



with George's views on land-ownership and property taxes, but they comprise a minor part of this masterful presentation of the case for a worldwide free market.

The Theory of Money and Credit, by Ludwig von Mises, Liberty Press, 539 pp., \$11.00 hb.; \$5.00 pb.

WITH THE RECENT centenary of Ludwig von Mises's birthday, the Liberty Press reprint of *The Theory of Money and Credit* (TOMAC), perhaps Mises's greatest work, is especially appropriate. Starting with the fundamental unit of economic analysis, the individual, Mises proceeds to develop a sophisticated theory of the nature and importance of money, its role in a market economy, and the consequences of political intervention through the manipulation of monetary variables. Among the important insights in this work are an explanation of how free markets develop money, the importance of money for economic calculation, how inflation destroys the possibility of accurate profit and loss calculations, and an explanation of business cycles. Although TOMAC was originally published in 1912, it still stands as the most impressive work ever produced in monetary theory — while not recommended for casual reading, it is unparalleled for its sophisticated insights into economic phenomena in general and monetary phenomena in particular. This edition contains the essay on "Monetary Reconstruction" written for the 1953 Yale University Press Edition, and a new Foreword by Murray N. Rothbard.

National Defense, by James Fallows. Random House, 204 pp., \$12.95.

AS THE ADMINISTRATION prepares to spend \$1.6 trillion over the next years for "defense," many commentators are reflecting on the impact this may have on the American economy and questioning the wisdom of throwing money at the Pentagon.

James Fallows, Washington editor of the *Atlantic*, has produced a book which asks some tough questions about the nature of our national defense and the spending done in its name and debunks much of our current defense wisdom: the "culture of procurement" that spends money on technologically sophisticated weapons where simpler systems would do, the managerial mentality that substitutes computer printouts for reality, and the doomsday sleuths, among others. Fallows is a penetrating critic, and will probably have a much-deserved impact. But two caveats should be added. Fallows is an advocate of conscription, explicitly attacking the libertarian critique of the draft. And much of his otherwise sound analysis is reduced to efficiency-mongering because he sidesteps all questions of foreign policy. No criticism of our manpower and weapons is really complete without a full-scale questioning of what all this defense spending is supposed to be for: to implement an interventionist foreign policy of deterrence and alliances. Those criticisms aside, this is a good place to begin rethinking some of the assumptions behind what passes for defense policy, particularly during the bleak Reagan years to come.

Socialism, by Ludwig von Mises. Liberty Press, 597 pp., \$11.00 hb., \$5.00 pb.

ALTHOUGH ORIGINALLY published in 1922, Ludwig von Mises's *Socialism* still remains as the definitive refutation of nearly every brand of socialism that has ever been devised. Unfortunately, Mises's work has never achieved proper attention and *Socialism* is no exception, for this is the book that should have put socialism and communism on the intellectual defensive for the remainder of the twentieth century. At the time when this book was written, a sizeable percentage of the intellectuals of the Western world were flirting with the ideologies of Bolshevism and collectivism, but Mises is uncompromising in his rejection

of such a philosophy. Most of *Socialism* consists of showing how the schemes of central planning were injurious to both economic prosperity and individual liberty. Perhaps the strongest argument Mises makes is that any economic system that disposes of free market pricing of resources is unable to engage in rational profit and loss calculations. In closing, it should be noted that *Socialism* is basically a critical work which cannot be fully understood unless one also understands its companion volume, *Liberalism*, where Mises outlines his idea of the "free and prosperous commonwealth." This edition contains a new introduction by F.A. Hayek.

The National Letters

On literary welfare (Part II)

JEFF RIGGENBACH

AID TO THE ARTS IS one of the few activities of government that is almost never seriously questioned, even in this era of tax revolts and widespread bipartisan distrust of politicians and the political process. It's true, of course, that federal aid to the arts is one of the few sections of Uncle Sam's budget which is actually smaller this fiscal year than it was last fiscal year. But though its belt has been tightened somewhat, the federal arts bureaucracy remains in place, still unchallenged in any fundamental sense. There was some talk early in the year in some quarters of the Reagan administration — notably those inhabited by the likes of David Stockman, a man consistently and conspicuously more radical than his boss — about abolishing entirely the two flagship government arts agencies, the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH); but nothing

came of it. And even if something had, it would have made little difference in the overall scheme of things. The NEA and the NEH are only the most visible of the federal government's efforts to aid the arts. They are almost literally the merest tip of an enormous iceberg of such federal aid. Together, the two Endowments spent only about \$300 million per year in their best-funded years. And \$300 million has been estimated to be less than two percent of the total annual federal investment in aid to the arts. Even if the Reagan administration had had the courage of what it claims are its convictions, and had abolished the two Endowments entirely, the dent in the federal arts bureaucracy would scarcely have been felt.

This is not, to be sure, the impression you received if you spent much time this past summer listening to the loud public wailing and anguished gnashing of teeth in which lobbyists for the arts were then indulging themselves at the mere prospect of modest cut-backs in their funding. "The government support for the arts," wrote California Chamber Symphony founder and conductor-in-chief Henri Temianka in a letter to the *Los Angeles Times* in May, "benefits millions of young people who, without exposure to the arts, would grow up to be spiritual morons." With less government support of the arts, he prophesied, "civilization would be impoverished, and we would have a surplus of 10-speed bicycle repairmen." In July, theaters in New York, Los Angeles, San Francisco, Chicago, Boston, Miami, and Atlanta interrupted their performances with periodic five second blackouts, to dramatize the loss they faced because of impending cuts in federal arts funding. And Rockefeller Foundation President Richard Lyman told Congress the proposed cuts were "punitive" and "severe" and would "do lasting harm to a very promising effort to broaden and deepen the American people's cultural opportunities." In a word, we

were put on notice over the summer: cut funding for the arts and you'll wake up one morning and find that the arts have died overnight.

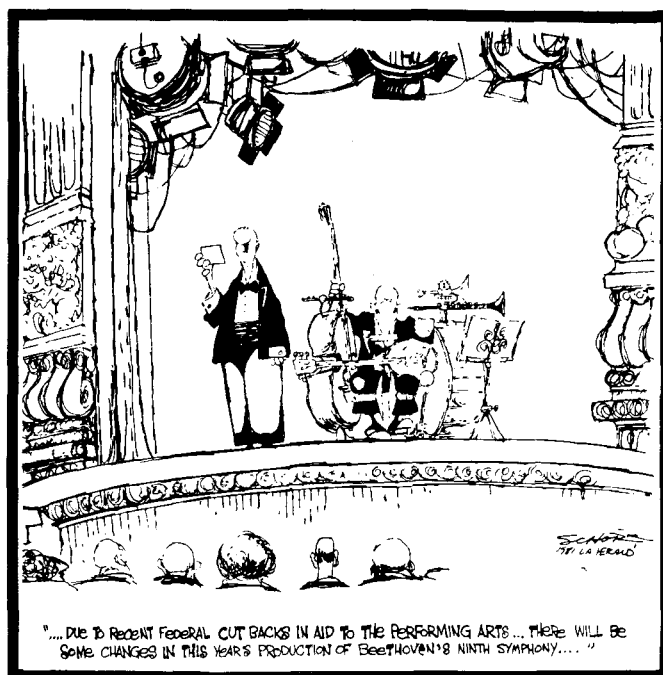
Would that it were so easy! But alas, it is not. Because the amount which has been cut out of the budget for the National Endowments for Fiscal 1982 is such a tiny fraction of the total amount actually spent on the arts every year by the U.S. Government, we cannot look forward to the early extinction of the arts in America—enticing as that prospect might seem and fervently though we might hope to see it.

But wait. Do I detect among those in my audience some evidence of consternation that I should be publicly wishing the demise of the arts in America? Can such things be? Yes, they can. For there is a large and important distinction to be made whenever the topic now under discussion is addressed—the distinction between Art, on the one hand, and The Arts, on the other. This is not my distinction, I hasten to add. It was first made, so far as I know, by Ronald Berman, a former chairman of the National Endowment for the Humanities, the federal agency which stands in relation to the NEA about as Tweedledum stands in relation to Tweedledee. Mr. Berman first offered his distinction to the public in an article early last year in *Commentary* magazine, which began by frankly acknowledging that “[i]n the 14 years since the inception of the National Endowment for the Arts, and after the expenditure of the better part of a billion dollars, we are hard put to name a single work of art worth recollecting that it has made possible. Nor can we associate its support with any great enterprise in training or apprenticeship. Nor can we connect that support with a productive idea affecting the understanding of art either by artists or their audience.”

Where, then, had the billion dollars in NEA money gone? Not to Art, Mr. Berman answered, but to The Arts, which is a different thing entirely.

In the year and a half since Mr. Berman's article appeared in *Commentary*, his distinction between Art and The Arts has been taken up by other hands, most notably those associated with *Harper's* magazine. *Harper's* Washington editor Michael Macdonald Mooney made extensive use of it in his book *The Ministry of Culture*, published this past November. And *Harper's* editor-in-chief Lewis Lapham ran it through its by-now-familiar paces again in his “Easy Chair” column only month before last. Yet it still seems not to have attracted the public recognition it so richly deserves. What precisely is the distinction between Art and The Arts? At base it is the same as the distinction between the individual and the institution. “The arts,” Lapham writes, “(at least as perceived by congressmen, corporate vice presidents, and the authors of federal guidelines) allow for a bureaucratic shape.... Art remains too much within the province of the individual, an unpredictable entity that cannot be relied upon to correctly process the forms.” The Arts is the Boston Symphony Orchestra, the Metropolitan Museum of Art, the Coordinating Council of Literary Magazines; Art is Carole King and Keith Jarrett, Ansel Adams and Georgia O’Keeffe, Joanna Russ and Lawrence Ferlinghetti.

Needless to say, given a choice in the matter, government would rather support The Arts than support Art. And so it is, Michael Macdonald Mooney writes, that “[s]ymphony orchestras received 75 percent... of all NEA dollars distributed to music” between the time of the agency's founding in the mid-1960s and the end of Fiscal 1979. So it is that federal arts dollars doled out to the visual arts have always ended up in the hands of institutions, not artists: even in the case of the NEA's “Works of Art in Public Places” program, which was widely touted (mostly by the NEA at taxpayer expense) for providing “opportunities, challenges and employment



for living American artists of exceptional talent and of regional or national significance,” when Mooney attempted to identify some of these beneficiaries he found that “the list of grant recipients did not include the name of a single artist.” So it is too that more than two thirds of the money NEA spends each year promoting literature goes to institutions, not to writers.

Is it any wonder that we cannot name a single work of art worth recollecting which government subsidies have made possible? Works of art worth recollecting are always made by individuals; they are never made by institutions. The most institutions can do is preserve and popularize those memorable works of art which have already been brought into existence. And the institutions which have done the best job of this preservation and popularization have almost invariably managed to achieve long term economic viability without having to rely on federal money. It is one of the cruel ironies of our multi-billion dollar federal arts subsidy that while the lion's share of each year's budget goes to established cultural institutions, the loot is divided among so many such institutions that no single one is significantly dependent

upon it.

While it is true, for example, that almost all the federal music money goes to symphony orchestras and almost all the federal drama money goes to theater companies, it is also true, as *Newsweek* reported in March, that “[i]t is the rare theater or symphony that gets more than a small fraction of its budget from Federal grants; the average of 30 major nonprofit theaters was 4.6 percent last year.” A report in *New West* the following month noted that the major cultural institutions on the West Coast were no exception to this rule. “Obviously,” *New West* music writer Alan Rich remarked, “the larger organizations will suffer the least, because even the money they currently get from Washington is small potatoes against other support. The 1980-1981 federal handout to the Los Angeles Philharmonic, for example, is \$437,500 against a \$12 million total budget; the San Francisco Opera gets \$500,000... against a \$15 million budget. A cutback from Washington will hurt, of course, but it won't put this kind of organization out of business.”

Similarly, while it is true that much of the federal money purportedly spent in support



of literature is doled out to publishing companies, not writers, it is also true that most of the largest of the grants given to publishers are of virtually no importance to the continuation of the projects they support. Mooney cites the case of *Literary Classics of the United States*, "a series of popular editions of nineteenth century American authors — Mark Twain, Howells, Poe, Melville, and others," which the National Endowment for the Humanities decided to fund early in 1979. The series was to be brought out by a commercial publisher, Random House, with all costs of publication being absorbed by NEH and/or the Ford Foundation, which NEH had persuaded to become involved in the project. NEH was to put up \$1,000,000 toward the cost of the project; the Ford Foundation was to put up another \$800,000. Any profits accruing to the project were to be collected, and kept, by Random House.

Then, while plans for the *Literary Classics* were being firmed up, but before final approval had been given to the project by the National Council on the Humanities (the presidentially appointed, 26-member advisory panel which must pass final judgment on all NEH grants before they can become reality), Harcourt Brace Jovanovich announced *America's Library*, a fifty-volume, multi-million dollar set of books "with specifications," Mooney writes, "nearly identical to those proposed to NEH by [Jason] Epstein of Random House, [Daniel] Aaron of Harvard University [who had agreed to serve as a scholarly consultant on the series], and [Roger] Kennedy of the Ford Foundation." So what happened? Was the NEH series abandoned as obviously superfluous? Don't be absurd. Those working on the NEH project went to the developers of *America's Library* and persuaded them, Mooney writes, "that it was Harcourt Brace Jovanovich's 'patriotic duty to withdraw.'" And a million dollars in public funds was squandered.

dered.

And why? "The reason given for the series was that many of the works of nineteenth-century American authors were out of print and not readily available to scholars," Mooney writes. But in fact, of course, "the new popular publication of nineteenth-century American authors had nothing whatever to do with making out-of-print works available to scholars; on the contrary, NEH was funding commercial competition to commercial publishers' existing editions of the same works."

According to *Publishers Weekly* (May 1, 1981), the first four of these wholly unnecessary, taxpayer-funded volumes "are to appear in spring 1982." Among the titles involved are *Typee*, *Omoo*, *Mardi*, *Redburn*, *White-Jacket*, and *Moby Dick*, all by Herman Melville, all available in paperback at any well-stocked paperback bookshop, and all available at equally low cost in hardcover at any well-stocked second-hand bookshop. Yet Cheryl Hurley, executive director of Literary Classics of the United States, is quoted straightforwardly by *Publishers Weekly* as having said, apparently with a straight face of her own, that "[m]aking the collected works of America's finest writers available to the general consumer is our goal." The Literary Classics of the United States will sell, by the way, for \$20 a volume—at a time when 80 percent of all the books sold in this country are paperbacks which sell for two or three dollars.

In similar style — a style which might be called High Hypocrisy if it were to be dignified with a name — the NEA annual report solemnly declares that "[u]ltimately, the Literature Program is devoted to helping . . . the writer's words" — that is, the words and works of all those contemporary American writers who have it in them "to shape generations . . . and to change history," as Thoreau did and as Harriet Beecher Stowe did—to "reach the public." But actions speak louder than words. And

as I have pointed out, the federal arts bureaucrats more often fund institutions than individuals, despite the fact that it is only individuals who create works capable of shaping generations and changing history. And, as the story of the Literary Classics of the United States shows, when they do fund individual writers, the arts bureaucrats more often fund the dead than the living—though even the dead are placed under pressure to eschew the sort of iconoclasm and irreverence which some say is almost invariably an ingredient in any book which really *does* shape generations and change history.

Mooney reports that in 1972 one of the most active of the federal welfare agencies concerned with The Arts, the National Park Service (which produces films, provides the operating funds for Washington's Kennedy Center for the Performing Arts, and owns and operates theaters all over the United States, most notably Ford's Theater in the nation's capital) forcibly closed a production it had been funding of playwright Paul Shyre's one-actor show, *An Unpleasant Evening with H. L. Mencken* — on the ground that the Sage of Baltimore's opinions on such matters as the South, evangelical Christianity, and government censorship were "in poor taste or otherwise inappropriate" and "might be objectionable" in the eyes of the Georgians, Mississippians, Baptists, Methodists, and Bluenoses who sat on the congressional subcommittees which funded the theater where these opinions were being aired. To their credit, the Park Service bureaucrats permitted the show to reopen, but not until they'd had a chance to "soften up" Mencken's tasteless, inappropriate, and objectionable opinions. And the bowdlerized version of the show then "came and went from Ford's Theater," Mooney writes, "to delighted reviews and audiences."

Dead writers may have to endure such involuntary surgery from time to time in order to

qualify for government funding, but they at least stand some real chance of actually winning such funding in the first place. For living writers, the writers the federal Arts Endowment is supposedly designed to support, the chance of getting any federal money is approximately that of the proverbial snowball in Hell. Last year alone, NEA funneled money into 105 orchestras, 42 opera companies, 500 museums, 150 theater groups, 63 dance companies, 200 literary magazines, and 700 independent presses — a total of 1,760 institutions. And this doesn't even count the further hundreds of state and local government arts centers and arts councils and arts education commissions and assorted other arts bureaucracies which also soak up federal arts endowment money every year. Nor does it count the dozens of regional arts bureaucracies which often soak up the same funds at an even faster pace. To sum up, then: NEA poured money into at least 2,000 institutions last year alone, while in that same year it distributed money to only 147 living writers. In the entire 16 years of NEA's existence it has distributed money to only 900 living writers.

And the living writers who have been thus favored have been almost entirely of two types. The first is the type of writer who has already shaped generations and changed history with his writing, despite his not having previously had any access to government handouts; the sort of writer who is awarded a grant not because he needs it to reach his audience, but because he has proven that he *doesn't* need it, by reaching his audience under his own steam. "Is not a Patron, my Lord," Samuel Johnson wrote the Earl of Chesterfield in 1755 in reply to the latter's offer to become Johnson's patron, "one who looks with unconcern on a man struggling for life in the water, and when he has reached ground encumbers him with help?"

So it would seem to be, at

any rate, where the patronage of Uncle Sam is concerned ... unless, of course, one is the opposite sort of writer entirely, the sort of writer who entirely lacks the talent, the determination, the ingenuity—whatever it is exactly that makes it possible to survive one's struggle in the water and make it to the relative comfort of land. If you are the sort of writer who is absolutely certain to drown without assistance of some kind, the sort of writer who simply cannot earn his living by writing however hard he may try, but who lacks the self-discipline to work at it anyway, without promise of monetary reward or even of publication, in whatever hours remain to him outside those he spends working, eating, sleeping, and attending to the problems of daily life—if you're this kind of writer, you can get federal handouts almost as easily as the kind of writer who doesn't need them at all. Indeed, the kind of writer who is in fact the neediest of all, the most genuinely dependent on federal largesse, the writer who could not survive as a writer without it, has become so common a sight in American publishing that he has also become the most common popular stereotype of the federally subsidized creative artist. "[W]hen you turn over a rock in search of a serious artist" these days, *The Washington Post's* Dick Dabney wrote a little over a year ago in an op-ed page essay called "The Official Culture," "an entrepreneur crawls out, zigzagging like a roach in his nervous hunt for the next stipend, and scanning the horizon for that blessed day when he can at last cool it with the 'artist' dodge and become a middleman, too, gravely lunching with others of his kind, or taking dollars extorted by the IRS from a hapless welder in Akron and giving them to some sunbather who wants to write free verse on the flight of gulls and who would hate the welder if he met him, and for whom the only truly obscene four-letter word is 'work.'"

Dabney knows whereof he

speaks. As he acknowledged in that same op-ed page essay of July 15, 1980, he had himself applied for an NEA grant a few years before, received it, and learned first hand that there is justice in the popular stereotype of the federally subsidized creative writer as dabbler, dilettante, and bum. And as we have seen, almost all those federally subsidized creative writers who do not fit this stereotype fit another one instead, namely the stereotype of the already successful writer who is only given assistance once he no longer needs it.

But the more attentive among my readers will have noticed that the two categories of writers represented by these stereotypes are broad enough to include almost all writers. Indeed, as I read the sentence I have just typed I find myself worrying that it is overly qualified and overly timid. The fact is that these two categories of writers do include *all* writers. There are no exceptions. There could be no exceptions. How could there be a living writer of whom it *could* truthfully be said that he neither possessed nor lacked the necessary whatever it is to survive his struggle in the water and reach land? Either a writer is the type who will write and survive whether or not he is given government handouts, or he is the type who will write and survive *only* if he is given government handouts—and who will for that very reason produce no work of any importance, no matter how enormous the subsidies he receives.

This is why the investment of a billion dollars (more, actually—much more) in subsidies to The Arts over the past decade and a half has produced no works of art worth recollecting, and it is also why the Reagan administration's cutbacks pose no threat to the future of Art. The true causes of Art have little or nothing to do with The Arts. They operate irrespective of the availability or scarcity of money. As Paul Theroux put it in the September *Harper's*, what is "[f]ar more interesting than our inability to create art with money

is the fact that no one, not the rankiest philistine, the silliest know-nothing, the most paranoid senator, preacher, commissar, or jailer, has figured out a way to destroy it with money"—either with too much or with too little.

The only thing really threatened by the Reagan budget cuts is the overall size of The Arts, the total number of institutions which will remain on artistic and/or literary welfare. Those which go under will be those which, in the judgment of those in their communities, serve no irreplaceable function in the preservation and popularization process to which such institutions are best suited. Those which survive will survive because their communities support them, by buying their publications, attending their exhibits and recitals, and purchasing tickets to their concerts and dramatic performances. Why *should* a welder in Akron be taxed to subsidize a sunbather who writes free verse—or a performance of *Madame Butterfly*, for that matter, or any one of the dozens upon dozens of endlessly multiplying little theaters which already dot the landscape in numbers far beyond the ability of the market for drama to support them in cities like Los Angeles and San Francisco? Why should anyone be forced to pay for literature or music or theater or dance or anything else he doesn't care for? The issue at the root of the whole subject of government aid to the arts thus turns out to be the issue with which we began this lengthy and meandering discourse: the issue of whether we are for or, in Lawrence Ferlinghetti's words, "against any organization or society which dominates and suppresses the individual." In art as in life, to each his own.

In 1934, another great American writer, Ernest Hemingway, put the matter a little differently: "I believe in only one thing: liberty. ... the state I care nothing for. All the state has ever meant to me is unjust taxation. ... I believe in the absolute minimum of gov-

ernment. ... A writer is an out-lyer like a Gypsy. ... If he is a good writer he will never like the government he lives under. His hand should be against it." And so too should be the hand of every book lover. In art as in life, to each his own.

Jeff Rigenbach is West Coast editor of *LR*.

On View

Au revoir

DAVID BRUDNOY

WINTER BRINGS THE final edition of this magazine and also, as always, a more interesting crop of movies than the dregs of summer and autumn. Hollywood's finances have been brightened by the summer crop of escapist fantasies, most notably *Superman II* and *Raiders of the Lost Ark* (*LR*, September), but also by a handful of frothy comedies of no particular interest except to stockholders and executives of the companies responsible for them. And for those who like to spot trends, one at least is inescapable: America is taking to werewolves and superwolves, in *The Howling* and *Wolfen* (*LR*, June and October, respectively) and yet again in a film that almost succeeds in creating something of a new genre, the true horror comedy, with which we'll begin this final glance at the cinema in these pages.

An American Werewolf in London

John Landis, director, has fully absorbed the grand tradition of the cinema of transformation, a tradition stretching back decades, classically evoked in the first *Frankenstein*, in the first few variations on the theme of the werewolf, and also in some of the *Dracula* movies. The genre is ever alive and sometimes, as in *Nosferatu* two years ago, it is exceptionally fine both in conception and in realization. But these movies about men becoming beasts, or, in the case of *Frankenstein*,