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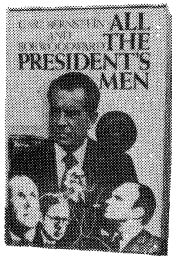
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ALL THE PRESIDENT'S MEN

By Carl Bernstein and Bob Woodward



to dislodge someone who answers only to a corporate board of directors.

In 1972 and 1973 the Washington Post became "the Watergate newspaper," with virtually a franchise on the topic. For a long while its only competitor, the New York Times, seemed content to rewrite, a day late, the findings of the Post's reporters. By 1974, with Watergate becoming the only governmental topic under discussion in Washington and with all other issues waiting for whatever leftover attention Congress and the executive could spare, the Post's influence had taken on dangerous proportions: if it was not in the Post, it was considered of no importance. And since the Post was giving over most of its space to reporting Watergate, other vital stories were going unreported. The energy problem was given

hit-or-miss treatment in the Post; the decay of the economy was allowed to reach its present depths with only cursory attention. The depredations of Pentagon budgeteers, once a favorite topic at the Post, were ignored, and consequently, Congress ignored them, too. The further crippling of free enterprise by federal subsidization of certain favored corporations was given secondary status in the Post's news columns and, with the pressure gone, in Congress as well.

Perhaps time will correct the imbalance of influence, but at the present moment—and for some time past—the unhappy fact is that because the Post was proved right on Watergate, it has too often been assumed "right" about the importance it has placed on other issues and right in its conclusions about them. To be sure, these assumptions are made only by our laziest politicians, but they are many.

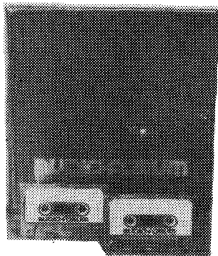
I just want it understood at the outset that I read *All the President's Men* as several kinds of tragedy: the tragedy of a news corporation's victory as well as the tragedy of a political administration's defeat.

The most attractive feature of this book is Woodward and Bernstein's personal conduct (I like investigative reporters who do their plotting over malted milks and banana splits) and professional candor. They admit that they sometimes skirted close to the edge of the law (as when they interviewed members of the grand jury), that they sometimes violated good

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BASIC PRINCIPLES OF FREE MARKET ECONOMICS

By Murray N. Rothbard



Contemporary economists are not as smart as they thought they were, but they do not know why. And they know it all went wrong, but they do not know where. Now, they are called upon to "do something," and they do not know what to do. That is, they do not know what to do and still maintain the full government apparatus of welfare programs, subsidies, and a variety of other public goods and services which they cherish.

As an example, Nobel laureate Paul A. Samuelson, who teaches at MIT and who is also the

author of the most widely used college textbook on economics, recently said: "It is a terrible blemish on the mixed economy and a sad reflection on my generation of economists that we're not the Merlins that can solve the problem. Inflation is deep in the nature of the welfare state. Even when there is a slack in the system, unemployment doesn't exert downward pressure on prices the way it did under 'cruel' capitalism."

It is big of Mr. Samuelson, one of the staunchest advocates of the mixed economy, to admit that the mixed economy has major flaws, and even admit that it lacks the admirable attributes inherent in capitalism. But what else can he and his pals, who have similarly taken to bouts of blood-letting lately, say.

They have been telling us for decades that their wonderful schemes for social and monetary equality could easily be had (provided there was enough government regulation and intervention), while at the same time keeping the economy moving swiftly forward between inflation on the one hand, and depression on the other. Of course, they are embarrassed that these paths have now merged, not only because they have maintained that it could never happen, but because they have no remedy now that it has happened.

They would have been positively red-faced if they had attended a series of 16 lectures, given by Murray N. Rothbard in New York City last winter, which discussed basic economic laws and principles within the framework of the free market economy. Few contemporary economists think in these terms, and what they would have learned was that their failure to do so is precisely why they collectively and totally blew it.

The 50 people (myself included) who attended Dr. Rothbard's lectures found out why and how they blew it. And much, much more. The lectures

covered these general topics: Choice, Utility, and Demand—Supply and Demand—Advertising—Price Controls—The Profit Motive: Owners vs. Managers?—Costs of the Firm—Pricing of the Factors of Production—Labor and Unions—Labor: Minimum Wages and Population—Capital, Interest and Profit—Interest and Capitalization—Conservation and Property Rights—Monopoly and Competition—Money and Prices—Money and the Balance of Payments—Banking and the Business Cycle.

Dr. Rothbard is well-known among intellectuals as an economist, historian, and libertarian theorist. But for those who have had the privilege to hear him speak, he is also one of the outstanding teachers of our day. The lectures are not read from a prepared text, but delivered from well-organized notes, which makes the subject interesting and lively, while at the same time allowing for digressions when needed to bring in facts, names, dates, figures, historical episodes, et cetera, that add emphasis and much needed humor to economic fundamentals.

Building from the concepts of scarcity, choice, and individual action, he takes the beginner step by step through such complex and diverse issues as: why the almost exclusive use of broad economic aggregates in evaluating and forecasting economic activity is nearly always misleading; why the bank interest rate in a free economy will tend to be the same as the rate of business profit, why New York City and Brooklyn do not have a balance of payments problem, but France and England do; why, once a stock of money is established, it need not be increased to finance growth and expansion; what causes the so-called "liquidity crisis," or money crunch, we hear so much about; why inflation is the cruelest taxation of all; why the business cycle results from government tinkering rather than from something deep within the market economy, as statisticians have charged; and many more too numerous to mention here.

Only Dr. Rothbard could remove so much mystery, mistaken thinking, and outright insanity that currently surrounds contemporary economics, and present it whole. If prior exposure to economics has left you convinced that it is indeed the "dismal" science it has been called, these cassette tapes, which were recorded on-the-spot, will educate and delight you—and probably change your mind.

The taped lectures, along with about three dozen charts and graphs that illustrate the relationships of supply and demand, cost and revenue, et cetera, constitute the most comprehensive treatment of basic economics ever available by recording. / REVIEWED BY IDA WALTERS / **Cassette Recordings** (with binders and printed outline and charts) / (Tapes 301-316, 16 hrs.) / **BFL Price \$137.50**, or \$150 in three installments of \$50 each.

Bernstein & Woodward— (Continued from page 1)

taste, that they fractured journalistic ethics (as when they divulged one of their sources); but I do not recall their ever defending these actions with the argument that the end justified such means.

However, the most fascinating thing that comes across is that the management of this great newspaper, the *Post*, is motivated all too often by such human impulses as hate, envy, and personal embarrassment. It is healthy to have the notion of objectivity squelched. Charles Colson made a speech in Boston in which he said:

If Bradlee ever left the Georgetown cocktail circuit, where he and his pals dine on third-hand information and gossip and rumor, he might discover out here the real America. And he might learn that all truth and all knowledge and all superior wisdom just doesn't emanate exclusively from that small little clique in Georgetown and that the rest of the country isn't just sitting out here waiting to be told what they're supposed to think.

W&B write that after Bradlee had read a copy of Colson's speech in his office he "walked over to Woodward's desk. 'They're really kicking it at me,' he said. 'That's some pretty personal shit.'" Bradlee goaded Woodward to start digging deeper. "Later, Bradlee told an interviewer that he'd been 'ready to hold both Woodward's and Bernstein's heads in a pail of water until they came up with another story. That dry spell was anguish. Anguish.'"

This time the product of Bradlee's pique turned out to be for the good of the country. But is pique a reliable guide for the long haul? I would feel better if the editor of one of the two most important newspapers in the country were not so devoted to the punishment of persons who criticize Georgetown cocktail parties.

There is nothing here that even slightly tarnishes the glories of W&B's persistent, dogged, ruthless, manic curiosity. When Woodward phoned one of Segretti's contacts and asks for a personal interview, the man replied, "I'll shoot you if you come out here." They were inundated with insults. Doors were literally slammed in their faces. On one occasion, when Bernstein confronted ex-Attorney General Mitchell on the telephone with some of the latest findings, Mitchell's response, W&B write, "was so filled with hate and loathing that Bernstein had felt threatened.... Once the election was over they could do almost anything they damn well pleased. And get away with it."

The drama of that confrontation is so intense that, oddly, it peaks on an unconsciously humorous note:

BERNSTEIN: "Sir, I'm sorry to bother you at this hour, but we are running a story in tomorrow's paper that, in effect, says that you controlled secret funds at the committee [to re-elect the President] while you were Attorney General."

MITCHELL: "JEEEEEEEEESUS. You said that? What does it say?"

BERNSTEIN: "I'll read you the first few paragraphs." [He got as far as the third. Mitchell responded, "JEEEEEEEEESUS," every few words.]

MITCHELL: "All that crap, you're putting it in the paper? It's all been denied. Katie Graham's gonna get her tit caught in a big fat wringer if that's published. Good Christ! That's the most sickening thing I ever heard."

BERNSTEIN: "Sir, I'd like to ask you a few questions about—"

MITCHELL: "What time is it?"

BERNSTEIN: "Eleven thirty. I'm sorry to call so late."

MITCHELL: "Eleven thirty. Eleven thirty when?"

BERNSTEIN: "Eleven thirty at night."

MITCHELL: "Oh."

Is it really true that our attorney general did not know whether it was 11:30 A.M. or P.M.? If so, it explains a lot about the Nixon administration.

One of the most popular spectator games of the Watergate era has been to guess the identity of "Deep Throat," W&B's main source of inside information. Richard Whalen writes that "an informal poll of leading Nixonologists turns up two nominees: Robert Finch and Harry Dent. Neither man 'fits' precisely, but both had the necessary position and motivation." Neither Finch nor Dent has the kind of courage it takes to be a good squealer. Others have guessed that Deep Throat was a high official in the FBI, maybe Mark Felt, because Woodward regularly referred to him as "my friend." There is one passage in the book that contains a phrase I think points in the direction of the FBI. Deep Throat is talking to Woodward:

If you shoot too high and miss, then everybody feels more secure. Lawyers work this way. I'm sure smart reporters must, too. You've put the investigation back months. It puts everyone on the defensive—editors, FBI agents, everybody has to go into a crouch after this.

The business about shooting too high and missing could be in anybody's language. But that last phrase—"everybody has to go into a crouch after this"—sounds like somebody who has often been on the FBI's firing range with a handgun, crouched in a defensive posture. If you do not like my guess, help yourself to the rest of the bureaucracy and the presidential executive office.

In any event, the cloak and dagger atmosphere that creeps into the book, without being forced at all, is beautifully established when Woodward and Deep Throat devise the method for meeting: Deep Throat suggests that when Woodward wants to see him, he open the drapes in his apartment. But Woodward does not like that idea, because he always leaves his drapes open. So Woodward suggests another way: He has an old red flag of the sort truckers tie on the end of something that sticks over the tailgate. On his apartment balcony he has a flower pot resting on the flag. In the future, if he wants to see Deep Throat, he will move the flower pot off the flag. Then, after walking and taking at least two taxis en route, Woodward will meet Deep Throat at 2 A.M. in an underground garage.

When you stop to think about it, this is really a rather simple procedure compared to the normal channels of communication in the federal government. And that is a point worth remembering, for after all the intrigue of these two young reporters is boiled and rendered, the story they tell in *All the President's Men* is refreshingly simple compared to much that just normally goes on in Washington. REVIEWED BY ROBERT SHERRILL / 349 pages / BFL Price \$8.95

ON POWER: ITS NATURE AND THE HISTORY OF ITS GROWTH

By Bertrand de Jouvenel

Anyone concerned with individual liberty must begin to feel a deep sense of melancholy when he undertakes even a cursory examination of the history of the State apparatus. And it is sobering indeed to spend a few evenings reading Bertrand de Jouvenel's classic work on the subject: *On Power: Its Nature and the History of Its Growth*. The "Power" of which de Jouvenel speaks is, as the translator J. F. Huntington tells us, "the central governmental authority in states or communities." De Jouvenel's central concern in this work is not a "journalistic" history of the State's growth, but, as he himself entitles the first section, "the metaphysics of power." But for a great deal of this work, de Jouvenel is actually discussing the psychology of the State's expansion of power, with such topics as "the social consequences of the warlike spirit," "political authority and parental authority," "formation of the nation in the person of the king," and "from parasitism to symbiosis." These are but random examples of themes.

To set the examination in perspective, consider a few facts culled from early portions of *On Power*. If we take the phenomenon of war to be a good indication of the scope of the State's power, and trace the history of the State apparatus from about the eleventh or twelfth century, when the first modern States began to take shape,

what at once strikes us is that, in times which have always been depicted as much given to war, the armies were very small and the campaigns very short. The king could count on the troops mustered for him by his vassals, but their only obligation to serve him was for no more than forty days. He had on the spot some local militia, but these were troops of poor quality and could hardly be relied on for more than two or three days campaign-

ing.... War in those days was always a small-scale affair—for the simple reason that Power was a small-scale affair and entirely lacked those two essential controls, the conscription of men and the imposition of taxes.

Indeed, until the time of Louis XIV, "conscription was unknown, and the private person lived outside the battle." And

if we arrange in chronological order the various wars which have for nearly a thousand years ravaged our Western World, one thing must strike us forcibly: that with each one there has been a steady rise in the coefficient of society's participation in it, and that the total war of today is only the logical end of an uninterrupted advance towards it, of the increasing growth of war.

De Jouvenel was writing at the end of World War II, which he notes has surpassed in savagery and destructive force any yet seen by the Western World.... In this war everyone—workmen, peasants, and women alike—are in the fight, and in consequence everything, the factory, the harvest, even the dwelling house has turned target. As a result the enemy to be fought has been all flesh that is and all soil, and the bombing plane has striven to consummate the utter destruction of them all.

The scope of war, de Jouvenel shows, is proportionate to the growth of State power; indeed the growth of one goes hand in hand with the growth of the other, each reinforcing and expanding the other.

But war is not a major theme of *On Power*; it was, perhaps, only the occasion for de Jouvenel to reflect on the nature and history of power in the first place. The book is a broad-ranging study, using examples and illustrations drawn from virtually every aspect of the history of the West,

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