Poor Klare

My attention was recently called to your January 1992 issue and the article on Adele Simmons by Joshua Muravchik ("MacArthur's Millions," *TAS*, January 1992). Mr. Muravchik criticizes Ms. Simmons for her appointment of Dr. Michael Klare as director of the Five College Program in Peace and World Security Studies while she was president of Hampshire College. The article impugns Mr. Klare's scholarship and credentials on the grounds that he graduated from the Union Institute, which is described as a non-accredited institution.

Had Mr. Muravchik done his homework, he would have discovered that the Union Institute is fully accredited by the North Central Association of Colleges and Schools. He would have discovered that our undergraduate requirements include proficiency in the field of study, excellence in scholarship, and demonstrated contributions to human knowledge. We have over 400 graduates in the field of higher education, including eight college presidents. We are proud of our graduates, and we are honored to have a scholar of such distinction as Mr. Klare among our alumni. Mr. Muravchik's poor research does little to credit either his argument or your publication.

—John Tallmadge
Dean of the Graduate School
The Union Institute
Cincinnati, Ohio

Joshua Muravchik replies:

Given the free-form nature of the Union Institute, it is understandable that Dean Tallmadge does not know how to evaluate homework. Nor how to present information accurately. He should have said that the Union Institute has been accredited since 1985. This has little bearing on Mr. Klare, who received his "Ph.D." in 1976 from the Union Institute, which was, as I said, a non-accredited institution.

Rogue's Gallery

Having pegged Oliver Stone as a crypto-fascist in his April *TAS* essay ("Ollie über Alles") Peter Collier should be interested in a bit of information I have lately been sharing with friends and acquaintances.

It has often been reported that Stone based *JFK* on two books, Jim Garrison's *On the Trail of the Assassins* and Jim Marrs's *Crossfire: The Plot That Killed Kennedy*. Having known Jim Marrs since we were children on Overton Avenue in Fort Worth, I can vouch for the fact that he was, well into his teens, an avid admirer of Adolf Hitler. He studied Hitler's speeches off phonograph records, and studied German to help his understanding, and also read and quoted from *Mein Kampf*, and collected all sorts of German and Nazi war memorabilia. The fact that *Crossfire* uses Hitler's "big lie" quote as an epigram is but one sign of (at least) vestigial interest in Hitler's thought.

This is not to say that Jim Marrs is active in neo-Nazi politics. Whether he is or not is unknown to me (though I trust that he is not). However, having cut his rhetorical teeth on the speeches and writings of Hitler, he now exhibits and lends to Oliver Stone certain oratorical flourishes of highly dubious parentage. His longings for the bygone glory days of Camelot, his dark suspicions of the powers that be, his calls to "take back" our country from the usurpers, all have an unsettling historical resonance. And how interesting that Oliver Stone, with such observable dictatorial tendencies as Collier pointed out, should gravitate to Marrs's tendentious and suspicious-minded book of all the hundreds available.

—Miles Hawthorne
Granbury, Texas

Peter Collier is demonstratively wrong in speculating that "[Donald] Sutherland's words might well have been scripted by the Christic Institute."

In fact, Sutherland's words came straight from Col. L. Fletcher Prouty, former Focal Point officer between the Pentagon and the CIA and author of *The Secret Team* (Prentice Hall, 1973, and Ballantine Books, 1974).

Prouty, not Jim Garrison, is Stone's main source for the actual events in Dealy Plaza. *Gallery*, the men's magazine, published an excellent summary of Prouty's thesis around 1974. Collier ignores it at his peril.

—Greg Lanning
Vancouver, British Columbia

Why They Must Die

Thank you for P. J. O'Rourke's delightful skewering of liberals in his "Liberals: A Tribute" (*TAS*, April 1992). I have one niggle, however. In speaking of abortion and capital punishment, he says, "A callous pragmatist might favor abortion *and* capital punishment. A devout Christian would sanction neither." I'm curious as to where he derived that second conclusion. For most of the Christian history, Christian ethicists have taken the position that O'Rourke labels that of a callous pragmatist. The paradox seen here by contemporary sensibilities is only illusory. Both opposition to abortion and support for capital punishment are based on the idea that man is made in the image of God. A murderous assault on a human being (in the womb or out of it) is an assault on the image of God, thus directly an assault on God Himself. In other words, all homicide is attempted deicide. The extremity of the crime, then, requires the sacrifice of the life of the life-taker. The foundations for this line of reasoning are (1) the aftermath of Cain's murder of Abel (Genesis 4), and (2) the prescription given to Noah after the flood (Genesis 9). The Mosaic legislation of Exodus-Deuteronomy (which lists eighteen capital crimes) is only of secondary significance in the formulation of the argument.

—Benjamin Shaw
Instructor in Old Testament
Greenville Presbyterian
Theological Seminary
Greenville, South Carolina

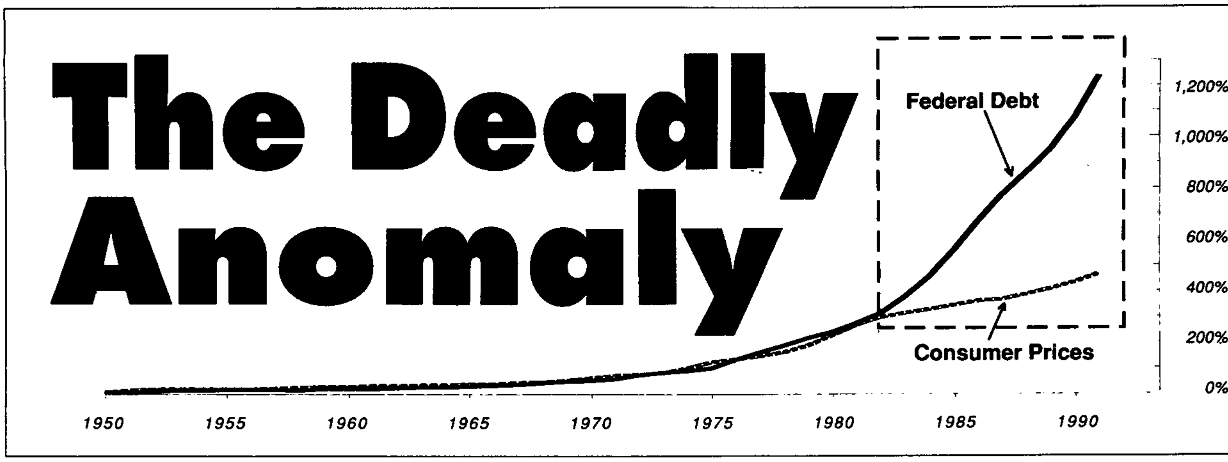
Standing Pat

David Frum's analysis of the Buchanan and Bush double talk on budgets—and by plain implication, of similar dissembling by the sainted Reagan himself—was enjoyable ("Spending Time With Pat," *TAS*, April 1992). Yet, in the end Frum wanders into double talk of his own via the bracing comeuppance he gives Middle America (". . . as eager to help itself to the wealth of others as the mangiest inner-city mugger"). As he must finally conclude, the latter feature of political life carries everything before it. The trouble is that Buchanan and Bush first are derided for trying to buy votes out of the pub-

(continued on page 61)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Deadly Anomaly



How this economic time-bomb points to the profit opportunity of the century.

300% IN 24 MONTHS

Just 24 months ago the remarkable anomaly presented by the above graph gave birth to a brilliant investment idea. The idea was first disclosed to readers of *John Pugsley's Journal*, a privately-circulated newsletter. Those who acted have already multiplied their money by an astonishing 300%—at near-zero risk!

The strategy they followed required no trading. Just one call to a broker.

A lucky call? A fluke? Not on your life. This was no guess. It was a certainty.

This remarkable investment call resulted from 20 years of research and analysis that has uncovered one of the biggest economic distortions in history!

The great majority of economists are oblivious to the link between inflation and government debt, and have not noticed this ominous divergence in the growth of these two key measures.

One observer, however, has watched it with alarm. Economist and author John A. Pugsley, who discovered the divergence, calls it, "The Deadly Anomaly."

Why "deadly?" Because it is dramatic evidence that the U.S. is in the middle of an economic bubble of historic proportions, and the collapse of that bubble will have lethal effects on the fortunes of most savers and investors.

A CLASSIC MANIA

The great investment bubbles of history—the Tulip-Bulb mania of 17th century Holland, the Mississippi bubble, the Roaring Twenties—all have one thing in common: *they were never seen as bubbles at the time*. Infected by the virus of soaring asset prices, the public became blind to fundamental principles of value. Amateur and professional investors alike fell victim to a euphoria that ultimately led to disaster.

It is happening again. Only this time the potential consequences are even greater.

While manias historically have occurred in relatively small asset markets (tulips, regional real estate, stocks, etc.), this time the bubble is in the biggest asset market in the world: *U.S. Treasury bonds*.

In a landmark new work, *The Interest-Rate Strategy*, John Pugsley exposes the key elements that have led to this worldwide bond-market distortion.

The underlying problem is debt. More specifically, it is an avalanche of irredeemable government debt.

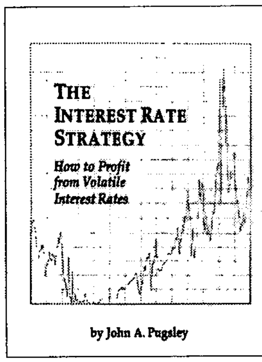
During this past decade the nation has been on the worst credit binge in history. Total federal debt has grown from $800 billion in 1981 to about *$4 trillion* today. In just 10 years Treasury debt has more than quadrupled!

The most fundamental economic laws say that as the quantity of anything increases, *the price should fall, not rise*. Yet, in the face of an unprecedented deluge of federal IOUs, *T-bond prices have soared.* It flies in the face of reason, logic, and economic law.

INVESTOR MYOPIA

Investors are oblivious. In their euphoria they see only the bait: these bonds are assets. They fail to recognize the trap: these "assets" are also liabilities. Liabilities *that can never be repaid.*

Supporting his premises with detailed graphs and historical comparisons, Pugsley makes a sobering and incontestable case—a correction must occur, and the evidence is mounting that the correction is already underway. The anxiety over the Treasury bond auctions, fluctuating interest rates, a stalled stock market, a crisis in the banking system…all are only tiny hints of the dramatic upheavals that lie just ahead.



Because investors are oblivious of this approaching storm, *those who understand what is happening have a virtual license to steal over the next three years.*

Bond-market positions entered 24 months ago have quadrupled. They could double again within weeks. And positions held for the next two to three years could result in gains of 1,000%, 2,000% or more. That's right, we mean potential returns of 10-to-1, 20-to-1, or even greater.

3 WAYS TO PROFIT

To capitalize on the coming change, *The Interest-Rate Strategy* outlines a simple plan that uses three independent bond-market mechanisms. Each has dramatic profit potential on its own, and can be entered separately. Together they are unbeatable.

You don't need to be a sophisticated investor to understand and profit from these ideas. *The Interest-Rate Strategy* sets out a 1-2-3 formula that anyone can follow. Best of all, there is no trading. This is a long-term, low-risk, buy-and-hold concept.

You can tailor the strategy to your own profit objectives and the risk level that suits your temperament. Big investor or small, conservative or speculative, this idea should be part of every financial plan. These mechanisms are ideally suited to protect holders of bonds, savings accounts, trust deeds, and pension plans against losses due to rising interest rates and bond market turmoil.

Some investors have worried that the immense gains of the past few months mean that they have missed the opportunity. Far from it. Those gains have occurred in just one segment of the plan. Two parts of this easy-to-implement strategy are now at ideal entry points, and even the 300% jump in the third part is no more than one-fourth of the anticipated move!

THE AUTHOR

John Pugsley is an internationally respected economist and financial author. His 1974 best-selling book, *Common Sense Economics*, accurately predicted the inflationary explosion that followed the demise of the Bretton-Woods agreement. Many readers made fortunes from his advice.

In 1980, when most economists were convinced that Reagan's tax reform would balance the federal budget by the end of his first term, Pugsley's book, *The Alpha Strategy* (8 weeks on the New York Times best-seller list), boldly warned that the U.S. would experience "the largest deficits in the history of the nation in the next five years," and showed small investors how to profit.

His unique application of economic theory to commodity markets resulted in publication of *The Copper Play*, in which he predicted the price of copper had to double, and his original strategy resulted in dramatic profits for those who followed his system.

For 10 years John wrote and published *Common Sense Viewpoint*, a unique financial newsletter enjoyed by tens of thousands of devoted readers.

After a three-year vacation from financial writing, John has returned with fresh insights born of careful, systematic research. His new flagship publication, *John Pugsley's Journal*, focuses the powerful lens of science and simple common sense on world events. Like radar in the fog, these principles illuminate unseen risks and opportunities that are invisible to conventional analysis.

As his loyal readers have acclaimed for two decades, nothing in the field of economic and financial publications approaches the clarity, consistency, and logic of John Pugsley's work. Reading it will dramatically improve your understanding of the powerful forces at work in the age in which you live.

Now in *The Interest-Rate Strategy* John has once again used common sense economics to uncover what could be the investment opportunity of the century.

ACT QUICKLY

Even as you read this, bond markets have begun to sense and react to the distortion, so we strongly urge you to read *The Interest-Rate Strategy* immediately.

The regular price is $49. However, as part of a special offer, respond now, and your cost is only $35 plus $3 shipping.

Or, better yet, receive *The Interest-Rate Strategy* FREE with a 12-issue subscription to *John Pugsley's Journal* at the special introductory rate of $95. (Regular price: $125)

NO RISK

Our confidence in *The Interest-Rate Strategy* and in *John Pugsley's Journal* is absolute. We'll take the risk. If in your opinion what you learn isn't worth many times your cost, return the items within 30 days for a full refund. Don't procrastinate!

Phoenix Communications Incorporated
P.O. Box 368
Hyattsville, MD
20781-9948

❑ **YES!** Rush me *The Interest-Rate Strategy*. Here is my check for $35 plus $3 shipping.

❑ **Enter** my 12-month subscription to *John Pugsley's Journal*. Here is $95. Rush *The Interest-Rate Strategy* **FREE!**

❑ **I like big savings!** Enter my 24-month subscription. Here is $171. Rush *The Interest-Rate Strategy* **FREE!**

NAME ____________________

STREET ____________________

CITY ____________________ ST__ZIP ______

532

Ver D

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Big Boy Economics

by R. Emmett Tyrrell, Jr.

The high honor and awesome responsibility of a Democratic presidential nomination is now within reach of Arkansas' most celebrated governor since Orval Faubus. Each day Boy Clinton provides yet another revelation of the marvels he has wrought.

At the outset of the saga, our hero leaped to center stage, proclaiming himself a bold innovator eons removed from his party's long line of fatuous big-spenders and sure losers. Boy Clinton would champion Growth, Fiscal Sanity, Competitiveness, and hey-get-me-the-name-of-that-pretty-girl-in-the-third-row. Then the primaries began and he encountered the real innovator among the Democratic candidates, Paul Tsongas. Soon Boy Clinton's ads were depicting Tsongas as an agent of Wall Street and a menace to Social Security.

Now he has revealed his panaceas for the economy, and it is manifest that Clinton is as much a believer in social engineering and Big Government as he was back in 1972 when he campaigned for George McGovern, the most radical Democratic presidential nominee in modern times. Today, all over the world, stagnant economies are overthrowing Big Government and opting for free markets, yet at the Wharton School of Business the other day, Boy Clinton offered a hoary program of tax breaks, subsidies, and trade policies for special business ventures—in sum and in fine: an elite corps of government experts with magic wands to oversee all areas of the economy. It is the Planned Economy of 1936 with a facelift.

Clinton's fundamental error is his belief that bureaucrats and professors know more about promising products and profits in various markets than entrepreneurs. But what if by some freak occurrence the bureaucrats and professors are wrong about a product?

Will they successfully prevail on President Clinton to end government support and allow bankruptcy? Experience has demonstrated at heavy cost to the taxpayer that this is not Big Government's way. As Milton Friedman, a genius among twentieth-century economists, explains, "Government actions often provide concentrated benefits while imposing widely distributed costs." The special interests reaping those benefits can always confect

a compelling case for maintaining them.

If Clinton succeeded in setting up his agencies for encouraging ventures thitherto unrecognized by free market entrepreneurs, only one thing is certain: Big Government would get bigger. After all, in recent years Big Government's only notable success has been to increase the military, win the arms race, and bankrupt the Soviet Union—an admirable achievement, but then governments were originally constituted to protect the citizenry. In his 1991 Wriston Lecture to the Manhattan Institute, Friedman explains why government bureaucrats are no improvement on free markets: "If [an] enterprise were an obvious success, it would probably already be in existence. If the enterprise is a failure that means it loses money. The people who own it have a very clear bottom line." They can keep it going only if they can afford to lose money or finagle a government subsidy, but, continues Friedman, "if a government enterprise is a failure, it is expanded. I challenge you to find an exception."

Another way of responding to Boy Clinton's scheme is to remind him that government ceased to be a solution for social and economic problems in the 1960s, when it lost the capacity to say no to militants and to the morally superior. Today it cannot even say no to dangerously antisocial louts. Only the law-abiding have to fear its authority. The front page of the *New York Times* tells us of a 34-year-old homeless man who "is considered a walking public health threat." He is a carrier of tuberculosis and tests HIV-positive. He is violent, suffers from schizophrenia, and capriciously checks himself in and out of scores of government centers at great cost and peril to all involved. Government cannot quarantine him, as it might have at the turn of the century. Yet let minor infractions of the health code be committed by an otherwise law-abiding restaurateur and—whammo.

Examples of government's futility abound. The loon who assaulted former President Ronald Reagan the other day is at large on his own recognizance. He appeared on "CBS This Morning" free to

Adapted from RET's weekly Washington Times *column syndicated by King Features.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED