered by confiscatory taxes. Personal industry and thrift were penalized. Under such circumstances, population growth became a threat.

"One of the consequences of lagging development was the disruption of the natural mechanism for slowing population growth. The world's developed nations have reached a population equilibrium without compulsion. The controlling factor has been the adjustment, by individual families, of reproductive behavior to economic opportunity and aspiration. Historically, as opportunities and the standard of living rise, the birth rate falls. Fortunately, a broad international consensus has emerged since Bucharest that economic development and population policies are mutually reinforcing."

Missing the Marx

"The FMLN of El Salvador is a people's army comprised of campesinos, workers, students, teachers, and professionals. The success of the FMLN can only be explained by one thing: the massive and continued support of the population."

—From a flyer advertising a rally at the White House organized by the Committee in Solidarity with the People of El Salvador (CISPES)

This statement is patently false. The Farabundo Martí National Liberation Front (FMLN), the umbrella coalition of guerrilla groups in El Salvador, is no mass movement. It consists of 9,000 highly trained and well-armed fighters. It has been having such difficulty attracting recruits among the Salvadoran people that it has resorted to kidnappings and conscription. As reported by the *New York Times* on July 5, 1984, senior guerrilla leaders admit that they are forcibly recruiting Salvadoran villagers.

Despite the guerrillas' threat to kill voters in 1982, and despite their mining of roads during the 1984 elections, voter turnout in El Salvador's nascent democracy has been extraordinary (76 percent of eligible voters in the balloting this March). The high voter turnout is a clear repudiation by the majority of the Salvadoran people of the Marxists' tactics and goals.

The CISPES statement is also disingenuous. It fails to mention that the FMLN is a Marxist-Leninist organization allied with the Soviet Union, Cuba, and Nicaragua, and dedicated to the international advance of Communist totalitarianism. The guerrilla movement was initially divided, until Fidel Castro organized the five factions under the banner of the FMLN in 1979. The FMLN's most powerful leader, 33-year-old Joaquin Villalobos, is an avowed Marxist who achieved power through his skill in terrorism, specializing in kidnapping Salvadorans for ransom. The CISPES newsletter views these actions as "the new El Salvador being patiently and lovingly constructed in the zones of popular control."

The statement put forth in the flyer is typical of CISPES's propaganda. The group is one of the principal organizers of this fall's demonstrations against U.S. involvement in Central America. Passing the plate at dances, raffles, and other events across the country, often on campuses, CISPES raises thousands of dollars for the Salvadoran guerrillas—indeed it boasts of having sent them $150,000 from January to May 1983—ostensibly for humanitarian purposes, such as medical aid. But the undocumented assertion is hardly credible given CISPES's open support of the FMLN, which it portrays as a revolutionary popular movement opposing a brutal regime. The truth—which plays no part in CISPES literature or rallies—is that the FMLN is a military agent of the Soviet Union, one of the most brutal regimes in world history.

John Carson

Press Bombs

An article by Derek Wood in the July 14 *Jane's Defense Weekly* revealed to the world that explosions in mid-May in the storage facilities at the Soviet Northern Fleet base in Severomorsk caused enough damage so that the Northern Fleet would "not be a viable force for the next six months."

This report received wide coverage in the U.S. press, including the *New York Times* and the *Washington Post*. A more sober analysis in the August 18 *JDW* by Captain John Moore dispelled Mr. Wood's implication that the Northern Fleet had "become non-operational," but this report did not receive notable coverage in the U.S. press.

Although the blast destroyed stockpiled anti-aircraft and anti-ship missiles, it did not disable the Soviet navy. A simple review of Soviet naval strategy shows why it did not.

In the early 1950s, the army-dominated Soviet military leadership directed the navy to be prepared to fight U.S. aircraft carrier groups with nuclear cruise missiles launched by bombers, submarines, and cruisers, instead of taking the more expensive route of building its own aircraft carriers. This decision led to current Soviet naval tactics that stress readiness to win "the battle for the first salvo," in the words of Soviet Admiral Sergei Gorshkov. The Soviets expect future naval battles to be over quickly because they plan on first-strike cruise missile saturation of Allied naval forces. For this strategy, the crucial weapons are those immediately available on the aircraft, submarines, and ships. These were not involved in the May explosions. Thus, even after the damage in Severomorsk, the Soviet Northern Fleet was a viable force for naval warfare as the Soviets envision it.

Richard D. Fisher, Jr.

DEAR MISS DEMEANOR

Dear Miss Demeanor:

My boyfriend insists that it is "bad form" and unsophisticated to be a strong anti-Communist. He says that really smart people consider it vulgar to apply one's own standards to other countries and regimes, and that the mark of a cultured person is the ability to recognize that all values and what we call "truth" are relative. So, he maintains, it is provincial and naive to condemn such things as the Gulag, the denial of what Westerners consider "basic human rights," and the invasion of Afghanistan; one should instead try to understand them from a Soviet perspective and in terms of Russian history.

This worries me because, despite myself, I cannot help feeling that right is right and wrong is wrong. But as my boyfriend has a Harvard Ph.D. while I am only a graduate of Marymount College, I feel that he knows best. Besides, he says that he feels embarrassed about taking me to smart parties as long as there is a likelihood that I might interrupt a discussion about, say, Soviet paranoia or conservative versus liberal factions in the Politburo with tasteless and irrelevant remarks about "good" and "evil."

As this threatens my social life and the viability of our relationship, I am very worried. What should I do?

Uncultured

Dear Uncultured:

You have every right to be worried. You are at odds not merely with your boyfriend but with what one refers to as the "Zeitgeist" or "the spirit of the age"—as that spirit is interpreted by accepted thinkers and opinion leaders such as Dan Rather and Anthony Lewis.

In terms of the future of your relationship with a young man who seems clearly destined to succeed, as well as your own upward mobility in what is sometimes termed the lumpen-intelligentsia, you should think seriously about the wisdom of persevering.

But if your background and education make it impossible for you to change, Miss Demeanor has a few suggestions which should help. First, from long experience she believes very firmly that if you cannot conform, you should not apologize or whine, but should take the offensive. Try putting the following questions both to your boyfriend and, if you have the chance, to Messrs. Rather and Lewis:

(1) What is the point of having values and standards if you do not apply them?

(2) Why should you apply other people's standards rather than your own when the judgments you are making are, after all, yours?

(3) If everything is relative, what is the status of the absolute statement that all things are relative? Is it not, so to speak, unspeakable?

(4) Do the rules of relativity and historical understanding apply to South Africa, Israel, and right-wing South American dictators, or are they restricted to the discussion of leftist regimes?

Of course, putting these questions is unlikely to lead to a happier social life, but it may lead to a more interesting time. Contempt will quickly change to genuine hatred, which is a kind of respect, and much to be preferred.

Dear Miss Demeanor:

I was recently severely embarrassed at a dinner table discussion when my host (who is a liberal professor of political science and thus spoke with some authority) rebuked me for defending U.S. alliances with and support for right-wing governments in Latin America. I admit that I spoke from instinct and when attacked had no effective reply. What is the correct form of response in a case like this?

Defensive

Dear Defensive:

First of all, anyone who accepts dinner invitations from liberal professors should not be dismayed by the inevitable consequences, but prepared to respond to them.

As with all good rules of etiquette, the correct response is simple. First you should point out that there is a fundamental distinction between approving of a regime and approving of an alliance with a regime. The proper test for the former is the character of the regime in question, as measured against your values. The proper test for the latter is quite different: whether the alliance (or support) serves the interests of your country.

There is nothing inconsistent about disapproving of a regime while recognizing that sometimes it is in one's interest to enter into an alliance with it (for example, to defend against an even more pernicious regime).

Miss Demeanor considers that in a situation like this an *ad hominem* argument is both appropriate and illuminating.

If your liberal professor is old enough, ask him if he is on record as having opposed the alliance with Stalinist Russia in World War II—or whether he approved of it as necessary to defend U.S. interests against Hitler's Germany. As no liberals opposed that alliance, he will then have to concede your general point, or admit that at the time he did not realize that Stalinist Russia was a bloody tyranny, or attempt to distinguish between the Soviet alliance and contemporary ones with Latin American states. (Actually there *are* some valid distinctions, but they all work against his position.) In any case he will be busy for the next half-hour defending himself rather than attacking you. And he will, if he is not a complete fool (which he might be), treat you with greater respect in the future. ☎

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policy REVIEW

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