

# The November Memorandum

by Murray N. Rothbard

In a famous lyric of a generation ago, Bob Dylan twitted the then-dominant "bourgeois" culture, "it doesn't take a weatherman to know the way the wind blows." Indeed, and the significance of this phrase today has nothing to do with the group of crazed Stalinist youth who once called themselves "the Weathermen." The phrase, in fact, is all too relevant to the present day.

It means this: you don't have to have to be a certified media pundit to understand the meaning of the glorious election of November 1994. In fact, it almost seems a requirement for a clear understanding of this election not to be a certified pundit. It certainly helps not to be a member of Clinton's cadre of professional spinners and spinsters.

The election was not a repudiation of "incumbents." Not when not a single Republican incumbent lost in any Congressional, Senate, or gubernatorial seat. The election was manifestly not simply "anti-Congress," as George Stephanopoulos said. Many governorships and state legislatures experienced upheavals as well. The elections were not an expression of public anger that President Clinton's beloved goals were not being met fast enough by Congress, as Clinton himself claimed. All too many of his goals (in housing, labor, banking, and foreign policy, for example) were being realized through regulatory edict.

No, the meaning of the truly revolutionary election of 1994 is clear to anyone who has eyes to see and is willing to use them: it was a massive and unprecedented public repudiation of President Clinton, his person, his personnel, his ideologies and programs, and all of his works; plus a repudiation of Clinton's Democrat Party; and, most fundamentally, a rejection of the designs, current and proposed, of the Leviathan he heads.

In effect, the uprising of anti-Democrat and anti-Washington, D.C., sentiment throughout the country during 1994 found its expression at the polls in November in the only way feasible in the social context of

a mass democracy: by a sweeping and unprecedented electoral revolution repudiating Democrats and electing Republicans. It was an event at least as significant for our future as those of 1985–1988 in the former Soviet Union and its satellites, which in retrospect revealed the internal crumbling of an empire.

But if the popular revolution constitutes a repudiation of Clinton and Clintonism, what is the ideology being repudiated, and what principles are being affirmed?

Again, it should be clear that what is being rejected is big government in general (its taxing, mandating, regulating, gun grabbing, and even its spending) and, in particular, its arrogant ambition to control the entire society from the political center. Voters and taxpayers are no longer persuaded of a supposed rationale for American-style central planning.

On the positive side, the public is vigorously and fervently affirming its desire to re-limit and de-centralize government; to increase individual and community liberty; to reduce taxes, mandates, and government intrusion; to return to the cultural and social mores of pre-1960s America, and perhaps much earlier than that.

### **What Are the Prospects?**

Should we greet the November results with unalloyed joy? Partly, the answer is a matter of personal temperament, but there are guidelines that emerge from a realistic analysis of this new and exciting political development.

In the first place, conservatives and libertarians should be joyful at the intense and widespread revolutionary sentiment throughout the country, ranging from small but numerous grassroots outfits usually to moderate professionals and academics. The repudiation of the Democrats at the polls and the rapid translation of general popular sentiment into electoral action is indeed a cause for celebration.

But there are great problems and resistances ahead. It is vital that we prepare for them and be able to deal with them. Rolling back statism is not going to be easy. The Marxists used to point out, from long study of historical experience, that no ruling elite in history has ever voluntarily surrendered its power; or, more correctly, that a ruling elite has only been toppled when large sectors of that elite, for whatever reasons, have given up and decided that the system should be abandoned.

We need to study the lessons of the most recent collapse of a ruling elite and its monstrous statist system, the Soviet Union and its satellite Communist states. There is both good news and at least cautionary bad news in the history of this collapse and of its continuing aftermath. The overwhelmingly good news, of course, is the crumbling of the collectivist U.S.S.R., even though buttressed by systemic terror and

mass murder.

Essentially, the Soviet Union imploded because it had lost the support, not only of the general public, but even of large sectors of the ruling elites themselves. The loss of support came, first, in the general loss of moral legitimacy, and of faith in Marxism, and then, out of recognition that the system wasn't working economically, even for much of the ruling Communist Party itself.

The bad news, while scarcely offsetting the good, came from the way in which the transition from Communism to freedom and free markets was bungled. Essentially there were two grave and interconnected errors. First, the reformers didn't move fast enough, worrying about social disruption, and not realizing that the faster the shift toward freedom and private ownership took place, the less would be the disturbances of the transition and the sooner economic and social recovery would take place.

Second, in attempting to be congenial statesmen, as opposed to counter-revolutionaries, the reformers not only failed to punish the Communist rulers with, at the least, the loss of their livelihoods, they left them in place, insuring that the ruling "ex"-Communist elite would be able to resist fundamental change.

In other words, except for the Czech Republic, where feisty free-market economist and Prime Minister Vaclav Klaus was able to drive through rapid change to a genuine free market, and, to some extent, in the Baltic states, the reformers were too nice, too eager for "reconciliation," too slow and cautious. The result was quasi-disastrous: for everyone gave lip-service to the rhetoric of free markets and privatization, while in reality, as in Russia, prices were decontrolled while industry remained in monopoly government hands.

As former Soviet economist and Mises Institute senior fellow Yuri Maltsev first pointed out, it was as if the U.S. Post Office maintained its postal monopoly, while suddenly being allowed to charge \$2 for a first-class stamp: the result would be impoverishment for the public, and more money into the coffers of the State. This is the reverse of a shift to free markets and private property.

Furthermore, when privatization finally did take place in Russia, too much of it was "privatization" into the hands of the old elites, which meant a system more like Communist rule flavored by "private" gangsterism, than any sort of free market. But, crucially, free markets and private enterprise took the blame among the bewildered Russian public.

### **Betraying the Revolution**

The imminent problem facing the new American Revolution is all too similar: that, while using the inspiring rhetoric of freedom, tax-cuts, decentralization, individualism, and a rollback to small government,

the Republican Party elites will be performing deeds in precisely the opposite direction. In that way, the fair rhetoric of freedom and small government will be used, to powerful and potentially disastrous effect, as a cover for cementing big government in place, and even for advancing us in the direction of collectivism.

This systematic betrayal was the precise meaning and function of the Reagan administration. So effective was Ronald Reagan as a rhetorician, though not a practitioner, of freedom and small government, that, to this day, most conservatives have still not cottoned on to the scam of the Reagan administration.

For the "Reagan Revolution" was precisely a taking of the revolutionary, free-market, and small government spirit of the 1970s, and the other anti-government vote of 1980, and turning it into its opposite, without the public or even the activists of that revolution realizing what was going on.

It was only the advent of George Bush, who continued the trend toward collectivism while virtually abandoning the Reaganite rhetoric, that finally awakened the conservative public. (Whether Ronald Reagan himself was aware of his role, or went along with it, is a matter for future biographers, and is irrelevant to the objective reality of what actually happened.)

Are we merely being "cynical" (the latest self-serving Clintonian term), or only basing our cautionary warnings on one historical episode? No, we are simply looking at the activity and function of the Republican elites since World War II.

Since World War II, and especially since the 1950s, the function of the Republican Party has been to be the "loyal," "moderate," "bi-partisan," pseudo-opposition to the collectivist and leftist program of the Democratic Party. Unlike the more apocalyptic and impatient Bolsheviks, the Mensheviks (or social democrats, or corporate liberals, or "responsible" liberals, or "responsible" conservatives, or neo-conservatives – the labels change, but the reality remains the same) try to preserve an illusion of free choice for the American public, including a two-party system, and at least marginal freedom of speech and expression.

The goal of these "responsible" or "enlightened" moderates has been to participate in the march to statism, while replacing the older American ideals of free markets, private property, and limited government with cloudy and noisy rhetoric about the glories of "democracy," as opposed to the one-party dictatorship of the Soviet Union.

Indeed, "democracy" is so much the supposed overriding virtue that advancing "democracy" throughout the globe is now the sole justification for the "moderate," "bi-partisan," Republicrat policy of global intervention, foreign aid, and trade mercantilism. Indeed, now that the collapse of the Soviet Union has eliminated the specter of a

Soviet threat, what other excuse for such a policy remains?

While everyone is familiar with the bi-partisan, monopoly-cartel foreign policy that has been dominant since World War II, again pursued under various excuses (the Soviet threat, reconstruction of Europe, "helping" the Third World, "free-trade," the global economy, "global democracy," and always an inchoate but pervasive fear of a "return to isolationism"), Americans are less familiar with the fact that the dominant Republican policy during this entire era has been bi-partisan in domestic affairs as well.

If we look at the actual record and not the rhetoric, we will find that the function of the Democrat administrations (especially Roosevelt, Truman, and Johnson), has been to advance the march to collectivism by Great Leaps Forward, and in the name of "liberalism"; while the function of the Republicans has been, in the name of opposition or small government or "conservatism," to fail to roll back any of these "social gains," and indeed, to engage in more big-government collectivizing of their own (especially Eisenhower, Nixon, Reagan, and Bush). Indeed, it is arguable that Nixon did even more to advance big government than his earthy Texas predecessor.

### **The Illusion of Choice**

Why bother with maintaining a farcical two-party system, and especially why bother with small-government rhetoric for the Republicans? In the first place, the maintenance of some democratic choice, however illusory, is vital for all varieties of social democrats. They have long realized that a one-party dictatorship can and probably will become cordially hated, for its real or perceived failures, and will eventually be overthrown, possibly along with its entire power structure.

Maintaining two parties means, on the other hand, that the public, growing weary of the evils of Democrat rule, can turn to out-of-power Republicans. And then, when they weary of the Republican alternative, they can turn once again to the eager Democrats waiting in the wings. And so, the ruling elites maintain a shell game, while the American public constitute the suckers, or the "marks" for the ruling con-artists.

The true nature of the Republican ruling elite was revealed when Barry Goldwater won the Republican nomination for President in 1964. Goldwater, or the ideologues and rank-and-file of his conservative movement, were, or at least seemed to be, genuinely radical, small government, and anti-Establishment, at least on domestic policy. The Goldwater nomination scared the Republican elites to such an extent that, led by Nelson Rockefeller, they openly supported Johnson for president.

The shock to the elites came from the fact that the "moderates," using their domination of the media, finance, and big corporations, had been able to control the delegates at every Republican presidential

convention since 1940, often in defiance of the manifest will of the rank-and-file (e.g., Willkie over Taft in 1940, Dewey over Taft in 1944, Dewey over Bricker in 1948, Eisenhower over Taft in 1952). Such was their power that they did not, as usually happens with open party traitors, lose all their influence in the Republican Party thereafter.

It was the specter of the stunning loss of Goldwater that probably accounts for the eagerness of Ronald Reagan or his conservative movement, upon securing the nomination in 1980, to agree to what looks very much like a rigged deal (or what John Randolph of Roanoke once famously called a "corrupt bargain").

The deal was this: the Republican elites would support their party's presidential choice, and guarantee the Reaganauts the trappings and perquisites of power, in return for Reaganaut agreement not to try seriously to roll back the Leviathan State against which they had so effectively campaigned. And after 12 years of enjoyment of power and its perquisites in the executive branch, the Official Conservative movement seemed to forget whatever principles it had.

### **The Parasitic Elite**

So is our message unrelieved gloom? Is everything hopeless, are we all in the ineradicable grip of the ruling elite, and should we all just go home and forget the whole thing? Certainly not. Apart from the immorality of giving up, we have so far not mentioned the truly optimistic side of this equation. We can begin this way: even given the necessity of the elite maintaining two parties, why do they even have to indulge in radical rightist, small-government rhetoric?

After all, the disjunction between rhetoric and reality can become embarrassing, even aggravating, and can eventually lose the elites the support of the party rank-and-file, as well as the general public. So why indulge in the rhetoric at all? Goldwater supporter Phyllis Schlafly famously called for a "choice, not an echo"; but why does the Establishment allow radical choices, even in rhetoric?

The answer is that large sections of the public opposed the New Deal, as well as each of the advances to collectivism since then. The rhetoric is not empty for much of the public, and certainly not for most of the activists of the Republican Party. They seriously believe the anti-big-government ideology. Similarly, much of the rank-and-file, and certainly the activist Democrats, are more openly, more eagerly, collectivist than the Democrat elite, or the Demopublican elite, would desire.

Furthermore, since government interventionism doesn't work, since it is despotic, counter-productive, and destructive of the interests of the mass of the people, advancing collectivism will generate an increasingly hostile reaction among the public, what the media elites sneer at as a "backlash."

In particular, collectivist, social democratic rule destroys the prosperity, the freedom, and the cultural, social, and ethical principles and practices of the mass of the American people, working and middle classes alike. Rule by the statist elite is not benign or simply a matter of who happens to be in office: it is rule by a growing army of leeches and parasites battenning off the income and wealth of hard-working Americans, destroying their property, corrupting their customs and institutions, sneering at their religion.

The ultimate result must be what happens whenever parasites multiply at the expense of a host: at first gradual descent into ruin, and then finally collapse. (And therefore, if anyone cares, destruction of the parasites themselves.)

Hence, the ruling elite lives chronically in what the Marxists would call an "inner contradiction": it thrives by imposing increasing misery and impoverishment upon the great majority of the American people.

The parasitic elite, even while ever increasing, has to comprise a minority of the population, otherwise the entire system would collapse very quickly. But the elite is ruling over, and demolishing, the very people, the very majority, who are supposed to keep these destructive elites perpetually in power by periodic exercise of their much-lauded "democratic" franchise. How do the elites get away with this, year after year, decade after decade, without suffering severe retribution at the polls?

### **The Ruling Coalition**

A crucial means of establishing and maintaining this domination is by co-opting, by bringing within the ruling elite, the opinion-moulding classes in society. These opinion-moulders are the professional shapers of opinion: theorists, academics, journalists and other media movers and shakers, script writers and directors, writers, pundits, think-tankers, consultants, agitators, and social therapists. There are two essential roles for these assorted and proliferating technocrats and intellectuals: to weave apologies for the statist regime, and to help staff the interventionist bureaucracy and to plan the system.

The keys to any social or political movement are money, numbers, and ideas. The opinion-moulding classes, the technocrats and intellectuals supply the ideas, the propaganda, and the personnel to staff the new statist dispensation. The critical funding is supplied by figures in the power elite: various members of the wealthy or big business (usually corporate) classes. The very name "Rockefeller Republican" reflects this basic reality.

While big-business leaders and firms can be highly productive servants of consumers in a free-market economy, they are also, all too often, seekers after subsidies, contracts, privileges, or cartels furnished by big government. Often, too, business lobbyists and leaders are the sparkplugs for the statist, interventionist system.

What big businessmen get out of this unholy coalition on behalf of the super-state are subsidies and privileges from big government. What do intellectuals and opinion-moulders get out of it? An increasing number of cushy jobs in the bureaucracy, or in the government-subsidized sector, staffing the welfare-regulatory state, and apologizing for its policies, as well as propagandizing for them among the public. To put it bluntly, intellectuals, theorists, pundits, media elites, etc. get to live a life which they could not attain on the free market, but which they can gain at taxpayer expense – along with the social prestige that goes with the munificent grants and salaries.

This is not to deny that the intellectuals, therapists, media folk, *et al.*, may be "sincere" ideologues and believers in the glorious coming age of egalitarian collectivism. Many of them are driven by the ancient Christian heresy, updated to secularist and New Age versions, of themselves as a cadre of Saints imposing upon the country and the world a communistic Kingdom of God on Earth.

It is, in any event, difficult for an outsider to pronounce conclusively on anyone else's motivations. But it still cannot be a coincidence that the ideology of Left-liberal intellectuals coincides with their own vested economic interest in the money, jobs, and power that burgeoning collectivism brings them. In any case, any movement that so closely blends ideology and an economic interest in looting the public provides a powerful motivation indeed.

Thus, the pro-state coalition consists of those who receive, or expect to receive, government checks and privileges. So far, we have pinpointed big business, intellectuals, technocrats, and the bureaucracy. But numbers, voters, are needed as well, and in the burgeoning and expanding state of today, the above groups are supplemented by other more numerous favored recipients of government largess: welfare clients and, especially in the last several decades, members of various minority social groups who are defined by the elites as being among the "victims" and the "oppressed."

As more and more of the "oppressed" are discovered or invented by the Left, ever more of them receive subsidies, favorable regulations, and other badges of "victimhood" from the government. And as the "oppressed" expand in ever-widening circles, be they blacks, women, Hispanics, American Indians, the disabled, and on and on *ad infinitum*, the voting power of the Left is ever expanded, again at the expense of the American majority.

### **Conning the Majority**

Still, despite the growing number of receivers of government largess, the opinion-moulding elites must continue to perform their essential task of convincing or soft-soaping the oppressed majority into not realizing what is going on. The majority must be kept contented, and

quiescent. Through control of the media, especially the national, "respectable" and respected media, the rulers attempt to persuade the deluded majority that all is well, that any voice except the "moderate" and "respectable" wings of both parties are dangerous "extremists" and loonies who must be shunned at all costs.

The ruling elite and the media try their best to keep the country's tack on a "moderate . . . vital center" – the "center," of course, drifting neatly leftward decade after decade. "Extremes" of both Right and Left should be shunned, in the view of the Establishment. Its attitudes toward both extremes, however, are very different.

The Right are reviled as crazed or evil reactionaries who want to go beyond the acceptable task of merely slowing down collectivist change. Instead, they actually want to "turn back the clock of history" and repeal or abolish big government. The Left, on the other hand, are more gently criticized as impatient and too radical, and who therefore would go too far too fast and provoke a dangerous counter-reaction from the ever-dangerous Right. The Left, in other words, is in danger of giving the show away.

### **The Advent of Clinton**

Things were going smoothly for the vital center until the election of 1992. America was going through one of its periodic revulsions from the party in power, Bush was increasingly disliked, and the power elite, from the Rockefellers and Wall Street to the neo-conservative pundits who infest our press and our TV screens, decided that it was time for another change. They engaged in a blistering propaganda campaign against Bush for his tax increases (the same people ignored Reagan's tax increases) and excoriated him for selling out the voters' mandate for smaller government (at a Heritage Foundation event just before the election, for example, an employee carried a realistic and bloodied head of Bush around on a platter).

Even more crucially, the elites assured the rest of us that Bill Clinton was an acceptable Moderate, a "New Democrat," at worst a centrist who would only supply a nuanced difference from the centrist Republican Bush, and, at best, a person whom Washington and New York moderates and conservatives and Wall Street could work with.

But the ruling elite, whether Right- or Left-tinged, is neither omnipotent nor omniscient – they goof just like the rest of us. Instead of a moderate leftist, they got a driven, almost fanatical leftist administration, propelled by the president's almost maniacal energy, and the arrogant and self-righteous Hillary's scary blend of Hard Left ideology and implacable drive for power.

The rapid and all-encompassing Clintonian shift leftward upset the Establishment's applecart. The sudden Hard Left move, blended with an unprecedented nationwide reaction of loathing for Clinton's persona and character, opened up a gap in the center, and provoked an intense and widespread public detestation of Clinton and of big government

generally.

The public had been tipped over, and had had enough; it was fed up. An old friend reminds me that the Republicans could well have campaigned on the simple but highly effective slogan of their last great party victory of 1946: "Had Enough? Vote Republican!" In short, the right-wing populist, semi-libertarian, anti-big government revolution had been fully launched.

What is the ruling elite to do now? It has a difficult task on its hands – a task which those genuinely devoted to the free market must be sure to make impossible.

The ruling elite must do the following. First, it must make sure that, whatever their rhetoric, the Republican leadership in Congress (and its eventual presidential nominee) keep matters nicely centrist and "moderate," and, however they dress it up, maintain and even advance the big-government program.

Second, at least for the next two years, they must see to it that Clinton swings back to his earlier New Democrat trappings, and drops his Hard Left program. In this way, the newly triumphant centrists of both parties could engage once again in cozy collaboration, and the financial and media elites could sink back comfortably into their familiar smooth-sailing, steadily advancing collectivistic groove.

### **Thwarting Democracy**

It is no accident that both of these courses of action imply the thwarting of democracy and democratic choice. There is no doubt that the Democratic Party base – leftists, minorities, teacher unions, etc. – as well as the party militants and activists, are clamoring for the continuation and even acceleration of Clinton's Hard Left program.

On the other hand, the popular will, as expressed in the sweep of 1994, by the middle and working class majority, and certainly by the militants and activists of the Republican Party, is in favor of rolling back and toppling big government and the welfare state. Not only that, they are fed up, angry, and determined to do so: that is, they are in a revolutionary mood.

Have you noticed how the social democratic elites, though eternally yammering about the vital importance of "democracy," American and global, quickly turn sour on a democratic choice whenever it is something they don't like? How quick they then are to thwart the democratic will, by media smears, calumny and outright coercive suppression.

Since the ruling elite lives by fleecing and dominating the ruled, their economic interests must always be in opposition. But the fascinating feature of the American scene in recent decades has been the unprecedented conflict, the fundamental clash, between the ruling

liberal/intellectual/business/bureaucratic elites on the one hand, and the mass of Americans on the other. The conflict is not just on taxes and subsidies, but across the board socially, culturally, morally, aesthetically, religiously.

In a penetrating article in the December 1994 *Harper's*, the late sociologist Christopher Lasch, presaging his imminent book, *The Revolt of the Elites*, points out how the American elites have been in fundamental revolt against virtually all the basic American values, customs, and traditions. Increasing realization of this clash by the American grass roots has fueled and accelerated the right-wing populist revolution, a revolution not only against Washington rule, taxes, and controls, but also against the entire panoply of attitudes and mores that the elite are trying to foist upon the recalcitrant American public. The public has finally caught on and is rising up angry.

### **Prop. 187: A Case Study**

California's Proposition 187 provides a fascinating case study of the vital rift between the intellectual, business, and media elites, and the general public. There is the massive funding and propaganda the elites are willing to expend to thwart the desires of the people; the mobilizing of support by "oppressed" minorities; and finally, when all else fails, the willingness to wheel in the instruments of anti-democratic coercion to block, permanently if possible, the manifest will of the great majority of the American people. In short, "democracy" in action!

In recent years, a flood of immigrants, largely illegal, has been inundating California, some from Asia but mainly from Mexico and other Latin American countries. These immigrants have dominated and transformed much of the culture, proving unassimilable and swamping tax-supported facilities such as medical care, the welfare rolls, and the public schools. In consequence, former immigration official Harold Ezell helped frame a ballot initiative, Prop. 187, which simply called for the abolition of all taxpayer funding for illegal immigrants in California.

Prop. 187 provided a clear-cut choice, an up-or-down referendum on the total abolition of a welfare program for an entire class of people who also happen to be lawbreakers. If we are right in our assessment of the electorate, such an initiative should gain the support of not only every conservative and libertarian, but of every sane American. Surely, illegals shouldn't be able to leach off the taxpayer.

Support for Prop. 187 spread like wildfire, it got signatures galore, and it quickly spurred to a 2:1 lead in the polls, although its organized supporters were only a network of small, grass-roots groups that no one had ever heard of. But every single one of the prominent, massively funded elite groups not only opposed Prop. 187, but also smeared it unmercifully.

The smearbund included big media, big business, big unions,

organized teachers, organized medicine, organized hospitals, social workers (the latter four groups of course benefitting from taxpayer funds channeled to them via the welfare-medical-public school support system), intellectuals, writers, academics, leftists, neo-conservatives, etc. They denounced Prop. 187 grass-roots proponents as nativists, fascists, racists, xenophobes, Nazis, you name it, and even accused them of advocating poverty, starvation, and typhoid fever.

Joining in this richly-funded campaign of hysteria and smear was the entire official libertarian (or Left-libertarian) movement, including virtually every "free-market" and "libertarian" think tank except the Mises Institute. The Libertarian Party of California weighed in too, taking the remarkable step of fiercely opposing a popular measure that would eliminate taxpayer funding of illegals, and implausibly promising that if enough illegals came here, they would eventually rise up and slash the welfare state.

The once-consistently libertarian *Orange County Register* bitterly denounced Prop. 187 day after day, and vilified Orange County Republican Congressman Dana Rohrabacher, who had long been close to the *Register* and the libertarian movement, for favoring Prop. 187. These editorials provoked an unprecedented number of angry letters from the tax-paying readership.

For their part, the neo-conservative and official libertarian think tanks joined the elite condemnation of Prop. 187. Working closely with Stephen Moore of the Cato Institute, Cesar Conda of the Alexis de Tocqueville Institution circulated a statement against the measure that was signed by individuals at the Heritage Foundation, the American Enterprise Institute, the Manhattan Institute, the Reason Foundation, and even the Competitive Enterprise Institute.

The *Wall Street Journal* denounced the initiative almost as savagely as did the Establishment liberal *Los Angeles Times*, while neo-conservative presidential hopefuls Jack Kemp and Bill Bennett cut their own political throats by issuing a joint statement, from the center of the Leviathan, Washington, D.C., urging Californians to defeat the measure. This act was self-destructive because Governor Pete Wilson, leading the rest of the California Republican Party, saved his political bacon by climbing early onto Prop. 187, and riding the issue to come from far behind to crush leftist Kathleen Brown.

The case of the think tanks is a relatively easy puzzle to solve. The big foundations that make large grants to right-of-center organizations were emphatically against Prop. 187. Also having an influence was the desire for media plaudits and social acceptance in the D.C. hothouse, where one wrong answer leads to loss of respectability.

But the interesting question is why did Kemp and Bennett join in the campaign against Prop. 187, and why do they continue to denounce it even after it has passed? After all, they could have said nothing; not being Californians, they could have stayed out of the fray.

Reliable reports reveal that Kemp and Bennett were "persuaded" to take this foolhardy stand by the famed William Kristol, in dynastic and apostolic succession to his father Irving as godfather of the neo-conservative movement.

It is intriguing to speculate on the means by which Kristol managed to work his persuasive wiles. Surely the inducement was not wholly intellectual; and surely Kemp and Bennett, especially in dealing with the godfather, have to keep their eye, not simply on their presidential ambitions, but also on the extremely lucrative and not very onerous institutional positions that they now enjoy.

In the meantime, as per the usual pattern, the ruling elites were able to mobilize the "oppressed" sectors of the public against Prop. 187, so that blacks and groups that have been and will continue to be heavily immigrant, such as Asians and Jews, voted in clear if modest majorities against the measure.

Voting overwhelmingly against Prop. 187, of course, were the Hispanics, who constitute the bulk of legal and illegal immigrants into that state, with many of the illegals voting illegally as well. Polarizing the situation further, Mexicans and other Hispanics demonstrated in large numbers, waving Mexican and other Latin American flags, brandishing signs in Spanish, and generally enraging white voters. Even the Mexican government weighed in, with the dictator Salinas and his successor Zedillo denouncing Prop. 187 as a "human rights violation."

After a massive October blitz by the media and the other elites, media polls pronounced that Prop. 187 had moved from 2:1 in favor to neck-and-neck, explaining that "once the public had had a chance to examine Prop. 187, they now realized," and blah blah. When the smoke had cleared on election night, however, it turned out that after all the money and all the propaganda, Prop. 187 had passed by just about . . . 2:1! In short, either the media polls had lied, or, more likely, the public, sensing the media hostility and the ideological and cultural clash, simply lied to the pollsters.

The final and most instructive single point about this saga is simply this: the elites, having lost abysmally despite their strenuous efforts, and having seen the democratic will go against them in no uncertain fashion, quickly turned to naked coercion. It took less than 24 hours after the election for a federal judge to take out what will be a multi-year injunction, blocking any operation of Prop. 187, until at some future date, the federal judiciary should rule it unconstitutional. And, in a couple of years, no doubt the federal judicial despots, headed by the Supreme Court, will so declare.

### **So Much for "Democracy"!**

To liberals, neocons, official conservatives, and all elites, once the federal judiciary, in particular the venerated Supreme Court, speaks, everyone is supposed to shut up and swallow the result. But why?

Because an independent judiciary and judicial review are supposed to be sacred, and supply wise checks and balances on other branches of government?

But this is the greatest con, the biggest liberal shell game, of all. For the whole point of the Constitution was to bind the central government with chains of steel, to keep it tightly and strictly limited, so as to safeguard the rights and powers of the states, local communities, and individual Americans.

In the early years of the American Republic, no political leader or statesman waited for the Supreme Court to interpret the Constitution; and the Court did not have the monopoly of interpreting the Constitution or of enforcing it. Unfortunately, in practice, the federal judiciary is not "independent" at all. It is appointed by the President, confirmed by the Senate, and is from the very beginning part of the federal government itself.

But, as John C. Calhoun wisely warned in 1850, once we allow the Supreme Court to be the monopoly interpreter of governmental – and therefore of its own – power, eventual despotism by the federal government and its kept judiciary becomes inevitable. And that is precisely what has happened. From being the instrument of binding down and severely limiting the power of the federal Leviathan, the Supreme Court and the rest of the judiciary have twisted and totally transformed the Constitution into a "living" instrument and thereby a crucial tool of its own despotic and virtually absolute power over the lives of every American citizen.

One of the highly popular measures among the American people these days is term limits for state and federal legislatures. But the tragedy of the movement is its misplaced focus. Liberals are right, for once, when they point out that the public can "limit" legislative terms on their own, as they did gloriously in the November 1994 elections, by exercising their democratic will and throwing the rascals out.

But of course liberals, like official conservatives, cleverly fail to focus on those areas of government that are in no way accountable to the American public, and who cannot be thrown out of office by democratic vote at the polls. It is these imperial, swollen, and tyrannical branches of government that desperately need term limits and that no one is doing anything about. Namely, the executive branch which, apart from the president himself by third-term limit, is locked permanently into civil service and who therefore cannot be kicked out by the voters; and, above all, the federal judges, who are there for fourteen years, or, in the case of the ruling Supreme Court oligarchy, fastened upon us for life.

What we really need is not term limits for elected politicians, but the abolition of the civil service (which only began in the 1880s) and its alleged "merit system" of technocratic and bureaucratic elites; and, above all, elimination of the despotic judiciary.

## Why Democracy Anyway?

Across the ideological spectrum, from leftist to liberal to neo-conservative to official conservative, "democracy" has been treated as a shibboleth, as an ultimate moral absolute, virtually replacing all other moral principles including the Ten Commandments and the Sermon on the Mount. But despite this universal adherence, as Mises Institute senior fellow David Gordon has pointed out, "virtually no argument is ever offered to support the desirability of . . . democracy, and the little that is available seems distressingly weak." The overriding imperative of democracy is considered self-evident and sacred, apparently above discussion among mere mortals.

What, in fact, is so great about democracy? Democracy is scarcely a virtue in itself, much less an overriding one, and not nearly as important as liberty, property rights, a free market, or strictly limited government. Democracy is simply a process, a means of selecting government rulers and policies. It has but one virtue, but this can indeed be an important one: it provides a peaceful means for the triumph of the popular will.

Ballots, in the old phrase, can serve as a peaceful and non-disruptive "substitute for bullets." That is why it makes sense to exhort people who advocate a radical (in the sense of sharp, not necessarily leftist) change from the existing polity to "work within the system" to convince a majority of voters rather than to engage in violent revolution.

When the voters desire radical change, therefore, it becomes vitally important to reflect that change quickly and smoothly in political institutions; blockage of that desire subverts the democratic process itself, and polarizes the situation so as to threaten or even bring about violent conflict in society. If ballots are indeed to be a substitute for bullets, then the ballots have to be allowed to work and take rapid effect.

This is what makes the blockage of voter mandates such as Prop. 187 so dangerous and destructive. And yet, it is clear that the ruling elites, failing at the ballot box, are ready and eager to use anti-democratic means to suppress the desires of the voters.

Prop. 187 is only one example. Another is the Gatt treaty setting up a World Trade Organization to impose global mercantilism, which was overwhelmingly opposed by the voters. It was brought to a vote in a repudiated and lame-duck Congress, by politicians who, as Mises Institute president Lew Rockwell pointed out, were virtually wearing price tags around their necks.

No doubt that the federal judiciary would find nothing unconstitutional about this. But it is ready to manufacture all sorts of constitutional "rights" which appear nowhere in the Constitution and are soundly opposed by the electorate. These include the right to an education, including the existence of well-funded public schools; the right of

gays not to be discriminated against; civil rights, affirmative action, and on and on.

Here we need deal only with the famous *Roe v. Wade* decision, in which the Supreme Court manufactured a federal "right" to abortion; ever since the founding of the Constitution, matters such as these were always considered part of the jurisdiction of state governments and the police power. The federal government is only supposed to deal with foreign affairs and disputes between states.

As *Washington Times* columnist and Mises Institute adjunct scholar Samuel Francis has pointed out, the horror at anti-abortionists employing violence against abortion doctors and clinics is appropriate, but misses the crucial point: namely, that those who believe that abortion is murder and should be outlawed were told, like everyone else, to be peaceful and "work within" the democratic system. They did so, and persuaded voters and legislatures of a number of states to restrict or even outlaw abortion.

But all of this has been for nought, because the unelected, unaccountable, life-tenured Supreme Court has pronounced abortion a federal right, thereby bypassing every state legislature, and everyone is now supposed to roll over and play dead. But in that case, aren't such anti-democratic pronouncements of the Supreme Court despots an open invitation to violence?

In response to violence by a few anti-abortionists, the pro-abortion movement has come dangerously close to calling for suppression of free speech: since they claim that those who believe that abortion is murder are really responsible for the violence since they have created an ideological atmosphere, a "climate of hate," which sets the stage for violence. But the shoe, of course, is really on the other foot. The stage, the conditions for the violence, have been set, not by anti-abortion writers and theorists, but by the absolute tyrants on the Supreme Court and those who weave apologetics for that absolute rule.

It was not always thus. The truly democratic spirit of the Old Republic was much better expressed in the famous words of President Andrew Jackson about the leading big-government man of that epoch: "Mr. Justice Marshall has made his decision; now let him enforce it."

### **What To Do About the Judiciary**

An essential ingredient of a truly effective revolution is that something must be done about the tyrannical judiciary. It is not enough, though vital, to advocate other essential legislative measures to roll back and abolish big government and the welfare state. The federal judiciary must be defanged for any of these programs to work.

Assuming that public pressure and voting can gain working control of Congress, it must then proceed against the federal judiciary. How? Impeachment is much too slow and cumbersome a process, and can

only be done judge by judge. A constitutional amendment, to be submitted by Congress or the required number of states, the favorite goal of the term limits and Prop. 187 movements, is better, but is also very slow and can be blocked by a minority of the people. The swiftest and most direct path would be for Congress to act, as it can without cumbersome amendments, to remove virtually the entire jurisdiction of the federal judiciary.

Thus, if it is so desired, Congress can repeal the various federal judiciary acts and pass a new one returning the federal courts to their original very narrow and limited jurisdiction. And while, within the Constitution, Congress has to pay each Supreme Court member his existing salary, it can, using its appropriation power, strip the judges of all staff, clerks, buildings, perquisites, etc.

Furthermore, the Constitution only mandates a Supreme Court; Congress can abolish the rest of the federal judiciary, including the district and appeals courts, and thereby effectively crush the power of the Supreme Court by leaving it alone to try to handle all the thousands of cases that come annually before the federal courts. In a war between Congress and the federal courts, Congress possesses all the trump cards.

### **Has the Revolution Already Been Betrayed?**

It took less than twenty-four hours for the great, peaceful, democratic, popular revolution against big government and all its works to be betrayed. Not just by the courts, but most strikingly by the leadership among Republican Congressmen and Senators now positioned to thwart the will of the new Republicans whom the public installed to carry out their wishes. The leadership was egged on by our old friend William Kristol, who, at every post-election speech, urged Republicans not to go on "kamikaze" or "suicide" missions against big government. Instead, he urged them to focus on institutional reforms, win symbolic victories against one or two programs, slowly build public support for new reforms, etc.

And what should be the goal of all this tinkering and maneuvering? The goal, as he told an Empower America audience, is for Republicans to win back the White House in 1996. To Kristol and his friends, power for its own sake is the sole end of politics. What about limited government, liberty, property, and the like? Those are fine ideas to feed the conservative masses, but they have no relevance to "governing."

While the rank-and-file of conservatives has long caught on to Bob "High Tax" Dole, the major and dangerous betrayer of the Revolution is Newt Gingrich, who often engages in fiery, revolutionary, rightist rhetoric while actually collaborating with and sidling up to the collectivist welfare state. In the eighties, his spending record was not especially conservative and, indeed, was below average for Republicans. Recall too that the major legislative victory of this self-proclaimed "free trader" was the imposition of trade sanctions on

South Africa, which he and Jack Kemp worked so hard for.

Unfortunately, the conservative public is all too often taken in by mere rhetoric and fails to weigh the actual deeds of their political icons. So the danger is that Gingrich will succeed not only in betraying, but in conning the revolutionary public into thinking that they have already won and can shut up shop and go home. There are a few critical tests of whether Gingrich or his "contract" is really, in actual deed, keeping faith with the revolution or whether he, or the other Republican leaders, are betraying it.

*Taxes.* Are tax rates, especially income taxes, substantially reduced (and, as soon as possible, abolished)? More important, is total tax revenue substantially reduced? Unfortunately, all the Republican leaders, including Gingrich, are still firmly committed to the axiom underlying the disastrous Bush-Democrat budget agreement of 1990: that any cut in tax revenue anywhere must be "balanced" by increased taxes, or "fees," or "contributions," somewhere else. So, in addition to big tax cuts in income taxes, no new or increased taxes should be proposed in any other area.

*Government Spending.* There must be big cuts in federal government spending, and that means real cuts, "cut-cuts," and not "capping," cuts in the rate of growth of spending, cuts in projected increases, consolidations, spending transfers, and all the rest of the nonsense that has altered the meaning of the simple word "cut." So far, "revolutionary" Gingrich has only talked about capping some spending to allow "cost of living" increases and transferring spending responsibilities from one agency or level of government to another.

But do I mean, horrors! cuts in defense, cuts in Social Security, cuts in Medicare, and all the rest? Yes, yes, and yes. It would be simplest and most effective to pass, say, an immediate, mandated 30% federal spending cut, to take effect in the first year. The slash would override any existing entitlements, and the bureaucrats could work out their hysteria by deciding what should be cut within this 30% mandate.

*Deregulation.* Deregulation of business and of individuals should be massive and immediate. There is no conceivable worthy argument for gradualism or "phasing in" in this area. It goes without saying that all unfunded mandates to states or individuals should be abolished forthwith. All "civil rights," disabilities "rights," regulations, etc. should be abolished. The same goes for any ballot or campaign regulations, let alone "reforms." Regulations and controls on labor relations, including the Norris-LaGuardia anti-injunction act and the sainted National Labor Relations Act, should be abolished.

*Privatization.* A serious move should be made to privatize federal government operations, and if not, to turn them over to the states, or at least, to private competition. A clear example would be the losing, inefficient, backward Postal Service. Federal public lands is another excellent example. Divesting federal assets, in addition to being a great good in itself, and aiding the Western anti-federal land

revolution, would also help lower government expenditures.

*Cutting the Bureaucracy.* Again, capping, or slowing the rate of increase, of government employees, doesn't make a cut. There must be massive reductions, including abolition of entire useless and counter-productive government agencies. As a good start, how about abolishing the Departments of Energy, Education, HUD, Health and Human Services, and Commerce? And that means abolishing their functions as well. Otherwise, in a typical bureaucratic trick, the same functions would be shuffled to other existing departments or agencies,

*Racial Preferences and Gun Control.* Every honest pollster has to admit that these two issues were crucially important in the election, especially among a segment of the white male population who had previously evinced little interest in politics. Any government that denies a person the right to defend himself against private and public intrusion, and also prevents students and workers from realizing gains from their own hard work and study, is not a morally legitimate government. Yet at the urging of the Republican elite, the party has said nothing on these two issues. Gingrich himself has pledged not to repeal the Brady Bill, and the subject of civil-rights socialism is still banned from public discussion. Republicans are well positioned to break the ban, but the leadership is not interested in doing so.

*Ending Counterfeit Money.* Money is the most important single feature of the economy, and one way in which the government finances its own deficits and creates perpetual inflation is through what is essentially the printing of counterfeit money. To end this critical and destructive feature of statism and government intervention, we must return to a sound, free market money, which means a return to a gold-coin standard for the dollar and the abolition of another crucial despotic federal agency not subject to popular or Congressional control: the Federal Reserve System, by which the government cartelizes and subsidizes the banking system. Short of abolition of the Fed, its operations should be "capped" or frozen, that is, it should never be allowed to purchase more assets.

*Foreign Intervention, Including Foreign Aid and International Bureaucracies.* Here is yet another case where all the "respectable" ruling elites, be they bureaucrats, academics, think tanks, big media, big business, banks, etc. are in total and admitted conflict with the general public. Under cover of the alleged necessity for "bi-partisanship," the elites have imposed intervention, foreign aid, internationally managed trade, and approaches to world economic and even political government, against the wishes of the great majority of the American public.

In every case, from the United Nations and the Marshall Plan to Nafta and GATT, the Republican leadership has gone in lockstep with the Democrats. As a result, Clinton was able to wheel in every ex-President, regardless of party, to agitate for each new measure of his. And at each step of the way, the President and the elites have threatened disaster to the world if each step is even delayed. And so

far they have gotten away with it, despite the wishes of the public.

Using the above checklist, and sticking to these guidelines, every reader can easily decide for himself whether Gingrich, Dole, et al. have betrayed, or have cleaved to, the popular anti-big government, anti-Washington revolution. Forget such unenforceable diversions and gimmicks as the balanced-budget amendment, changing committee names, imposing new laws on Congress, or such relative trivia as the capital-gains tax cut, and look to real tax cuts, really balanced budgets, repealed regulations, and eliminated agencies.

The clearest test of whether the revolution has already been betrayed is to look at the truly outrageous action of Gingrich and Dole in betraying not only the popular revolution, but even their own recent victory. For they have scrambled, not only to pass the Clinton-Bush Gatt/WTO, but also to defy their own voters by agreeing to rush it through a totally discredited, Democrat-run, lame-duck Congress. The usual media outlets were strangely silent on the views of the American public, but an independent poll showed that 75% of the people opposed what as essentially a criminal procedure.

The disgusting spectacle of the defeated and discredited Tom Foley presiding over the shoving through of Gatt, with the help of Gingrich and Dole, and with the aid of the unconstitutional "fast track," was too much to bear. Foley is now lounging at home on the \$123,804 pension he is "entitled" to for his years of government "service." Even after we kick them out of office, we can't stop these leeches from voting for global government schemes and sucking the blood of the taxpayer!

In this shocking and abject surrender to the Executive, Congress agreed to cut its own throat by depriving itself (and all its constituents) of the power to discuss and amend this monstrous treaty and even to collude in calling it an "agreement," so they can violate the clear constitutional requirement for a two-thirds vote of the Senate.

The elites can generally count on liberals to support big-government legislation like Gatt, Nafta, and the rest of the mercantilist-managerial apparatus of global economic control. But we must not forget, as the *Wall Street Journal* bragged the day of the Senate vote, that "The House GOP has now provided the bulk of votes for Bill Clinton's two notable achievements – Nafta and GATT."

The rank and file is not at fault for these travesties of multinational statism. Many decent Republicans, including the others from Gingrich's state, voted against the treaty. But Gingrich will now use his power to punish such dissenters, and the incident will not be the last plunge taken by the Republican leadership into the politics of betrayal.

### **What Should Be Done?**

The above assessment does not mean that there is no hope, that

nothing can be done. On the contrary, what can and must be done is to mobilize the radical and revolutionary sentiment among the people. We need to translate the public's deeply held views into continuing pressure upon the government, especially on the Senators and Congressmen they have recently elected.

Among the freshman Congressmen, in particular, there are many genuine rightists and populists who sincerely burn to roll back big government, and who are not beholden to the Gingriches and the Rockefellers of the Republican Establishment. The voters and their organizations, aided by the truly conservative members of Congress, could keep pressuring the political elites to start putting into effect, instead of blocking, the will of the very voters that put them into power. If not, they can be swept away.

But nothing can be done without education. It is the crucially important task of conservative or libertarian intellectuals, think tanks, and opinion leaders such as the Mises Institute, to educate the public, businessmen, students, academics, journalists, and politicians about the true nature of what is going on, and about the vicious nature of the bi-partisan ruling elites.

We must remember that the elites are a minority of the population; they have gotten away with their deceit and their misinformation because they have been in effective control of the institutional (media, intellectuals, etc.) channels that mould public opinion.

Most of the public have already come to a healthy suspicion and distrust of all the elites, and of their tendency to deceive and betray. But this mood of healthy distrust is not enough; the public and the worthy people in the media, academia, and politics, also have to understand what is really going on. In particular, they have to realize what measures would fulfill the popular will and carry through its desired revolution; what measures could only divert and scuttle the revolution against big government; and why and how the ruling opinion moulders have been deceiving them.

The Mises Institute, small as it is, is uniquely positioned to lead this education revolution. It is not beholden to government grants, big corporate interests, or even to the large foundations. That means it cannot be dictated to. Though relatively poor in overall resources, the Mises Institute possesses the most important assets of all: clarity of purpose and independence.

In the 12 years of its existence, Lew Rockwell carefully guarded these two assets, relying entirely on the financial support of principled individuals and unconnected businesses, and he has done this to the astonishment and anger of Left-liberals, official conservatives, and the legions of politico-think-tankers and Left-intellectuals on the make.

In all these tasks, the Mises Institute has already been extraordinarily effective. Standing virtually alone, and with severely limited resources, the Mises Institute has had a remarkably strong ideological

impact. Just one example: the Mises Institute was first in print back in January with a sweeping denunciation of the World Trade Organization that not only exposed the present attempt to impose global trade management, but also delved into its history, tracing the WTO back through the 1970s, the 1940s, and even back to Woodrow Wilson's "World Trade Tribunal."

That article, along with the rest of the Mises Institute's work, defined the debate on the Right, Left, and center. Even one day before the House vote, an Associated Press story, in its section providing historical perspective, plagiarized from the Mises Institute virtually word for word.

The Institute didn't win – although it gave Clinton and his allies in the Republican Party plenty of trouble – but it did mobilize the American people and make sure that the revolution against big government will continue and intensify. And at its intellectual head will be the Institute.

By simply entering the public and intellectual debate from a principled and consistent libertarian and free-market perspective, the Mises Institute has already exposed the lies of that multitude of statist, would-be world planners, neo-Keynesian economists, left-over Marxists, and pretenders who dare to use such glorious words as "liberty, . . . free markets," and "free trade" to connive at the exact opposite.

The word "liberal" was stolen from us by the social democrats a long time ago. Now we are in danger of these other words being filched from us as well. Only light from those dedicated to the truth can dispel this fog.

The Mises Institute has already been exerting the greatest ideological and political leverage per person and per dollar of any organization in this country. Any increase in its resources will be multiplied beyond measure in degree of impact.

Those who stress the importance of ideas in society and politics tend to concentrate solely on the long run, on future generations. All that is true and important and must never be forgotten. But ideas are not only for the ages; they are vitally important in the here-and-now.

In times of revolutionary ferment in particular, social and political change tends to be sudden and swift. The elections of November 1994 are only one striking example. The Mises Institute has a unique and glorious opportunity to make its ideas – of liberty, of free markets, of private property – count right now, and to help take back our glorious America from those who have betrayed its soul and its spirit.