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A Publication of
The Rockford Institute

Editorial and Advertising Offices: 934 North Main Street, Rockford, IL 61103.
Editorial Phone: (815) 964-5054.
Advertising Phone: (815) 964-5811.
Subscription Department: P.O. Box 800, Mount Morris, IL 61054. Call 1-800-435-0715, in Illinois 1-800-892-0753.

U.S.A. Newsstand Distribution by Eastern News Distributors, Inc., 1130 Cleveland Road, Sandusky, OH 44870.

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CHRONICLES (ISSN 0887-5731) is published monthly for \$21 per year by The Rockford Institute, 934 North Main Street, Rockford, IL 61103-7061.

Second-class postage paid at Rockford, IL and additional mailing offices.

POSTMASTER: Send address changes to CHRONICLES, P.O. Box 800, Mount Morris, IL 61054.

The views expressed in *Chronicles* are the authors' alone and do not necessarily reflect the views of The Rockford Institute or of its directors. Unsolicited manuscripts cannot be returned unless accompanied by a self-addressed stamped envelope.

Chronicles
A MAGAZINE OF AMERICAN CULTURE

Vol. 13, No. 9 September 1989

On 'Globalization'

Regarding my thesis that the 1929 stock market crash was caused by the imminence of passage of the protectionist Smoot-Hawley Tariff Act of 1930, William Hawkins (*Polemics & Exchanges*, June 1989) dismisses my findings as the work of a mere "journalist, not an economist."

It was precisely my expertise as a political journalist, not an economist, that led me to the facts linking Smoot-Hawley action on the Senate floor in the last week of October 1929 and the Wall Street crash of that same week. Had I studied economics in the United States in the 1950's, I would have been forced to learn demand theory, which has been satisfied with the feeble demand-theory explanations of the crash. (J.K. Galbraith is hailed by demand-siders for his circuitous explanation that the market crashed because speculators had bid it up too high; Murray Rothbard and Hawkins prefer the monetarist argument that the "inflation of the 1920's" brought on the Depression, when in fact there is no record of an inflation in the 1920's, the general price level being steady as a rock.)

As associate editor of *The Wall Street Journal* in the mid-1970's, I had been impressed with the modern-day supply-siders—Robert Mundell, the Canadian, and his protégé, Arthur Laffer—who had been able to forecast and explain the stagflation of the 1970's far better than the Keynesians and monetarists of the demand school. In preparing my book, *The Way the World Works*, I knew I had to find a supply shock to explain the Crash of 1929. Classical theory's supply-side analytical framework had been discredited in the 1930's precisely because classicists at the time could not explain the market crash. (Lord Keynes begins his 1936 *General Theory* with a de-

nunciation of Say's Law, the classical underpinning of supply-side theory, for this very reason.)

I was frustrated in this endeavor until I learned, in a monograph by Gottfried Haberler, that the Smoot-Hawley Tariff Act had been enacted in 1930, not 1931 as I had recollected. As a journalist, I knew that the same Congress sitting in 1930 was sitting in 1929, and that it could have made the key decisions in the earlier year. I immediately went to *The New York Times* microfilms of 1929 and found exactly that: the US Senate, which had been widely thought to oppose the tariff legislation as the week opened, steadily turned to support of the bill, which had already passed the House in March. The chronology fit my hypothesis precisely, hour by hour. It has not been challenged in 11 years, except by hyperbole. Martin Anderson of The Hoover Institution advised me that the economics profession would not recognize my discovery for decades, that, as he put it, "American economists are still trying to explain how Adam Smith could have written *The Wealth of Nations* without possessing an economic degree."

Journalists are required by professional standards to supply evidence to support assertions. Economists all too often propound grandiose theories of the way the world works without making any attempt to fit their models with reality. After a spirited discussion of the Jamaican economy at an IMF conference in Kingston in 1976, the late Arthur Burns asked me where I had studied economics. When I replied that I had never taken a college course in economics, Dr. Burns put his hand on my shoulder and said, "My boy, that is your advantage." I believe it was and remains so.

—Jude Wanniski, President
Polyconomics, Inc.
Morristown, NJ

On 'Those Who Can't Do . . .'

I must commend Jacob Neusner for his review of *Profscam: Professors and the Demise of Higher Education* (June 1989). I should like to note two important scams that Sykes does not address.

Sykes would have us believe that professors are, generally, extremely well paid and cites *average* salaries from prestigious institutions as evidence. But the fact is that only those faculties whose disciplines are allied with science and especially industry receive those high salaries, now pushing sometimes into six digits. The faculties of liberal arts and humanities do not generally receive anything near the emoluments commanded by their other colleagues, often receiving as little as one-fourth the salary of an engineer or a professor of business. Administrators claim that they are "compelled" by alleged "market forces" to discriminate in this manner.

Grade inflation continues to pollute the humanities, particularly in state institutions. It is driven from above by deans and chairmen who are more concerned with passing large numbers of students than with real learning, for the monies the universities receive from their legislatures are based on "formulas" of x dollars per head. This is especially true in the so-called "service" departments (usually English and foreign languages), where professors found failing large numbers of students will be denied raises and promotions no matter what their publication record may be, since large numbers of high grades are viewed as signs of "excellence" and "teaching effectiveness."

—Edward A. Cowan
Arlington, TX

On 'Letter From Washington'

In his June 1989 column ("Our Nation, Your Money"), Samuel Francis claims that Carl Hagen's Progress Party in Norway is one of the right-wing European parties that are nationalist and socialist. In fact, the Progress Party grew out of the Norwegian tax revolt; its platform combines immigrant-bashing with a healthy distaste for government, thus making the organization an *anti-*

socialist nationalist party. (Other examples of anti-socialist nationalists: the Progress Party in Denmark and the Freedom Party in Austria.)

—Martin Morse Wooster
Silver Spring, MD

On 'Letter From the Southwest'

Really now, is not Odie Faulk's "Doctoring Honor" (June 1989) a bit finicky? As a clergyman I have always enjoyed checking the year's roster of those receiving honorary doctorates of divinity. Usually it says all too much about the current ideology of our seminaries.

Mr. Faulk missed the ideological sideline in the business of granting honorary doctorates. In the Episcopal Church it is de rigueur to grant every new bishop a D.D. Just this past year, however, we witnessed the previously unheard of spectacle of a seminary publicly withdrawing its proffer of a D.D. to a bishop. Apparently the feminist contingent was outraged at the bishop's refusal to support the ordination of women. Oh well, there are compensations: bishopess Barbara Harris, who hasn't even an undergraduate degree to her name, to say nothing of a seminary degree, will undoubtedly soon acquire a doctorate, if she hasn't already acquired one. Should, God forbid, I ever meet her, it will give me something to call her, since I certainly can't call her a "bishop." *O tempora, O mores.*

When I went to seminary, all we got was a mere Bachelor of Divinity, but the powers that be decided that it would be more dignified and presumably more honorable to grant a master's: so years later *ex post facto* we all got upgraded. Ain't academia wonderful?

—Father Winston Frithiof Jensen
Superior, WI

On 'The Cost of Revolution'

George Watson, in his article "The Cost of Revolution: England and 1789" (June 1989), goes to extensive lengths to distinguish between "revolutions." Given the "preservative" nature of the pre-1789 experience, one won-

ders whether the term "rebellion" may be more apposite. Discarding the common dictionary distinction, which hinges on the issue of success and does not allow for a "trespasser" theory of interpretation, the latter concept provides a distinction with perhaps more of a difference. Not only does it accommodate Watson's insight that opposition to the French Revolution is not opposition to change but merely its method, it also captures the uniqueness of the English and American experiences (as well as the Dutch). The fruits of these "rebellions" were borne from an appreciation for and incorporation of the past, not a repudiation of it.

—Gordon D. Payne
Madison, WI

On 'Burden of Liberalism'

You can't imagine how refreshing it is to find a conservative publication that not only mentions immigration, but actually knows that there is massive illegal immigration, as your July issue (Cultural Revolutions, "The March Chronicles") indicates.

Probably one of the problems is that conservatives like the competition in the marketplace for jobs, which is fine as far as it goes. When the employer exploits the illegals, by paying far less than minimum wage, paying them so little in the fields that they live outdoors with no running water, no toilet facilities, no cooking facilities; when employers can even decide not to pay for work already done—that's not the free market at play. That's a new form of slavery.

There are sections of California that look like the worst slums in Mexico, and most of the illegals are horribly treated. On the other hand, a good 25% of the cars stolen in this area are stolen by illegals, sometimes to drive further north, often to re-sell on either side of the border. Other thefts add up to about the same percentage of our crime rates. We're seeing too many of the uninformed urging that we let everyone in who wants to come. Romantics all—who will let somebody else cope with the problems.

—Barbara McCarthy
San Diego, CA

MASSACHUSETTS STATE Senator William Owens, who represents an inner-city Boston district, has filed legislation to require the Commonwealth to pay reparations for slavery.

Senate Bill 1621 mandates payment to "people of African descent born in the United States . . . for malfeasance and culpable nonfeasance of the Commonwealth, its agents, employees and citizens with regard to the institution of African slavery, the African slave trade and invidious discrimination against descendants of Africans. . . ." The amount of said compensation is to be negotiated with "legitimate representation of African descendants," which is to say ghetto hustlers of the Jesse Jackson/Steve Cokely/Al Sharpton stripe.

The proposal has its prominent supporters, including Professor David Hall, chairman of the Massachusetts Chapter of the National Conference of Black Lawyers, who decries opposition to the bill as "strong evidence of how deeply racism still flows within the veins of this society."

Over one thousand delegates to the African-American Summit, convened in New Orleans in late April, endorsed the reparations concept, and included it in their preliminary agenda.

That such a lunatic measure could be adopted even in progressive Massachusetts is beyond the realm of imagining. Yet the proposal merits consideration, if only for the light it sheds on the essential character of the racial numbers game.

Owens argues that the state benefited from the institution of slavery because the wealth of Yankee merchants was tied to the triangle trade—and since white residents of the Commonwealth somehow shared in these advantages, fairness necessitates recompense to the descendants of slaves. He cites reparations paid to Japanese Americans placed in internment camps during the Second World War and the West German government's indemnities to Holocaust survivors as precedents for the program.

However it's rationalized, the measure is based on a presumption of collective guilt. The overwhelming

majority of Massachusetts taxpayers are Caucasian. None were alive during the period of the slave trade. Many didn't even have ancestors living in the state or nation at the time. They are to be punished solely for the sin of having the same skin pigmentation as plantation owners, slavers, or those who discriminated against blacks in the pre-civil rights era. In the course of a televised debate on Boston's Channel 25, the senator informed me that, among other infamies, my progenitors had "raped our women." I replied that this was a physical impossibility since, during the era in question, my relations were in Eastern Europe being chased by Cossacks.

The precedents the senator cites are in fact inapplicable. In both instances, payment was made to individual victims or their immediate families, not to persons several generations removed from the offenses. Even so, the equity of the measures is debatable; not the guilty parties but those who shared their nationality were penalized. In the case of Japanese Americans, justice would require sequestering the estates of Franklin Delano Roosevelt and Earl Warren—those pillars of American liberalism who, as President and governor of California respectively, were responsible for the internment of the Japanese—instead of placing the burden on US taxpayers.

Attempting to rectify historic wrongs is a process that easily could continue until the millennium. Why stop with the descendants of the slaves? What of compensation for the victims of anti-Semitism, or their heirs? Octogenarian Bostonians can recall seeing employment notices in the windows of businesses proclaiming: "Irish Need Not Apply." The grandchildren of Boston's African traders were hardly hospitable to the Irish, Italians, Jews, and Slavs who arrived here via steerage at the turn of the century.

More germane to the case at hand, why not seek restitution from the posterity of the African chiefs who sold their own people into bondage? Unlike the public treasury, they are not readily available for plunder. But sums could be deducted from foreign aid to Zaire

or the Ivory Coast.

World history is a sad saga of national wrongs, of conquests, subjugations, pillage, exploitation, and mass murder—of Chinese slaughtered by Mongols, Armenians massacred by Turks, Poles martyred by Russians, Britons harried by Norsemen, and Jews brutalized by just about everyone. (I anxiously await my payoff for the Babylonian captivity.) One could not even begin to calculate the extent of damages, let alone devise a system of compensation for these myriad atrocities. To complicate matters even further, in some instances the oppressed of one era were oppressors of another.

Owens' bill may be loony, but its ethos was long ago actualized. For what is affirmative action—quotas in education, hiring, and promotions—if not a species of reparations? Whites (usually middle or lower middle class) are to be economically disadvantaged because they share the racial identity of the massah and the redneck bigot of a generation ago. Blacks, often from relatively comfortable backgrounds, are rewarded on the same nonsensical basis. Sociologist Thomas Sowell contends the whites penalized are least able to bear the burden, the blacks who benefit need it the least. Instead of this selective system of rewards and punishments, Owens' bill would diffuse both the pain and the pleasure. For advocates of the irrational (racial guilt), it is the next logical step.

—Don Feder

AMERICANS COMPLAIN endlessly about income taxes. And yet we hardly ever reflect on the heart of the matter: that even if every tax dollar were wisely spent, the very principle of the income tax is unfair.

The purpose of taxes is to pay for government. In exchange for taxes we get highways, soldiers, and diplomats. However, tax payments are unlike any other kind of payment. We can choose whether to buy an apple or an automobile, but as Americans we are forced to buy highways in Hawaii and soldiers in Germany whether we want them or not. Taxes are the obligatory cost of