

Ronald Reagan: An Autopsy

by Murray N. Rothbard

Eight years, eight dreary, miserable, mind-numbing years, the years of the Age of Reagan, are at long last coming to an end. These years have surely left an ominous legacy for the future: we shall undoubtedly suffer from the after-shocks of Reaganism for years to come. But at least Himself will not be there, and without the man Reagan, without what has been called his "charisma," Reaganism cannot nearly be the same. Reagan's heirs and assigns are a pale shadow of the Master, as we can see from the performance of George Bush. He might try to imitate the notes of Reagan, but the music just ain't there. Only this provides a glimmer of hope for America: that Reaganism might not survive much beyond Reagan.

Reagan the Man

Many recent memoirs have filled out the details of what some of us have long suspected: that Reagan is basically a cretin who, as a long-time actor, is skilled in reading his assigned lines and performing his assigned tasks. Donald Regan and others have commented on Ronald Reagan's strange passivity, his never asking questions or offering any ideas of his own, his willingness to wait until others place matters before him. Regan has also remarked that Reagan is happiest when following the set schedule that others have placed before him. The actor, having achieved at last the stardom that had eluded him in Hollywood, reads the lines and performs the action that others – his script-writers, his directors – have told him to follow.

Sometimes, Reagan's retentive memory – important for an actor – gave his handlers trouble. Evidently lacking the capacity for reasoned thought, Reagan's mind is filled with anecdotes, most of them dead wrong, that he has soaked up over the years in the course of reading *Reader's Digest* or at idle conversation. Once an anecdote enters Reagan's noodle, it is set in concrete and impossible to correct or dislodge. (Consider, for example, the famous story about the "Chicago welfare queen": all wrong, but Reagan carried on regardless.)

In the early years of Reagan rule, the press busily checked out Reagan's beloved anecdotes, and found that almost every one of them was full of holes. But Reagan never veered from his course. Why?

God knows there are plenty of correct stories about welfare cheats that he could have clasped to his bosom; why stick to false ones? Evidently, the reason is that Reagan cares little about reality; he lives in his own Hollywood fantasy world, a world of myth, a world in which it is always Morning in America, a world where The Flag is always flying, but where Welfare Cheats mar the contentment of the Land of Oz. So who cares if the *actual* story is wrong? Let it stand, like a Hollywood story, as a surrogate for the welfare cheats whom everyone knows do exist.

The degree to which Reagan is out of touch with reality was best demonstrated in his concentration camp story. This was not simply a slip of the tongue, a Bushian confusion of December with September. When the Premier of Israel visited Reagan at the White House, the President went on and on for three quarters of an hour explaining why he was pro-Jewish: it was because, being in the Signal Corps in World War II, he visited Buchenwald shortly after the Nazi defeat and helped to take films of that camp. Reagan repeated this story the following day to an Israeli ambassador. But the truth was 180-degrees different; Reagan was not in Europe; he never saw a concentration camp; he spent the entire war in the safety of Hollywood, making films for the armed forces.

Well, what are we to make of this incident? This little saga stayed in the back pages of the press. By that point the media had realized that virtually nothing – no fact, no dark deed – could ever stick to the Teflon President. (*Iran-Contra* shook things up a bit, but in a few months even that was forgotten.)

There are only two ways to interpret the concentration camp story. Perhaps Reagan engaged in a bald-faced lie. But why? What would he have to gain? Especially after the lie was found out, as it soon would be. The only *other* way to explain this incident, and a far more plausible one, is that Ronnie lacks the capacity to distinguish fantasy from reality. He would, at least in retrospect, have liked to be filming at Buchenwald. Certainly, it made a better story than the facts. But what are we to call a man who cannot distinguish fantasy from reality?

It is surely frightening to think that the most powerful position in the world has been held for eight years by a man who cannot tell fact from fancy. Even more frightening is the defection of the media, who early lost heart and played the role of a submissive receptacle for photo opportunities and press-release handouts. One reason for this defection was the discovery of Reagan's Teflon nature. Another likely reason was that journalists who were too feisty and independent would be deprived of their precious access to the Presidential plane or to inside scoops or leaks from the White House. And a third reason was probably the desire not to dwell on the vital and hair-raising fact that the President of the United States, "the leader of the free world" and all that jazz, is nothing more than a demented half-wit.

But why the Teflon? Because of the incredible love affair that Ronald Reagan has enjoyed with the American people. In all my years of

fascination with American politics (my early childhood memories are couched in terms of who was President or who was Mayor of New York City or who won what election), I have never seen anything remotely like it. Anyone else universally beloved? Franklin D. Roosevelt was worshipped, to be sure, by most of the American electorate, but there was always a large and magnificent minority who detested every inch of his guts. Truman? He was almost universally reviled in his time; he has only been made an icon in retrospect by the conservative movement. Jack Kennedy, too, is only a hero now that he has been safely interred; before his assassination he was cordially detested by all conservatives. Nobody ever loved Nixon. The closest to universal lovability was Ike, and even he did not inspire the intense devotion accorded to Ronnie Reagan; with Ike it was more of a tranquilized sense of peace and contentment.

But with Reagan, it has been pure love: every nod of the head; every wistful "We-e-ll," every dumb and flawed anecdote, every snappy salute, sends virtually every American into ecstasy. From all corners of the land came the cry, "I don't like his policies very much, but I lo-o-ve the man." Only a few malcontents, popping up here and there, in a few obscure corners of the land, emerged as dedicated and bitter opponents. As one of this tiny minority I can testify that it was a lonely eight years, *even* within the ranks of the libertarian movement. Sometimes I felt like a lone and unheeded prophet, bringing the plain truth to those who refused to understand. Very often I would be at free-market gatherings, from living rooms to conferences, and I would go on and on about the deficiencies of Reagan's policies and person, and would be met with responses like "Well of course, he's not a PhD."

Me: "No, no, that's not the point. The man is a blithering idiot. He makes Warren Harding tower like Aristotle."

Responder: "Ronald Reagan has made us feel good about America."

Perhaps that's part of the explanation for the torrent of unconditional love that the American public has poured onto Ronald Reagan. Lost in Hollywood loony-land, Ronnie's sincere optimism struck a responsive chord in the American masses. The ominous fact that he "made us" feel good about the American State and not just about the country is lost even on many libertarians.

But, in that case, why didn't Hubert Humphrey's egregious "politics of joy" evoke the same all-inclusive love? I don't know the answer, but I'm convinced it's not simply because Hubert was captive to the dreaded "L-word" whereas Ronnie is a conservative. It's lot deeper than that. One of the remarkably Teflon qualities of Reagan is that, even after many years as President, he is still able to act as if he were totally separate from the actions of the government. He can still denounce the government in the same ringing terms he used when he was out of power. And he *gets away with it*, probably because inside his head, he is still Ronnie Reagan, the mother of anti-government anecdotes as lecturer for General Electric.

In a deep sense, Reagan has *not* been a functioning part of the government for eight years. Off in Cloud-Cuckoo-Land he is the obedient actor who recites his lines and plays his appointed part. Some commentators have been critical of Reagan for napping in the afternoons, for falling asleep at crucial meetings, for taking long vacations at his beloved ranch. Well, why not? What else does he have to do? Reagan doesn't actually have to *do* anything; like Peter Sellers in his last film, all he has to do is be *there*, the beloved icon, giving his vital sanction to the governmental process.

Reagan's handlers perceived early on that one threat to Reagan's Teflon rule would be allowing him to mix it up with members of the press. Away from his teleprompter, Ronnie was a real problem. So very soon, any sort of real press conference, including uninhibited questions and answers, was done away with. The only press "conferences" became shouted questions as Reagan walked quickly to and from the White House helicopter. One of his handlers has written that, despite all efforts, they couldn't stop Reagan from exercising one peculiar personality trait: his compulsion to answer every question that he hears. But fortunately, not much was risked, since the noise of the helicopter engines would drown out most of the repartee.

The worst moment for the Reagan handlers came, of course during the first debate with Mondale in 1984. For one glorious moment, during the give and take of the debate, the *real* Reagan emerged: confused, befuddled, out of it. It was a shaky moment, but all the handlers needed to do was to reassure the shocked masses that their beloved President was still sentient, was still *there* to be a totem to his flock. The handlers blamed Reagan's showing on "over coaching" they made sure that he slept a lot just before the second debate, and they fed him a snappy mock self-deprecating one-liner about his age. The old boy could still remember his jokes: he got off his lovable crack, and the American masses, with a sigh of relief, clasped him to their bosoms once again.

The Reagan Years: Libertarian Rhetoric, Statist Policies

How did Reagan manage to pursue egregiously statist policies in the name of liberty and of "getting government off our backs?" How was he able to follow this course of deception and mendacity?

Don't try to get Ronnie off the hook by blaming Congress. Like the general public – and all too many libertarians – Congress was merely a passive receptacle for Ronnie's wishes. Congress passed the Reagan budgets with a few marginal adjustments here and there – and gave him virtually all the legislation, and ratified all the personnel, he wanted. For one Bork there are thousands who made it. The last eight years have been a Reagan Administration for the Gipper to make or break.

There was no "Reagan Revolution." Any "revolution" in the direction of liberty (in Ronnie's words "to get government off our backs") would *reduce* the total level of government spending. And that means

reduce in *absolute* terms, *not* as proportion of the gross national product, or corrected for inflation, or anything else. There is no divine commandment that the federal government must always be *at least* as great a proportion of the national product as it was in 1980. If the government was a monstrous swollen Leviathan in 1980, as libertarians were surely convinced, as the inchoate American masses were apparently convinced and as Reagan and his cadre claimed to believe, then cutting government spending was in order. At the very least, federal government spending should have been frozen, in absolute terms, so that the rest of the economy would be allowed to grow in contrast. Instead, Ronald Reagan cut nothing, even in the heady first year, 1981.

At first, the only "cut" was in Carter's last-minute loony-tunes estimates for the future. But in a few short years, Reagan's spending surpassed even Carter's irresponsible estimates. Instead, Reagan not only increased government spending by an enormous amount – so enormous that it would take a 40 percent cut to bring us back to Carter's wild spending totals of 1980 – he even substantially increased the percentage of government spending to GNP. *That's* a "revolution"?

The much-heralded 1981 tax cut was more than offset by two tax increases that year. One was "bracket creep," by which just inflation wafted people into higher tax brackets, so that with the same real income (in terms of purchasing power) people found themselves paying a higher proportion of their income in taxes, even though the official tax rate went down. The other was the usual whopping increase in Social Security taxes which, however, don't count, in the perverse semantics of our time, as "taxes"; they are only "insurance premiums." In the ensuing years the Reagan Administration has constantly raised taxes – to punish us for the fake tax cut of 1981 – beginning in 1982 with the largest single tax increase in American history, costing taxpayers \$100 billion.

Creative semantics is the way in which Ronnie was able to keep his pledge never to raise taxes while raising them all the time. Reagan's handlers, as we have seen, annoyed by the stubborn old coot's sticking to "no new taxes," finessed the old boy by simply calling the phenomenon by a different name. If the Gipper was addled enough to fall for this trick, so did the American masses – and a large chunk of libertarians and self-proclaimed free-market economists as well! "Let's close another loophole, Mr. President." "We-e-ell, OK, then, so long as we're not raising taxes." (Definition of loophole: Any and all money *the other* guy has earned and that hasn't been taxed away yet. Your money, of course, has been fairly earned, and shouldn't be taxed further.)

Income tax rates in the upper brackets have come down. But the odious bipartisan "loophole closing" of the Tax Reform Act of 1986 – an act engineered by our Jacobin egalitarian "free market" economists in the name of "fairness" – raised instead of lowered the income tax paid by most upper-income people. Again: what one hand of government giveth, the other taketh away, and then some. Thus,

President-elect Bush has just abandoned his worthy plan to cut the capital gains tax in half, because it would violate the beloved tax fairness instituted by the bipartisan Reganite 1986 "reform."

The bottom line is that tax revenues have gone up an enormous amount under the eight years of Reagan; the only positive thing we can say for them is that revenues as percentage of the gross national product are up only slightly since 1980. The result: the monstrous deficit, now apparently permanently fixed somewhere around \$200 billion, and the accompanying tripling of the total federal debt in the eight blessed years of the Reagan Era. Is that what the highly touted "Reagan Revolution" amounts to, then? A tripling of the national debt?

We should also say a word about another of Ronnie's great "libertarian" accomplishments. In the late 1970's, it became obvious even to the man in the street that the Social Security System was bankrupt, *kaput*. For the first time in fifty years there was an excellent chance to get rid of the biggest single racket that acts as a gigantic Ponzi scheme to fleece the American taxpayer. Instead, Reagan brought in the famed "Randian libertarian" Alan Greenspan, who served as head of a bipartisan commission, performing the miracle of "saving Social Security" and the masses have rested content with the system ever since. How did he "save" it? By raising taxes (oops "premiums"), of course; by that route, the government can "save" any program. (Bipartisan: both parties acting in concert to put both of their hands in your pocket.)

The way Reagan-Greenspan saved Social Security is a superb paradigm of Reagan's historical function in all areas of his realm; he acted to bail out statism and to co-opt and defuse any libertarian or quasi-libertarian opposition. The method worked brilliantly, for Social Security and other programs.

How about deregulation? Didn't Ronnie at least deregulate the regulation-ridden economy inherited from the evil Carter? Just the opposite. The outstanding measures of deregulation were all passed by the Carter Administration, and, as is typical of that luckless President, the deregulation was phased in to take effect during the early Reagan years, so that the Gipper could claim the credit. Such was the story with oil and gas deregulation (which the Gipper did advance from September to January of 1981); airline deregulation and the actual abolition of the Civil Aeronautics Board, and deregulation of trucking. That was it.

The Gipper deregulated nothing, abolished nothing. Instead of keeping his pledge to abolish the Departments of Energy and Education, he strengthened them, and even wound up his years in office adding a new Cabinet post, the Secretary of Veterans Affairs. Overall, the quantity and degree of government regulation of the economy was greatly increased and intensified during the Reagan years. The hated OSHA, the scourge of small business and at the time the second most-hated agency of federal government (surely you need not ask which is

the first most-hated), was not only not abolished; it too was strengthened and reinforced. Environmentalist restrictions were greatly accelerated, especially after the heady early years when selling off some public lands was briefly mentioned, and the proponents of actually using and developing locked-up government resources (James Watt, Anne Burford, Rita Lavelle) were disgraced and sent packing as a warning to any future "anti-environmentalists."

The Reagan Administration, supposedly the champion of free trade, has been the most protectionist in American history, raising tariffs, imposing import quotas, and – as another neat bit of creative semantics – twisting the arms of the Japanese to impose "voluntary" export quotas on automobiles and microchips. It has made the farm program the most abysmal of this century: boosting price supports and production quotas, and paying many more billions of taxpayer money to farmers so that they can produce less and raise prices to consumers.

And we should never forget a disastrous and despotic program that has received unanimous support from the media and from the envious American public: the massive witch hunt and reign of terror against the victimless non-crime of "insider trading." In a country where real criminals – muggers, rapists, and "inside" *thieves* – are allowed to run rampant, massive resources and publicity are directed toward outlawing the use of one's superior knowledge and insight in order to make profits on the market.

In the course of this reign of terror, it is not surprising that freedom of speech was the first thing to go by the boards. Government spies and informers busily report conversations over martinis ("Hey Joe, I heard that XYZ Corp. is going to merge with ABC.") All this is being done by the cartelizing and fascistic Securities and Exchange Commission, the Department of Justice and its much-hailed Savonarola in New York, Rudolf Giuliani. All this is the work of the beloved Gipper, the "free-market," "libertarian" Reagan Administration. And where are the "conservative libertarians"? Where are the "free market economists" to point this out and condemn it?

Foreign aid, a vast racket by which American taxpayers are mulcted in order to subsidize American export firms and foreign governments (mostly dictatorships), has been vastly expanded under Reagan. The Administration also encouraged the nation's banks to inflate and pour money down Third World rat-holes; then bailed out the banks and tin-pot socialist dictatorships at the expense of U.S. taxpayers (via tax increases) and consumers (via inflation). Since the discrediting of Friedmanite monetarism by the end of the first Reagan term, the original monetarist policy of allowing the dollar to fluctuate freely has been superseded by Keynesian Secretary of Treasury James Baker, who has concerted with foreign central banks to try to freeze the dollar within various zones. The interference has been, as usual, futile and counterproductive, but that will not stop the soon-to-be even more powerful Baker from trying to fulfill, or at least move strongly toward, the old Keynesian dream of one world fiat paper currency (or at least

fixed exchange rates of the various national currencies) issued by one world Central Bank – in short, economic world government.

But didn't Ronnie "bring down inflation"? Sure, but he did it, not by some miracle, but the old-fashioned way: by the steepest recession (read: depression) since the 1930s. And now, as a result of his inflationary monetary policies, inflation is back with a roar – which the Teflon President will leave as one of his great legacies to the Bush Administration.

And then there is another charming legacy: the reckless inflationary course, encouraged by the Reagan Administration, of the nation's savings-and-loan banks. Virtually the entire industry is now bankrupt, and FDIC – the federal agency supposedly "insuring" S&L depositors – is bankrupt. Instead of allowing the banks and their deluded depositors to pay the price of their profligacy, everyone of both parties, including our "free-market" Reaganauts, is prepared to use taxpayer money or the printing press to bail out the entire industry – to the tune of an estimated 50 to 100 billion dollars. (These estimates, by the way, come from government sources, which notoriously underestimate future costs of their programs.)

I have been cleaving to the strictly economic realm because even the staunchest pro-Reagan libertarian will not dare to claim that Ronnie has been a blessing for civil liberties. On the contrary. In addition to his reign of terror on Wall Street (who cares about the civil liberties of stock traders anyway?), Reagan worked to escalate toward infinity the insane "war against drugs." Far from the 1970s movement toward repealing marijuana laws, an ever greater flow of men and resources – countless billions of dollars – are being hysterically poured into combating a drug "problem" that clearly gets worse in direct proportion to the intensity of the "war."

The outbreak of drug fascism, moreover, is a superb illustration of the interconnectedness of civil liberty and economic freedom. Under cover of combating drugs, the government has cracked down on our economic and financial privacy, so that carrying cash has become *prima fade* evidence of "laundering" drug money. And so the government steps up its long-cherished campaign to get people to abstain from cash and into using government-controlled banks. The government is already insinuating foreign exchange controls – now the legal obligation to "report" large amounts of cash taken out of the country – into our personal and economic life.

And every day more evil drugs are being found that must be denounced and outlawed: the latest is the dread menace of anabolic steroids. As part of this futile war, we are being urged by the Reaganites to endure compulsory urine testing (supervised, of course, since otherwise the testee might be able to purchase and substitute black market drug-free urine). In this grotesque proposal, government is not only *not off* our backs, it is now also insisting on joining us in the bathroom.

And in the bedroom, too, if Ronnie has his way. Although abortion is not yet illegal, it is not for lack of effort by the Reagan Administration. The relentless Reaganite drive to conservatize the judiciary will likely recriminalize abortion soon, making criminals out of millions of American women each year. George Bush, for less than twenty-four glorious hours, was moved to take a consistent position: if abortion is murder, then all women who engage in abortion are murderers. But it took only a day for his handlers to pull George back from the abyss of logic, and to advocate only criminalizing the doctors, the hired hands of the women who get abortions.

Perhaps the Gipper cannot be directly blamed – but certainly he has set the moral climate – for the increasingly savage Puritanism of the 1980s: the virtual outlawry of smoking, the escalating prohibition of pornography, even the partial bringing back of Prohibition (outlawing drunken driving, raising the legal drinking age to 21, making bartenders – or friendly hosts – legally responsible for *someone else's* drunken driving, etc.).

Under Reagan, the civil liberties balance has been retipped in favor of the government and against the people: restricting our freedom to obtain government documents under the Freedom of Information Act and stepping up the penalties on privately printed and disseminated news about activities of the government, on the one hand; more "freedom" for our runaway secret police, the CIA, to restrict the printing of news, and to wiretap private individuals, on the other. And to cap its hypocrisy, as it escalated its war on drugs, the Reagan Administration looked the other way on drug running by its own CIA.

On foreign policy, the best we can say about Ronnie is that he did not launch World War III. Apart from that, his foreign policy was a series of murdering blunders:

- His idiotic know-nothing intervention into the cauldron of Lebanon, resulting in the murder of several hundred US Marines.
- His failed attempt – lauded by Reaganites ever since – to murder Colonel Khadafy by an air strike – and succeeding instead in slaying his baby daughter, after which our media sneered at Khadafy for looking haggard, and commented that the baby was "only adopted."
- His stumblebum intervention into the Persian Gulf, safeguarding oil tankers of countries allied to Iraq in the Iraq Iran war. (Ironically, the US. imports practically no oil from the Gulf, unlike Western Europe and Japan, where there was no hysteria and who certainly sent no warships to the Gulf.) In one of the most bizarre events in the history of warfare, the Iraqi sinking of the U.S.S. Stark was dismissed instantly – and without investigation, and in the teeth of considerable evidence to the contrary – as an "accident," followed immediately by blaming *Iran* (and using the sinking as an excuse to step up our pro-Iraq intervention in the war). This was followed by a US warship's sinking of a civilian Iranian airliner, murdering hundreds of

civilians, and blaming – you guessed it! – the Iranian government for this catastrophe. More alarming than these actions of the Reagan Administration was the supine and pusillanimous behavior of the media, in allowing the Gipper to get away with all this.

As we all know only too well, the height of Reagan's Teflon qualities came with Iran-Contra. At the time, I naïvely thought that the scandal would finish the bastard off. But no one saw anything wrong with the Administration's jailing *private* arms salesmen to Iran, while at the very same time engaging in arms sales to Iran *itself*. In Reagan's America, apparently *anything*, any crookery, any aggression or mass murder, is OK if allegedly performed for noble, patriotic motives. Only personal greed is considered a no-no.

I have not yet mentioned the great foreign-policy triumph of the Reagan Administration: the invasion and conquest of tiny Grenada, a pitiful little island-country with no army, air force, or navy. A "rescue" operation was launched to save US medical students who never sought our deliverance. Even though the enemy consisted of a handful of Cuban construction workers, it still took us a week to finish the Grenadans off, during the course of which the three wings of our armed forces tripped over each other and our military distinguished itself by bombing a Grenadan hospital. The operation was as much a botch as the Carter attempt to rescue the American hostages. The only difference was that this time the enemy was helpless.

But we *won* didn't we? Didn't we redeem the US loss in Vietnam and allow America to "stand tall"? Yes, we did win. We beat up on a teeny country; and even botched *that!* If *that* is supposed to make Americans stand tall, then *far* better we sit short. Anyway, it's about time we learned that Short is Beautiful.

The US war against the *Sandinistas* on the other hand, which has been conducted at enormous expense and waged hand-in-hand with Guatemalan, Honduran, and Salvadoran dictators, is going down the drain, despite illegal CIA mining of harbors and injury to neutral shipping. Even the nearly comatose American public is giving up on the idea of supporting bandit guerrillas, so long as they are anti-Communist, despite the best efforts of Ollie and Secord and Singlaub and Abrams and all the rest of the war crowd.

The Reagan Administration's continued aid and support to Pol Pot in Cambodia, the most genocidal butcher of our time, is more reprehensible but less visible to most Americans. As a result, Pol Pot's thugs are mobilizing at this very moment on the Thai border to return and take over Cambodia as soon as the Vietnamese pull out, presumably to renew their bizarre mass murders. But you see, *that's* okay with the Reaganites because the Cambodian Commies are guerrilla fighters against the *Vietnamese* (pro-Soviet) Commies, who by definition are evil. Pol Pot's butchers as "freedom fighters" show us that, in the arsenal of the Reaganite Right, "freedom," like "taxes" and many other crucial words, means, as in the case of Humpty Dumpty,

whatever they choose it to.

Grenada was the perfect war as far as many conservatives (and apparently much of the American public) were concerned: it was quick and easy to win, with virtually no risk of loss, and allowed ample opportunities to promote the military (and their Commander-in-Chief) as heroes while bragging up the victory on television – in short, allowing the U.S. to glory in its status as a bully. (It helped eradicate the awful memory of Vietnam, which was the perfect war for American centrist liberals: virtually impossible to win, horribly expensive in terms of men and property – and best of all, it could go on forever without resolution, like the War on Poverty, fueling their sense of guilt while providing safe but exciting jobs for members of their techno-bureaucratic class).

While the American masses do not want war with Russia or even aid to the bandit *Contras*, they do want an ever-expanding military and other aggravated symbols of a "strong," "tough" America, an America that will, John Wayne-like, stomp on teeny pests like Commie Grenada, or, perhaps, any very small island that might possess the tone and the ideology of the Ayatollah.

Setting the Stage: The Anti-Government Rebellion of the 1970s

I am convinced that the historic function of Ronald Reagan was to co-opt, eviscerate and ultimately destroy the substantial wave of anti-governmental, and quasi-libertarian, sentiment that erupted in the U.S. during the 1970s. Did he perform this task consciously? Surely too difficult a feat for a man barely *compos*. No, Reagan was wheeled into performing this task by his Establishment handlers.

The task of co-optation needed to be done because the 1970s, particularly 1973–75, were marked by an unusual and striking conjunction of crisis – crises that fed on each other to lead to a sudden and cumulative disillusionment with the federal government. It was this symbiosis of anti-government reaction that led me to develop my "case for libertarian optimism" during the mid-1970's, in the expectation of a rapid escalation of libertarian influence in America.

1973–74 saw the abject failure of the Nixon wage-price control program, and the development of something Keynesians assumed *could never* happen: the combination of double-digit inflation *and* a severe recession. High unemployment and high inflation happened again, even more intensely, during the greater recession of 1979–82. Since Keynesianism rests on the idea that government should pump in spending during recessions and take out spending during inflationary booms, *what happens* when both occur at the same time? As Rand would say: Blankout! There is no answer. And so, there was disillusionment in the government's handling of the macro-economy, deepening during the accelerating inflation of the 1970s and the beginnings of recession in 1979.

At the same time, people began to be fed up, increasingly and vocally,

with high taxes: income taxes, property taxes, sales taxes, you name it. Especially in the West, an organized tax rebel movement developed, with its own periodicals and organizations. However misguided strategically, the spread of the tax rebellion signaled a growing disillusion with big government. I was privileged to be living in California during the election year of 1978, when Proposition 13 was passed. It was a genuinely inspiring sight. In the face of hysterical opposition and smears from the entire California Establishment Democratic and Republican, Big Business and labor, academia, economists, *and* all of the press the groundswell for Prop 13 burgeoned. Everyone was against it but the people. If the eventual triumph of Ronald Reagan is the best case against "libertarian populism," Prop. 13 was the best case in its favor.

Also exhilarating was the smashing defeat of US imperialism in Vietnam in 1975 – exhilarating because this first loss of a war by the United States, many of us believed, was bound to get Americans to rethink the disastrous warmongering bipartisan foreign policy that had plagued us since the unlamented days of Woodrow Wilson.

On the civil liberties front, the *de facto* legalization of marijuana was a sign that the nonsense of drug prohibition would soon be swept away. (Ye gods! Was *that* only a decade ago?) Inflationary recession; high taxes; prohibition laws; defeat in foreign war; across the board, the conditions seemed admirable for a growing and triumphant libertarianism.

And to top it off, the Watergate crisis (my particular favorite) destroyed the trust of the American masses in the Presidency. For the first time in over a hundred years, the concept of *impeachment* of the President became, first thinkable, and then a living and glorious process. For a while, I feared that Jimmy Carter, with his lovable cardigan sweater, would restore Americans' faith in their president, but soon that fear proved groundless.

Surely, it is no accident that it was precisely in this glorious and sudden anti-government surge that libertarian ideas and libertarian scholarship began to spread rapidly in the United States. And it was in 1971 that the tiny Libertarian Party emerged, in 1972 that its first, embryonic presidential candidacy was launched, and 1973 when its first important race was run, for mayor of New York City. The Libertarian Party continued to grow rapidly, almost exponentially, during the 1970s, reaching a climax with the Clark campaign for governor of California during the Prop 13 year of 1978, and with the Clark campaign for the Presidency in 1980. The morning my first article on libertarianism appeared in the *New York Times* in 1971, a very bright editor at Macmillan, Tom Mandel, called me and asked me to write a book on the subject (it was to become *For a New Liberty*). Not a libertarian himself, Mandel told me that he believed that libertarianism would become a very important ideology in a few years – and he turned out to be right.

So libertarianism was on a roll in the 1970s. And then Something

Happened.

Enter the Neocons

What happened was Ronald Wilson Blithering Reagan. Obviously Reagan did not suddenly descend out of the clouds in 1980. He had been the cherished candidate of the conservative movement, its chosen route to power, ever since Goldwater's defeat. Goldwater was too blunt and candid, too much an unhandleable Real Person. What was needed was a lovable, manipulable icon. Moreover, Goldwater's principles were too hard-edged: he was way too much a domestic libertarian, and he was too much an eager warmonger. Both his libertarianism and his passion for nuclear confrontation with the Soviet Union scared the bejesus out of the American masses, as well as the more astute leadership of the conservative movement.

A reconstituted conservative movement would have to drop any libertarian ideology or concrete *policies*, except to provide a woolly and comfortable *mood* for suitably gaseous anti-government rhetoric and an improved foreign policy that would make sure that many more billions would go into the military-industrial complex, to step up global pressure against Communism, *but* avoiding an actual nuclear war. This last point was important: As much as they enjoy the role of the bully, neither the Establishment nor the American people want to risk nuclear war, which might, after all, blow them up as well. Once again, Ronnie Reagan looked like the Answer.

Two important new ingredients entered into, and helped reshape, the conservative movement during the mid 1970's. One was the emergence of a small but vocal and politically powerful group of neo-conservatives (neocons), who were able, in a remarkably short time, to seize control of the think tanks, the opinion-molding institutions, and finally the politics, of the conservative movement. As ex-liberals, the neocons were greeted as important new converts from the enemy. More importantly, as ex-Trotskyites, the neocons were veteran politicians and organizers, schooled in Marxian cadre organizing and in manipulating the levers of power. They were shrewdly eager to place their own people in crucial opinion molding and money-raising positions, and in ousting those not willing to submit to the neocon program. Understanding the importance of financial support, the neocons knew how to sucker Old Right businessmen into giving them the monetary levers at their numerous foundations and think tanks. In contrast to free-market economists, for example, the neocons were eager to manipulate patriotic symbols and ethical doctrines, doing the microequivalent of Reagan and Bush's wrapping themselves in the American Flag. Wrapping themselves, also, in such patriotic symbols as The Framers and the Constitution, as well as Family Values, the neocons were easily able to outflank free-market types and keep them narrowly confined to technical economic issues. In short the neocons were easily able to seize the moral and patriotic "high ground."

The only group willing and able to challenge the neocons on their own moralizing on philosophic turf was, of course, the tiny handful of

libertarians; and outright moral libertarianism, with its opposition to statism, theocracy, and foreign war, could never hope to get to first base with conservative businessmen, who, even at the best of times during the Old Right era, had never been happy about individual personal liberty, (e.g. allowing prostitution, pornography, homosexuality, or drugs) or with the libertarians' individualism and conspicuous lack of piety toward the Pentagon, or toward the precious symbol of the Nation-State, the US flag.

The neocons were (and remain today) New Dealers, as they frankly describe themselves, remarkably without raising any conservative eyebrows. They are what used to be called, in more precise ideological days, "extreme right-wing Social Democrats." In other words, they are still Roosevelt-Truman-Kennedy-Humphrey Democrats. Their objective, as they moved (partially) into the Republican Party and the conservative movement, was to reshape it to *become*, with minor changes, a Roosevelt-Truman-etc. movement; that is, a liberal movement shorn of the dread "L" word and of post-McGovern liberalism. To verify this point all we have to do is note how many times Roosevelt, Truman, Kennedy, *et al.*, properly reviled by conservatives while they were alive, are now lauded, even canonized, by the current neocon-run movement, from Ronnie Reagan on down. And no one calls them on this Orwellian revision of conservative movement history.

As statist-to-the-core the neocons had no problem taking the lead in crusades to restrict individual liberties, whether it be in the name of rooting out "subversives," or of inculcating broadly religious ("Judeo-Christian") or moral values. They were happy to form a cozy alliance with the Moral Majority, the mass of fundamentalists who entered the arena of conservative politics in the mid-1970s. The fundamentalists were goaded out of their quietist millenarian dreams (e.g., the imminent approach of Armageddon) and into conservative political action by the accumulation of moral permissivism in American life. The legalization of abortion in *Roe v. Wade* was undoubtedly the trigger, but this decision came on top of a cumulative effect of the sexual revolution, the militant homosexual movement "out of the closet" and into the streets, the spread of pornography, and the visible decay of the public school system. The entry of the Moral Majority transformed American politics, not the least by furnishing the elite cadre of neocons with a mass base to guide and manipulate.

In economic matter, the neocons showed no more love of liberty, though this is obscured by the fact that the neocons wish to trim the welfare state of its post-Sixties excrescences, particularly since these were largely designed to aid black people. What the neocons want is a smaller, more "efficient" welfare state, within which bounds they would graciously allow the market to operate. The market is acceptable as a narrow instrumental device; their view of private property and the free market is essentially identical to Gorbachev's in the Soviet Union.

Why did the Right permit itself to be bamboozled by the neocons?

Largely because the conservatives had been inexorably drifting Stateward in the same manner. In response to the crushing defeat of Goldwater, the Right had become ever less libertarian and less principled, and ever more attuned to the "responsibilities" and moderations of Power. It is a far cry from three decades ago when Bill Buckley used to say that he too is an "anarchist" but that we have to put off all thoughts of liberty until the "international Communist conspiracy" is crushed. Those old Chodorovian libertarian days are long gone, and so is *National Review* as any haven for libertarian ideas. War mongering, militarism, theocracy, and limited "free" markets – this is really what Buckleyism amounted to by the late 1970s.

The burgeoning neocons were able to confuse and addle the Democratic Party by breaking with the Carter Administration, at the same time militantly and successfully pressuring it from within. The neocons formed two noisy front groups, the Coalition for a Democratic Majority and the Committee on the Present Danger. By means of these two interlocking groups and their unusual access to influential media, the neocons were able to pressure the Carter Administration into breaking the détente with Russia over the Afghanistan imbroglio and influencing Carter to get rid of the dove Cyrus Vance as Secretary of State and to put foreign policy power into the hands of the Polish émigré hawk and Rockefeller Trilateralist, Zbigniew Brzezinski. In the meantime, the neocons pushed the hysterically hawish CIA "B" Team report, wailing about alleged Soviet nuclear superiority, which in turn paved the way for the vast gift of spending handed to the military-industrial complex by the incoming Regan Administration. The Afghanistan and "B" Team hysterias, added to the humiliation by the Ayatollah, managed not only to kill off the bedeviled Carter Administration, but also to put the boots to non-intervention and to prepare the nation for a scrapping of the "post-Vietnam syndrome" and a return to the warmongering of the pre-Vietnam Era.

The Reagan candidacy of 1980 was brilliantly designed to weld a coalition providing the public's instinctive anti-government mood with sweeping, but wholly nonspecific, libertarian rhetoric, as a convenient cover for the diametrically opposite policies designed to satisfy the savvy and politically effective members of that coalition: the neocons, the Buckleyite cons, the Moral Majority, the Rockefellers, the military-industrial complex, and the various Establishment special interests always clustering at the political trough.

Intellectual Corruption

In the face of the stark record, how were the Reaganites able to get away with it? Where did Ronnie get his thick coat of Teflon? Why was he able to follow statist policies and yet convince everyone, including many alleged libertarians, that he was successfully pursuing a "revolution" to get government off our backs?

The essential answer was provided a century ago by Lysander

Spoooner. Why does the public obey the State, and go further to endorse statist policies that benefit the Power Elite at the public's own expense? The answer, wrote Spooner, is that the State is supported by three powerful groups: knaves, who know what is going on and benefit from State rule; dupes, who are fooled into thinking that State rule is in their and everyone else's interest; and cowards, who know the truth but are afraid to proclaim that the emperor has no clothes. I think we can refine Spooner's analysis and merge the Knave and Coward categories; after all, the renegade sellout confronts the carrot *and* the stick: the carrot of wealth, cushy jobs, and prestige if he goes along with the Emperor; and the stick of scorn, exclusion from wealth, prestige, and jobs – and perhaps worse – if he fails to go along. The reason that Reagan got away with it – in addition to his aw-shucks "lovability" – is that various powerful groups were either duped or knave-cowardly corrupted into hailing his alleged triumphs and deep-sixing his evident failures.

First, the powerful opinion-molding media. It is conventional wisdom that media people are biased in favor of liberalism, No doubt. But that is not important, because the media, especially elite media who have the most to lose, are also particularly subject to the knave/coward syndrome. If they pander to Reaganism, they get the approval of the deluded masses, their customers, and they get the much-sought-after access to the President and to other big-wigs in government. And access means scoops, carefully planted exclusive leaks, etc. Any sort of effective opposition to the President means, on the other hand, loss of access; the angering of Reagan-deluded masses; and *also* the angering of their bosses, the owners of the press and television, who are far more conservative than their journalist employees.

One of Reagan's most notable achievements was his emasculation of the liberal media because of his personal popularity with the masses. Note, for example, the wimpy media treatment of *Iran-Contra* as compared to their glorious attack on Watergate. If *this* is liberal media bias, then the liberals need to be saved from their friends.

If the media were willing to go along with Reaganite duplicity and hokum, then so were our quasi-libertarian intellectual leaders. It is true of the libertarian-inclined masses as it has been always true of the conservative masses: they tend to be not too swift in the upper story. During the late 1970s, libertarian intellectuals and free-market economists were growing in number, but they were very few, and they had not yet established institutions with firm ties to journalistic and mass opinion. Hence, the libertarian *mood*, but not the informed *thought*, of the masses, was ready for co-optation, especially if led by a charismatic, beloved President.

But we must not under weigh the importance of the traitorous role performed by quasi-libertarian intellectuals and free-market economists during the Reagan years. While their institutions were small and relatively weak, the power and consistency of libertarian thought had managed to bring them considerable prestige and political influence by 1980 – especially since they offered an attractive and

consistent alternative to a statist system that was breaking down on all fronts.

But talk about your Knaves! In the history of ideological movements, there have always been people willing to sell their souls and their principles. But never in history have so many sold out for so pitifully little. Hordes of libertarian and free-market intellectuals and activists *rushed* to Washington to whore after lousy little jobs, crummy little grants, and sporadic little conferences. It is bad enough to sell out; it is far worse to be a two-bit whore. And worst of all in this sickening spectacle were those who went into the tank without so much as a clear offer: betraying the values and principles of a lifetime in order *to position themselves* in hopes of being propositioned. And so they wriggled around the seats of power in Washington. The intellectual corruption spread rapidly, in proportion to the height and length of jobs in the Reagan Administration. Lifelong opponents of budget deficits remarkably began to weave sophisticated and absurd apologias, now that the great Reagan was piling them up, claiming, very much like the hated left-wing Keynesians of yore, that "deficits don't matter."

Shorn of intellectual support, the half-formed libertarian instincts of the American masses remained content with Reaganite rhetoric, and the actual diametrically opposite policies got lost in the shuffle.

Reagan's Legacy

Has the Reagan Administration done nothing good in its eight ghastly years on earth, you might ask? Yes, it has done one good thing; it has repealed the despotic 55-mile-per-hour highway speed limit. And that is it.

As the Gipper, at bloody long last, goes riding off into the sunset, he leaves us with a hideous legacy. He has succeeded in destroying the libertarian public mood of the late 1970's, and replaced it with fatuous and menacing patriotic symbols of the Nation-State, especially The Flag, which he first whooped up in his vacuous reelection campaign in 1984, aided by the unfortunate coincidence of the Olympics being held at Los Angeles. (Who will soon forget the raucous baying of the chauvinist mobs: "USA! USA!" every time some American came in third in some petty event?) He has succeeded in corrupting libertarian and free-market intellectuals and institutions, although in Ronnie's defense it must be noted that the fault lies with the corrupted and not with the corrupter.

It is generally agreed by political analysts that the ideological mood of the public, after eight years of Reaganism, is in support of *economic* liberalism (that is, an expanded welfare state), and *social* conservatism (that is, the suppression of civil liberties and the theocratic outlawing of immoral behavior). And, on foreign policy, of course, they stand for militaristic chauvinism. After eight years of Ronnie, the mood of the American masses is to expand the goodies of the welfare-warfare state (though not to increase taxes to pay for these goodies), to swagger

abroad and be very tough with nations that can't fight back, and to crack down on the liberties of groups they don't like or whose values or culture they disagree with.

It is a decidedly unlovely and unlibertarian wasteland, this picture of America 1989, and who do we have to thank for it? Several groups: the neocons who organized it; the vested interests and the Power Elite who run it; the libertarians and free marketeers who sold out for it; and above all, the universally beloved Ronald Wilson Reagan, Who Made It Possible.

As he rides off into retirement, glowing with the love of the American public, leaving his odious legacy behind, one wonders what this hallowed dimwit might possibly do in retirement that could be at all worthy of the rest of his political career. What very last triumph are we supposed to "win for the Gipper"?

He has tipped his hand: I have just read that as soon as he retires, the Gipper will go on a banquet tour on behalf of the repeal of the 22nd ("Anti-Third Term") Amendment – the one decent thing the Republicans have accomplished. In the last four decades. The 22nd Amendment was a well-deserved retrospective slap at FDR. It is typical of the depths to which the GOP has fallen that in the last few years that Republicans have been actually muttering about joining, the effort to repeal this amendment. If they are successful, then Ronald Reagan might be elected again, and reelected well into the 21st century.

In our age of High Tech, I'm sure that his mere physical death could easily have been overcome by his handlers and media mavens. Ronald Reagan will be suitably mummified, trotted out in front of a giant American flag, and some puppet master would have gotten him to give his winsome headshake and some ventriloquist would have imitated the golden tones: "We-e-ell..." (Why not? After all, the living reality of the last four years has not been a helluva lot different.)

Perhaps, after all, Ronald Reagan and almost all the rest of us will finally get our fondest wish: the election forever and ever of the mummified con King Ronnie.

Now *there* is a legacy for our descendants!