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## American Monopoly Statism

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### I. Introduction

"The most unprofitable of all commerce is that connected with foreign dominion. To a few individuals it may be beneficial, merely because it is commerce; but to the nation it is a loss. The expense of maintaining dominion more than absorbs the profits of any trade." So wrote the great Anglo-American libertarian Thomas Paine in 1792.<sup>1</sup> Had she heeded such views, America could have avoided the bloodshed and crimes abroad and the bureaucratic tyranny at home which have accompanied the building of her own "informal" empire.

Unhappily, classical liberal ideas never prevailed fully anywhere, not even in England or the United States. Interest-conscious groups, from exporters and manufacturers to missionaries and militarists, utilized the power of the national state as often as fate allowed; their aims included glory, power, land and the engrossing of foreign markets judged essential to national prosperity.

From the inception of the Federal Government in 1789, an American gentry of Northern merchants and Southern planters actively developed an American form of mercantilism symbolized by the "commerce clause" and embracing tariffs, a National Bank and strong central authority. Their program, though not quite reducible to atavistic survivals of feudalism which Joseph Schumpeter saw as the fount of European imperialist expansion, was a conscious continuation of the British mercantilist outlook. James Madison, in particular, fashioned the rationale of the self-consciously imperial American state, reaffirming the basic expansionist axiom of the mercantilist worldview. Even Jefferson with his Physiocratic, laissez faire leanings was at best a left-wing mercantilist when in power.<sup>2</sup>

Despite this early statism, the Jacksonian "revolution" produced significant gains for free trade, including the destruction of the Bank and Taney's decisions overthrowing certain forms of monopoly grant. Jacksonianism was in Hofstadter's words "a phase in the expansion of liberated capitalism."<sup>3</sup> But even in an age of relative liberalism, those interests were many who defined laissez faire as "help without responsibilities."<sup>4</sup> Like the Cobdenites, the radical Jacksonians were unable to sweep away all existing privileges. The liberalism of the period was marred, in addition, by a major violation of Natural Right, chattel slavery, and by the imperialist war with Mexico, a prime instance of "manifestly destined" land-grabbing. Ultimately, sectional conflict over control of the area taken from Mexico brought on the War for Southern Independence.

### II. The Decline of Laissez Faire

The Civil War was the occasion of a mammoth resurgence of Hamiltonian statism. First, by forever precluding secession, Northern victory utterly transformed the federal union and dealt a death blow to

real decentralization. The invention out of whole cloth of far-reaching executive "war powers" by President Lincoln paved the way for the 20th-century Presidential Caesarism, just as conscription set a precedent for wartime, and later peacetime, militarization of American society. Civil liberties naturally suffered.<sup>5</sup>

With respect to the political economy, Civil War centralization was equally harmful. While the internationally free-trading South was out of the Union, the Republican Administration secured passage of a "National Bank Act, and unprecedented income tax, and a variety of excise taxes" verging on "a universal sales tax."<sup>6</sup> The tariff, whose lowering had been forced in 1830 by the South, was jacked up to nearly 50 percent, with postwar rates going steadily higher. Wartime greenbacks set a precedent for future inflation.

Aside from protection and American manufactures, perhaps the most flagrant wartime and postwar subsidy consisted of funds loaned and "public" lands given to the railroads by the Federal Government to encourage their growth. In the period from 1862 to 1872, the railroads received from Congress some one hundred million acres of land. (For that matter, the bias in favor of farming written into homestead legislation may have encouraged an uneconomical expansion of agriculture.)<sup>7</sup>

Such was the famed but partly mythical "laissez faire" which one historian, with amusing lack of irony, sees as epitomized in the inflationary-protectionist program of a certain wing of Radical Republicans.<sup>8</sup> In truth, the Gilded Age witnessed a great state-supported "barbecue" rooted in the rampant statism of the war years, whose participants defended themselves with Spencerian rhetoric while grasping subsidies with both hands.<sup>9</sup> The beeves of this "Great" barbecue," as Vernon Louis Parrington called it, were supplied as much by local governments competing for industry as by Washington.

### III. Roots — and Rise — of Empire

According to historian William A. Williams, the major political struggles fought out by agrarian and metropolitan interests between 1865 and 1896 concerned providing and regulating a national transportation system; establishing a favorable monetary system; and finding foreign markets for agricultural surpluses. The agricultural businessmen of the West and South sought regulation of the railroads to insure their equitable operation; ultimately, their radical wing, the Populists, proposed nationalization to that end. Another agrarian goal was inflationary coinage of silver to provide easy money, and it was hoped, to enable the penetration of markets in countries on the sterling standard. Great Britain's dominance of world trade could thus be broken.<sup>10</sup>

Above all, the farmers wanted foreign markets for their surplus crops. American farmers had in fact been export-conscious since the founding of the Republic: they continued to look for outlets after the Civil War. The severe depression that began in 1873 gave them added reason to look abroad.<sup>11</sup> But according to Williams, it was an "export bonanza" lasting

(Continued On Page 2)

## American Monopoly Statism —

(Continued From Page 1)

from 1877 to 1881 and occasioned by natural disasters which incapacitated European agriculture which really underscored the possibilities of overseas markets held for American prosperity. The recovery of European agriculture and the end of the bonanza only reinforced American convictions about the necessity of overseas expansion.

Although some effort was made as far back as President Grant to open up new markets, on the whole the farmers justifiably felt that their concerns were not fully shared in government circles. Accordingly, their discontent and agitation could only grow.

The turning point came when certain metropolitan Republicans led by the adroit Governor William McKinley of Ohio adopted a significant portion of the agrarian program, thereby winning the crucial support of a good many farmers in 1896. McKinley's advocacy of bimetalism held out the prospect of renewed silver inflation (which Cleveland had recently repudiated). A protectionist, McKinley nonetheless maintained a low profile on the tariff. Most important, McKinley and his colleagues took over completely the agrarians' thesis of "overproduction," generalizing it to the industrial sectors of the economy. Their combined platform of protectionism, bimetalism and reciprocity treaties to open up overseas markets proved very attractive; together with an upturn in wheat exports it carried the election of 1896 for the Republican expansionists.<sup>13</sup>

The expansionist consensus, of which McKinley's policies were the finished expression, had been long developing. It embraced goldbugs and silverites, who agreed more on ends than means. Rooted in a felt need to dominate whole regions for markets, the new policies bespoke a fundamentally imperial conception of America's world role. This conception was reinforced by a "frontier-expansionist" view of history articulated by Frederick Jackson Turner and Brooks Adams which saw the frontier as the source of American democracy and prosperity; with the close of the continental frontier, a "new frontier" must be found if American society was to remain unchanged. Adams and his followers, including Theodore Roosevelt, defined overseas empire as the substitute West for industrial America.<sup>14</sup>

The Panic of 1893 and the economic crisis flowing from it set the stage for the emergence of McKinley as the leader of an expansionist coalition. "From explaining (the Panic) as a consequence of dangerous or out-moded monetary theories and policies, (Americans) came to account for it in terms of overproduction and lack of markets"<sup>15</sup> The means to such markets were a modern navy, reciprocity and, when necessary, military intervention to sweep aside obstacles to American expansion. To that traditional American sphere of influence, Latin America, were to be added the markets of Asia — above all China — and the world.

Given the goal of opening up markets, United States policy makers sought to create political conditions favorable to trade and investment in every country regarded as a potential outlet for surpluses. A variety of tactics, from reciprocity treaties to armed intervention, were employed to eliminate or prevent policies adverse to American interests on the part of such countries. This noncolonial strategy of empire, relying on America's preponderant power to achieve "supremacy over the whole region," was remarkably like the British "imperialism of free trade" analyzed by John Gallagher and Ronald Robinson.<sup>16</sup> That as free trade it was somewhat spurious is clear.

The Cuban revolt against Spanish authority presented President McKinley with the necessity of risking war to sustain the imperial program. Aside from protecting American investments and markets in Cuba from the consequences of continued instability, the Administration wished to clear up the mess in Cuba in order to concentrate on the overriding goal of penetrating Asian markets. Impatience led to war in 1898.

By going to war with Spain, America not only pacified Cuba but also gained a foothold in Asia by seizing the Philippines from her. The reluctance of "our little brown brothers" to accept American suzerainty brought on our first Vietnam, the Philippine Insurrection, whose suppression was vigorously opposed by such anti-imperialists as Edward Atkinson.

By asserting the right of Americans to trade as equal competitors in all of China in the Open Door Notes of 1899 and 1900, the United States sought to prevent or reverse the division of China (and the world) into economic spheres of influence by other, less sophisticated imperial powers. To

realize the asserted right of Americans to trade as equals everywhere became the key strategy and the sole consistent theme of American foreign policy in the twentieth century. When rival powers staked out empires and when strong nationalist and communist movements arose in the underdeveloped countries, Open Door imperialism began to involve America in intervention and war.<sup>17</sup>

### IV. Genteel Fascism at Home

The developments summarized above were not natural out-growths of capitalism proper; rather, they fit the pattern of export monopolism analysed by Joseph Schumpeter and others. Briefly, steep tariffs enabled a great many American firms to price their goods well above world market levels. At these prices the quantities produced could not be sold. But to take full advantage of economics of scale these quantities had to be produced. At this point, the cry went up for foreign markets for the unsold surplus.<sup>18</sup> Before pursuing this other artificial trends toward monopolization bear examination.

Historian Gabriel Kolko has recently shown that vigorous competition was the main drift at the turn of the century; this despite the ample statism we have surveyed. In the Merger Movement of 1897-1901 Big Business failed miserably to gain hegemony over the economy. Defeated by competition, Big Business reformers resorted to what Kolko calls "political capitalism." Industry by industry, these corporate "liberals" sought federal legislation to 1) avoid populist control in the states and 2) "rationalize", i.e., cartelize, their sectors of the economy. Regulation of an industry was typically pioneered by its biggest firms, which controlled the regulatory bureau thus established, to the detriment of smaller competitors.<sup>19</sup>

Concurrently Americans began seeing themselves as members of producers' blocs, not as consumers, and syndicalism (or corporatism) of a sort became the dominant outlook by 1918. The National Civic Federation, a corporate liberal policy group, played a central role in this intellectual transformation. NCF stressed cooperation with nonsocialist unions and opposition to business "anarchists" who took competition seriously.<sup>20</sup>

Not too surprisingly, given the inner unity of "stabilization" at home and abroad, most liberal reformers were expansionists and many expansionists were corporate liberals. As J. W. Burgess wrote in 1915, "the Jingo and the Social Reformers have gotten together."<sup>21</sup> The combination of paternalistic welfarism and gun-boat imperialism symbolized by Theodore Roosevelt provides a close parallel to British "social imperialism."<sup>22</sup>

Equally important was the "war collectivism" of 1917-18, when Big Business, labor and government happily fixed prices and set quotas for the whole economy thru the War Industries Board. In later years, many corporate liberals agitated for a Peace Industries Board, or its equivalent, to plan the economy for the benefit of monopoly capitalists.<sup>23</sup>

Herbert Hoover was a major architect of peacetime corporatism. As Commerce Secretary he encouraged the cartelistic integration of trade associations with labor unions. As President, he pioneered most of the New Deal measures, which had the unexpected effect of prolonging a depression itself caused by governmental monetary policy.<sup>24</sup>

In the election of 1932, important Business liberals shifted their support to FDR when Hoover refused to go over to a fully fascist form of corporatism. By contrast, the Roosevelt Administration pushed through the National Recovery Act, which openly sanctioned the cartelizing activities of trade associations, and the Agricultural Adjustment Act, cartelizing the farm sector.<sup>25</sup> The Wagner Act of 1935 integrated labor into the nascent system.<sup>26</sup> Although the Supreme Court outlawed the openly fascist NRA, the New Dealers nonetheless fastened the shackles of corporate statism on American society by imposing less systematic controls, quotas and virtual cartels.

From the Progressives to the present, the drive to statism could only foster more and more monopoly; and more and more surpluses looking for foreign markets. Further, the brake on innovation and the general inefficiency deriving from the suppression of competition came to seriously limit investment opportunities. Men of power, their pockets bursting with monopoly profits, found yet another surplus — one of capital — crying out for Open Doors abroad. At the same time, intellectuals, reformers, politicians and businessmen increasingly internalized the felt need for overseas expansion.

(Continued On Page 3)

## American Monopoly Statism —

(Continued From Page 2)

Already under President Wilson

Tax monies collected from individual citizens came to be used to provide private corporations with loans and other subsidies for overseas expansion, to create the power to protect those activities, and even to create reserve funds with which to make cash guarantees against losses.<sup>27</sup>

Wilson likewise supported the Webb-Pomerene Act of 1918 "permitting cartels in the export trade."<sup>28</sup> Small wonder that after 1937, when the inevitable failure of New Deal reformism became painfully obvious, the New Dealers with sure instinct turned to overseas expansion as the answer to the economic crisis. In the late '30s this meant running up against other expansionist systems. Eventual involvement in another war for the Open Door grew out of "a decision in 1938 to eliminate Axis economic penetration of the (American) hemisphere"<sup>29</sup>

Later, when World War II shaded into Cold War, "defense of the Free World against communism" became the most potent slogan veiling imperial reality. It overlapped reality, since the triumph of revolutionary nationalists in the undeveloped countries could block the expansion allegedly so crucial to American wellbeing. The permanent garrison state erected after World War II further subsidized the corporate power elite through defense production and research contracts. Finally, foreign aid developed as another subsidy to American exporters paid for by the citizenry.<sup>30</sup>

### V. Imperialism, the Highest Stage of Statism

We have seen that neomercantilist inroads on a partly laissez faire economy, gave great impetus to monopoly in the sectors regulated. Originating with agrarians and taken up by industrialists, the cry of "overproduction" was raised to justify an aggressive export policy favorable to various interests. But in general the thesis of overproduction was either a rationalization for entrepreneurial error or an honest, but mistaken explanation of real trends actually rooted in state power.<sup>31</sup> These trends were initiated by protection and subsidies, and aggravated by cartelizing regulatory laws.

The fundamental reason for informal, Open Door Empire was explained in 1899 by Francis B. Thurber, President of the U. S. Export Association: "We must have a place to dump our surplus, which otherwise will constantly depress prices and compel the shutting down of our mills . . . and changing our profits into losses."<sup>32</sup> The English liberal John A. Hobson put it differently:

The economic root of Imperialism is the desire of strong organized industrial and financial interests to secure and develop at the public expense and by the public force private markets for their surplus goods and their surplus capital. War, militarism, and a "spirited foreign policy" are the necessary means to this end.<sup>33</sup>

Joseph Schumpeter analysed this tendency to "export monopolism" and vividly underscored its precapitalist and anticapitalist character. The tariff made possible domestic monopoly prices well above a free market price; at the same time it created an artificial surplus since the full quantity produced of a good could not be sold at that price. But the full amount was produced in order to enjoy lower unit costs. The ensuing dilemma was resolved by selling or "dumping" the excess abroad "at a lower price, sometimes . . . below cost."

Since existing "cartels successfully impede the founding of new enterprises," foreign investment likewise becomes a necessary outlet. To implement the policy of export monopolism "the idea of military force readily suggests itself." Empire (formal or otherwise) is the outcome.

Imperialism exploits the nation for the benefit of a few; since without it, prices in the home market would be lower. If a given firm could not survive at free market prices in the absence of empire, it was in Schumpeter's words "expanded beyond economically justifiable limits," and its factors of production could be better utilized elsewhere.

Thus, there was nothing inevitable or capitalist about imperialism. In truth, "the rise of trusts and cartels—a phenomenon quite different from the trend to large-scale production . . . can never be explained by the automatism of the competitive system." On the contrary, monopoly is explained as arising from state interference in the economy.<sup>34</sup>

Another thorough student of imperialism, E. M. Winslow suggested

that in part the monopolistic positions sought by business and labor (and which encouraged imperial expansion) were designed to protect them from the instability of the trade cycle. Understanding the connection between general depressions and credit expansion, Winslow recommended instead of privilege, "social control of the monetary aspects of the economic process."<sup>35</sup> Certainly, the gains for statism occasioned by the 1929 depression indicate that an understandable desire for a minimum of stability can account for part of the drive to corporatism in modern America. Even here, the state must bear primary responsibility inasmuch as state fostered credit expansion is the cause of depressions. There is reason to believe that laissez faire banking would in itself provide the "social control" of the monetary process Winslow proposed.<sup>36</sup>

Murray Rothbard has recently argued powerfully that all government regulation of business promotes monopoly and inhibits innovation. Under the centralized corporate statism of modern America, innovation and the founding of new enterprises is sufficiently discouraged that in Jane Jacob's words "there is nowhere to export the embarrassing superfluity of capital except abroad."<sup>37</sup>

The monopoly structure of the economy by preventing innovation limits domestic investment and promotes aggressive capital export. Simultaneously, monopolistic pricing made possible by tariffs, quotas and all manner of regulations generates surpluses of goods to be sent abroad. Thus, we have traced monopoly and empire to the state and are in a position to see that imperialism is the highest stage of statism, not of capitalism understood as the free market. It is the outcome of the interaction of the permanent state apparatus, whose chief asset is power, with interest groups that wish to utilize that power to exploit those less favored. In Schumpeter's words: "The bourgeoisie seeks to win over the state for itself, and in return serves the state and state interests that are different from its own."<sup>38</sup>

Empire may have wealth as one of its goals and justifications, but it is not a product of capitalism as such. It is not "determined" by purely economic facts as the Marxists would have it. On the contrary, the empire is the extension of the control and influence of a power elite which has already far too much power at home. Its fundamental causes are to be sought in the realm of the will-to-power, state aggrandizement, militarism, aggressive nationalism and other irrational precapitalist and noncapitalist features of the imperial society. In the words of Gustave de Molinari, "The sovereign power of governments over the life and property of the individual is, in fact, the sole fount and spring of militarism, policy, and protection."<sup>39</sup>

### Footnotes

<sup>1</sup>Richard Emery Roberts (ed.), *Selected Writings of Thomas Paine* (New York, 1945), 328.

<sup>2</sup>On the Founding Fathers, see William Appleman Williams, *The Contours of American History* (Chicago, 1966), "The Age of Mercantilism: 1740-1828," esp. 150-162 and 185-192.

<sup>3</sup>Richard Hofstadter, *The American Political Tradition* (New York, 1948), 56, 56-67.

<sup>4</sup>Williams, *Contours*, 212.

<sup>5</sup>Arthur A. Ekirch, Jr., *The Decline of American Liberalism* (New York, 1969), 116-131.

<sup>6</sup>*Ibid.*, 129.

<sup>7</sup>*Ibid.*, 153-4.

<sup>8</sup>*Ibid.* Murray N. Rothbard, *Power and Market* (Menlo Park, Calif., 1970), 203(57) and 210(54).

<sup>9</sup>Williams, *Contours*, 300-1.

<sup>10</sup>Ekirch, *American Liberalism*, Chapter 10, 147-170. For the radical individualist critique of such Spencerianism, see James J. Martin, *Men Against the State* (Colorado Springs, Colo., 1970), 239-241.

<sup>11</sup>William Appleman Williams, *The Roots of the Modern American Empire* (New York, 1969), 132-404.

<sup>12</sup>For brief but lucid "Austrian" accounts of the depressions of 1837, 1873 and 1893, see Richard W. Grant, *The Incredible Bread Machine* (CR R. Grant, 1966), 27-36.

<sup>13</sup>Williams, *American Empire*, 385-404.

<sup>14</sup>Williams, *Contours*, 364-5, and Walter LaFeber, *The New Empire* (Ithaca, New York, 1963), 62-101.

<sup>15</sup>William Appleman Williams, "The Acquitting Judge" in David W.

(Continued On Page 4)

## American Monopoly Statism —

(Continued From Page 3)

Eakins and James Weinstein (eds), *For A New America: Essays in History and Politics from 'Studies on the Left' 1959-1967* (New York, 1970), 44.

<sup>16</sup>John Gallagher and Ronald Robinson, "The Imperialism of Free Trade." *The Economic History Review*, 2d Series, VI, 1 (1953), 3, 1-15. For a discussion that concedes much of what the foregoing says but distinguishes this spurious "free trade" from that supported by genuine liberals, see Oliver MacDonagh, "The Anti-Imperialism of Free Trade," *Ibid.*, 2d Series, XIV, 3 (April, 1962), 489-501.

<sup>17</sup>On the Spanish-American War, the Open Door Notes and informal empire, see William Appleman Williams, *The Tragedy of American Diplomacy* (New York, 1962), 16-50. On the war, see in addition, *American Empire*, 408-428.

<sup>18</sup>Joseph Schumpeter, *Imperialism and Social Classes: Two Essays* (New York, 1955), 79-80, ff.

<sup>19</sup>Gabriel Kolko, *The Triumph of Conservationism* (Chicago, 1967) and *Railroads and Regulation, 1877-1916* (Princeton, 1965). For a comparative study of liberal and fascist forms of corporatism, see Robert A. Brady, *Business As A System of Power* (New York, 1943).

<sup>20</sup>James Weinstein, *The Corporate Ideal in the Liberal State, 1900-1918* (Boston, 1968). For broader treatments, see "Part I: American Corporate Liberalism, 1900-1948" in Eakins and Weinstein, *For A New America*, 37-193, and Ronald Rodash and Murray N. Rothbard (eds.), *A New History of Leviathan* (New York, 1972).

<sup>21</sup>Quoted in F. A. Hayek, *The Constitution of Liberty* (Chicago, 1960), 406.

<sup>22</sup>Compare Bernard Semmel, *Imperialism and Social Reform* (New York, 1968), on England, with Ekirch, *American Liberalism*, Chapter 11, "The Progressives as Nationalists," 171-194.

<sup>23</sup>See the pathbreaking new essay by Murray N. Rothbard, "War Collectivism in World War I" in Radosh and Rothbard, *Leviathan*, 66-110. See also Chapter 8, "War As Fulfillment" in Weinstein, *Corporate Ideal*, 214-254, and Ferdinand Lundberg, *America's 60 Families* (New York, 1938), 133-148.

<sup>24</sup>Murray N. Rothbard, "The Hoover Myth" in Eakins and Weinstein, *For A New America*, 162-179, and "Herbert Hoover and the Myth of Laissez Faire" in Radosh and Rothbard, *Leviathan*, 111-145. On the

monetary causes of the depression, see Murray N. Rothbard, *America's Great Depression* (Princeton, 1963), esp. 16-21. For an almost "Austrian" treatment, see John T. Flynn, *Country Squire in the White House* (Garden City, New York, 1940), 47-53.

<sup>25</sup>Rothbard, "The Hoover Myth", 176-9. On the reactionary character of the NRA, see Flynn, *Country Squire*, 73-86.

<sup>26</sup>Williams, *Contours*, 445.

<sup>27</sup>Williams, *Tragedy*, 76.

<sup>28</sup>Martin J. Sklar, "Woodrow Wilson and the Political Economy of Modern United States Liberalism" in Eakins and Weinstein, *For A New America*, 80.

<sup>29</sup>Williams, *Contours*, 449, 452-462.

<sup>30</sup>Charles E. Nathanson, "The Militarization of the American Economy" in David Horowitz (ed.), *Corporations and the Cold War* (New York, 1969), 205-235; David W. Eakins, "Business Planners and America's Postwar Expansion" in *Ibid.*, 143-171.

<sup>31</sup>On "overproduction" as a rationalization, see Ludwig von Mises, *Planning for Freedom* (S. Holland, Ill., 1962), 64-7.

<sup>32</sup>Quoted in Williams, *American Empire*, 439. Cf. the views of Andrew Carnegie cited in *Contours*, 326-7.

<sup>33</sup>J. A. Hobson, *Imperialism: A Study* (Univ. of Michigan Press, 1965), 106. Cf. his remarks on US imperialism in *The Evolution of Modern Capitalism* (London, 1926), 262-3.

<sup>34</sup>Schumpeter, *Imperialism*, 79-90. On tariffs and related export policy, see Ludwig von Mises, *Human Action* (Chicago, 1966), 365-8, and *Omnipotent Government* (New Haven, Conn., 1944), 66-72. On the impossibility of monopoly on the free market, see Murray N. Rothbard, *Man, Economy and State*, II (Los Angeles, 1970), 560-660.

<sup>35</sup>E. M. Winslow, *The Pattern of Imperialism* (New York, 1948), 193.

<sup>36</sup>On trade cycles, see Rothbard, *Man, Economy and State*, 850-877; on free banking, Rothbard, "What Has Government Done to Our Money?," *Studies in Human Action*, III, 1 (Winter, 1963), 19-26.

<sup>37</sup>Rothbard, *Power and Market*. Jane Jacobs, *The Economy of Cities* (New York, 1969), 228-9.

<sup>38</sup>Murray N. Rothbard, "Anatomy of the State," *Rampart Journal of Individualist Thought*, I, 2 (Summer, 1965), 1-24; *Power and Market*. On the ruling elite, see G. William Domhoff, *Who Rules America?* (Englewood Cliffs, New Jersey, 1976). Schumpeter, *Imperialism*, 93.

<sup>39</sup>Gustave de Molinari, *The Society of To-Morrow* (New York, 1904), 36-7.

## Libertarianism And Social Transformation

By Steve Halbrook

### Libertarianism and Social Transformation

Elsewhere in this issue we pose the question "What must be done?" — what is to be the strategy by which we preserve what liberties we enjoy, and proceed to the ultimate libertarian goal — a stateless society. This was the question discussed by three young libertarian scholar-activists at the first Libertarian Scholars Conference in September 1972. Gary Greenberg, an attorney from New York City, and a candidate for Congress at the time on the Libertarian ticket (subsequently not allowed on the ballot), gave a classical defense of the use of the electoral method for libertarian tactical propagandizing. John Brotschol, a founding editor of *Abolitionist/ Outlook*, presented a case study of the infiltration of an existing political movement by libertarian activists, and their impact on the organization's policies and work. Dr. Stephen Halbrook of Tuskegee Institute then gave a stirring, intellectually challenging paper that became the focus of most of the later comment and discussion. We are delighted to be able to print Prof. Halbrook's contribution. I have added some remarks of my own made at the time as one of the official commentators, especially as I summarized therein some of the points raised by Messrs. Greenberg and Brotschol whose papers we are not able to print due to space limitations.

(Signed)

J. R. Peden

### Libertarianism and Social Transformation

Differing strategies proposed by libertarians tend to reflect differing conceptions of and commitments to libertarianism itself. It is assumed here that libertarianism implies absolute liberty for all groups and

individuals from the use or threat of physical force. Liberty is total in this conception, and thus the goal of the libertarian is to achieve not a few crumbs of liberty thrown down from the table of the ruling class but total revolutionary transformation. The true libertarian is not an intellectual sportsman who merely spends his spare evenings babbling about demunicipalizing garbage collection; rather he is one who devotes the whole of his life to the cause of freedom and who takes seriously Patrick Henry's words that the choice is liberty or death. The immediate concern of the libertarian is the most liberty for the most people, the end of which is complete liberty for all people. This immediate concern necessitates that he seek to abolish those aspects of State oppression which are greatest in quantity and quality. This is why he takes a mass point of view, i.e., is above all concerned with the liberation of the great masses of people of the whole world, and why he zeroes in on the worst oppressions: for instance, why he is concerned more with stopping the napalming of the Vietnamese than with rescuing the postal service from the clutches of the State.

Applying this conception of libertarianism to the concrete situation of today, the implication is that libertarians must acquire precisely what most of them lack: a Third World consciousness. Most libertarians are preoccupied with the problems of a very small minority of the world's population — the people of the United States, especially those who are in the "mainstream" of American life — and are least concerned with the Third World peoples, who are the majority and are the most exploited people today. This First World consciousness is behind the fact that many are concerned with the temporary loss of liberty of the draftee but few

(Continued On Page 5)

## Social Transformation —

(Continued From Page 4)

imperialism. The State is identical with aggressive violence, and the major agency of aggressive violence is the US government. The US government holds millions of people in absolute slavery. Each year it kills, maims, tortures, and imprisons tens of thousands of people. Every objection the libertarian has to the State applies above all to the United States. Every week the American Leviathan burns dozens of babies and little children to death everywhere from Vietnam to "portuguese" Guinea. Every day the Special Forces attempt to gun down freedom fighters in Angola, Guatemala, and Bolivia. US agents torture hundreds of men and women in every Third World capital from Saigon to Buenos Aires. Masses of peasants are herded into concentration camps in Cambodia, Laos, and Vietnam while in Brazil and Paraguay Indians are starved or shot, all so that a few US corporations can reap super profits. There is no crime to which the US imperialists will not stoop. The US is the International State, and its lackeys include the Soviet social-imperialists.

It is the revolutionaries of the Third World who are the libertarians in deed. The only massive forces combatting the most Statist institution in human history, US imperialism, are the Third World revolutionary movements. In this sense some of the most important Anarchists of this century include Ho Chi Minh, Che Guevara, and Amilcar Cabral; they are Anarchists without having to declare themselves so, in spite of the fact that they are not as doctrinairely pure in the strictest sense developed by First World "official" libertarian theoreticians. It is the national liberation parties of the underdeveloped countries such as the Viet Cong which are the fiercest enemies of the Modern State, i.e., US imperialism. Libertarians in the First World can have no real strategy without recognizing this and giving total support to the Viet Cong, the Tupamaros and the OPR33, the Bangla Desh Maoists, and the Ceylonese Guevarists. Furthermore, these are principled allies because their positive programs are basically libertarian. General Giap wants to give the land to the peasants; Raul Sendic is for workers' control; Carlos Marighela wanted to smash the bureaucratic State and to replace it with the masses in arms; Cabral is even opposed to having a capital city.

It is a sad fact that the majority of people in the belly of the Monster benefit from the exploitation of the Third World. It is a sad fact that as long as US imperialism gives them more cars and cheaper TVs, those classes which could otherwise be revolutionary — the workers, small businessmen, intellectuals — will remain supporters of Statism. Though oppressed by the State monopoly capitalists, the so-called middle class in this country is bribed by imperialist spoils. Some day these classes may become revolutionary because some day these State privileges will no longer exist due to (1) many Vietnams and the liberation of the colonies from the economic intervention of the US government, or (2) from a crack up boom and depression. In the meantime there are only two classes in the US with which radical libertarians can make common cause. One of these is the student class. A minority of students have been idealistic enough to take the libertarian tradition of 1776 seriously and cast their lot with the oppressed peoples of the world. The other revolutionary class is the black lumpenproletariat. This class has been oppressed by the State more than any other class in US society. In the last century they were directly enslaved; in this century government intervention in the economy insures their unemployment. The anarchist Bakunin and today the neo-Bakuninist Eldridge Cleaver have recognized that the lumpenproletariat is an instinctively revolutionary class; and indeed the only massive rebellions in the past decades in the US were all carried out in the ghetto. Libertarians must seek to understand the lumpenproletariat and to create an alliance between the lumpenproletariat and the students. If only these two classes are revolutionary before a (possibly far off) economic collapse in the US, then there can be no total revolution in the US — but they can act as a "fifth column" in support of the Third World. To those who deny the possibility of the lumpenproletariat supporting libertarianism, the reply is that this possibility exists due to the fact that libertarianism has more to offer the lumpenproletariat than does any other political program, including that of the orthodox Marxists. The reason is that the lumpenproletariat has lost more in life, liberty, and property than any other class and hence by strict libertarian principles this class should gain the most when stolen property is returned to its rightful owners.

In the coming years libertarians must look forward to the building of a

Libertarian Revolutionary Party. No successful revolution has ever occurred without the spontaneous risings of the masses and a Party to insure that the revolution is not diverted from its path. Those who object to a Libertarian Revolutionary Party because they oppose "leadership" are fooling themselves; if there is no libertarian leadership, then there will be non-libertarian leadership, so that indirectly those who oppose organization are supporting the triumph of Statist organizations. "Spontaneity" gives you a Kerensky, a mere change in name and nothing else. Revolutionary organization gives you a Makhno or a Lenin, and that means a true revolution. A Libertarian Revolutionary Party would give a consistently libertarian Leninism, i.e., a well organized, steered Party which would abolish the State and prevent other parties from "spontaneously" creating a new State. The pitfall of total reliance on spontaneity is that it takes leadership from those who are conscious and committed libertarians and gives it to those who are not, the surest guarantee that libertarianism will not triumph. Those who oppose revolutionary organization in the face of reactionary organizations are objectively agents of the ruling class. This is why resolute struggle must be waged against the present day exponents of Kropotkinite opportunism, the anti-Leninist, utopian "anarcho"-communists.

A Libertarian Revolutionary Party bears no resemblance to a State. The Party may be centralized so as to coordinate action on a wide scale — the centralization of the State necessitates this — but the Party is a voluntary organization, which one joins and quits voluntarily. Lenin often pointed this out about the Bolshevik Party, and if one reflects on the essence of Leninism it is easy to recognize that such figures as Samuel Adams, Bakunin, Sitting Bull, and Durruti were all great Leninists. Leninism merely means organized and coordinated action, action that is well planned. It does entail the acceptance of a general Party line, but there is nothing authoritarian about this; as Lenin pointed out, those who oppose the general line are free to withdraw from the Party. And what could be wrong with a general line which was a libertarian line? If a Libertarian Revolutionary Party existed, should Statists be allowed to join and to represent their views as Party views? Of course not. The Sons of Liberty never allowed the reconcilers to infiltrate and thus to pervert their party.

The first step toward the creation of a Libertarian Revolutionary Party is bringing together a number of people under a common libertarian ideology. There is strength only in union, which in this context means a libertarian vanguard, a group united under a single strategy for revolution. Some day this will necessitate an all-US Party newspaper which perhaps would initially resemble the old SDS paper *New Left Notes*. Revolutionary libertarians must also bring together a body of literature which would more explicitly set forth their aims and methods. Libertarianism must be popularized and translated into terms appealing to potential cadre. This necessitates a total revision of Austrian economic theory, which must be purged of its apologia for the old order and shown to be revolutionary. Instead of vindicating imperialism à la Mises, market economics must be applied to Third World development. It must be shown that the "right to property" means that the First World must repay via reparations to the Third World the massive loot it has grabbed over the past century. We must take a broader approach to revisionist history; we must be preoccupied less with the criminal deals of the big powers (especially the US and USSR decision making elites) and more with the revolutionary response. Only this can create a Third World consciousness among libertarians, not to mention the fact that only by stressing the revolutionary and pro-Third World aspects of libertarianism can we recruit old New Left cadre and, someday, appeal to the class demands of the lumpenproletariat.

Libertarians must write more books and do so from a more revolutionary perspective. But that is not all. We must act. We must work with other groups, especially the anti-imperialist movement. What would libertarianism be today had libertarians taken the early initiative to build the anti-war movement? Perhaps we would have a strong national Party and tens of thousands of adherents. Everything now would be fundamentally different. Instead, many "libertarians," especially in the sixties, spent their time condemning Ho's "authoritarianism" and complaining about Viet Cong "terrorism." Only a few libertarians (such as Leonard Liggio) took part in the early anti-war movement and for this were branded "Communist" by other so-called "libertarians." At this point libertarians can at least save face by joining in the anti-imperialist movement, and possibly some day become respectable among radicals. It

(Continued On Page 6)

## Social Transformation —

(Continued From Page 5)

is not enough to write an article once a year denouncing the US aggression or to sign a petition; libertarians must act to bring the war home, i.e., to turn the imperialist war into a civil war. Only by becoming action-oriented can libertarianism expect to progress.

The possible alternatives for action to which libertarians may resort involve everything from those as legal as apple pie to those for which our friend the State might heartily scold us. Under the former falls the task of educating the public. The Libertarian Revolutionary Party must be a declassé organization of professional revolutionaries drawn from all parts of the population, and to form this Party as well as to gain fellow travellers and sympathizers there must be some form of education directed to the general public. Thus the need for scholarly books, newspapers, even participation in elections becomes clear. However, such activities as elections must be resorted to only when they may be used as platforms to air libertarian views; participation in elections, as should be learned from the reformist Marxists, may lead to opportunism

and wasteful expenditure of resources, not to mention the fact that elections reinforce the fetishisms surrounding the State. As for wasting time using ballots to dump Nixon, it should be recalled that dumping Johnson only substituted one imperialist for another, whereas the libertarian task is to dump the whole State machine.

In 1902 Lenin wrote: "Give us an organization of revolutionaries, and we will overturn Russia!" Seventy years later, the libertarian watchword can only be: "Give us an organization of revolutionaries, and we will defeat US imperialism!" The truly imperative educational tasks must be directed internally, i.e., for the instructing and steeling of libertarian cadre. Libertarian journals must seriously discuss imperialism and Statism — a joking or humor society we need not — and must deal in depth with revolutionary strategies. "Without revolutionary theory there can be no revolutionary movement," as our friend said. Yet, far from developing a libertarian revolutionary theory, many libertarians have not even done empirical studies on past or present revolutionary movements. A permanent communications network must arise to provoke development of revolutionary theory.

But theory divorced from practice is not enough! "If you want to know the theory and method of revolution, you must take part in revolution," as the modern Chinese proverb says. "All genuine knowledge originates in

(Continued On Page 7)

## Use Immunity: Let The Punishment Fit The Crime

Among the multivarious assaults on Constitutional rights perpetrated by the Nixon Administration in the name of law and order and national security was a new law, reputedly designed as a weapon against the Mafia, who are well known to have a deep-seated aversion to police informers or stool-pigeons. The law authorized the courts to grant what has come to be called "use immunity" to witnesses reluctant to cooperate by telling all they know about alleged criminal acts. It was designed to circumvent the Fifth Admendment privilege against being compelled to testify against oneself. It guaranteed to the reluctant witness that nothing which he revealed under threat of contempt of court (and which was not known previously to the prosecutor) could be "used" against him. However, it was expected that the prosecutors would use witness A to tell everything he knew about Mr. B, while Mr. B would be compelled to tell all he knew about Mr. A. In one way or another, A would help convict B, and B incriminate A. If they were uncooperative, they were jailed for contempt of the grand jury or the court. In either case, the Constitution was raped. While reputedly designed to destroy organized crime, the use immunity was (as we predicted in *Lib. Forum*, Jan. 15, 1970) soon directed against "ideological criminals", as Mr. Kleindienst was wont to put it. Peace activists like the Camden Catholics, witnesses in the Berrigan conspiracy case, the Seattle radicals, and perhaps most infamously, the Ft. Worth 5, were subjected to contempt proceedings and jailed without right to either bail or formal trial. For instance, Ft. Worth 5 were five Irish-born American citizens from New York city, all married, with several children, working men whose only apparent connection with each other was that they had separately involved themselves in raising funds for their fellow Catholics in war-ravaged Northern Ireland. Quite suddenly, each was summoned to appear before a federal grand jury in Ft. Worth, Texas, to tell what they knew about gun-running to Ireland. The five first met each other in the federal court in Ft. Worth. where they were promptly sent to jail for refusing to testify despite the grant of "use immunity." None had ever been anywhere near Texas in his life, no other witnesses were ever summoned, no specific information was ever given them about the gun plot — they were simply imprisoned more than 1000 miles from their homes, wives, children and friends. in a state never notable for its friendliness towards Irish Catholics. They remained there for 14 months — prisoners of John Mitchell and Richard Kleindienst — until recently released by a local judge until the federal attorney takes further steps to pursue or drop the whole "investigation". The refusal of the five Irishmen to testify under use immunity was perfectly natural. The Irish, living for centuries under foreign oppression, have an utter detestation of "informers" — and no greater shame could befall an Irish family than to have one of its

members "turn informer". And so, instead of frightening off supporters of the IRA, the stupid persecution of the Ft. Worth 5 created new heroes and further swelled their ranks.

Now, with a fine sense of true justice, the fates have decided to savage the Nixon administration with its own weapon — use immunity. While the radicals, peaceniks and Irish have refused consistently to cooperate by submitting to use immunity, John Dean, Jeb Magruder, James McCord, Pat Gray, Howard Hunt and others have embraced it in testifying before the Senate Watergate Committee and the grand jury. Their reason is simple: the more they confess under use immunity, the less there is for which they can be indicted. They have every reason to volunteer information on every conceivable illegal act they perpetrated along with others, since their own voluntary statements on the subject preclude their future indictment for the offense. If the government has already obtained sufficient evidence against them for an act, they can still be prosecuted; if the government has no sufficient evidence, but might get it from other sources in the future, the perpetrator can foreclose future indictment by testifying to his own crime before anyone else "rats" on him. Thus we see the somewhat unedifying "confessions" of Dean, Magruder, Gray and others as soon as they perceived they might become "scapegoats".

The most endangered victim of this "use immunity" truth serum is Spiro Agnew. Federal prosecutor George Beall began his investigation of corrupt practices in Baltimore County in hopes of indicting county executive Dale Anderson, a Democrat and possible candidate for the governorship of Maryland. Beall decided to put pressure on William Fornoff, a non-partisan administrator in the county offices since 1957. Fornoff, in exchange for a promise of leniency and under a grant of use immunity, began to tell the whole story of bribery and extortion in the office of the county executive, involving not only Anderson, but his immediate Republican predecessor — Spiro Agnew. The contractors who had to pay the bribes also took "use immunity" and told everything they knew — further involving the Vice-President. The fact that these contractors were also widely known as personal friends and political supporters of Agnew's rapid rise to state and then national office, made their testimony against him all the more damning.

Thus the Nixon administration has become the principal victim of its own perversion of the Constitution's protection against the abuse of justice that always has been associated with compelling persons to testify against themselves in courts of law.

(J. R. P.)



## Social Transformation —

(Continued From Page 6)

are really concerned with the bombing of the workers and peasants of Vietnam. What is so disastrous about this overemphasis on the middle class whites of the advanced industrial countries is that it prevents libertarians from focusing on where the real battle between the State and Anarchism is taking place, namely between US imperialism and Third World revolutionaries.

The highest embodiment of twentieth century Statism is US

direct experience." This means that libertarians in deed can only move toward direct action. While this paper refrains from advocating any specific deeds or normative propositions, history teaches us that revolutionary action can be anything from leafletting to urban guerrilla warfare. The point is that the time for phrase-mongering and endless speculation is OVER. Libertarians should begin concrete actions on the local level whenever possible. To those who, like the social democrats, pro-Moscow CPs, and mealey mouthed liberals, parrot infinitely that "conditions are not yet ripe" bla bla bla, one must respond with William Lloyd Garrison that "gradualism in theory is perpetuity in practice." The rebirth of the Sons (and Daughters) of Liberty is long overdue. □

# Comment

By Joseph R. Peden

Our three speakers have presented us with essentially three different recommendations as to how we libertarians should engage ourselves in the political process to attain our ends. As each involves the use of a political party structure, I will begin by discussing "third" parties in our political system.

Dissident political viewpoints have traditionally expressed themselves sooner or later through the political process. Usually, after receiving little or no response from the major political parties, the dissidents have undertaken to form third or fourth or fifth parties which then proceed to present their case directly to the electorate.

Third parties have taken one of three forms: (1) they are built around a single clear cut issue; (2) around several issues which express a variety of dissatisfactions; or (3) they offer a total ideological package which, once accepted, offers solution to every question.

The first type has been fairly common in American politics: the one issue party — i.e. the Greenback, Prohibitionist, Women's Suffrage parties. Their aims were limited — they never offered themselves as an alternative government — they merely hoped to persuade the ruling parties to adopt their policies. Though none of our speakers suggests it, libertarians could use this model if an issue of sufficient importance and clarity presented itself. It might even take the form of presenting the electorate with a clear cut choice of policies through the referendum or the recall processes — both much neglected means of political agitation and potential reform.

The second model of a third party structure is the multi-issue reformist party, which presents a broad spectrum of issues and political solutions to the electorate. While willing to take over governmental offices, their main aim is to institute reforms in law and administration, or persuade the major parties to do so by winning a sufficient electoral vote to make them crucial in determining which major party wins control of the government. To achieve their ends they adopt extremely flexible tactics, running their own candidates in some cases, endorsing major party candidates in others; always interested more in gaining acceptance for their political policies than in holding office. In the 19th century the Populist party fit this model and was very successful in having many of its policies implemented by the major parties. In New York we have seen similar success by both the Liberal and Conservative parties, and this was also the rationale of the George Wallace party in 1968. This is the strategy which Mr. Greenberg offers us through the national and local branches of the Libertarian party.

Historically these parties have had a fairly good record of success in getting their policies adopted by other parties, and there is in theory no reason why a Libertarian Party of a multi-issue, reformist character could not be quite successful in this sense also. But let us not kid ourselves. If the LP explicitly espouses anarcho-capitalism, it will no longer fit this second model; it will no longer be merely reformist; it will be explicitly revolutionary — seeking a totally new basis for our society. It will not easily persuade the other two ruling parties to just declare bankruptcy and liquidate the State. My own feeling — which I think Mr. Greenberg shares — is that this should not cause anarcho-capitalists to desert or avoid the LP. Every reform which is libertarian in direction expands the area of our freedom and deserves support from anarcho-capitalists: so long as we understand the reformist nature of the LP and its built-in limitations from an anarcho-capitalist viewpoint and act accordingly.

Prof. Halbrook has offered still a third model for our consideration: the

elitist vanguard party, restrictive in membership, purist in dogma, disciplined, and dedicated to a total solution to our present social ills. He calls it Leninist, and indeed it fits the model of Marxist parties of various ideological sects better than that of traditional American party structures. The Socialist Labor party and Progressive Labor parties presently serve as examples of this third type of party. While such parties have been very few in American history, not even the American Communist party fully fits this model (it has frequently supported major party candidates), they have all remained minuscule, unsuccessful at the polls, and especially vulnerable to the vices of sectarianism. Moreover, their influence on other parties has been nil.

At first sight, and given Professor Halbrook's unfortunate use of the term Leninist to describe his concept of a Libertarian Party, the notion of an elitist vanguard cadre, exclusionist in membership, purist or orthodox in doctrine, disciplined ("centralized to coordinate action on a wide scale") "a well organized, steeled Party which would abolish the State and prevent other parties from spontaneously creating a new State" sounds anything but libertarian in spirit or anarchist in conception.

Yet without formally designating themselves as a "party", various libertarians have identified themselves as a "cadre", have held private, invitation-only meetings where they proceeded to plan future movement strategy, have set up organizational structures, and applied ideological criteria by which to establish the orthodoxy of the vanguard cadre, and even extended their exclusionary standards to the audiences which are invited to their "open" functions. I doubt if Professor Halbrook's notion of a Libertarian vanguard elitist party differs much in reality from the notion of an elitist vanguard cadre of certain other libertarian groups. Of course the rhetoric each uses may differ, but a rose by any other name stinks as sweetly.

I remain however very doubtful about the value of such an exclusionist, ideological vanguard party or cadre organization. Given our already high penchant for sectarian exclusionism, and intolerance of any deviation from our own particular vision of truth, such an organization would tend to freeze our intellectual development within the parameters of the initial cadre's ideological framework, and drive dissident viewpoints into outer darkness with appropriate weeping and gnashing of teeth. Also, to continue the Biblical metaphor, we shall hardly win friends and influence people if many are called but few are chosen. Or once chosen, are then expelled.

Prof. Halbrook however understands that a LP of the kind espoused by Mr. Greenberg will never serve the ultimate interests of anarcho-capitalists which are incompatible with a reformist strategy at some as yet undefined point in time. Yet Prof. Halbrook does not rule out the use of the electoral process as a potential platform from which to air libertarian views. But like Mr. Brostshol he fears that electoral politics may lead to waste of resources — and libertarian resources are very scarce.

There is no reason why both party types could not co-exist: for the reform of the present system — the work of expanding liberty wherever opportunity presents itself — through the pragmatic approach of Mr. Greenberg's LP need not preclude Prof. Halbrook's exclusionist ideological party which would concentrate on expounding the pure doctrine and preparing for the apocalypse.

Prof. Halbrook's passionate indignation at the crimes of American imperialism is admirable and greatly to his credit is the fact that he has

(Continued On Page 8)

## Comment — (Continued From Page 7)

so often and so ably forced libertarians to confront Leviathan in all the hideousness of its reality. We all know people who work themselves into a frenzy about labor union atrocities and hardly seem conscious of the daily genocidal destruction of Vietnamese society, or even endorse it as necessary to preserve "freedom". But at one point in his analysis, his choice of words does a disservice to his cause by confusing anti-imperialism with libertarianism. Libertarianism is anti-imperialist, but it encompasses a great deal more than that. To call Ho Chi Minh, Che Guevara, etc. anarchists because they are zealous anti-imperialists or espouse the elimination of feudal land systems or decentralization is to misuse the term — at least in so far as we normally understand it in our own circle. There were people who once spoke of Richard Nixon as an anarchist because some of his positive programs were reputedly anarchist. To point out the espousal of anarchist principles and programs within the writings and policies of Chairman Mao or others is useful and valid, but Prof. Halbrook has overstated the case when he writes that, "these are principled allies because their positive programs are basically libertarian." It is a rhetorical overkill; an exaggeration based on a failure to take a wider view of what libertarianism fully encompasses as a theory or ideology or societal model.

Prof. Halbrook has a host of other suggestions which I think deserve our thoughtful attention. He urges more attention be paid to the response of the victims of imperialism in revisionist history which has presently tended to concentrate on the imperialists and their ideas and tactics, and he suggests that this new emphasis would make us more conscious of the problems of third world peoples and in turn create sympathetic attitudes among them towards our wider societal conceptions. Like Mr. Greenberg and Mr. Brotschol, Prof. Halbrook explicitly endorses participation in the work of other groups whose policies are broadly compatible with our own — though based on different philosophic grounding. He mentions rightly the failure of most libertarians to get in on the ground floor of the anti-war movement and its fateful consequences for our movement. Most of all, he rightly places an emphasis on action as the essential ingredient in espousing revolutionary libertarianism. As he says — anything from handing out leaflets to urban guerrilla warfare may be appropriate; concrete actions on the local level whenever possible are needed and he includes the work of the scholar as revolutionary in so far as it contributes to the cause of liberty. Within this context we are urged to do what we can whenever we can; and this I take to be what he refers to elsewhere as becoming a "professional revolutionary" for libertarianism.

I have one other question and that is in reference to Prof. Halbrook's conception of "class", in the context of a revolutionary situation. I don't think of students as a revolutionary class of any significance; they are too temporary in their status. As for Black lumpen-proletariat, or white, pink, red and yellow, my understanding of what makes them lumpen is precisely the fact that they are impervious to any efforts to awaken their class political consciousness. By definition their interest is elsewhere.

While John Brotschol has little confidence in the success of the LP, his grounds for doubt are pragmatic: lack of money and incompetent

leadership. He has no theoretical opposition to the idea of using a third party of the reformist, multi-issue variety. But Mr. Brotschol has offered us still another model of the political process — one to which we ought to give very close attention. Here the strategy is to infiltrate existing organizations — organizations that are open to new ideas and new members and which already have some political leverage or power in our society. It is the approach of the Fabian Society, the Free Masons, the Illuminati, the Opus Dei and other small bands who have a common ideology which they quietly implement by being professionally competent, persuasive, working harder than their enemies, and gaining the esteem and friendship and confidence of the powerful. These tightly knit groups create a network of sympathetic contacts within existing institutions and agencies and over a period of time gain dominance over these levers of power in a society.

As I look around the audience here today I am struck by the sociological character of the group — we are predominantly what the Marxists call intellect workers — lawyers, teachers, writers, editors, publishers, artists of various kinds, economists, psychologists, students, physicians. For a movement which extols the virtues of business enterprise, we have surprisingly few honest-to-God entrepreneurs, and fewer blue collar workers, housewives, and farmers. To say nothing of Black lumpen proletarians.

This situation is both our strength and our weakness. It is our weakness because we can only impose our vision of the good society with the consent and understanding of the vast majority of our fellow humans who are never going to read *Atlas Shrugged* much less *Man, Economy and State*, and are to a great extent simply beyond our immediate area of contact. It is our strength because the general movement of civilization rests upon the ideas and actions of elites; and in the next century those elites will increasingly be drawn from the intellect workers who dominate the media of communications — press, TV and Radio, education — and are the masters of science and technology. If we can capture the imagination and support of these elites, the rest ought to follow suit. Thus Brotschol's strategy of infiltration of seats of power — the think-tanks of the corporations, political parties or government itself — ought to receive much closer attention, and might even be a suitable theme for a separate panel at a future conference.

Mr. Robert Poole discussed this approach in considerable detail in *Reason 3* (June 1971) in a superb article entitled "Leverage Points for Social Change". His basic argument is implicit in each of the 3 papers we have heard today. "The existing coercive political and governmental structure, with its control over lives, is itself the primary problem which must be dealt with.

If coercive restraints began to be removed, the superiority of laissez faire would become increasingly obvious. If this be the case, then the primary task is to begin making the right kinds of changes in our institutions, leaving the changes in values and attitudes to follow as a result". Poole quotes Archimedes, "Give me a place to stand and I will move the earth". We are offered here today at least three platforms on which to begin our movement — of the earth. □

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