

A Semi-Monthly Newsletter

# The Libertarian

Joseph R. Peden, Publisher

Washington Editor, Karl Hess

Murray N. Rothbard, Editor

VOL. I, NO. I

APRIL 1, 1969

35¢

## The Scientific Imperial Counsellor: "To Restore Faith In Government"

America now has, whether we know it or not, an imperial Counsellor. He is a new kind of appointee of the Nixon Administration, a White House aide but with Cabinet rank, empowered to range all over the sphere of domestic policy. The astute *Business Week* calls him "The adviser who may be closest to Nixon": Dr. Arthur F. Burns. (*Business Week*, March 1).

Arthur Burns, a professor of economics at Columbia University, was the first Chairman of the Council of Economic Advisers of the Eisenhower Administration. In that Administration Burns took his stand against the old-fashioned conservatives who wanted to roll back some of the New Deal aggrandizement of the federal apparatus. Though he had his technical quarrels with the Keynesians, Arthur Burns was instrumental in saving the day for the permanent Keynesian policy of expanding during recessions and cutting back during booms, and in saving the very existence of the Keynesian-interventionist Council of Economic Advisers itself. Now that old-fashioned conservatives have disappeared from the Republican party, no one talks in terms of abolishing the CEA or its mandate toward perpetual statism.

One of the curious aspects of Arthur Burns's rise to the pinnacle of power is that, among all economists, he was preeminent as the supposedly value-free "scientist", the technician, the man who eschews politics and ideology. And yet here he is, at the peak of his career, in the most political, the most ideological job of them all. But, oddly, Burns himself does not acknowledge this fact. He *still* thinks of himself as a simple scientific technician, at the service of society; he now says of his own role: "I'm not interested in power and influence, I'm interested in doing a job."

Thus, Burns has become almost the caricature of modern American social science: a group of disciplines swarming with supposedly value-free technicians, self-proclaimed non-ideological workmen simply

"doing a job" in service to their masters of the State apparatus: that is, to their military-political-industrial overlords. For their "scientific" and "value-free" outlook turns out to be simply marginal wheeling and maneuvering within the broad frames of reference set by the American *status quo* and by their masters who enforce that *status quo*. Lack of ideology simply means lack of any ideology that *differs* at all fundamentally from the ruling system.

But it seems that these are days of crisis, and in times like these, even the most narrow of statistical craftsmen must become "philosophers", i. e., must give the show away. So Arthur Frank Burns. Burns himself allows to *Business Week* that economic problems nowadays are "trivial", in comparison to the larger domestic concerns over which he now assumes his suzerainty. For, Burns opines, the really important problem is that "a great many of our citizens have lost faith in our basic institutions . . . They have lost faith in the processes of the government itself." "The President keeps scratching his head," Burns goes on, "and I as his adviser keep scratching my head--trying to know how to build new institutions . . . to restore faith in government."

So *that* is what our new imperial Counsellor is up to. The aggressively "scientific" statistician has become our purported faith-healer, our evangelical Witch Doctor, who has come to restore our faith in that monster idol; the State. Let us hereby resolve, everyone, one and all, that Arthur is not going to get away with it.

But soft, we must guard our flank, for there is a host of so-called "libertarians" and free-market advocates who swear up and down that Arthur Burns is God's gift to a free-market economy. Which says a great deal about the quality of *their* devotion to liberty, as compared to their evident devotion to Power.

# Letter From Washington

By Karl Hess

## FBI And CIA

Washington power struggles are off and squirming. We note that H. E. W. and Agriculture are vying for control of the programs with which to feed, and also co-opt, the hottest current item among political constituencies, hungry Americans. We hear that the Army, sensing a danger that the endless ground war in Vietnam might not be endless after all and certainly can't be victorious anyway, is looking for new frontiers on which to place its guidons and that chemical-bacteriological warfare may be just the ticket. (A ticket which, incidentally, may also gain it a better seat than ever at the game of riot control.) All the other services, of course, want their own bug battalions.

We sense, also, that the jet setters of the aero-space conglomerates are pitted in some sort of dinosaurian battle against the graying herd-elders of the industrial establishment for control of not only the available soul of the Administration itself but for the control of the more wordly goodies to be found in taking over government programs (at cost-plus) as we move from the vilified practice of a welfare state run from the White House to the now panegyricized practice of a welfare state, run for fun and profit, from corporate board rooms with the White House just signing the checks and setting the goals. There is little change in who pays the bills, of course.

Libertarians have every reason to view all of these matters with knowledgeable horror. They could predict any enormity of the state simply because they know that enormities are the nature of the state, enormities and crimes against liberty.

There is one area of struggle in Washington, however, that may be viewed with special horror. It is the struggle between the CIA and the FBI for covert control of the government, the world, the galaxy or whatever else comes along.

Talk of the rivalry between these two agencies, or baronies, is a Washington commonplace. Most comments on the struggle, however, reflect mainly from the exotic persons and bureaucratic principalities involved, with endless speculation, for instance, upon whether there were more FBI or CIA informers and paid provocateurs involved in our recent spate of political assassinations. Actually these arguments are rather like parsing scaldic verse, almost entirely academic, in that they concentrate on bureaucratic commas and semi-colons without attending much at all to content.

The content of the struggle mainly involves the weapons with which it is being fought, and the styles

of the wielders of the weapons. There is no basic difference beyond that inasmuch as both factions are merely symptoms of an inevitable sickness of the State itself.

The CIA has far and away the greater edge in economic power and in freedom of violent movement. Assassination has been its business overseas all along. There are obvious restraints on its use at home. There also are obvious opportunities for its selective and discreet employment; particularly against the more obscure obstructionists in any situation, persons who mightn't be widely missed but who might be the crucial difference between one policy or another in its early, intimate stages. The political murder of private citizens has never really caught on here but that is not to say that an imaginative man might not have a go at it anyway--particularly with the vast conspiratorial depths of the CIA upon which to draw.

When it comes to money the CIA has no equal. Although the FBI does have some special and very confidential funds to spend on informers and other covert employees, and even though some cynics might suspect that it could even keep for its own uses some of the vast criminal funds which it regularly, and pridefully, "recovers" when busting bandits, the Bureau has got to come in second. The Agency is not audited at all. There is a Congressional group that is supposed to supervise it but no one really imagines that they can do anything like a thorough job. For one thing, the personnel of the CIA is carried on the payrolls of other agencies and its continual involvement with "national security" means that official secrecy cloaks its daggers and its doings quite effectively.

It is from the CIA's money-power that much of its realpolitik powers derive. Its subsidy of everything from publishing houses to labor organizations is now well known. No newsman to whom I have recently spoken doubts for a moment that this subsidized estate within a subsidized state is not still thriving. Even if the excuse for the subsidy is, as it always is claimed, exclusively for activities of the person or group outside of the country, these CIA subsidies provide a selective means of encouraging persons or groups who, despite international activities, almost invariably must have some domestic clout as well. This clout, do not misunderstand, is not used on direct behalf of the CIA. But it can be used on behalf of those policies of which the CIA approves and which *ultimately* will enhance its power.

Where the CIA uses dough, the FBI uses data. Its chief influence, as opposed to outright pressure, derives from the selective use of its files. It is not imaginable, for instance, that even a President could get an item from the FBI's files if the Director specifically did not want him to have it. After all, it is employees of the Director, not of the President, who tend those files and everyone knows how easy it is for a piece of paper to either appear or disappear in a bureaucracy.

Thus, from President to legislator to syndicated columnist, the FBI can offer data not as something that may be demanded but as a boon which may be conferred--upon the helpful. President Johnson's

notorious use of FBI data to persecute political foes is another Washington press corps conversational commonplace as is the mock dismay at the fact that J. Edgar Hoover should have found in or made of Lyndon Johnson one of his most eloquent supporters despite the fact that, at the outset of The Great Society, it was assumed that the President and the Director followed somewhat different muses.

Thus, in this modern Machiavellian melodrama, we see directly pitted against one another the old-fashioned money and muscle. Florentine intrigue, cloak-and-daggerism of the CIA and the more American, corporate-organizational, file-case, computer-card snoop-and-snitchism of the FBI.

Libertarians, for what small comfort it may bring to a group which probably occupies a special place in files of both the Agency and the Bureau, happen to have the only sure solution to the disease of secret-policism which is what both CIA and FBI represent in a germicidal sense: cure the disease by curing the cause, the State. Every State, sooner or later, has had an urge to defend itself against foes real or imagined, foreign or domestic. This has always resulted in some form of secret or political police

organization. There are no exceptions to this iron law of the dungeon.

So long as nation states exist, so long will political police prowl amongst us.

All of which brings us to the remarkable story, recently revealed in the press, of how, according to Nikita Krushchev, the top cop of the Soviet Union, Lavrenti Beria, was done in.

Director Beria, it is now said, made the mistake of entering a Kremlin meeting without his bodyguard whereupon Krushchev, a genuine genius at getting to the nitty gritty of any situation, shot him.

It is predictable that conservatives, particularly, are still clucking and tushing about this latest revelation of the brutality of politics in a totalitarian state. It could not happen, they may exult, in a safe and civilized land such as ours.

And that is precisely the point.

In democratic America there has appeared no way to relieve the head of the political or secret police of his command. In short, what this great Republic lacks in vivid personnel relations, it more than makes up for in tenure.

## "Dear Ted": Prelude To Repression?

There is nothing quite so ominous as the emergence of Richard Milhous Nixon as educational theorist. In his tenure in office so far, Mr. Nixon has been the Man Who Isn't There, a zero wrapped in a vacuum. *Except* in the case of our kids; there the President has made a stand, in his "Dear Ted" letter to Father Theodore M. Hesburgh, president of Notre Dame University, and a man who has rivalled the clownish S. I. Hayakawa in vowing to get tough with our students.

So eager was the President to get his views known on this subject that he released the letter to the press (*New York Times*, Feb. 24) even before Ted had received it. As might be expected, our new educational philosopher came out foursquare against "violence", "intimidation", and "threats", and called for the "rule of reason" to prevail. "Whoever rejects that principle," intoned Nixon, "forfeits his right to be a member of the academic community."

Mr. and Mrs. America, how long are we going to suffer this solemn farce? Here is the President of the United States, in command of the mightiest engine of terror and intimidation the world has ever known, a man who every day murders American soldiers and Vietnamese peasants in the hills and rice paddies of Vietnam, a man whose entire machinery of State lives off systematic theft, a man who heads the machinery of slavery known as the draft. And he has the gall to express his horror at the violence of some kids who have broken a few windows, or who

have stepped on some campus grass. He has the sheer bravado to call for the substitution of reason for force! In this he shows himself an apt pupil of his beloved predecessor, who had the brass to say, during the July, 1967 urban riots: "We will not endure violence. It matters not by whom it is done, or under what slogan or banner. It will not be tolerated." Someone should instruct these worthies about the mote and the beam.

But apart from the farcical elements of the situation, Nixon's entry into educational theory poses an ominous question: Is this the prelude to general repression on our campuses? For Nixon, in the Dear Ted letter, openly hinted about possible action "at the state and Federal levels" to crack down on the college campuses. This was supposed to be the prelude to a call for Federal investigation of the campuses at the National Governors' Conference a few days later. Despite the dubious constitutionality of this proposal, Governor Reagan ardently pushed for the idea, but happily the governors turned it down. Perhaps this has stopped any political groundswell for a Federal crack-down on the campuses; at any rate, the governors have at least given a setback to the Reagan theory of education by bayonet. Let us hope the setback isn't just temporary.

### LIBERTARIAN ASSOCIATES

The following people were generous, and even heroic enough to subscribe to The Libertarian as Libertarian Associates, paying \$15 or more:

Mr. James Altes New York, N. Y.  
 Mr. and Mrs. Walter Block New York, N. Y.  
 Mr. J. M. Foley Burlingame, California  
 Mr. Walter Grinder Bogota, New Jersey  
 Dr. Harold H. Saxton Mayville, N. Y.  
 Mr. and Mrs. Harry Stern Wilmington, Del.

"There are but three ways for the populace to escape its wretched lot. The first two are by the routes of the wineshop or the church; the third is by that of the social revolution."

— Mikhail Bakunin, 1871

## RECOMMENDED READING

- Donald Barnett, "Angola: Report from Hanoi II". *Ramparts* (April, 1969). Happy Day! *Ramparts* lives! The reports of its death were greatly exaggerated. In this article, the anthropologist Dr. Barnett presents an exciting and heart-warming story of his stay with the guerrilla forces of the national liberation movement in Portuguese-run Angola. One thing is made clear: what with the Portuguese government taxing all the peasants' surplus above subsistence and burning peasant villages and herding them into concentration hamlets, and the guerrillas scrupulously buying everything they use from the peasants, *whom* do you think the overwhelming mass of peasants supports?
- P. T. Bauer and B. S. Yamey, *Markets, Market Control and Marketing Reform* (London: Weidenfeld and Nicolson, 1968). 421 pp. 90s. Not really about marketing, but a collection of articles about the free market and government interference, particularly in underdeveloped countries. Professor Bauer is the world's preeminent economist specializing in underdeveloped countries.
- Daniel and Gabriel Cohn-Bendit, *Obsolete Communism: The Left-Wing Alternative* (New York: McGraw-Hill). 256 pp. \$5.95. The story of the almost-victorious French revolution of May, 1968 by its heroic young anarchist leader. The case for an anarchist rather than a Bolshevik revolution.
- John Duffett, ed., *Against the Crime of Silence* (New York: Bertrand Russell Peace Foundation, 1968. Available from O'Hare Books, Flanders, N.J. 07836). 662 pp. \$8.50 hardbound, \$5.75 Flexicloth. The War Crimes Tribunal, sponsored by Bertrand Russell, held its sessions on genocidal American aggression and atrocities in Vietnam at Stockholm and at Copenhagen during 1967. The Tribunal was outrageously smeared in the American press. Here is the detailed record of its hearings and reports. Indispensable for any serious student of the Vietnam War.
- Karl Hess, "The Death of Politics", *Playboy* (March, 1969). This article marks the appearance of a shining new star in the libertarian firmament. An excellent article, and the first time that the libertarian position has hit the mass market. Lingered traces of statism are due to the fact that the article was written while Mr. Hess was in a period of transition toward the full and complete libertarian credo.
- , *The Lawless State*. (Lansing, Mich.: Constitutional Alliance, Feb. 5, 1969. Available from Constitutional Alliance, P.O. Box 836, Lansing, Mich. 48904). 30pp. 40¢. Rousing libertarian attack on the State. One of the first of a series of handy and inexpensive "minibooks" from this publisher.
- David Horowitz with David Kolodney, "The Foundations", *Ramparts* (April, 1969). David Horowitz is becoming the best and most intelligent of a new and much-needed breed: muckrakers of the present State Monopoly system. Here he exposes the work of the big foundations, their tie-ins with the government, corporations, universities, and the black movement. First of two parts.
- James Ridgeway, *The Closed Corporation: American Universities in Crisis* (New York: Ballantine Books, 1968). Paper. 241 pp. 95¢. Excellent muckraking book on the universities and their tie-in with the military and governmental-industrial complex. Should silence those naive souls who still think of our universities as private institutions and dedicated communities of scholars.
- Madeleine B. Stern, *The Pantarch: A Biography of Stephen Pearl Andrews* (Austin, Tex.: University of Texas Press, 1968). 208 pp. \$6.00. A scholarly, though often sneering, biography of a brilliant if eccentric founder of American individualist anarchism.

## SUBSCRIBE NOW

Please enter a subscription for:

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Subscription is \$7.00 per year.

Libertarian Associate Subscription is \$15.00 or more.

Wholesale Bulk rates are 20¢ per copy with a discount of 10% for over 50 copies.

## THE LIBERTARIAN

Box 341 Madison Square Station  
New York, New York 10010**The Libertarian**BOX 341  
MADISON SQUARE STATION  
NEW YORK, NEW YORK 10010