

## SAKHAROV AND SOLZHENITSYN

In an era notable for its lack of heroes, it is inspiring to witness the example of Andrei Sakharov and Alexander Solzhenitsyn. In the face of a new wave of Stalinist repression, both have steadfastly refused to recant. On the contrary, with each passing day they seem to grow bolder in asserting fundamental human rights.

In the final week of August, each held a press conference with Western reporters. Both have strongly urged the U.S. Congress not to reduce tariffs on Soviet goods until the Soviet government permits free emigration. Solzhenitsyn has boldly announced that despite death threats from the KGB, he will go on publishing his works abroad. And he announced the existence of an underground plan that, in the event of his death, would release his major, unpublished works all over the world. Further, he announced that he will remain living in Moscow, without government permission.

Sakharov, a leading Soviet physicist, one of the founders of the Committee for Human Rights, has been taking an increasingly activist role. Last December 5th he took the place of imprisoned dissident Pyotr Yakir in leading the annual protest against loss of the rights guaranteed in the Soviet constitution. In August, following an interview with a Swedish radio correspondent, Sakharov was warned by Soviet first deputy prosecutor Malyarov to cease his activism. Sakharov memorized the conversation and sent a transcript to the *NEW YORK TIMES*! Then, like Solzhenitsyn, he invited newsmen to his apartment for a press conference.

For once, the response from the West has been something to be proud of. Especially impressive was the forthright, uncompromising stand taken by Philip Handler, president of the National Academy of Sciences. In a cable to the Soviet Academy of Sciences, Handler warned that planned binational scientific projects could not take place if Sakharov were harassed any further. In an interview, Handler said it was his "very real belief" that American scientists would refuse to take part in joint projects if the harassment continued. Nor was the NAS cable the only one; as early as last April the American Physical Society had sent an "unprecedented" letter to the Soviet

Academy protesting Soviet restrictions on emigration as a "barrier to the free flow of science and scientists."

Temporarily, at least, the protests seemed to have had an effect. For the first time in years the Soviets stopped jamming Western radio broadcasts, and the press campaign against Sakharov and Solzhenitsyn was halted. The Soviet reaction seemed to indicate the urgency of that government's interest in expanded trade and scientific exchanges with the United States. I don't wish to argue here the issue of whether the U.S. government is justified in not reducing tariffs on Soviet goods, unless free emigration is permitted. Instead, I want to focus on some of the implications of the Sakharov/Solzhenitsyn affair.

The most important lessons concern the renewed illustrations of the essential link between personal "civil" liberty and economic liberty. Advocates of government sponsorship, government control, or nationalization have yet to learn the lessons made so plain by the Soviet dissidents:

### • Government control of the media:

In the Soviet version of public ownership of the media, the State owns the printing presses, paper, ink, etc. Only the use of clandestine typewriters and carbon paper permitted the now-defunct *CHRONICLE OF CURRENT EVENTS* to report the truth for a few years. Freedom of the press is meaningless without the freedom of individuals to own the means of printing and publishing.

• **Government control of the arts:** In the Soviet bloc only writers and composers who belong to State-controlled unions are allowed to publish. Solzhenitsyn was expelled in 1969, and the expulsion of political dissidents (Amalrik, Maximov, etc.) continues to this day. There are advantages, of course, to shutting up and mouthing the Party line, such as a guaranteed job (no worries about "Will it sell?"). Among those joining in the published attacks on Sakharov were 12 Soviet composers, including Dmitri Shostakovich and Aram Khachaturian. The naive American supporters of the National Endowment for the Arts mouth platitudes about the independence of their subsidies from political control. As the subsidy total continues to double and triple each year, can anyone seriously believe that political factors *won't* (or don't already) affect the choice of who gets supported? Would Congress any more readily support "anti-American" artists than the USSR would support "anti-Soviet" writers and composers?

### • Government control of science and education:

"To be a Soviet scientist means to be a Soviet patriot—there is no other way," states *PRAVDA*. The same argument that applies to artists also applies to other professions, such as science: he who pays the piper calls the tune. Yet it is precisely in science where the need for freedom—and for truth—conflicts most disastrously with State control. The decades of Lysenkoism bear witness to this sad lesson. Yet in America the proponents of science



grow more adamant each year about the "need" for increased government support of science. Meanwhile, the Soviet government points out with macabre logic that since the State has paid tens of thousands of rubles for the education of scientists, it has a right to demand work, or a cash payment, before allowing them to leave. It is precisely this kind of slavery that State schooling and State science invite.

• **Government control of medicine:**

Perhaps most chilling of all are the revelations regarding the extent to which psychiatry has become a tool in the hands of the Soviet state for controlling dissidence. Both Sakharov and Solzhenitsyn have provided extensive

documentation of times, places, perpetrators, and victims of Soviet enforced "therapy." Yet much the same thing has been happening for years in the United States, with nobody other than Dr. Thomas Szasz sounding the alarm. The Soviet use of medicine to achieve State ends should give Americans serious pause about the extent to which our medical system is becoming state-controlled, and should prompt renewed consideration of the advantages of a truly free-market approach to this most vital profession.

Have Sakharov and Solzhenitsyn themselves made the connection between civil and economic liberty? There are signs that they have. Solzhenitsyn's press

conference is full of contempt for Soviet economic institutions as gross violations of "democracy." And Sakharov openly states that he is no longer a Marxist-Leninist, or even a socialist, but rather a "liberal"—and he may very well mean a classical, free-trade liberal. What the West urgently needs is more people who can see the broader lessons of these events, who can see the underlying similarity *in principle* between partial government control in America and total government control in the U.S.S.R.—and change course before it is too late. Only then will we truly profit from the example of our Soviet comrades in the struggle for liberty. □

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# money

## BANKS AND SECRECY

Due to America's traditional solicitude for her tax gatherers, the Internal Revenue Service has enjoyed ready access to the records of domestic financial institutions. It has correspondingly been piqued by the chilly reception it has received in certain foreign jurisdictions which maintain a banker-client privilege similar to our own attorney-client privilege. Chief among these affronts to the dignity of our revenueurs has been Switzerland.

The United States has tried a number of ploys to overcome the Swiss reluctance to cooperate in tax matters. The Swiss are quite willing to be helpful in criminal investigations but do not consider common tax avoidance to be a crime. The United States, on the other hand, in its campaign against organized crime has often only been able to obtain successful prosecutions on tax charges. While the conduct of organized crime was also an offense under Swiss law, the fact that the United States used the material sought from the banks for tax prosecutions caused the Swiss to invoke the secrecy law and deny cooperation with the United States authorities.

After years of gnashing its teeth and shaking its sovereign fist outside the closed doors of Swiss banks, the United States has this past May signed a treaty with Switzerland which provides for assistance between the two countries in the investigation of conduct which is criminal under the laws of both countries. The treaty has yet to be ratified

by the governments of the respective countries.

The *NEW YORK TIMES* reported the treaty under the heading, "Pact Would Let U.S. Check Swiss Banks in Tax Cases," which simply is not so. The treaty sets out the principle of specificity, whereby the information sought may not be used in any other prosecution. In other words, the United States may not use information disclosed in an extortion investigation in a subsequent tax case.

Negotiations leading up to this treaty extended over almost five years. The United States was particularly intransigent because it viewed this treaty as a model for future negotiations with other bank secrecy jurisdictions. In the face of Swiss firmness, the United States was forced to abandon its demands to conduct investigations on Swiss soil, use American procedural rules, investigate securities offenses, cross-examine witnesses and seek information involving political crimes. Investigations will be conducted by Swiss authorities (with American officials present only in the rarest circumstances) and only after the United States has shown the importance of obtaining the information and the inability to obtain it elsewhere. After making the investigation, the decision rests with the Swiss as to which of the information so obtained is to be turned over to the United States.

On this side of the Atlantic, the implications of the United States' Bank

Secrecy Act of 1970 are beginning to sink in and the law, which was adopted with a minimum of controversy, is now meeting a growing storm of opposition. The American Civil Liberties Union is involved in at least two law suits attacking its constitutionality as an invasion of privacy and unreasonable search.

Political pressure is also in the wings. Democratic senator John Tunney of California and Republican senator Charles Mathias of Maryland are talking about legislation to amend the law.

In a bitter editorial, *BARRON's* had this to say about the law:

For consider what Congress in its wisdom and the Treasury's regulations have made the law of the land. The Secretary of the Treasury "in his sole discretion may . . . make exceptions to, grant exemptions from, impose additional record keeping or reporting requirements. Such exceptions, exemptions, requirements or modifications may be conditional or unconditional, may apply to particular persons or to classes of persons and may apply to particular transactions or classes of transactions." The Treasury may compel a bank to hand over a depositor's records without either his knowledge or consent. And if such records appear to contain "a high degree of usefulness in criminal, tax or regulatory investigations or proceedings," the Treasury may make them available to any