

The Reagan Phenomenon

by Murray N. Rothbard

The presidency of Ronald Wilson Reagan has been a disaster for libertarianism in the United States, and might yet prove to be catastrophic for the human race. Reagan came to power in 1981 as the chief political spokesman for the Conservative Movement, a movement which took its essential modern form in 1955, with the founding of *National Review*. Reagan has been the main conservative politician since "The Speech," delivered over nationwide TV during the 1964 Goldwater campaign, established him as the "Great Communicator" of the right wing.

The Conservative Movement of modern times has had three basic, and mutually contradictory, tenets: (1) "Getting Big Government Off Our Backs" by rolling back statism and establishing a free market economy; (2) crushing civil liberties whenever crime, "national security," or "morality" are threatened, i.e. whenever civil liberties become important; and (3) seeking an all-out political and military confrontation with "atheistic world Communism," in particular its satanic headquarters in the Kremlin, up to and including a nuclear showdown.

It is starkly evident that (2) and (3) are, at the very least, inconsistent with (1). For one thing, how does one "Get Big Government Off Our Economic Backs," while at the same time spreading "Big Government" into our bedrooms, and into our private letters and phone calls? How does one secure the right to free trade and free enterprise while outlawing pornography and all commerce with the Soviet bloc? And how does one preserve the right to personal life and property while engaging in the mass murder of civilians required by modern warfare? Whenever the Conservative Movement has become aware of such inconsistencies (e.g. over free trade with sinners, or foreign aid for our "allies," or ever-greater military budgets), it has opted unhesitatingly for (2) and (3) over (1). For conservatives, the State as Theocrat and Moral Enforcer and the State as Mass Murderer have always taken precedence over the feeble goals of freedom and free

markets.

In a recent article ("The American Conservatives," *Harper's* January 1984), the scholar John Lukacs takes note of some of these inner contradictions (Lukacs is an interesting and unique specimen: a Hungarian-American Trad anti-libertarian traditionalist – who is also pro-peace). Lukacs writes:

"The conservatives argued against big government, yet they favored the most monstrous of government projects: laser warfare, biological warfare, nuclear super-bombs. They were against the police state, yet they were eager to extend the powers of the FBI and the CIA. They were against government regulation of "free" enterprise, yet at times they supported the government's shoring up or bailing out of large corporations."

For almost thirty years now, the Conservative Movement has flourished by maintaining these contradictions. How have they been able to do this? One explanation is that they are dumb, and don't see the contradictions. Certainly, this fact plays a role. What Lawrence Dennis used to call the "dumbright" and Macaulay called the "stupid party" still exists in America. But, after all, not *all* conservatives are dumb, and there are now a goodly number of right-wing scholars and intellectuals. No, much of the explanation is more sinister than sheer stupidity. Conservatives know that the average Americano, while scarcely an enthusiast for civil liberties, doesn't like the FBI (or still more, the Internal Revenue Service) snooping in his private papers, and doesn't like the idea of government busily stamping out sin in his backyard. And while the average American cheered the U.S. invasion of Grenada to the rafters, righteously enjoying the sight of the U.S. clobbering a tiny island devoid of even a regular army, he has quite a different view of getting bogged down in some hellhole in a perpetual and losing war, or in being incinerated in a nuclear holocaust.

The average American, in short, possesses that "complex of vaunting and fear" that Garet Garrett noted as the hallmark of citizens of Empire. On the one hand, emotional identification with "your" nation-State, and a desire for it to bully and dominate the entire world. On the other, hysterical panic at the machinations of some satanic Enemy or other, an Enemy who is monolithic, omnicompetent and malevolent, and who can only be faced down with continuing shows of force, the only thing which he can "understand." To the extent that he is non-interventionist, the American is interested not in justice, but in fear of stalemate, fear of loss of face, fear of not being able to show that his nation is the best and biggest by winning a relatively quick victory.

In his magnificent blast against "The AngloSaxon," Mencken put it perceptively and hilariously four decades ago. Speaking of the "hereditary cowardice" of the Anglo-Saxon, Mencken wrote:

"To accuse so enterprising and successful a race of cowardice, of course, is to risk immediate derision; nevertheless, I believe that a fair-minded examination of its history will bear me out. Nine-tenths of the

great feats of derring-do that its sucklings are taught to venerate in school ... have been wholly lacking in even the most elementary gallantry. Consider, for example, the events attending the extension of the two great empires, English and American. Did either movement evoke any genuine courage and resolution? The answer is plainly no. Both empires were built up primarily by swindling and butchering unarmed savages, and after that by robbing weak and friendless nations. [N]either exposed the folks at home to any serious danger of reprisal ... Moreover, neither great enterprise cost any appreciable amount of blood; neither presented grave and dreadful risks; neither exposed the conqueror to the slightest danger of being made the conquered. The British won most of their vast dominions without having to stand up in a single battle against a civilized and formidable foe, and the Americanos won their continent at the expense of a few dozen puerile skirmishes with savages.

"The Mexican and Spanish Wars I pass over as perhaps too obscenely ungentlemanly to be discussed at all; of the former, U.S. Grant, who fought in it, said that it was 'the most unjust war ever waged by a stronger against a weaker nation'. Who remembers that, during the Spanish War, the whole Atlantic Coast trembled in fear of the Spaniards' feeble fleet, that all New England had hysterics every time a strange coal-barge was sighted on the sky-line, that the safe-deposit boxes of Boston were emptied and their contents transferred to Worcester, and that the Navy had to organize a patrol to save the coast towns from depopulation? Perhaps those Reds, atheists and pro-Germans remember it who also remember that during World War I the entire country went wild with fear of an enemy who, without the aid of divine intervention, obviously could not strike it a blow at all, and that the great moral victory was gained at last with the assistance of twenty-one allies and at odds of eight to one.

"The case of World War II was even more striking. The two enemies that the United States tackled had been softened by years of a hard struggle with desperate foes, and those foes continued to fight on. Neither enemy could muster even a tenth of the materials that the American forces had the use of. And at the end both were outnumbered in men by odds truly enormous." (In *A Mencken Chrestomathy*, New York: Knopf, 1949, pp. 173–175)

Because of their reluctance to welcome huge American losses or to engage in a nuclear showdown with Russia, the average American has to be gulled by the ideologues of the Conservative Movement with the rhetoric of freedom and of "Getting Government Off Your Back." The true guiding message of the Conservative Movement was enunciated clearly in a public anti-Communist rally years ago by the candid and fiery I. Brent Bozell: "To stamp out world Communism I would be willing to destroy the entire universe, even to the furthest star." It doesn't take a radical libertarian not to want to go the whole route, to dance the full dance, with Brent Bozell and the Conservative Movement, the theme of which is not "better dead than Red" but "better you-and you-and you dead than Red."

In a drive for Power, often the first thing to suffer is candor, and it is no surprise that as the Conservatives became more respectable and edged toward victory, they dropped as embarrassing baggage all those elements who each, in their own way, were frank, principled and consistent: Bozell himself, the Birchers, the Randians.

Reagonomics

Every ideological revolution has to worry about selling out upon achieving Power, on surrendering principle to the lure of pragmatism, respectability, Establishment acclaim and the mushhead "vital centre" of the country's polity. All Reaganites liked to refer to their accession to power as a "revolution." But in order for such a revolution to succeed in its goals it must be tough and vigilant, it must have indoctrinated its members – its "cadres" – in resisting the blandishments of the pragmatic. The Reagan Revolution, in contrast, sold out before it even began. The tip-off came at the Republican convention of 1980 when Reagan surrendered to the Liberal Republican enemy after having defeated them decisively for the nomination. It was not just making the defeated George Bush Vice-President; that much of a concession to party unity is traditional in American politics and usually means little. For Reagan also summarily got rid of almost all of his hardcore ideological advisers, and let back in to run the campaign, and then his Administration, the very pragmatists and Trilateral Commission adherents he had previously fought strongly against.

The Reagan sell-out was the most thorough and complete on "Plank One" – the free-market part – of the conservative triad. Understandably: since conservatives don't really *care* about the free-market as they care about compulsory morality and especially war with Communism. The sell-out on the free-market is massive and enormous. A quick rundown will suffice. Reaganomics, as enunciated by Reagan himself before the convention and by conservatives generally, promised the following program: a sharp cut in the federal budget, a drastic cut in income taxes, a balanced budget by 1984, deregulation of the economy, and return to a gold standard. Reagan has managed to convince both conservatives and liberals, and the American public, that he did accomplish the first and second points of this list. For a year or two, it was hardly possible to watch news on TV without watching some bozo wailing about how he and the rest of the world were about to come to an end because the federal Scrooge had cut his budget or his grant. Conservatives bought this myth because they wanted to see Reagan accomplish what he had said he would; liberals were happy to adopt it so that they could wail about how Reagan was causing untold misery and starvation by his drastic cuts. Actually, the budget was never cut; it has always skyrocketed under Reagan. Reagan is by far the biggest spender in American history. He is also the biggest taxer. Taxes were never cut. The piddling and, much publicized income tax cut was always, from the very beginning, more than compensated by the programmed Social Security tax increases, aided by "bracket creep," that sinister system by which the federal government prints more money, thereby causing inflation, and

also thereby wafting everyone into a higher tax bracket, whereupon the government completes the one-two punch by taxing away a greater proportion of his income.

In the early years of the Reagan Administration, I was accused by some conservative-libertarians of not "giving Reagan a chance," and of not looking at spending and taxation in real terms, or in terms of rates of growth, or in terms of percentage of the GNP. So now Ronnie has had his "chance" (as if I could have ever deprived him of it!), and he suffers in every conceivable department. No matter how you slice it, Reagan is a far worse spender and taxer than his "big-spending" and much-reviled predecessor Jimmy Carter.

Everyone knows about the deficits. Reagan's deficit is enormous, astronomical, regardless how you look at it, and it bids fair to becoming permanent. The response of conservative Republicans who had denounced evil deficits all their lives? To adopt the insouciant attitude of liberal Keynesianism: who cares about the deficit anyway? Power indeed tends to corrupt.

The gold standard was buried by an "impartial" Commission stacked to the gunwales by bitterly anti-gold Keynesians and Friedmanites. As for deregulation, it has never gotten anywhere, except for those programs that the Carter Administration had already launched: deregulation of communications, airlines and trucking. Farm price supports are even worse than before, with the Reagan Administration "creatively" coming up with the idea of the government giving the farmers back their own wheat and corn stored for years idly in warehouses, in return for the farmers agreeing to cut their acreage some more. Reagan, who obscenely calls himself the intellectual disciple of Bastiat and Mises, has raised tariffs and imposed import quotas like mad, including forcing the Japanese to "voluntarily" cut their export of automobiles, imposing a quota on the import of clothespins (presumably vital for national security), and summarily raising the import tariff on heavy motorcycles by 1000% in order to save the bacon of Harley-Davidson.

Foreign aid, at the expense of the U.S. taxpayer, continues to abound anywhere and everywhere, subsidizing U.S. export firms and fastening the shackles of various foreign states (mostly dictators) on the backs of their hapless subjects. In addition, the ostentatiously anti-Communist Reagan Administration bails out the Polish government for the benefit of Chase Manhattan Bank and other bank-creditors, and helps to reschedule such loans to keep propping up the heinous Polish regime.

Civil Liberties and 'Social Issues'

Since conservatives are less interested in the free market than they are in suppressing civil liberties, the Reagan Administration has been predictably more diligent in pursuing Point 2 than Point 1 on the conservative agenda. The libertarian view is that the government should have no right to pry into the lives of its citizens, while

government officials have no right to conduct their machinations of power in secret, free from public knowledge. The Reagan Administration has pursued the diametrically opposite, conservative agenda. The FBI and CIA have been unleashed once again to do their dirty work, and a law has been passed so restrictive on freedom of the press that the publication of even publicly available documents embarrassing to the government may be considered illegal. Under Reaganite law, the press's publication of the Pentagon Papers would now be illegal. Reagan is now trying to push through an order imposing lifetime censorship on all government officials, so that they could not, after their return to private life, publish memoirs embarrassing to the Reagan regime. The ability of citizens to uncover files on themselves secretly collected by government snoops under the Freedom of Information Act has now been severely restricted.

Of particularly vital interest to libertarians, compulsory draft registration has been continued, and young resisters have been thrown into jail. The snooping and harassing powers of the infamous Internal Revenue Service have been strengthened, and tax resisters have been jailed. One tax resister, Gordon Kahl, having been given a sentence of five years' probation, broke probation by daring to attend a peaceful anti-tax meeting in North Dakota. For daring to do so, he was ambushed by a posse of heavily armed sheriffs and deputies; Kahl resisted arrest for the high crime of attending an anti-tax gathering, and shot and killed several of the ambushing officers. Widely hunted, this dangerous citizen was finally shot down and burned to death by the polizei. Another victory for freedom had been achieved by the Reagan Administration.

Reagan has been just as concerned about the civil liberties of foreign residents as about citizens. He has tried hard to pass the Simpson-Mazzoli bill, which would crack down on undocumented aliens, and eventually force every worker to carry an identity card, so that employers would be able to distinguish between legal (good) and illegal (bad) workers. The Reagan Administration has been much tougher than Carter on allowing foreigners to enter or to remain in the Land of the Free. One of the abiding resentments against Fidel Castro, for example, is that he sent several thousand dissidents and other "criminals" to the U.S., and the U.S. has been desperately trying to get Fidel to take them back. The latest Reagan atrocity is that he is now cracking down on applications of Polish immigrants and Solidarity members to enter or remain in the U.S. No less than 85 per cent of Polish requests for asylum in the U.S. have recently been rejected, and measures are underway to deport these opponents of the Stalinist Jaruzelski regime back to Poland. In a nice Orwellian touch appropriate to 1984, Verne Jervis, chief spokesman for the U.S. Immigration Service, announced that this rash of rejections of asylum represents "no policy change to be tougher." "No," he added, "we are trying to reduce the backlog by accelerated processing of the cases." Indeed ... It perhaps never entered the head of Mr. Jervis that there is another way of "accelerated processing": namely letting these poor bastards in and granting them asylum.

The way Reagan has been handling the Polish Question is an apt summary of his general *modus operandi*: gobs and gobs of impassioned anti-Communist and especially anti-Soviet rhetoric; matched by the reality of bailing out the Polish Communist government in tandem with Wall Street banks; and keeping out and deporting back out Polish Solidarity members who would like the opportunity of tasting the freedom that we are always bleating about.

Despite this record of success from their point of view, conservatives have been unhappy about Reagan's pragmatism on "social" issues. He has been only paying lip service to their cherished goals of outlawing abortion and putting prayer back into the public schools. And while their other objectives of stamping out pornography, prostitution and homosexuality are state rather than federal matters, Reagan has not used his "bully pulpit" of the Presidency to take the lead on these items on their theocratic agenda.

War

Since conservatives are most interested in the war-against-Communism and Russia plank of their platform, it is understandable though unfortunate that Ronald Reagan has given in least to pragmatism in the foreign policy arena. One problem is that the Republican "pragmatists" are not very dovish. Not only are the grand old Republican isolationists of the pre-1955 era dead as a dodo, but there are not even any dovish Establishment realists of the Cyrus Vance or George Ball variety, let alone such Grand Old Men as George Kennan. The battle is between the hawks and the ultra-hawks. On the merely hawk side are the Vietnam war criminal Henry Kissinger and his many followers, war-mongers who, however, want to stop short at the brink of a nuclear holocaust. This evil "pragmatism" is scorned by the ultras, the Kirkpatricks, the Van Cleaves, the Aliens, the Pipeses, all they who want to burn out the universe to the furthest star.

At the beginning of the Reagan Administration, I was trying to explain the foreign policy stance of the Administration to my academic colleagues, who are not familiar with any political movements to the right of John Kenneth Galbraith. "Look," I said, "you know crazy Al Haig" (then Secretary of State and Kissinger protégé). "Yes," they nodded, shuddering. "Well, fellas," I continued, "I hate to say this, but crazy 'I am in charge' Al is the last best hope for maintaining world peace."

For the first two years of his Administration, not much was done in foreign policy, except of course engaging in mammoth increases in military spending so that the Russkis can be wiped out 30 instead of 20 times over (or whatever). In another nice Orwellian touch, Reagan dubbed the latest U.S. missile of mass destruction "The Peacemaker." But for his first two years, Ronnie was concentrating on domestic policy, and on selling out totally to the Establishment statist. That mission accomplished, he has unfortunately turned his attention to foreign policy and the Russki threat, and the world had better hold on

to its collective hat, at least until Ronnie is hopefully deposed in January 1985.

Because lately it's been boom, boom, boom and Lord knows where it will stop. Stung by a Shiite car-bombing of the U.S. military in Beirut, Ronnie retaliated by invading tiny little Grenada, a land of 100,000. As a friend of mine put it, "Ronnie was anxious to Win One for the Gipper, and so he picked a country he could – probably – beat." Even now, U.S. forces, supposedly in quickly for a week, are only getting out after three months, and 300 soldiers are remaining there permanently, half of them MP's armed to the teeth, but dubbed "non-combat" for Orwellian political purposes. The whole operation was marked by egregious lies beamed out by Reagan and his team, so much so that even Margaret Thatcher turned appalled dove for the occasion. The U.S. officer in charge has set up the dormant British Governor General, Sir Paul Scoon, as the little dictator of the island, and democracy, it looks like, will be a long time a-comin' to Grenada. The only consolation for the Grenadians is that, like the land in The Mouse that Roared, the U.S. will be pouring many millions of dollars into that tight little island for many years to come.

The pragmatic hawks were all for the Grenadian invasion. What the hell, there was no danger to the U.S. in that. Lebanon is a bit of a stickier wicket, but even there Secretary of State Shultz, scorned by the conservative ultras as a dove, has been whooping it up for escalation. Unfortunately, not only the Republicans but the Democrats – starting in the last two years of the Carter Administration when the hawk Brzezinski won out over the dove Vance – have bought the DeBorchgrave-Sterling-Moss hogwash that every "terrorist" who bombs anything anywhere is controlled by a mighty chain that leads to Khomeini's Iran (who seems to have overtaken Colonel Khaddafy, the previous right-wing bogey man), and somehow through Khaddafy-Khomeini to the Satanic figures who sit in the Kremlin. As a result, in the fevered American mind, anyone who seems to be a "nut" and is also "anti-West" must be a tool of Moscow. (It would be instructive if U.S. hawks received some of the treatment that Khomeini metes out to Communists or their fellow-travelers in Iran.)

And so the U.S. sends the Marines, like a bull in a china shop, into Lebanon, without knowing or caring about any of the dozens of ethnic and religious groups that have been there, and have been hating and battling each other (often with good reason) for literally hundreds of years. We land there, and all of a sudden there are these pesky folk with rifles, calling themselves Druze, or Shiites, or Sunnis. Bunch of Arabs, undoubtedly all tools of Moscow. And so when the U.S. Embassy or military headquarters is car-bombed, the U.S. comes to the conclusion that whoever did it are "pro-Iran Shiites." Not being able to find the people responsible, the U.S. engages in a Nazi-like spiral of ascribing collective guilt. If these are "pro-Iran Shiites," it must mean that the Iranian government is behind the bombings, and by God, since they are, that means that we keep bombing Syrian positions in Lebanon. Go figure that one!

And then there are other nifty escalations in El Salvador, in trying to bring down "covertly" the Nicaraguan regime, and in pouring lots of troops into our new base in Honduras. All in all, there are lots of hot spots that could spiral into a major war, and in all of which the hawks and the ultra-hawks are racing each other into seeing who can be more militarist. Only the cowardly but healthy fear of another Vietnam or of a nuclear holocaust among Congress and the country is restraining the Reagan Administration from its mad-dog instincts toward all-out war.

It is impossible to tell at this point which force is going to win out. Someone once said that "Providence looks after fools and the United States," and perhaps the religious amongst us can boost our cause with some fervent prayer. We're going to need it.

Reagan: Rhetoric versus Reality

How can Reagan get away with the systematic betrayal of the conservative agenda on domestic policy? Or, how can conservatives swallow the free-market rhetoric while ignoring Reagan's anti-free market actions? One answer is that conservatives care more about foreign policy, and the macho invasion of little Grenada has probably won all the dissident conservatives back into Reagan's camp. Just before the invasion, the conservative weekly, *Human Events*, was piteously begging Reagan to "please, Mr. President, give us something in your policy that we can cheer about." Well, they got Grenada.

But, apart from that, Reagan has been a master at engineering an enormous gap between his rhetoric and the reality of his actions. All politicians, of course, have such a gap, but in Reagan it is cosmic, massive, as wide as the Pacific Ocean. His soft-soapy voice appears perfectly sincere as he spouts the rhetoric which he violates day-by-day. He is, after all, an actor, trained to read his lines with brio and sincerity. Perhaps that is why, as Alexander Cockburn wrote recently, while Nixon knew that he was lying and appeared uncomfortable when doing so, Reagan cannot tell the difference between the truth and a lie. We can also note the illuminating insight of shrewd old Republican Congressman Barber Conable (N.Y.).

In 1982, when conservatives were appalled at Reagan arguing with equal moral fervor for *higher* taxes as he had not long before for lower taxes, Conable lectured them on the facts of life. (Reagan, however, didn't *admit* they were higher taxes: only "closing the loopholes," and "revenue enhancement" – a nice touch of creative Orwellian semantics.) Reagan, he pointed out admiringly, has the amazing capacity to keep his mind in hermetically sealed segments: Rhetoric, where he talks about getting rid of big government; and reality, where he does just the opposite. Conservatives just don't seem to understand that.

Shrewd as Conable's point is, it does not go far enough. For the next question is: if rhetoric in politics has no relation to reality, why does Ronnie, or any other politician, bother with the rhetoric at all? Why not just pursue the usual statist game without all the lies? The reason,

of course, is that it is the rhetoric that sucks the conservative masses into voting for Ronald Reagan. And so Reagan has cleverly put together a working coalition for Republican victory: quasi-libertarian rhetoric, by which he sucks in the dumbright conservative voting masses, and statist reality, by which he preserves the rule by the special interest groups of the centrist Establishment.

But Reagan is even more curious a phenomenon. For he has the astounding capacity, not just to continue the old rhetoric, but to levitate above the action, to act as if he is not sitting in the Oval Office at all, but is somehow still out there giving his little semi-libertarian, semi-war mongering homilies, using his 3x5 cards with all the fake little anecdotes that he has collected from dumbright sources over the decades. And somehow he is able to convince the public that he is not really in the White House, doing monstrous things as Head Honcho of the most powerful State apparatus in the world; but that he is still outside the State, a private citizen inveighing and leading a crusade against Big Government.

And so it goes – a winning combination that can only become unraveled in the unlikely event that the conservative masses realize they have been had, and "go on strike" and stop voting for Reagan. And what of the man himself? What explains him? There are only two logical explanations of the Reagan phenomenon. Either he is a total cretin, a dimwit who really believes in his own lies and contradictions. Or, he is a consummate and conniving politician, the shrewdest manipulator of public opinion since his hero FDR. Or is he some subtle combination of both? In any case, Reagan continues to enjoy enormous personal popularity, the nice guy and the soothing-syrup voice topped by that truly odious jaunty smirk of self-satisfaction, that smile that says that he is objectively lovable and that the public adulation is only his due.

Meanwhile, what we have to worry about is a question far more serious than the key to the puzzling Reagan personality. Not only as libertarians, but still more as human beings and members of the human race, we have to ask ourselves the question: Is There Life After Reagan? The jury is still out on that one.