

give it a chance of success, and such support could well prevent the need for resistance through political means. Only a blatant usurpation of power in excess of authority might try to override such resistance, and the coup attempt in Russia illustrates that massive resistance can succeed even with little or no violence.

Maybe we *do* need to give more thought to where we draw the line. How much power do we really grant to the federal government? If the power is accumulated gradually enough, it may not be blatant enough to inspire massive resistance. In that case a smaller group might be suddenly and accidentally pushed beyond its limit and provide the tragedy of a Lexington-like spark, with violent, armed resistance the final result. In either case, without the Second Amendment we lose much of our option to resist. Even the most massive nonviolent resistance becomes fatally or near-fatally weak without the threat of *armed* resistance to back it. Two old quotes come to mind: "The price of liberty is eternal vigilance" and "Those who give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety." It's time we paid a little more attention to where we stand before it's too late.

Here on the Eastern Shore, guns are a way of life. People like to hunt, people like to shoot, and people like to collect guns out of historical or aesthetic interest. Most small towns could easily arm an infantry company out of private collections, and small cities could probably arm a regiment—possibly including automatic or other heavy weapons. There are no militia groups, but organization could occur around fire companies, fraternal organizations, gun clubs, and even veterans' organizations if the provocation were severe enough.

I doubt I will ever have to stand and literally fight for my rights. I hope I don't. If it's going to happen, I hope it happens after my lifetime, after my children's lifetimes, and, if and when they arrive, after my grandchildren's lifetimes. I suspect that's about as many generations ahead as we're capable of worrying about.

At the same time, I wonder if that isn't what those Massachusetts farmers felt in 1775. No doubt resistance to the British Army looked as hopeless to them as resistance to the federal government does to me. But if it does come to lining up on the village green, I hope I'll have

the courage to stand with my neighbors—and they the courage to stand with me—to make sure America stays a free country of free people.

We celebrate that freedom on the Fourth of July, but those words of July Fourth were created by the actions of those men in April 1775. In my mind, that's the real holiday, in the original sense of the word.

*Richard J. Davis writes from Hurlock, Maryland.*

## Waco in Moscow

*by Yuri N. Maltsev*

The standoff between President Yeltsin and the Russian Parliament ended in flames and gunfire that can be compared to the sad scenes of the Branch Davidian compound in Waco, Texas. Even the scare tactic of round-the-clock rap music was emulated by Russian *spetsnats* troops. Having crushed his opponents, Mr. Yeltsin returned Russia to its familiar state of one-man rule. This was to officially last until the December 11 elections and then informally continue under the fig leaf of a new "democratically elected" parliament. With his main opponents Messrs. Rutskoi and Khasbulatov locked in the infamous KGB Lefortovo prison, the election campaign will be a mock tournament between Mr. Yeltsin's *very* ardent and *most* ardent supporters.

Immediately after his "Wacoization" of the parliament, Mr. Yeltsin purged his other enemies, who by chance of fate were outside the Moscow White House. The second round of repression ousted the Supreme Court Chairman, the Prosecutor-General, and dozens of provincial leaders and local bureaucrats. The *tour-de-force* was staged right—Russians were reminded that Mr. Yeltsin, irrespective of his image as an indecisive and reflective casual drinker, can easily turn back into the Ivan the Terrible of the Moscow bureaucracy, the role he played successfully during his tenure as First Secretary of the Moscow Party organization from 1985 to 1987. Today, the former Politburo member is trying to emulate Chilean dictator Augusto Pinochet in establishing an anticommunist, benevolent dictatorship with the

declared aim of making a long-awaited transition to a market economy.

As paradoxical as it sounds, democracy in postcommunist nations is essentially an antimarket phenomenon. Westerners have observed with dismay how by the formally democratic process, communists—the most explicit enemies of both the free market and democracy—have come back to power in Poland, Ukraine, Lithuania, Azerbaijan, and other postcommunist countries. The blame for these developments should rest, to a large extent, on anticommunist reformers themselves for being indecisive and halfhearted in pursuing the cause of freedom. This indecisiveness has prolonged the agony of socialism and its corresponding hardships for the people. Former communists and other antidemocratic forces, including those recently deposed in Moscow and those who are still prospering in the provinces, would exploit this lack of reform and pin the blame on the nonexistent free market.

Misguided by old-style communist propaganda punctuated by Western advice to go slowly, phase in freedom step-by-step, and embrace piecemeal changes as liberty, the ordinary Russian, Tatar, or Kalmyk has no immunity against the deadly bacilli of socialism. The only immunity against a slave mentality is private property. Making the right to private property indispensable is the only real basis for true Jeffersonian democracy. Before the establishment of property rights, democracy in the postcommunist world is a liberal delusion, a dangerous utopia that is as illogical, phony, and disastrous as socialism itself. "People without property are slaves," Alexis de Tocqueville warned us 170 years ago. Slaves are deprived of choices, which differentiates them from free people. Without private property, any talk about democracy in Russia is meaningless.

Elections to the burned parliament were the first grandiose political show staged by Mikhail Gorbachev in 1989 to impress the West and his own people that Russia was getting over its communist congresses and was to be ruled from then on by the same democratic principles as the welfare democracies of the West. Being one of his misguided subjects on this matter, I decided to run and was even nominated by several "working collectives" (one of the requirements of the show) in the Proletarski District of Moscow. But my career

as a people's deputy in Gorbachev's parliament never materialized, because the filters established by the election committee automatically rejected anyone whose loyalty to socialism and Gorbachev could be questioned—although it wisely included a handful of visible dissidents as a token opposition.

The real reason for playing the parliament game was to create a body of support for Mr. Gorbachev outside the Politburo and Communist Party apparatus, which were antagonistic to *perestroika*. Paradoxically, the first “democratically elected” Russian legislature had a higher content of communists (80 percent) than those autocratically appointed by Stalin, Khrushchev, and Brezhnev (usually below 50 percent). The real choice the people of Russia faced at the polling boxes in 1989 was between hard-line Stalinist communists and reformed and soft-spoken Gorbachev communists.

And so Gorbachev-style communists were elected, as well as Stalinists who won in rural districts where people were hoarded into polling stations the same way their fathers had been hoarded into collective farms or the dreadful gulag. A handful of dissidents known in the West and used by Gorbachev to give an impression of legitimacy to his government (and even more important, eligibility for Western foreign-aid handouts) were included as token liberals. Their role in parliament was downplayed by its leaders, Vice President Rutskoi and Speaker Khasbulatov. These are the people whom Yeltsin asked to “cease and desist” on September 21 and “Wacoized” on October 4.

It was not a surprise that Yeltsin's “coup” was immediately denounced as “foolish,” “antidemocratic,” and “unjustifiable” by the real father of this parliament, Mikhail Gorbachev, and his fellow socialists from Moscow to Amherst, Massachusetts. For example, Stephen Cohen, who is consistently wrong on any issue he talks about—and therefore probably valued highly in certain circles—was appointed the director of Russian studies at Princeton University and a CNN consultant. Given this opportunity to be a regular “lying head” on Russia, Cohen commented on Yeltsin's decision: “There is no more democracy in Russia.” Was it there before? Obviously not, but in Cohen's mind, it was a socialist democracy of which the people of Russia should be proud. A former writer for the *Kommunist*, the main propaganda

magazine of the Politburo that ceased publication with the end of the Communist Party, Cohen switched to CNN, a hard-currency payer.

The events after the “Yeltsin coup” of 1993 showed that Yeltsin's calculations proved correct. Besides Gorbachev and Western academic Stalinists, only a tiny, pathetic group of old-age Stalinists and teenage products of the socialist public school system supported the “People's deputies” in Russia. The tragic story of this second Russian Revolution tells us that it is impossible to proceed gradually and phase in freedom step-by-step. Numerous warnings from Western governments, the IMF, and all kinds of well-wishers on the left against the “shock therapy” approach to economic and political reforms in postcommunist countries led, in the case of Russia, to “shock without therapy”—numerous hardships for the people without *any* significant progress on the transition to a market economy. The end of the socialist parliament now deprives Yeltsin of any further excuses not to pursue the path of economic freedom. Only time will show whether Yeltsin sacrificed the “democratic” facade of his regime for the substance of the free market.

That the economic situation in Russia is going from bad to worse is already a tautology. The Consumer Price Index in Russia listed the inflation rate to be over 700 percent in the first nine months of 1993 instead of the “promised” 100 percent. The value of money is diminishing so rapidly that cash is physically scarce. Russia does not have the printing capacity to keep up with demand. The budget deficit exceeded 45 percent of the estimated GDP. Production dropped 15 percent last year and continues to shrink. Contrary to the basics of Keynesian economics, we witness simultaneous increases in prices and fall-offs in production and employment.

The essence of socialism is public ownership, and without dismantling this system none of the economic “reforms” of Yeltsin's government will ever work. At the most general level, the goals of privatization are twofold: one, to introduce a society based on economic freedom and the democratic rule of law; and two, to increase the efficiency of the national economy. “The acceptance of a private property-based economy is—not unexpectedly—the last line of defense of the old order,” states Larisa Piyasheva, the only visible free-market economist in

present-day Russia. Fired by Yeltsin's government because of “budget cuts,” she rightly believes that privatization alone will not solve all of Russia's problems, but she realizes that without it there is absolutely no hope for improvement. The Russian government's recently adopted program for “privatization” leads neither to private property nor to private ownership, but rather intends to create a “mixed,” or collective, property owner, essentially leaving property rights a monopoly of the state. The fact that private ownership dominates the most efficient economies of the West points unmistakably to the economic inferiority of “collective property,” leasing, and cooperatives as an ownership solution.

Progressive taxation with an upper tax bracket of 60 percent was introduced, while the new sales tax rate was set at 28 percent. This “free market” approach means every new reform causes perverse public responses and that every new law ostensibly passed to increase freedom only increases opportunities for fines and bribes. Russia's prisons, probably the worst in the world, are still filled with over 100,000 entrepreneurs, most convicted for commercial and business practices absolutely legal in civilized countries. As popular Russian journalist Viktor Kopin assesses the present stage of the “Capitalist Revolution” in Russia: “The ‘White Guard’ attack on socialism failed. We have gotten a quasi-democratic society with quasi-market, quasi-legality, quasi-morale. The predominant conclusion is that freedom leads to the devastation of spirituality, crime, pauperization of the masses, and emergence of a class of fat cats.”

The short-term possibilities for foreign investment in Russia remain quite limited. The business climate will continue to be intolerably risky as long as investors must worry about economic instability, lack of reliable currency, political conflicts, and uncertainty about the future of the Russian empire. Until the Kremlin adopts civilized practices and laws on investment, the prospects for joint ventures and similar forms of cooperation will remain grim. Yeltsin's government has chosen (or was forced to choose by the hard-liners in parliament), the least daring, least radical of the reform options available. As my former colleague at the Russian Academy of Sciences, Yevgeni Yasin, admits, “The influence of politics on the economy has

now reached its greatest possible dimension."

A comprehensive program of transition to a market economy should include the privatization of industrial and agricultural property; provisions for free trade in shares at newly created stock exchanges; the denationalization of land; the creation of labor markets through the elimination of existing restrictions on the freedom of labor to contract; the immediate demunicipalization of housing; drastic cuts in military and other government spending; monetary reform aimed at achieving the convertibility of the currency in international money markets; and the liberalization of foreign trade.

The failure of socialism in Russia, combined with the enormous suffering and hardship of the people in all of the so-called socialist countries, is a powerful warning for the West against socialism, statism, and government interventionism. It is beyond the abilities of eco-

nomic analysis to calculate the opportunity-cost of the socialist experiment in Russia, but the human toll is estimated by historian Roy Medvedev at 41 million people who perished in the gulag during Stalin's collectivizations, purges, campaigns against "unearned" incomes, and other devilish experiments. But "the only lesson of history is that it does not teach us anything," says a popular Russian aphorism. And it certainly seems true. "Despite the recent collapse of socialism and communism in Soviet Russia and Eastern Europe, socialism is still alive and growing," says Nobel laureate Gary Becker. Socialism clearly still presents a mortal danger to economic freedom and the quality of life for us and generations to come.

*Yuri N. Maltsev, associate professor of economics at Carthage College in Kenosha, Wisconsin, was an economic advisor to Mikhail Gorbachev's government.*

## Food, Felons, and Foreign Aid

by Robert Weissberg

### A New Approach to Trade and Punishment

America's attempts to help the former Soviet Union have proven exceptionally frustrating. Nearly all government officials, Democrats and Republicans, liberals and conservatives, realize that something ought to be done. The possibility that continued economic crises will mean a return to a belligerent totalitarian state is both reasonable and justifiably dreaded. Even the most coldhearted lifelong anticommunist cannot enjoy seeing mobs of angry Russians protesting in the streets.

Unfortunately, we are stupefied about

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