

# American Libertarian

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## California Party Elects New Leadership

San Diego, CA - The palm shaded poolside overlooking the sparkling yacht harbor, 100 feet from the berth of America's Cup winner Stars and Stripes, was right out of the Hollywood myth of California. But members of the California LP largely ignored the sunny temptations of the Kona Kai Club setting, displaying the well known immunity of natives to their own tourist attractions. Instead, they spent most of their three-and-a-half day convention (February 12-15) grinding out rules and by-laws, in platform debates and candidate workshops, electing new party officers, and hearing a first class line-up of libertarian speakers.

### Berglandista Influence Kaput

Although there was one radical rules change proposed (to effectively split the state LP into northern and southern parties) which failed, the major business of the convention was electing a new party chair.

In contrast to the prior CLP convention (where incumbent chair Mark Hinkle was re-elected without opposition) the 1988 convention turned into a three-way race. Long time California LP activists Ted Brown and Melinda Pillsbury-Foster (both of the Los Angeles area) were the major contenders, facing off against the lesser known candidate from Butte County (north of Sacramento), Mark Sweany. Sweany was so unknown, in fact, that many delegates didn't recognize him until he began active campaigning.

The race between the southern California front-runners was cordial, but there was an undertone of serious differences, largely based on personality and perceived affiliations with national LP factions. Melinda Pillsbury-Foster has been closely associated with the so-called Berglandista LP faction, led by former LP presidential candidate David Bergland and his wife, former LP Vice Chair Sharon Ayres. Pillsbury-Foster's campaign committee was heavy with the usual Berglandista crowd (including California U.S. Senate candidate Jack Dean, Craig Franklin, and Sam and Carolyn Treynor), although she also had support from other well known CLP activists such

as Ed and Alicia Clark.

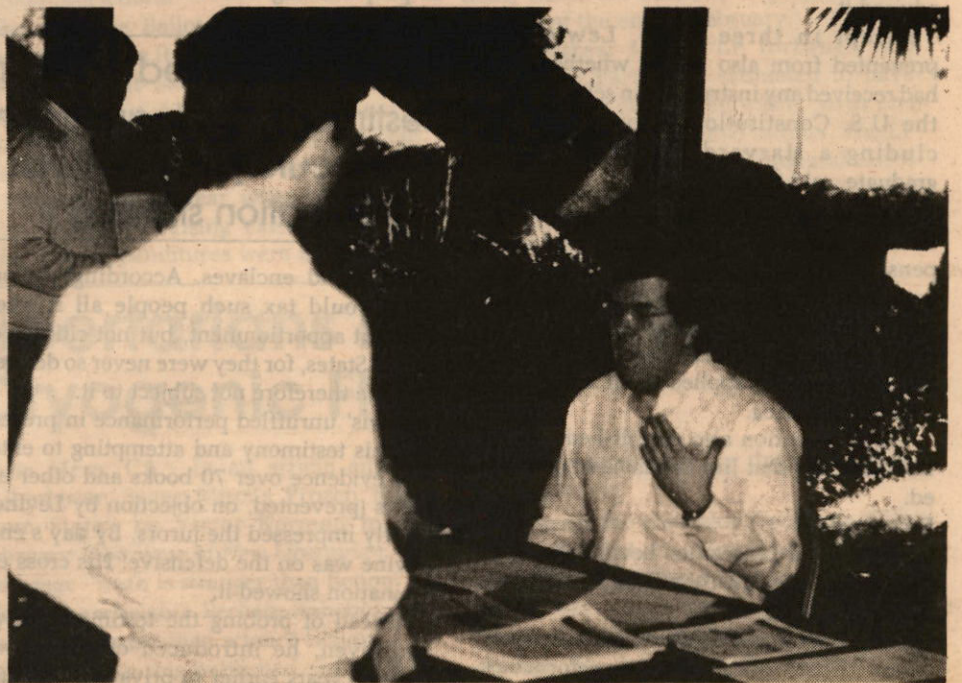
Ted Brown, (who like Pillsbury-Foster is a member of the Libertarian National Committee) made no secret of his close working relationship with national LP Chair Jim Turney, whom Brown supported in several key votes at the national level, such as over the 1988 budget and the controversial move of the headquarters to Washington, DC. Turney, in attendance to tape the convention, made the unusual move (for a national LP Chair) of endorsing Brown and giving an effective seconding speech for him prior to the election. Pillsbury-Foster, on the other hand, has long been critical of Turney on a number of occasions and led an effective assault on several areas of Turney's proposed 1988 national LP budget, including axing \$10,000 in unspecified "Chair expenses." It appeared Turney was exacting a small measure of political revenge against his Berglandian foes by openly supporting Brown.

Mark Sweany, on the other hand, appeared to represent the sentiments of many northern California LP members. According to one report, he was supported by outgoing Chair Mark Hinkle, himself a supporter of Bergland faction policies on the LNC. The reason for Hinkle's support resulted from the only concrete policy difference noticeable among the chair candidates, the location and continued subsidization by the state party of the San Jose-based LP office. Sweany clearly favored continuing the partial subsidy of the Santa Clara LP office, to also use as the state party office. Santa Clara is also the home base of Mark Hinkle.

Ted Brown seemed vague about committing to a specific office site, supporting the idea in principle but contending that the state executive committee would actually decide the location. Melinda Pillsbury-Foster maintained she was a "born again decentralist" after favoring centralism in the past, and demurred on backing the idea of a paid state office unless finances permitted and other priorities were met.

However, most delegates did not view this race in terms of any national LP factional affiliations. Rather, support resulted from concrete directions in policy and to a large degree, on personality. One high ranking Pillsbury-Foster supporter described Ted Brown as a "bully", a view that astonished other southern California LP activists. An equally high ranking Brown supporter likened the race to the GOP primary battle, with Pillsbury-Foster the "George Bush type, with an impressive resume but few tangible leadership accomplishments." Sweany was likened to Pierre du Pont,

Continued page 2



LROC leader Collin Hunter pleads his case to operate his bootleg LROC literature table shortly before convention and hotel officials shut it down.

## An Eyewitness Account

### Jim Lewis on Trial

by Jim Davies

*Jim Davies is a longtime friend of Jim Lewis and edits the Connecticut Libertarian.*

New Haven, CT - After 8 years of preparation and a stellar performance during nearly 3 days of trial conducting his own defense, libertarian Jim Lewis failed in his attempt to successfully challenge the might of the IRS. "Guilty," said the jury after only 2 hours of deliberation on February 24.

Sustained by his astonishing coolness under fire, which had served him well during the trial, Lewis alone could speak as he led his stunned friends and supporters from the courtroom. "Not so glum, guys," he told friends. That could not have been easy for him to say, but it was impossible for any of us to do.

Sentencing will occur on April 6. Each of three counts of willful failure to file tax returns could put this 1984 LP candidate for Vice President away for up to 3 years, and fine him up to \$10,000 per count.

### Long Odds

Going in to the trial, it was clear that the deck was heavily stacked against Lewis. He knew that and was willing to try anyway. In particular, an IRS pre-trial motion had been granted to exclude all evidence to the effect that the income tax was unconstitutional.

Judge Ellen Burns made it clear that the only defense he would be allowed to present was that he was the victim of a good-faith misunderstanding of the law. That the "willful" element in the charge was missing.

The only matter the jury was instructed to

consider, apart from the arithmetic of whether Lewis had an income exceeding \$3300, was whether he was sincere in his belief that he was not a person required to file.

What shattered observers who watched his obvious sincerity for three days was that a panel of 12 ordinary Connecticut citizens, after a brief retirement, returned and said they did not believe Jim Lewis was sincere.

### Day One

Another way in which odds were long was the record of prosecuting counsel Doug Levine. He was the US Attorney who put away the well-known anti-tax author Irwin Schiff some years earlier. It was clear from the start of the trial that Levine is a highly skilled professional. To match him fully in skill in the courtroom, Lewis would have had to spend a fortune he did not possess on an attorney who might well not have been comfortable presenting many of his arguments.

On the first day the Levine's examination of his own witnesses was done with great skill and charm. Simple questions, simple answers, perfectly planned, done in a light manner that must have endeared him to the jury. Even a little humor here and there. A solicitous glass of water for a juror suffering a fit of coughing.

In contrast, Lewis's attempt to cross examine may have seemed awkward and aggressive. It was also formidably difficult on account of the very low intelligence of most of the IRS witnesses, and because of their lack of coherence.

Continued page 2

### In this issue:

"Secrets of the  
Temple"  
page 5

LP Fundraising  
page 6

Lib Freezer Faction?  
page 7



# Lewis on Trial

From page 1

Not all went Levine's way, though, even on this first day. Lewis wisely let each witness ramble on. One even said out loud, "if people don't want to pay their taxes, they shouldn't live here." That remark was later ordered stricken from the record as a "personal opinion" to be disregarded. Fat chance.

Lewis asked each witness whether, in all their education before joining the IRS, they had conducted an independent study of the country's tax laws. All admitted they had not. One even said that as a young man he started filing 1040s just because his parents advised it.

Except in three cases, Lewis was prevented from also asking whether they had received any instruction in school about the U.S. Constitution. Those three, including a Harvard Business School graduate, said they had not.

The sum of the IRS evidence to date, was that in the years in question, Lewis's compensation had exceeded \$3300; and that a section of the IRS Code required everyone with such income to file tax returns. Their alleged "expert witness" testified that this IRS Code section applied to all individuals living in America.

The prosecution also established a point not disputed; that Jim Lewis had not so filed.

## Day Two

While I put prosecutor Levine ahead on points after the first round, Day Two was a different matter.

Lewis put himself on the stand and started to ask himself questions — a performance that, had the stakes not been so high, would have been hilarious. The comedy of it was not lost on the press. One newspaper the next day headlined Lewis's opening questions: "Mr. Lewis, you've been charged with willful failure to file tax returns?" — "Yes, I have." "And that's a very serious charge?" — "Yes, it is."

The purpose of this procedure was to enable the opposing attorney to object to the question, should he so wish. On some occasions he did. One was: "Objection! — Counsel is leading the witness!" in true Perry Mason style. When even Judge Burns started laughing, Levine withdrew his objection and smiled too.

Lewis traced how, since 1979, he had become increasingly concerned about the large role played in society by government. How that had led him to research both the Constitution generally and the history of the income tax in particular.

He showed his position as a traveling salesman for a bookbinding firm had taken him into law libraries and other libraries all over the country. How he had used those facilities and purchased over 1500 books for his personal library on the subject — many, 19th century ones long out of print.

Lewis testified that the books he read led him to believe that the income tax as now administered does not apply to citizens of the 50 states.

This reasoning may well have been above the jurors' heads, though that should not have mattered, since they were only allowed to judge his sincerity. The essence of his argument, presented over several hours, was as follows:

*Successive attempts to introduce a tax on incomes (1820, 1861 . . .) had fallen foul of the "Apportionment" clause of the Constitution. This says that any direct tax — on persons, not things — must be apportioned among the states according to their populations.*

*Each time Congress had considered an income tax, there had been no doubt: income*

*taxes are direct taxes.*

*On the face of it, the 16th Amendment solved that problem. However, the word "direct" does not appear in its text — it was taken out in Committee — and in two landmark Supreme Court decisions in 1915, never since reversed, it was held that the 16th Amendment gave Congress no taxing powers it did not already have.*

*Therefore, if the income tax were to apply to citizens of all the states, it would have to be apportioned. Those court rulings said that requirement had not been changed.*

Lewis next revealed that he had studied the first Revenue Acts passed since ratification, and every one since, and found that each defined "Citizens of the United States" as people living D.C. and the Federal ter-

**Lewis' unruffled performance in presenting his testimony . . . clearly impressed the jurors. By day's end, [Prosecutor] Levine was on the defensive. His cross examination showed it.**

ritories and enclaves. Accordingly, Congress could tax such people all it liked without apportionment, but not citizens of the 50 States, for they were never so defined and are therefore not subject to it.

Lewis' unruffled performance in presenting his testimony and attempting to enter into evidence over 70 books and other exhibits (prevented, on objection by Levine), clearly impressed the jurors. By day's end, Levine was on the defensive. His cross examination showed it.

Instead of probing the testimony Lewis had given, he introduced checks Lewis wrote 6 years earlier to private schools for his children's education. [Son Steve later mourned that having been introduced to the case, he might at least have been given a name!] Levine asked how it was the Lewis had taken a European vacation just after stopping his payment of income tax? How he could afford to live in such an exclusive neighborhood on such a modest salary?

Levine's very nasty aim was to discredit Lewis's motives before the jurors.

## Day Three

That malodorous maneuver misfired, because Lewis bounced right back the next morning with rebuttal testimony about his divorce settlement that convincingly explained the apparent extravagances.

After testimony was ended and the jury absent, proceedings were much enlivened by Andrew Melechinsky, a member of the audience and proud wearer of a button declaring "the court system is utterly corrupt". (He says he wears it so that when lawyers read it and object to the world "utterly", he can readily gain their agreement that it is at least somewhat corrupt.)

In the exchange between Melechinsky and Judge Burns, the former called the latter a "lawbreaker" out loud and on the record. The latter had the former dragged limp across the floor to a seat near the door, for easier ejection in the event of further protest.

Summations were then presented.

Levine's was not strong. He tried to make Lewis out to be a protester who did not like the income tax, rather than a student who sincerely believed it inapplicable. He questioned motives again, implying that Lewis had been living comfortably off taxes the jurors had been honestly paying.

Jim Lewis then spoke, confidently, at length and without a single note. He dismissed as "absurd" the idea that he'd refused to file in order to save money — a mere \$13,000. He said he was either sincere or else ready to be taken away by someone in a white coat, for waging such a long and

difficult fight over such a small sum.

Levine waived his right to a rebuttal; a pleasant surprise.

Finally, Judge Burns charged the jury. Except for the very damaging insistence that she and she alone was directing what jurors should take as the law, on the whole it was well balanced. If the jurors felt Lewis was sincere, the charge gave them adequate opportunity to find him innocent.

No one could have presented a better case; this unpracticed amateur was certainly in the same league as Levine, a polished professional.

While jurors deliberated, spirits among Lewis supporters were high. We could not imagine that any reasonable person could fail to see the calm sincerity that appeared

all through his testimony.

Two hours later, we found out we were wrong.

## The Media

The main newspapers of Connecticut had reporters present throughout most of the trial — the *Hartford Courant*, the *Bridgeport Post*, the *New London Day* and the *New Haven Register*. Television was oddly absent, until two days after the trial, when Lewis's local station visited and taped a quite favorable interview — helped along, possibly, by the fact that the cameraman had just been invited to meet with the IRS

# California LP Convention

From page 1

"someone with some good ideas but no real chance of winning." Brown was likened to Bob Dole, presumably meaning solid leadership plus a shot at victory. The irony of comparing Brown to the arguably most statist GOP primary contender seemed to be lost in this analogy.

During the chair candidate forum, aside from the headquarters issue there seemed to be mostly a difference in emphasis. Pillsbury-Foster stressed detailed plans outlined in her campaign material, membership and funding growth, fiscal responsibility and her innovative "adopt-a-state" program. This latter idea envisions states like California, which are on the ballot, to "adopt" a state which isn't, which needs outside help for 1988 ballot status. California would help to underwrite the costs of ballot drives under this plan. By contrast, Ted Brown came across much like his most visible supporter, national LP Chair Jim Turney. Brown also endorsed many of the ideas of Pillsbury-Foster, stressed his flexibility on the headquarters issue, and also emphasized his "Mr. Nice Guy" personality as demonstrated by his numerous leadership roles in the LP. This also indirectly touched upon an unstated issue in the race, namely the personality of Pillsbury-Foster, sometimes said by detractors to be to pushy and vengeful. Even her own literature alluded to this problem, and she urged delegates "not to make this into a personality contest." Brown, on the other hand, like Turney, sought to make his sometimes vague political positions and friendly personal approach into major assets.

Sweany, whose countenance seemed more Objectivist than warm and friendly, stressed his record of direct local leadership and activism and promised to work for grassroots party building.

for an audit.

None of the articles were unfavorable, and there was plenty of opportunity for Lewis supporters to meet the reporters.

Even as steeped as they all were in decades of statist influence, the reporters were more intelligent than the jurors. Perhaps they were better able, by close contact, to sense that Lewis was 100% committed to his cause, and not in it for financial gain. Too bad they were not on the jury.

## Where Now?

A victory on February 24th could have given a great boost to morale for libertarians, and to the cause of individual liberty in America. It would have proved that someone able to show sincere belief that he was not required to file tax returns, and who was willing to risk the hazards of trial, need not in fact file them.

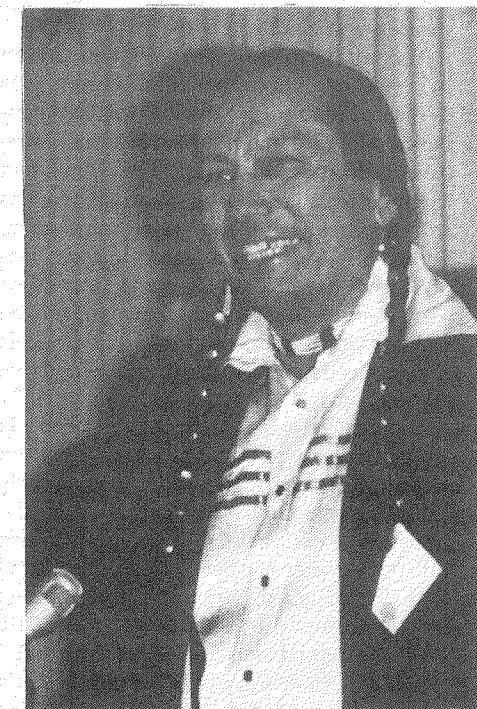
After a few years of that, the tax system would become impossible to administer. With or without repeal, the story of Prohibition would be repeated.

None of that is to be.

Jim Lewis is by no means finished. At this writing he is trying to find a way to have the legal issues raised at his trial (and suppressed by the judge) brought to the attention of Congress. He will ask libertarians all over the country to help.

Further, he's planning to find out if anything in the jury's deliberations violated the judge's charge. For example, whether any of them expressed fear of IRS harassment should they vote for acquittal.

Although the jury box failed in this instance, Jim Lewis and other libertarians will have recourse to the ballot box, educational efforts, and other trials on other issues to carry forward the fight. ■



Russell Means urged libertarians not to follow the route of Indian tribal politicians who "meet in fancy hotels," but are out of touch with the Indian communities they serve.

Although California LP leadership has been drawn from Berglandista ranks since 1981, even their enthusiastic support of Melinda Pillsbury-Foster wasn't enough. The first ballot saw Brown with 37 votes, Pillsbury-Foster with 32 and Sweany with 24. Then, in a dramatic shift of support (which left some disappointed Fosterites muttering about "secret deals"), 20 of the Sweany votes went to Brown on the second ballot, with Pillsbury-Foster only picking up 4. This outcome was something of an upset, which left some LP observers concluding that the political clout of the Bergland fac-

Continued page 3

# California Convention

From page 2

tion, which once dominated both the California and national LP organizations, has all but disappeared. Post convention rumors that top Fosterites "had quit the California LP" were all firmly denied, but each also had their own personal reasons why their personal involvement with the California LP would be diminished in the future. All the Foster-backed candidates for other state offices dropped out after the chair race. Kim Goldsworthy and Mark Sweany were elected southern and northern California Vice Chairs, respectively. Culleen Lang was elected Secretary and banking executive David Maxwell was elected Treasurer.

## LROC Kicked Out

Registrations were slightly over 300, according to convention organizer Pat Wright (who at one point was seen frantically looking for \$7,000 in gate proceeds temporarily misplaced) and they made a profit. But attendance was down by several hundred from the record setting 1987 convention. Some attributed this to the out-of-the-way San Diego location, along with the heated presidential nomination battle in 1987.

The book-to-attendee ratio in the exhibit area was the usual LP convention ratio of 100-to-one, but business was still fairly good. The Libertarian Republican Organizing Committee (LROC) was not allowed by convention organizers to set up a table (reflecting a new get-tough attitude towards those who actively oppose the Libertarian Party), but they set up an unofficial table in the lobby anyway. This lasted for a day, until convention organizers had the hotel management ask them to leave. This annoyed the LROC contingent (who also sponsored a well attended hospitality suite), who complained about discrimination and unsuccessfully tried to get a resolution passed on the floor allowing them to officially participate. However, this did not prevent newly registered Republican (and former CLP candidate) Joe Fuhrig from being the Samuel Adams Society luncheon speaker at the convention's conclusion, demonstrating that the spirit of libertarian tolerance was not totally lost. Ballot access expert Richard Winger was also awarded the Karl J. Bray Memorial Award for activism.

Money matters were also reviewed by delegates, with financial reports indicating that the country's largest state LP organization raised about \$37,000 in 1987 and spent \$32,000, with a hefty \$12,500 in the bank at year's end. The proposed 1988 budget was pegged at an even more conservative \$35,000, with the bulk of the revenue coming from pledges and memberships.

## Speakers & Workshops

The activity which attracted the most interest was the numerous speeches and workshops. Kicked off by the "Chocolate Caucus" tasting and birthday party on Friday (billed as the oldest surviving LP caucus, dedicated to the libertine joys of eating chocolate), other activities included a speech by Advocates for Self-Government President Marshall Fritz (who also astounded on-lookers by his new svelte figure, some 70 lbs. lighter as a result of a medically supervised liquid protein diet), and several candidate workshops by David Bergland and Fritz emphasizing communication, presentation, questions-and-answers and television (with live on-camera coaching).

The evening Marshall Fritz Roast was highly entertaining, with presentations by Dick Boddie, David Bergland, Alicia Clark, Michael Emerling, Marshall's son and others, with numerous jokes about Mar-



Former Idaho Congressman George Hansen outlined a long history of government deceit to California LP delegates, and all but endorsed Ron Paul's presidential bid.



Dick Boddie makes a humorous point during the "roast" for the much slimmed down Marshall Fritz.



LP Vice Presidential candidate Andre Marrou updates California LP convention delegates on his campaign.

shall's booming voice, his collection of thousands of copies of Ringer's **Restoring the American Dream**, and a detailed historical account by David Nolan himself on Fritz's numerous permutations of the original "Nolan chart."

Jim Turney also talked about the joys of being national LP Chair; Vernor Vinge gave an account of libertarianism in science fiction; *Reader's Digest* science editor Lowell Ponte spoke on the socialization of science; Steven Alexander talked about the great depression; and columnist John Dentinger gave a lecture on "When You Lie Down with Conservatives You Get Up with Sleaze."

Barbara Braden's appearance on "The Passion of Ayn Rand" was surprisingly poorly attended, attributed by some to the fact that it was the same presentation given several months earlier at the LA-area Future of Freedom Conference.

Former GOP Congressman George Hansen, promoting his new coalition group Free America Inc., spoke eloquently on "To Harass Our People", and said nice things about the LP and presidential candidate Ron Paul. Hansen gave a detailed account of his own persecution by the federal government and elaborated on the theme that the

government has been relying on outrageous lies (the 1960 U-2 incident, the Gulf of Tonkin incident, Watergate, Iran/Contra) to bamboozle the public and usurp constitutional limitations on government activity.

Clarence Pendleton, Chair of the US Commission on Civil Rights, gave an entertaining and well received luncheon talk on the "Future of Civil Rights in America", stressing his view that the time has long passed where any helpful action can be caused by "groups of white politicians" defining who is a "minority". "I don't want the white man's hand pushing me through the door, with his hand on my shoulder to 'guide' me," he observed.

LP presidential nomination contender Russell Means was warmly received during his luncheon talk, "To Organize or Politicize". In it, Means compared the libertarian movement to the development of the American Indian tribal government situation. Indian tribal government associations "are parasites on the Indian people" Means proclaimed, (referring to the National Congress of American Indians and the National Conference of Tribal Chairmen) and in some respects operate a lot like the contemporary libertarian movement. "They go to conventions, hold meetings and stay in nice hotels — even better hotels than libertarians," and basically "just talk to themselves and lobby for more benefits."

"Libertarians are like those Indian groups," Means maintained, "they are a secret society that has conventions in fancy hotels, publishes newspapers and have factions. But they don't accomplish anything for real people in the real world." He urged libertarians to "update their philosophy to fit the reality of today," and to "concentrate on reaching the people" rather than just maintaining the trappings of politics.

"I am embarrassed by the shutting down of the LROC table," Means said, and "arguing about esoteric principles. I don't have time for 'tribal councils', for politicizing the movement. This is the logic of self-defeat." He also stressed that libertarians should talk about "flea-market economics" because people understand the concrete workings of free-market, cash oriented flea-markets, as opposed to the abstract doctrines of Austrian economics. He went on to discuss the need for full time "freedom fighters", "having offices in every community for liberty," and gave an excellent discussion of how libertarians can emphasize the importance of family life as a solution to social problems, as opposed to government legislation. Means received a standing ovation following his speech, and said he was looking forward to his trip to Alaska with fellow "freedom-fighter" Andre Marrou.

In his Sunday evening banquet speech, LP presidential candidate Ron Paul also had warm words for his 1987 challenger Means, and noted that he could learn a lot from him. Paul emphasized his strategy included targeting small states with potential sympathetic populations for media and personal appearances, and also his hopes to capitalize upon the anti-establishment sentiments of

the Pat Robertson campaign.

Paul noted that these political moves should help him reach his goal of \$5 million and make it possible to get into the critical fall television debates. He also discussed the positive grassroots effects of his campaigning, and the encouraging signs of support he has received, such as the 100 letters per day the "Firing Line" program received to get him on the air.

Paul also discussed some broader possibilities, such as the scenario that the current unrest over the Panamanian government might very likely serve as a pretext for armed U.S. intervention. "We have a history of using real or manufactured naval incidents to start wars," Paul warned, "let's not forget that the Panama Canal Treaty battle helped get Ronald Reagan into the White House."

Paul ended his speech with effective emotional and personal touches. He cited his deep-rooted belief that libertarians are the "true humanitarians" and that "we are in this battle to help people, to help the unfortunate in society," emphasizing that only a free society can provide the material rewards to truly benefit all of mankind.

At the conclusion of the banquet, along with words by VP candidate Andre Marrou, 1980 LP presidential candidate Ed Clark helped motivate the audience, which ultimately contributed over \$13,000 earmarked for LP ballot drives.

## Unity Plea

Despite the heated leadership contest, there was from many speakers a plea for working together and putting differences aside for the larger battle. As the convention ended, out-going LPC Chair Mark Hinkle urged that all libertarians, from Marshall Fritz and his non-political Advocates, the Libertarian Party and LROC, to all work together for common objectives. Although differences in style and policy do exist, most convention attendees appeared to support this call for libertarian unity. ■

## Privatization Commission Urges: Sell P.O.!

Washington, DC - Ronald Reagan's Commission on Privatization, appointed last fall, approved a report in late February to be sent to the President calling for, among other things, repeal of laws that give the U.S. Post Office service a legal monopoly on first class mail, and recommends the sale of the postal service to its own employees.

The Commission also advocates the contracting out or sale of numerous other government businesses, including an end to public housing projects, the sale of government-owned Amtrak, privatization of federal prisons and the selling of Navy petroleum reserves. The group also advocated reduced government subsidy for new airports, sale of government held loans, and the creation of housing and education vouchers to replace government housing programs and public schools.

The Commission embraced many fairly radical privatization measures, though Commission Chair David Linowes said that they favored "an incremental approach. We want to be discreet."

The stamp of approval on many long cherished libertarian oriented proposals is a strong sign of progress in the ideological battle against statism. However, the practical effects are far less sanguine. Like other presidential commissions, these proposals will be forwarded to the White House where concrete action proposed, if any, would also have to be enacted by Congress. ■



# Libertarian Outlook

## Abolish Postal Monopoly

The recent announcement of new postal rate increases is a telling reminder for the need to get the government completely out of the business of delivering mail. Of course, libertarians and the postal monopoly have never gotten along well, ever since the original 1854 Postal Express statutes put Lysander Spooner's private postal service out of business. And over the years, despite the USPS claims that they have some superior ability to protect privacy, the government monopoly post office has collaborated with authority to suppress dissent and spy on citizens, viz.: WWI confiscation of socialist and anarchist newspapers that opposed the war; routine mail covers (keeping track of who is sending and receiving your mail); opening mail without warrants; and making the postal monopoly a pretext to create crimes where none otherwise would exist (mail fraud and sending pornography through the mails, to name but two).

Aside from the fact that the postal bureaucracy continually loses billions despite its protected monopoly, losses which must be paid via double digit postage increases and regular injections of tax money, the worst aspect of this service is that new and better forms of mail delivery are stifled by lack of innovation and entrepreneurship. Service markets protected by legal monopoly have markedly

deteriorated over the years. In unprotected areas, such as parcel and overnight express delivery, private competition has practically put the USPS out of business. Even the most thick-headed statist should begin to get the picture.

But, whereas a few years ago the only calls for change were seen on the pages of obscure libertarian periodicals with miniscule circulations, we now see a presidential Privatization Commission calling for the sale of the USPS and an end to its monopoly.

Despite this high level support for reform, there are entrenched interests who will undoubtedly work to prevent any positive change. And despite the bureaucracy problems, many individual postal workers provide good service and care about their work. They should welcome the de-politicalization of their industry, since deregulation always results in economic growth, new innovations and expanded job opportunities for those who are truly productive.

Higher postage costs will hurt *American Libertarian* and all other publications, as well as everyone else who uses the mail monopoly. The USPS approach of cutting service and raising prices to solve their financial problems is the wrong approach. Let those new, higher priced stamps be a reminder of what needs to be done instead: abolish the postal monopoly. ■



your "Political Notes" concerning George Smith, Wendy McElroy and The Voluntarists. Jeff Hummel, (love him like an anarcho-brother) would be the first to admit he's no co-equal with George & Wendy at Knowledge Products. They edit; he writes. Other well-known libs working for them are Jeff Rigenbach and Joe Stromberg. Although the current Voluntarist position seems quite LeFevrian now that Carl Watner is sole proprietor of the publication and group, Smith & McElroy never got as close to Bob LeFevre as I, a notorious violentist. Far as we can tell, Wendy's position is identical to mine save for "fractional reserve banking" where I remain staunchly Rothbardian (as I do on everything outside his wrong turn vis-à-vis the LP). George and I haven't argued for three or four years.

Looking forward to your report on cuddly, lovable Lyndon LaRouche; I assume you'll mention the similarity between his ruling-class theory and that of our own Pete McAlpine — coincidence... or conspiracy?!

**Samuel Edward Konkin III**  
Editor, *New Libertarian*  
Costa Mesa, CA

The article "LaRouche Targets Libertarians," by Greg Kaza, appeared in our February, 1988 issue. Ed.

### "The Art of the Possible"

The California LP (CLP) will lose ballot status in 1990 unless it starts being more "political". The state election code requires that each political party have a minimum of 1% of the voters registered in it. Since gaining ballot status in 1979, the CLP registration has steadily dwindled to under 1/2%.

The state election code also requires that a third party garner 2% of the vote for a statewide office at each gubernatorial election. The CLP failed to do that last election in any contest with the two major parties. It was only luck that the Republicans failed to run a candidate for Treasurer, saving the CLP from losing ballot status.

Politics is the art of the possible, and to suggest that the LP should promote "something to offend everyone libertarianism", or to suggest that it is better to take "nutty" or "kooky" positions to make our point and establish our identity — like "no taxes, no defense, no government to speak of" — is to advocate political suicide.

While philosophically we may agree in principle with a purist libertarianism, the goal of a political party, if it is to survive, cannot be to run "educational" candidates who espouse principles which cannot be marketed to more than 1% of the populace. The goal of a political party must be to run

programs that accomplish the most libertarian political change which is realistically and practically possible under existing political conditions.

Public opinion polls suggest that 15-20% of the public is more libertarian in its thinking than the average person right now. The fact that the CLP's registration has been declining steadily instead of growing toward that 15-20% figure suggests that we have been using the wrong tactics, doesn't it?

**Randall Grindle**  
Lower Lake, CA

*AL* does not endorse "nutty" libertarianism nor have we advocated "something to offend

Continued page 5

## Feedback



### Letters Policy

Letters are accepted provided they carry the author's name and address. A phone number should be included for verification purposes only. Letters

should be kept short and are subject to editing. Letters submitted to other publications will not be considered. Send to: Feedback, *American Libertarian*, 21715 Park Brook Drive, Katy, TX 77450.

### "Not LeFevrian"

Don't know where you got information that I am a LeFevrian, but it could not have been from asking me, reading my work, or consulting anyone in the know.

**Wendy McElroy**  
Los Angeles, CA

### Konkin Comments

Your January issue (Volume 2, Number 6), is, if not your best ever, the best issue of *American Libertarian* in recent memory. One obvious reason is the low party-to-movement ratio of stories. Another (showing my personal bias, no doubt) is the "YAF Revisited" article. Still, after reading your deathless prose, I'm asking myself, "But is there any there there?"

Greg Clark's "The Fort Collins Project" scooped me. I've been meaning to run something on Mary Margaret's anarcho-zionist activism for over a year. Strangely enough, she did not respond to my request for information. Which brings up the unanswered question: if MM wants to take over politically, does she actively discourage anti-party libertarians? And if so, that could explain her small hegira so far. Libertarians reformist enough to vote aren't likely to pack up and leave home.

Your "On Critical Analysis" editorial was

so well-written I could have, after commissioning you to write it to express my sentiments, have printed it as is. One of the things that gets me (that you omitted) is why so many allegedly rational libertarians respond to my ideological attacks (not necessarily on them, even!) not by vigorous ideological reply, or even rapier-like wit, but by heaps of personal abuse. The thing is, I could have trashed many a budding or not-so-budding libertarian's career in the movement by simply quoting their abusive ripostes to ideological criticism.

Following that up into the letters column, I'm a staunch defender of *luftmenschen* (no visible means of support because they're good Counter-Economists, of course!). Nonetheless, spare me from "allies" such as Lou Villadsen and Tibor Machan. Villadsen chooses to be a non-follower within the LP: an oxymoron worthy of "military intelligence." More fundamentally, Rothbard perceives correctly that total individualists are "spontaneously ordered" into collective patterns (as even Max Stirner did). Villadsen seems incapable of handling that concept.

Tibor Machan seems to have been answered by your editorial. In our previous dialogues I had not realized that he had a fundamental problem with internal "self-criticism." It explains his bizarre assessment of my work in a recent (British) Libertarian Alliance publication: that I am supposedly famous only for attacking other libertarians! Twenty years of *New Libertarian*; best-seller entirely within the movement (*New Libertarian Manifesto*); three thousand or so new converts; organizing the largest activist group competing with the LP; Counter Economics — blank out! Actually, if Murray, you and I were famous only for keeping internal movement criticism alive, we could do worse, far, far worse.

May I be allowed one correction in this heap of praise? It's small and (ironically?) in

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## Feedback

From page 4

everyone" libertarianism. We have noted that some commentators and members of the public regard LP positions thusly.

We would note that disguised or watered-down libertarianism advocated by some (du Pont, Randolph in Alaska) have not proven any more effective than consistent, principled libertarian positions taken by the LP. What is "realistically and practically possible under existing political conditions" is always open to experimentation and debate. When you have the formula, let us know.

Finally, correlation is not necessarily explanation. The ideological thrust of the California LP is one of many possible explanations for their voter registration situation.

The identification of the optimal libertarian strategy, as in so many other things, is a complex matter which cannot be easily reduced to a one-dimensional analysis. Ed.

### "The Height of Irresponsible Journalism"

I am very disappointed that you have failed to maintain your initially high journalistic standards.

In particular, the story in the December 1987 issue entitled "Free Forum/LROC Update", contains allegations by Jim Peron about me that are untrue, but you never made any attempt to contact me to check out his charges. You simply printed them. That is the height of irresponsible journalism, and if you continue in this vein, one day you will libel someone who will give you a very expensive lesson in the U.S. libel laws. The legal phrase "reckless disregard for the truth" keeps coming to my mind.

As to the substance of Peron's charges: He asserts that I secretly gave the "entire California LP mailing list" to the Libertarian Republican Organizing Committee (LROC). This is totally false. The truth is that the Means campaign was given, by Mark Hinkle (LPC Chairman), the LPC lists for a few Northern California counties, with the understanding that Means could use this list as he saw fit (apparently this is traditional for LP Presidential candidates). I entered a fraction of this list on our computers (about 300 names). Russell then gave LROC permission to use all his computer lists, because they were helping him during the campaign. (In fact, the Means computer system was provided by LROC.)

As for the charge that my friendship with Colin Hunter has somehow compromised the LP, this absolutely ludicrous. Many observers believe that one of the most exciting recent developments in the LP has been the emergence of FIFE. It might interest your readers to know that for all practical purposes, FIFE has been funded by none other than Colin Hunter. He has paid for the computer system, the laser printer, all the mailings, and the production, printing, and mailing of the first issue of *Sound of FIFE*. FIFE is getting a good response for subscriptions and memberships now, but without that first infusion of money, none of this would have happened. The least you can do is to apologize to him and me. There is no hope that Murray Rothbard will ever stop his attacks on Russell Means or that Jim Peron will stop his campaign of lies about me and LROC, but do you have to print them without even checking?

Alexia Gilmore  
Palo Alto, CA

According to our original story, Peron initially accused LROC of obtaining the San Francisco LP mailing list secretly from his bookstore. When AL contacted the LROC telephone number, Eric Garriss explained that this was nonsense and that the names in question (all from Northern California) had been

obtained from the Means campaign.

As the story noted, Peron later said that he learned that LROC had obtained the names from the Means campaign. Since both Peron and Garriss agreed that LROC obtained the names from the Means campaign, there appeared to be no reason to contact anyone else to "check out the charges."

The original article went on to air Peron's complaint that the list was given to the Means campaign on a one-time use basis only, and ascribed his characterization of the list being "stolen" by LROC, with quotation marks to indicate that this was Peron's description of the events.

The article also described Gilmore, who managed the Means campaign data base (and its successor group, the Freedom Is For Everyone LP caucus group), as the likely source of the LROC names, according to Peron. As Gilmore herself points out in her letter, the Means campaign computer was the LROC computer system. Gilmore also admits "I

entered a fraction of this list on our computer (300 names)."

According to conversations in early February with Russell Means and California LP Chair Mark Hinkle, the following events occurred:

Mark Hinkle gave both the Means and the Ron Paul campaigns the entire California LP mailing list in the spring of 1987 on labels. As Gilmore notes in her letter, the Means campaign entered about 300 names from this list into their data base. Hinkle said this was done so that they could subsequently alert these people (from the Bay area and Northern California) to the Northern California delegate caucus held later during the campaign, and he had no objection to this use.

According to Russell Means, although "I never saw any mailing lists", when LROC later asked to have his campaign list, he gave them his permission. This list included names contributed from Means' own lists as well as all other lists obtained from various sources during his campaign. "I followed the American Indian

Movement tradition of sharing every available tool in the common struggle," Means told AL, "and the sooner we quit quibbling about differences the better off we will be."

According to CLP Chair Hinkle, "the LPC was remiss in not telling both campaigns the conditions and proper use of our lists." Hinkle emphasized, "I hold Alexia Gilmore blameless, since we did not make either campaign aware of our tradition in California that our list on labels is considered to be for one-time use only."

Hinkle went on to say that he had talked to Gilmore on February 3 and that he asked if there was a way to identify names which were added from the original CLP lists. He said he was told that "they thought there was a way to identify these names" and that "LROC had agreed to remove them." He said a followup letter of his request would also be sent. Hinkle added that Alexia Gilmore is a long-time California LP member and a generous monthly pledger to the party. Ed. ■

## In Review

by Jeffrey A. Tucker



Mr. Tucker is associate editor of *The Anti-Fed Report*; managing editor of *The Free Market*, the monthly publication of the Ludwig von Mises Institute; and a graduate student in economics at George Mason University.

**Secrets of the Temple**, by William Greider, Simon & Schuster, 1988, 813 pp., \$24.95.

William Greider is a perceptive journalist and one of America's most rigorous political reporters. He is well known for his eloquent and lucid prose. And he calls himself a libertarian, "in many respects."

Two and a half years ago, Mr. Greider told me that he was working on a book about the Federal Reserve System. During our conversation, he convinced me that his book would deliver a major blow to the Fed.

The result — an 800 page tome called **Secrets of the Temple: How the Federal Reserve Runs the Country** — is, instead, a major letdown and a boon to the Temple's powers. He may be a civil libertarian, but his economics are pure Keynesian.

The bulk of the book is a popularly-written chronicle of how the Fed goes about its job of increasing or decreasing the money supply and what affect the Fed's decisions have on the economy. Greider is mainly concerned with the period between the inflation of the late 1970's and the stock market crash of October 1987 (a lucky break that provided a hook on which to hang that book's promotion). He writes intriguing accounts of two Fed bailouts, provides some evidence that Fed Chairman Arthur Burns helped put Nixon in the White House, and relays excerpts from the hundreds of interviews he conducted with former and present Fed and administration officials.

Two sidebars include a chapter on the Fed's founding and a chapter on what is supposed to be "monetary theory." The book would have been better off without both, but they reveal much about Greider's perspective. His views on monetary theory are as crackpot as the theorists from which he drew them: Thorstein Veblen, Lord Keynes, and Sigmund Freud. The Freudian section is impossible to take seriously, unless you agree with the anal-erotic view that money is really excrement and gold is feces. Greider calls this "pioneering research."

On the Fed founding, he takes the wholly naive view that the Federal Reserve Act was

a compromise between three factions: a populist movement that wanted higher prices and no banking panics; the government which was trying to satisfy the voters; and members of the banking industry who "were still not reconciled to the abandonment of laissez-faire economics." No subject is better suited toward power-elite analysis than the Fed, yet Greider drops the ball.

To set the record straight, the Federal Reserve is the United States' central bank whose creation Congress and the administration sanctioned in 1913 after years of lobbying by the banking industry. Like other industries during the Progressive Era, the bankers were taking advantage of a government that was ever-willing to grant special monopoly privileges to some groups over others. It was an era heralded for its in-

stitutionalized "cooperation" between private and "public" interests even though that translated into the end of free competition and laissez-faire.

The leaders of the banking industry here and abroad had long searched for a system that would allow them to inflate their deposits and be immune from depositor calls for redemption of the inflated and unbacked notes. They found that cartelization, a sort of group power grab, was the best answer. The government also found the system to its liking because having a central bank at its disposal meant it could fund its growth through inflation of the money supply, a more subtle way to raise revenue than direct taxation. The Federal Reserve, as historical accounts show, was a pact between the interests of the government and

Continued page 6

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# Secrets of the Temple

From page 5

the banking industry to give counterfeiting legal sanction and to protect the practice from the competitive dictates of the free market.

In the great and eternal conflict between power and market, (that is, between voluntarism and coercion) the banking industry is a cartel and thus lands squarely on the power side of the equation. Like all central banks, the Fed is inherently inflationary, which works toward the benefit of the government and the banking industry.

This analysis of the Fed's founding gives us the framework for studying the system today: how does it benefit the government and the banking industry at the expense of the rest of the public through the theft of inflation?

Greider touches on the question, but gets the answer backwards. He turns logic and history on its head by arguing that when the Fed acts in its own interest, it does so by maintaining tight and sound money. Only scraps of unconvincing references to the temperament of bank officials is provided to support this theory.

In one of the book's more outrageous passages, Greider argues that the Fed's "highest purpose" is "the virtual elimination of dollar inflation." If that were the goal, it could be accomplished simply by stopping the inflation and going out of business. It doesn't do this for the same reason the counterfeiter doesn't throw away his printing machine.

**Where the Reviewers Have Gone Wrong**  
Everyone who has reviewed *Secrets* — from Robert Kurer in the *Washington Post* book review to Robert Samuelson in *Newsweek* to Michael Kinsley in *The New Republic* — has complained that Greider exaggerates the benefits of inflation. They cite passages from the book such as the following:

*A social philosopher, searching for a progressive theory of justice, might contemplate the underlying consequences of inflation and conclude that this system was a promising model for social equity. Inflation, after all, discreetly redistributed wealth from creditors to debtors, from those who had an excess to those who had none.*

This is, of course, an absurd view, as his reviewers say, and everyone agrees that high inflation isn't good. But there is a subtlety in Greider's argument that the mainstream has missed. A careful reading shows Greider cannot think that inflation is equally beneficial for everyone in society. He says instead that it is beneficial for only those who have their income statutorily indexed to the inflation rate, as in Cost Of Living Adjustments (COLAs) for Social Security and welfare benefits for the poor and elderly, wage increases for union workers, and of course, higher salaries for politicians, bureaucrats, and bankers.

It is therefore only the State-connected who get a boon from inflation because they are protected from it by automatic increases in income. The argument does not apply to those in private markets, regardless of whether they rent or own, or whether they are rich or poor. They not only pay dearly through the inflation tax, but they are also directly taxed to pay for the others' higher salaries.

Inflation is one more way to ensure that the State's dependent class grows and remains subservient. The very aspect of the inflation that Greider praises — the Cost Of Living Adjustments — keeps the poor from leaving their state of dependence on the

# SECRETS OF THE TEMPLE



HOW THE FEDERAL RESERVE RUNS THE COUNTRY

WILLIAM GREIDER

government and going towards one of independence. Even if a poor person wants to get off welfare, he is not very likely to leave a system that protects him from the ravages of inflation to one where inflation ravages him.

The book's critics have also overlooked another key point: since injections of new Fed money must occur over time, some people get the money before others. And since it is the government and the banking system that receives the money first, it can be spent before it filters through the rest of the economy and increases relative prices. That's one more way inflation helps the privileged class at the expense of the free market. And while it's true that inflation benefits debtors over creditors, Greider and his critics haven't mentioned that government is by far the biggest debtor and therefore the biggest beneficiary of inflation.

## Economic Misinformation

Economic misinformation abounds in *Secrets*. Greider doesn't take into account the effect that inflationary expectations have on interest rates and the incentives to save and invest. Interest rates are not "the price of money," as Greider says many times. No one borrows money in order to hoard it; consumers take out loans in order to purchase specific goods and services. Because they choose to borrow instead of save, the interest rates reflect the degree to which individuals prefer goods and services sooner rather than later. And if interest rates reflect time preference, they are subject to individuals' expectations of the future.

With Greider's head so deeply buried in the Keynes' General Theory, he necessarily lacks this knowledge, and can't understand how the money supply and interest rates can go up at the same time, or that artificially induced lower interest rates distort the production process, lead to malinvestment, hinder economic calculation, and create the business cycle. Finally, as Ludwig von Mises has shown, money inflation is like all government interventions in that it can lead to regulation, price controls, the destruction of the monetary unit, and finally, the end of the market economy itself.

If the inflationary bias of the book only infected its policy conclusion, it could be ignored. Instead it permeates the entire book. He awards brownie buttons to the compassionate Fed Governors who voted for super-loose money and lambastes the self-centered ones who only want a moderate amount. The inflation of 1978-80 is granted only a few pages but the recession of

... Greider argues that the Fed's "highest purpose" is "the virtual elimination of dollar inflation" ... [but] It doesn't do this for the same reason the counterfeiter doesn't throw away his printing machine.

1981-83 gets 250 detailed pages.

The problems don't stop there. In economic literature the "money illusion" occurs during inflationary times when workers' wages increase, but the increase lags behind consumer prices, rendering the increases illusory. Keynesians celebrate it; Austrians don't. Greider, though, thinks the money illusion occurs when "the mind confers real value and elaborate power on these mere scraps of paper." That's an interesting point, but it has nothing whatsoever to do with the money illusion. It has to do with Mises' regression theorem, but Greider is a long way from understanding that.

The World War II economy, Greider writes, is a "mode of the possible," and he laments that "no one, including the most ardent Keynesian planner, has ever figured out how to re-create a comparable combination of creative sacrifices in peacetime or how to sell it to a free society." And he attacks usury, i.e., charging interest, as "self-devouring" and a "sin".

## What To Do About Fed Tyranny

Greider says that since its founding the Fed's "basic design probably changed less than any other important operating arm of the federal government." That's because "it somehow 'worked' — that is, the Federal Reserve seemed to provide what the American system wanted. Otherwise, surely, it would have been changed." But evil governments have existed, unchanged, for

hundreds of years. That's not because they 'work', but because the victims are powerless to do anything about it.

Neither is the American public in a position to do anything about the entrenched and unquestioned power of the Federal Reserve. Greider wants Congress to take over the money creation powers of the Fed, a system which would be as bad as the present one. The goal of all monetary reform should be to separate the institution of money from the State, meaning the Fed should be abolished and the government prohibited from increasing the money supply, even by the smallest amount. If money is an exclusive development of the free market, as Carl Menger showed, there is not justification for the State monopolizing it.

Libertarian critics of the Fed will gain few insights from Greider's analysis. It is a disappointing and dangerous book written by a reactionary adherent of defunct economic doctrines and a Statist worldview.

The best that we can hope for it that *Secrets* will demystify the Fed, attract some much-needed attention to its actions, and restore the money question back to popular debate where it belongs. If libertarians participate in the debate, there should be no equivocation about our goal. We should accept nothing short of abolition of the Federal Reserve and its power over the market and our lives. ■

# 1987 A Million Dollar LP Year

Washington, DC - Based upon Libertarian Party and FEC campaign financial reports, along with other estimates, the Libertarian Party and its political candidates at all levels raised more money in 1987, a non-election year, than it did in 1984, its last presidential election year. (See chart.)

According to these tabulations, the LP and its candidates raised over \$1.1 million in 1987, compared to an estimated \$1.089 million in 1984. Due to the imprecision in the nature of the data, and inflation since 1984, the comparable totals are roughly equal for the two years. The comparison is noteworthy, however, because 1987 was a non-election year (aside from a few local elections) and the LP managed to raise as much money as during the past major election year. Financial estimates for the non-election years of 1983, 1985 and 1986 range from \$500,000 to \$700,000. Although financial data is public for the national Libertarian Party, data for individual local and state LP candidates and local and state LP organizations is generally not readily available, due to the modest amounts involved, lack of precise bookkeeping, etc.

1984 marked the first presidential election year following the departure of the Koch family from LP contributor ranks and provided an estimate (in a tough political year for the LP) of the financial resources available from the party's estimated 20,000 or so paid members and contributors. The strong pre-election year showing of Ron Paul and the LP was due primarily to the high profile LP presidential nomination battle, which brought in considerable outside funding from Ron Paul's established supporter fundraising base. Paul spent about \$250,000 to secure the nomination. Even Russell Means, (whose effort is still reportedly thousands of dollars in debt)

without an outside financial base, raised nearly \$40,000 from mostly small contributions, comparable to the amount spent in the pre-1980 presidential race between Ed Clark and Bill Hunscher. The 1983 LP presidential nomination race was fairly cheap because the front runner, Gene Burns, had no opposition until he dropped out a week before the convention, which limited the need for pre-nomination spending.

The 1980 election year still marks the LP's financial high water mark, due largely to the deep pockets of LP Vice Presidential candidate David Koch, nominated largely for his ability to avoid government contribution limits by personally being on the ticket. The Koch family (one of America's richest) is estimated to have contributed upwards of \$2 million, and the LP and its candidates are thought to have raised a total of approximately \$4.5 million during 1980. However, the national LP was stuck with a \$200,000 debt after that election and took until 1983 to completely repay it, making the LP leery of indebtedness ever since.

## The Paul Campaign

Contrary to earlier higher estimates, the Paul campaign raised slightly less than half a million dollars during 1987, or about 10% of what they hope to raise during the entire campaign. Based on the period Oct.-Dec. as reported to the FEC, the campaign raised \$209,000 during the final three months and spent \$134,500. The largest expenditures during that period were for salaries and campaign consultants (\$29,900), fundraising costs (\$26,100), candidate and staff travel (\$17,000), radio and TV advertising (\$8,200) and telephone charges (\$5,200). Together these accounted for 64% of expenditures, with the remaining largely going for

Continued page 7



## Comparative Libertarian Party Revenue 1984 vs. 1987

(Information based upon available published reports or best estimates,  
net of transfers between categories.)

	1984	1987
National Libertarian Party	\$ 414,000	\$ 321,000
Ballot Access Committee	n/a	58,000
Bergland 1984 presidential campaign	475,000	n/a
Paul 1987 nomination and presidential campaign	n/a	489,000
Russell Means 1987 LP nomination campaign	n/a	38,000
Other 1987 LP presidential nomination candidates	n/a	4,000
1987 LP national convention	n/a	100,000
All other 1984 LP candidates other than Bergland	100,000	n/a
State and local LP organizations	100,000	100,000
Total revenue	\$1,089,000	\$1,110,000

## Fundraising

From page 6

supplies, printing, postage and rent. The fundraising overhead was a remarkably low 12% of total revenues raised, possibly artificially low due to inclusion of previously obtained pledges which were paid off at the end of the year.

Of the \$209,000 during the final three months of the year, \$28,000 came from top contributors (\$1,000 - the annual legal limit), while another \$19,000 came from \$500-\$999 contributors. The remaining 78% of contributions came from under \$500 donors, the vast majority of whom contributed less than \$200 during the year.

Some top party officials have privately discussed the idea of applying for federal matching funds, and have discreetly raised the issue with the Paul campaign staff. One view holds that the \$500,000 or so needed to overcome ballot access obstacles (for petitioning and legal fees) amounts to a government-imposed "tax", or barrier to competition, which LP candidates must pay to be allowed to compete in the elections. Reclaiming tax money to, in effect, pay the ballot access "tax" is perfectly legitimate under these circumstances, according to this argument. However, top Paul campaign officials have so far ruled out the idea. They say that Ron Paul himself does not accept the idea, even though his campaign must comply with all federal campaign regula-

tions and restrictions, despite lack of federal funding. There are some doubts about whether the Paul effort could qualify (in part, a candidate has to raise \$5,000 from under \$250 per person contributors in 20 states), although New Alliance candidate Lenora Fulani recently collected over \$260,000 for her third party effort.

At least four major party GOP candidates are expected to bump into the federal nomination spending ceiling of \$27.5 million each, with up to \$6 million coming from federal matching funds. This limitation isn't going to bother Paul, who already has been nominated and is shooting for a total of only \$5 million for his entire campaign.

### The Libertarian Party

According to LP financial reports, the party raised \$321,356 in 1987, and the separately managed Ballot Access Committee (BAC) raised another \$58,000, for a total of \$379,356. The national party showed a slight \$112 profit for the year (although \$3,200 in depreciation costs were non-cash bookkeeping losses only), but did not make the budgeted \$24,000 surplus originally targeted. However, breaking even isn't considered a bad performance in the decidedly non-profit world of libertarian politics. The LP's negative total net worth (\$24,000) is about equal to one month's expenses, indicating that the party is a financially viable "growing concern."

Membership revenue was nearly 100%

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over the original budget at \$82,200, working out to about 5,500 dues paying members at \$15 apiece. (Apparently, this revenue source is habitually underbudgeted, given the LP's own proclaimed size and the amount of dues charged.) Contributions were also 10% over budget, with only miscellaneous revenue coming in below expectations.

However, several expense categories were also over budget, including salaries, postage and shipping, computer related expenses, outreach, and ballot drive expenditures. The national LP went through some major upheavals during 1987, including complete changeouts in staffing, headquarters location and computer systems, which undoubtedly pushed up costs over original projections.

The separate Ballot Access Committee raised \$58,000 on its own, at a cost of about 34%, and spent \$41,500 (66%) on ballot drive expenses, with about \$800 on hand at year end. This was below original plans but considerably better than in any prior LP presidential election year, when no separate ballot drive fundraising existed and few ballot drive expenditures were made.

## Libertarians Involved in Cryogenic Flap

Costa Mesa, CA - In an article entitled "Libertarian Saves Mum's Frozen Brain From State" by Victor Korman in the February 1988 issue of *New Libertarian*, the old adage "truth is stranger than fiction" is taken to new heights. Perhaps it should read "truth is stranger than science fiction".

According to this published report, Saul Kent, who is associated with the Alcor Life Extension Foundation and who has been involved in a controversial legal battle (over the surgical removal of his mother's head shortly after her death and its subsequent preservation in super-cold liquid nitrogen) is described as a "noted libertarian researcher" in the article. In a related article, *New Libertarian* publisher Sam Konkin goes on to describe other life extension advocates as libertarians: "Southern California agorists particularly active and visible in our Freezer Faction include Paul Genteman, John Kreznar and Tom Selene." The Portland-based newsletter *Claustrophobia*, which features articles on life extension and space entrepreneurship, is also described as being produced by "New Libertarian Alliance organizers."

While cryonicists (those who advocate freezing people soon after death to await resurrection in the future when science can cure what ailed them) have attracted publicity previously for their somewhat macabre scientific theories, the recent controversy over the preservation of the late Dora Kent, who was 83 at the time of her death on December 11, has caused the practice to come under renewed scrutiny from authorities. And the libertarian twist has added a new faction in the already bewildering variety of libertarian subgroups (described at one point in the *New Libertarian* article as "Anarchocryonicists").

Concern by law enforcement authorities stems from the fact that the late Mrs. Kent was taken from her nursing home by her son shortly before her death and was not under a doctor's care at the time of her death. Saul Kent and Alcor spokesmen say it was her wish to participate in the head freezing process, but so far they have declined to provide details about the exact circumstances surrounding her post-mortem decapitation. Mrs. Kent was suffering from pneumonia and heart disease and was reportedly considered beyond further

The 1988 LP budget of \$328,000 amounts to about \$27,500 per month. A total of \$31,000 (9.5%) is allotted to ballot drive expenses for 1988 by the national LP.

According to unofficial revenue estimates from the national LP office, January revenue was a dismal \$19,800, due largely to the disruption caused by the late December headquarters move from Houston to Washington DC. By contrast, revenue for February exceeded \$40,000, bringing the year-to-date revenue somewhat ahead of budget. Traditionally the first two months of the year are healthy financially, since the bulk of LP memberships expire during the three months prior to the end of February, which is the cut-off deadline for LP convention delegate allocations, which are based upon paid memberships as of the end of February.

In contrast to the LP fortunes, the Republican Party was estimated to have raised \$68.5 million in 1987, with the Democrats pulling in \$19.3 million. The LP raised only .55% of the GOP total and 1.97% of the Democratic total. While 1987 was a good year for the LP, it has a long way to go to catch up with its two larger rivals. ■

medical treatment at the time she left the nursing home.

However, the Riverside Coroner's Office demanded that the Alcor Foundation turn over Mrs. Kent's head to them to complete an autopsy, which they said could not be finalized until her head was thawed and examined. On February 1, Riverside County Superior Court Judge Victor Miceli approved a preliminary injunction against the Coroner's Office from defrosting seven heads and a body which Alcor has preserved in liquid nitrogen. The judge said that thawing the body parts would be a "violation of the constitutional rights of the decedents" to dispose of their remains as they choose.

In a late February development, the Riverside Country Coroner's Office classified Dora Kent's cause of death as a homicide. They cited toxicological tests on body tissues which they say show she was given a lethal dose of barbiturates shortly prior to her death. The ruling has been referred to the District Attorney's office.

Saul Kent termed the finding "smear tactics" to discredit the Alcor Life Extension Foundation, maintaining that the drugs were administered after death to slow damage to the brain tissues. "I was there and she died of natural causes and then the procedure was started," Kent said.

This situation highlights a seldom seen legal area in which local government authorities investigate all deaths not directly attended by medical doctors. The common law obligation is to determine that unusual deaths do not have criminal origins.

Scientists have been able to revive small animals chilled below normal temperatures, but so far there have been no successful reanimations of higher animals which have been totally frozen.

In his article, Korman suggests that some libertarians might try cryogenics in order to "try to outlive or otherwise escape the enemy of all life and joy - the State." Other libertarians might consider the more effective tactic to try and convince statist to decapitate and freeze themselves.

In the meantime, until further legal action is taken, the controversy over the "freedom from death" Alcor Foundation remains, ah... how to put it? ... on ice. ■



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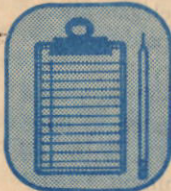
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## Political Notes



Los Angeles, CA - Early 1970's libertarian activist and current White House presidential speechwriter Dana Rohrabacher has announced his intention to run for U.S. Congress this fall from a Southern California district now held by Dan Lungren, according to several reports. Lungren is a long time incumbent who will vacate the seat if confirmed as California State Treasurer. Rohrabacher might also face GOP opposition for that Republican seat. In an *AL* interview over a year ago, Rohrabacher said he planned to leave his White House post by mid-1987 and return to Los Angeles and take up screenwriting. Potomac fever?

Washington, CD - Ballot access expert Richard Winger reports a first for the LP of sorts, based on the decision by the U.S. Supreme Court to hear *Grant v. Meyer*. It's the first time the LP has taken a case all the way to the nation's highest court. This case is based on a 1984 Colorado law which banned paid petitioners for a statewide trucking deregulation initiative effort. Unfortunately, the case ended up at the Supreme Court because the Colorado Attorney General is appealing a lower court decision overturning the ban on paid petitioning. The "Grant" referred to in the case is former national LP Chair Paul Grant.

Cleveland, OH - Ohio LP activist Russell Rosen just won't give up. He used a proposed tax increase as a major issue in his November bid for a Cleveland Heights-University Heights school board election. He lost his election but helped to defeat the levy by 300 votes, out of over 17,000 cast. The school board later improperly went into closed secret session after the election and approved another special election for another vote on the measure.

Rosen and his wife Judith then went to the Cuyahoga County Board of Elections in early January to protest the placement of the tax increase on the ballot. Rosen cited the secret board meeting as a violation of state open meeting statutes. Unfortunately, the Board of Elections struck down this protest, ignoring the obvious fact of the matter. "The school board wants a nice, quiet election where they get 10% of the voters and win by a small majority," Rosen told the *Cleveland Plain Dealer*. At last report, he was considering a court challenge to halt the election.

Houston, TX - George Bush's early October presidential bid announcement saw one feature which was unexpected. A delegation of Libertarian Party members and Ron Paul campaign staffers showed up with Ron Paul for President signs and literature. The group, which included Paul Jacob, Kevin Southwick and Eric Rittberg, received some harassment from the Bush supporters, who did not appreciate their appearance, but otherwise the libertarian demonstration proceeded without incident.

Paul Jacob and other Ron Paul supporters from Houston passed out Ron Paul campaign leaflets at the GOP presidential candidates' debate in Houston. They said most of the Republican debate watchers were willing to take the material. In the debate itself, Vice President Bush alluded to Pierre du Pont's Social Security privatization reform proposal saying "it may be a new idea, but it's a dumb one too." Jack Kemp attacked the idea as well, by saying "Frankly Pete, we don't know exactly which libertarian or market-oriented solution you're going to come up with next."

Fresno, CA - Advocates for Self Government President Marshall Fritz announced the time and location of the next Advocates national "Summit" conclave. According to Fritz, the annual meeting, which will feature workshops and speeches, will be held July 11-16 at Oglethorpe University in Atlanta, GA. Fritz notes that this is immediately prior to the national Democratic Party convention and hopes that his libertarian-oriented outreach organization will be able to capitalize on the increased media presence in the city. At the very least, perhaps he has found a place to unload the 15,000 copies of Robert Ringers' *Restoring the American Dream* book he has stored in his garage.

Orange County, CA - In a move which attracted local press notice, the Orange County LP bestowed its first ever Liberty Bell Award to the Transportation Corridor Agencies last November for its effort to have all three transportation corridors in the area designated as tollways.

"I know it may be difficult for anyone to believe that we actually approve of government action," said Orange County LP chair Lee Connelly, "but government does, at times, take steps in a libertarian direction and we want to recognize them." The LP has favored toll roads in an effort to make public transportation market-oriented, in a first step towards eventual privatization of roadways.

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Mickelson In the Morning  
Koch Cuts Off CSMP  
Jim Lewis Sentenced  
In Review: "Torture", "Capitalism for Kids", "Freedom Under Siege"  
Plus cartoons, political notes, media watch and more...

## COMING ATTRACTIONS

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## Media Watch



### Supreme Court Upholds Absolute Right to Satire

Washington, DC - In a surprising and encouraging unanimous decision, the U.S. Supreme Court threw out a \$200,000 1983 jury award to **Rev. Jerry Falwell** for damages caused by a tasteless satire published in **Larry Flynt's Hustler** magazine.

The case had been viewed as a landmark test, since even freedom of speech defenders were loathe to defend the content of the satire or associate themselves with the controversial pornographer. However, defenders of the First Amendment were very pleased with the solid and absolute backing by the high court for complete freedom of expression, regardless of the subject.

### De-Regulator Folds

Chapel Hill, NC - The monthly tabloid newspaper with an outreach emphasis, the *De-Regulator*, ceased publication in January after more than a year and a half of publication.

Reasons cited by editor **Rick Henderson** include lower than anticipated income, computer hardware problems, and a "rapidly advancing case of burnout." Henderson said this reflects his personal situation and he remains optimistic about the overall libertarian movement. ■



### Ron Paul Appearance on Firing Line

A generally sympathetic William F. Buckley, Jr. jousting with Ron Paul during the PBS program, aired in late February in most places around the country. During the hour-long show, Buckley termed himself "something of a libertarian" but couldn't understand why Paul wanted to abolish the IRS, FBI and CIA.

