

Santa Clara Libertarian

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July 1981

Volume 9 No. 7

Northern California Activists Meet

by Ray Strong

On Sunday, June 28, a group of Northern California libertarian activists met in the State headquarters office at 5332 College Avenue in Oakland. The purpose of the meeting, as announced by hosts Northern California Vice Chairs Martin Buerger (California Libertarian Council) and Carolyn Judd Felton (Libertarian Party of California), was "to develop a Northern California spirit of cooperation and a coherent program of activities for the coming months." Fruitful discussions were held on strengthening local organizations, finding candidates for 1982 partisan races, and fundraising.

Announced year end goals for Northern California include (1) completion of precinct analysis to identify target precincts for 1982 races, (2) identification of at least 80 percent of our 1982 candidates, (3) development of a statewide slate, (4) setting of goals and budget for 1982, and (5) development of a schedule of training sessions for candidates and campaign managers.

Subsequent meetings are planned including one scheduled for the end of September.

Is Sennholz's "Age of Inflation" Upon Us?

by Steven M. Kenny

"Our generation is pursuing 'free lunch' money with greater fervor than ever before. For the first time in the history of the world, inflation is engulfing the whole globe. The only difference between the various countries is the rate of inflation at which governments depreciate their currencies. Some are inflating at single-digit rates which makes their currencies relatively 'strong.' Others are inflating at double and triple-digit rates, which makes for 'weaker' currencies. And all are making international payments in stronger currencies, especially United States dollars, which are depreciating at even faster rates. Like a herd of stampeding cattle approaching a gully, the world is rushing toward monetary collapse."

The preceding was excerpted from *Age of Inflation*, written by Hans F. Sennholz, a noted free-market writer and student of *laissez-faire*, Austrian economics. I have read Mr. Sennholz's book and completely agree with his viewpoint. We are most definitely going to have another depression, probably much worse than the Great Depression of the 1930s because of the larger degree of government intrusion in the economy. The only question I have is whether or not our government will "hyper-inflate" or mass-produce the money supply. The political consequences of stopping the current inflation we are experiencing are

Murray Rothbard to Speak at July 16 Meeting

Professor Murray Rothbard, economist, historian, and the man responsible for introducing many of us to libertarian political philosophy, will be the featured speaker at the July 16th meeting of the Libertarian Council of Santa Clara County. He will speak on prospects for liberty under Reagan. We can look forward to a lively discussion of topics of interest to libertarians and also to Dr. Rothbard's point of view on our own Libertarian Party prospects for the near future.

The Libertarian Council meets at 8 p.m. on the third Thursday of each month at our headquarters office, 401 East Taylor at 10th Street in San Jose. There is no admission fee and the public is welcome.

Endow A Chair

These names of famous libertarians have already been chosen:

Ayn Rand
Thomas Jefferson
David Nolan
Lazarus Long
Howard Roarke
Adam Smith
John Galt
Ray Strong
Bill White

Murray Rothbard
Ludwig von Mises
Karen Huffman
Ed Clark
Timothy Leary
Karl Bray
Dante DeAmicis
Frederic Bastiat
Chuck Olson

Others are still available. Endow a chair at Libertarian Headquarters for only \$30 and choose the name of one of the remaining heroes and heroines. As of July 1, 13 chairs remain. The price of an endowment will go up \$5 each month until all the remaining chairs are endowed. So act now to be sure your favorite libertarian will have a place in the history of our headquarters.

Send your choice and check for \$30 payable to the Libertarian Council to 401 E. Taylor, San Jose, CA 95112.

very harsh and stopping an inflationary spiral at this late stage is unprecedented in history, which tends to make me believe that we are headed for hyper-inflation similar to the one Germany went through in 1920-1923 in which the German Mark was devalued to *one-billionth* of its previous value and became virtually worthless.

What can you do to prepare for this hyper-inflation/depression scenario? First, convince yourself that it really is possible. . . . Read your local newspaper, read books about the subject (see suggested reading list below), talk to other individuals who are free-market oriented, improve your health and diet (stress is going to be one of our biggest problems), and finally, use your newly

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Sennholz

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gained knowledge to improve your family's and your friends' chances of getting through the difficult years ahead because we will need intelligent, libertarian people to lead the way after government has lost its ability to lead. The failure of governments throughout history has led to totalitarian dictators ruling their respective countries by force rather than wisdom. Hitler, Mussolini, and Stalin are prime examples.

To quote Hans Sennholz once more, "To disrupt a highly developed division-of-labor economy such as ours must have dire consequences. You can reduce the speed of a donkey cart without much loss of distance traveled, but if you slow the forward thrust of a jet plane you'll lose many miles in a matter of minutes. When the American economy slows down and our standard of living falls substantially, the psychological and sociological effects could be disastrous. In the demoralizing atmosphere of the transfer state, millions of Americans have grown accustomed to free government services and benefits. They are demanding the maximum of welfare from the community, giving little or nothing in return. Labor unions are making insatiable wage demands for a minimum of productivity. How will the American people take to depression and deterioration with shrinking wages and benefits?"

"The reaction may be militant and violent. Guided by doctrines of conflict and convinced of their inalienable rights of government care and egalitarian redistribution, they may insist on their rights. After all, our transfer politicians, parties, and intellectuals have

for forty years convinced them of the social justice of their claims. Are these now to be abrogated in the face of economic adversity? Moreover, their collective organizations wield the necessary political power to extract their due share from the body politic. But if this body should fail to yield the expected benefits, will the millions of beneficiaries peacefully suffer the welfare cuts? Will the labor unions peacefully consent to wage cuts? If they do not, our redistributive society may be torn asunder by civil conflict and strife. Business establishments may be looted, our cities burned, and law and order may give way to violent disorder. Since the first redistributive measure, several decades ago, this has been the ultimate destination of the Redistributive State.

"Finally, economic and social deterioration of such major magnitude strengthens the call for law and order. When society can no longer cooperate voluntarily and peacefully, the raw power of the State will be used to enforce some measure of cooperation. Vast emergency power will be thrust on the President, who will be expected to restore civil order. For this grim task the most ruthless politician is likely to rise to the top [Teddy Kennedy?], surrounded by the most ruthless advisors and lieutenants. They will eagerly crush all dissent and bring peace to the society so bent on strife and self-destruction. They'll bring the peace that is totally inimical to individual enterprise and personal freedom."

Not a very pleasant scenario, but hard to refute. Please do your homework and do what you can to make America once again free.

THANKS

The staff of the SANTA CLARA LIBERTARIAN would like to thank the following persons who helped with writing, folding, stuffing, sorting, stamping, mailing, etc., during May and June 1981: Bob Bennett, Lory & Dante DeAmicis, Russ Fridley, June Genis, Mark Hinkle, Aleece Huffman, Steve Holly, Pam & Eric Loucks, Lyn Sapowsky, and Bill & Kathy White.

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Calendar Editor Karen Huffman
Contributing Editor Ray Strong
Legislative Log Mark W.A. Hinkle
Mild-mannered Reporter Dante DeAmicis

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SUGGESTED READING:

Atlas Shrugged, Ayn Rand
The Biggest Con, Irwin Schiff
How to Prosper During the Coming Bad Years, Howard Ruff
Survive and Win in the Inflationary '80's, Howard Ruff
The Coming Currency Collapse, Jerome Smith
Complete Guide to Financial Privacy, Mark Skousen
Crisis Investing, Douglas Casey
Can Government Go Bankrupt?, Richard Rose & Guy Peters
Price Controls, Gary North

Steven M. Kenny, local Libertarian activist, is a sales consultant for Guardian Burglar and Fire Systems located in Santa Clara, California.

Giant Flea Market

at

De Anza College

Stevens Creek Boulevard and
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August 1

8 a.m. to 4 p.m.

For information or booth reservations call 996-4946

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Forum

The following letters by local libertarians appeared in recent issues of the San Jose Mercury-News.

Tax burden is borne by individuals

The UPI article, featured on your front page of June 6, under the headline "Big oil firms' U.S. income tax for 1979 averaged 12.4 percent," requires much more explanation than the factually correct but nonetheless misleading article provides.

The above headline implies that oil companies are not paying their fair share of taxes and the article itself states that their average U.S. tax rate was about the same as a wage earner making \$15,000-\$20,000 annually. The point that I wish to make is not whether oil companies are being taxed fairly, but that there is no such thing as a tax on business, fair or otherwise.

All taxes on business are part of the cost of doing business, and a business which does not recover all its costs as part of its prices is not going to stay in business very long. Thus, an overt tax on business is a hidden tax—a favorite of politicians—on the ultimate consumer. A business is merely an involuntary tax collector and it matters not whether it is taxed at a 12.4 percent rate or whatever because the tax is paid, knowingly or unknowingly, by the customers of that business.

An indication of the tax burden borne by the taxpayers—mostly wage earners—can be gleaned from the fact that every single dollar of taxes is paid by roughly 100 million working Americans. This means that every wage earner pays more than \$6,000 per year in federal taxes alone instead of the \$2,500 or thereabouts which shows up on his Form 1040.

—Harold L. Newman
San Jose

(June 10, 1981 issue.)

Building codes restrict home ownership

As one of the 19 out of 20 wage earners trying unsuccessfully to enter the housing market for the first time, I would like to call the *Mercury News* stand on building codes just exactly what it is: elitism.

The message being sent out seems to be that anyone too poor to afford a \$100,000 house shouldn't be cluttering up the neighborhoods of those who can.

I honestly don't want anything belonging to the housing haves. I just wish they wouldn't get their nice homes in idyllic communities at the expense of my opportunity to buy with my own sweat what I can afford, no matter how humble.

Universal standard may have a nice ring to it, but it flies in the face of reality. In reality, different standards are appropriate for different people in different situations. People should have the right to choose.

Of course, banks may not want to lend money for some structures, insurance companies may not want to insure them, and land owners might put protective covenants on their own property. That's their business. These are natural controls, not repressive edicts.

In case it hasn't crossed your regulation-infatuated minds, safety and quality are relative terms. Something can always be made safer or more luxurious at some cost, excluding consumers along the way. Likewise, extra care and some improvising can be substituted for a given margin of quality and safety until we get to things that are necessarily unsafe.

In addition to the building code reforms you denounce, there are many other building innovations and creative improvisations that would make housing affordable to even the below-average wage earner. Why don't you pick up some of those homesteading-type magazines and see how low-income people make do when no one's foot is on their throat?

How smug it is for you to declare which amenities of housing you think are necessities when so many cannot even obtain the basics in housing.

One statement in your editorial, though, perfectly highlights your inability to take positions based on how the real world works. "Concern for safe, durable homes clearly must come before questions of cost and social inconvenience." So now we're supposed to have concern for the home's well being.

You see, when I took economics, there was this thing called supply and demand that made sure there was more of whatever people wanted to buy. And if someone messed with it, people started doing without. I seem to remember costs were very important in this process.

Why should the house dictate that buyers must have a \$34,000-plus income? People's income should be allowed to determine the type of housing that's built.

So here 95 percent of the new housing market sits; costed out and socially inconvenienced and to you that's too bad.

Owning your own home of some kind is a large part of the American Dream. It is not a privilege to be ladled out by government planners to ensure an exclusive landed gentry.

—Dante DeAmicis
San Jose

(June 19, 1981 issue.)

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The United Libertarian Fellowship is a Religious Order whose members are organized to promote the belief that "God is the supreme universal reality; all that has ever existed or will ever exist; the fundamental force of the universe."

Our members are dedicated to the spiritual and moral development of free, independent, and self-responsible individuals. We emphasize knowledge and self-improvement as the path to spiritual fulfillment and human freedom.

"Know the Truth... and the Truth shall set you Free."

Calendar

SANTA CLARA COUNTY LIBERTARIAN COUNCIL MEETING

Thursday, July 16. 8:00 p.m.

This month's meeting will feature Murray Rothbard, Libertarian historian, economist, etc., currently in residence at the Institute for Humane Studies in Menlo Park. Professor Rothbard will be speaking on "Prospects for Liberty." PERMANENT LOCATION: 401 East Taylor Street (corner of 10th & Taylor) in San Jose. Meetings are held the third Thursday of each month.

LIBERTARIAN COUNCIL BOOTH AT THE DE ANZA FLEA MARKET

Saturday, August 1. 8:00 a.m. to 4:00 p.m.

Volunteers are needed, especially in the morning to staff our permanent information and merchandise booth at the De Anza Flea Market in Cupertino. Help us to raise money to support our many local projects and educate yourself and others on the issues by talking to the public about libertarianism. Donations of books and other fast-selling items are needed and may be dropped off at the flea market or our Taylor Street office. Location: De Anza College Parking Lot C, Stevens Creek Boulevard and Stelling Road in Cupertino. For more information or to volunteer call 408/CRY-FREE (11-6 weekdays).

UNDERSTANDING SOCIAL REALITY THE INDIVIDUAL AND THE SPONTANEOUS ORDER

Sunday, July 19 through Saturday, July 25.

A college-level interdisciplinary seminar devoted to the intellectual and moral foundations of the free society. Lectures will weave together insights from economic theory, economic history, and legal and moral philosophy. Based on the insight which has been emphasized by F. A. Hayek that a viable social and economic order results from human purposes, but not from central design, the lectures by Murray N. Rothbard, Joseph Salerno and George H. Smith will analyze the nature and function of the private property, voluntary free market exchange system. Applications for fellowships (which will cover all but travel expenses) will be accepted from any student enrolled in an accredited senior college. Location: Stanford University. Fee: \$10 and a college transcript. Apply to: Seminar Director, Foundation for Advanced Studies in Liberty, Institute for Humane Studies, Suite 10, 1177 University Drive, Menlo Park, CA 94025.

LIBERTARIAN SUPPER CLUB OF SAN FRANCISCO.

**Friday, July 31. 7:00 p.m. no-host cocktails,
7:30 p.m. dinner.**

Milton Mueller, long-time libertarian activist and writer, will be speaking on "The Information Revolution and The Impact of New Technology on Future Political Systems." Location: Castagnola's Restaurant at 286 Jefferson St. at Fisherman's Wharf in San Francisco. (Valet Parking.) Fee: \$17.50 per person. For more information telephone the sponsor, Beverly Locke, at 415/864-3968 or mail your reservations money to 117 Pierce St., San Francisco, CA 94117.

LP/10 CONVENTION FORUM

Sunday, August 2. 1:00 to 4:00 p.m.

A session to give delegates, alternates and other members of the CLC who plan to attend the National Convention an opportunity to meet the candidates for National Chair and to learn about some

of the business to be considered by the convention. Location: UC Extension, 55 Laguna Street in San Francisco. After the session, there will be a social gathering at the 1800 Market Street headquarters of the sponsor, the San Francisco Region.

PURGE PARTY

Saturday, August 8. 4:00 p.m. to Midnight.

The 2nd annual PURGE (Party Unchained on Robert's Good Earth). Swimming, buffet dinner, open bar, pool, pinball, hot tub, and other games. Flexible social and other volitional interaction. Smoking and other acts of aggression discouraged. Location: 2020 Cordilleras (near Edgewood Road), just outside the Redwood City limits. For additional information telephone the sponsor, Robert Mish, at 415/574-1100.

EASTBAY LIBERTARIAN COUNCIL MEETING

Wednesday, August 12. 7:30 p.m.

Meetings are now being held on the second Wednesday of each month. For information on the speaker and the location telephone Mark Tarses at 415/843-4019.

SEVENTH ANNUAL LIBERTARIAN PARTY BOOTH AT THE SANTA CLARA COUNTY FAIR

**Thursday, August 6 through Sunday, August 16.
Noon to 10:30 p.m. every day.**

A booth has been reserved in the center aisle (where the two other major political parties have their booths) in the Exposition Building at the Santa Clara County Fairgrounds at 344 Tully Road in San Jose. Phone 408/CRY-FREE (11-6 weekdays) if you wish to participate in the planning of this year's booth.

SUMMER SEMINAR IN POLITICAL ECONOMY

Saturday, August 8 through Saturday August 15.

Nine a.m. to mid-afternoon daily.

The seminar will ground participants in economics, history, ethics, political theory, energy, and strategies for freedom. Location: Stanford University. Fees: Students \$95, others \$295. Sponsor: Cato Institute, 747 Front Street, San Francisco, CA 94111. Telephone 415/433-4316.

THE TENTH ANNIVERSARY CONVENTION OF THE NATIONAL LIBERTARIAN PARTY LP/10 Here To Stay

Wednesday, August 26 through Sunday, August 30.

The highlights of this historic gathering will include panels, workshops, a reception in honor of our three past presidential candidates, a trip to an old gold mining town, a great debate on the future of the party, and a gala 10th Birthday Banquet. Fees: (After July 4th) Full package \$180 (\$225), Delegate package \$150 (\$185), Economy package \$120 (\$150), Barebones package \$80 (\$100). Location: The Downtown Hilton Hotel in Denver, Colorado. For more details write to: LP/10 Convention Committee, 1041 Cherokee Street, Denver, CO 80204. Or you may call Hilton Hotel Reservations direct at 800/652-1094. Be sure to mention you will be attending the Libertarian Party Convention to obtain special convention rates.