

OBEDIENCE TO AUTHORITY

By Stanley Milgram

If this book does make you think long and hard about the world in which you live, about the people you know, and—most particularly and perhaps painfully—about yourself, then I know of no book that will do so. It has had that effect on me. I first read *Obedience to Authority* almost a year ago; it has been in my thoughts many times since then and has caused me endlessly to buttonhole friends and acquaintances, urging them to read it. I am glad to have the opportunity to bring this profoundly important work to the attention of readers of *Libertarian Review*.

The thesis of *Obedience to Authority* is simply stated. "Ordinary people," explains Stanley Milgram (professor of psychology at the Graduate Center of the City University of New York), "simply doing their jobs, and without any particular hostility on their part, can become agents in a terrible destructive process. However, even when the destructive effects of their work become patently clear, and they are asked to carry out actions incompatible with fundamental standards of morality, relatively few people have the resources needed to resist authority."

Does this seem like a description of Nazi Germany? It is a description of a cross-section of over a thousand Americans—men and women, aged 20 to 50, Protestant, Catholic, and Jewish, from all educational levels and a wide range of occupations and professions—who took part in a series of laboratory experiments first conducted by Milgram at Yale University and then repeated in other parts of the country.

Very briefly, each subject of the experiment was told (falsely) that he was participating in a scientific study of the effects of punishment on learning. A white-coated scientist in a laboratory requested the subject to administer a series of progressively stronger electric shocks to a third person, the "learner" (who was strapped into a wired chair), each time the learner failed correctly to answer one of a list of simple questions. The subject was told that the learner, like himself, was a volunteer. This was not the case; the learner knew the actual nature of the experiment, and in fact received no shocks at all. *An overwhelming majority of the subjects, in the absence of force, in opposition to their moral principles, despite feelings of intense internal conflict and doubt, and despite the pleas, screams and apparent acute suffering of the*

learner, continued to administer the shocks until the scientist-authority told them to stop. The psychological power of the authority-figure was far stronger than the power of their own moral values.

There is no way, in a short review, to communicate the appalling quality of the spectacle the experiments unfold, the spectacle of predominantly decent people motivated, not by feelings of aggression or hostility, but by their inability to resist the commands of an authority, to systematically torture what they believed to be helpless victims.

Milgram gives a number of fascinating and valuable explanations both of the causes and the psychological mechanics which make such behavior possible, explanations drawn in large part from his subsequent interviews with his subjects. The most significant mechanism involved, in my view, and the most common, is the subjects' self-creation of an "agentic state." That is, the subjects ceased, as the experiment progressed, to see themselves as responsible for the actions they were taking; they attributed the initiative and the responsibility to the authority, viewing themselves as only his passive agents. It was the authority who defined the moral meaning of their actions. What caused disobedience in the minority who refused to continue administering the shocks? The conviction that they were autonomous entities, who could not and would not abrogate moral self-responsibility. A "residue of selfhood," states Milgram, allowed the minority to keep their personal values alive.

Milgram's summation of the meaning of his work is chilling. His results, he writes, "raise the possibility that human nature, or—more specifically—the kind of character produced in American democratic society, cannot be counted on to insulate its citizens from brutality and inhumane treatment at the direction of malevolent authority. A substantial proportion of people do what they are told to do, irrespective of the content of the act, and without limitations of conscience, so long as they perceive that the command comes from a legitimate authority."

The first step in averting the catastrophic potential implied by Milgram's findings is to understand it. I urge you to read *Obedience to Authority*. Reviewed by Barbara Branden / Psychology / \$10, hardback / \$3.45, paper

YOUTH--TRANSITION TO ADULTHOOD

By Panel on Youth, President's Science Advisory Committee

ESCAPE FROM CHILDHOOD

By John Holt

WILL IT GROW IN A CLASSROOM?

Edited by Beatrice & Ronald Gross

Not expecting to discover a revolutionary plan of action coming from a presidential panel, I was surprised to discover that *Youth-Transition to Adulthood* accomplishes the promise of its title. The introduction and historical background materials consume over half the text and are presented with homogeneous clarity, given the number of authors.

Distilled, the key observation of panel members is that our children currently suffer "cultural detachment" due to a prolonged educational experience within an age-peer-group. cursory attention is paid to the effects of excluding young people from any productive activities until their early twenties while simultaneously making them financial burdens for the family unit. In the course of this retrospective look at the emergence of the technological generation, the days of a mixed work-study agricultural economy are nearly lamented.

Many pages later, the obvious conclusion is drawn. Our educational system keeps youth in school longer, but does not meet the social expectation of increasing and enlarging preparation for a life's work. Having brought the reader this far, the panel members then proceed to address the alternatives in 30 pages of hazy suggestions, most of which would lead (true to form) to the creation of other committees for further study.

Calling for an end to the monolithic institutionalized school system, the authors regrettably propose creating work experiences for teenagers in public and national services, stressing the achievement of collective goals.

John Holt's *Escape From Childhood* is a less scholarly piece on the issue of transition, written in the author's familiar anecdotal style. The book begins with Holt's own revised "children's charter," which includes his somewhat startling assertion that every child should be legally free to select and live in a family relationship outside the home of his/her parents. Rather than dealing in abstract phrases such as "cultural detachment," Holt says plainly that "childhood goes on too long and there is too seldom any sensible and gradual way to move out of it."

More philosophical than Holt's previous educational classics, *Escape* is a compelling essay on how we have all been primrose-pathed about the idyllic world of childhood. While promulgating the illusion of an unspoiled, responsibility-free time of life, we are really telling our children that the world is a

treacherous place in which they must depend on adults to keep them out of trouble. Reaching the adult stage of controlling one's own life is synonymous with being chased out of the Garden of Eden. Holt does not come right out and say it, but the political implications of such programming are clear. Small wonder the masses cling to the security of an all-knowing, protective government to fill the void of parental dependency.

Largely libertarian in his beliefs about authority, power, personal freedoms, and rational self-interest, Holt has momentary lapses. He advocates, for instance, the "right" of children to receive from the State whatever minimum income it guarantees adults.

About our concern to provide for children adequate education and a healthy environment, Holt cautions that "no amount of sentimentalizing or preaching will make a society provide for its young people a better quality of life than it provides for its adults. We fool ourselves if we think ways can be found to give children what the rest of us so sorely lack." This passage appears in the chapter insightfully titled "What Children Need, We All Need."

Will it Grow in a Classroom? has its roots in the Free Learning Project, an organization of soul-searching, open-education advocates still fighting up the down staircase. This collection of essays by teachers about teaching was meant to inbreed the best new ideas in classroom relevance. The editors bill it as "shop talk."

Not quite like many a recent teacher-guerilla-warfare manual, *Will it Grow* is an endearing patchwork of personal stories, dialogues, and occasional verse. It is a diverse book, funny, practical, enlightening, and encouraging in its no-starch self examination of the chalk-dust circuit.

Filled with invention and experimentation, some chapters read like situation comedies, some like parables. Sharing the spotlight with educational luminaries like John Holt is a delightful repertory company, including a classroom "madman," a science teacher who assigns hole digging for homework, and an instructor who uses gerbils and goldfish to teach reading. The common voice throughout calls for an end to the insensitivities of processed schooling and reminds us that it takes a flexible curriculum to accommodate the spectrum of individuality found in the average student body. Reviewed by Susan Easton / Education / Youth / \$1.95 / Escape / \$1.75 / Will it Grow / \$2.95

Five reasons why you cannot afford to be without Libertarian Review

1. LR's concern for individual freedom and antipathy to collectivism in all its forms distinguishes it among today's review publications.
2. Three years of LR bylines form a "Who's-Who" of libertarianism.
3. Low rate trial offer: just \$6 for a full year!
4. Free Bonus with your subscription: "Two Great Libertarians: Mises and Hayek."
5. Unconditional refund guarantee eliminates your risk.

"There is one thing stronger than all the armies of the world," observed Victor Hugo, "and that is an idea whose time has come." This advertisement carries a message of hope—hope that the force of ideas can rescue individual liberty from indifference and oppression.

Libertarianism is such an idea. It charts the course to a cultural and political renaissance. It provides the inspiration and the resources by which civilization can overcome political and social disintegration.

As a person concerned with arrogant and oppressive policies that steadily erode your liberty—as one seeking economic and political justice and a better world—you are the kind of person for whom *LIBERTARIAN REVIEW* is written.

WHAT IS LIBERTARIAN REVIEW?

LR specializes in concise, tough-minded reviews of today's most important books. Sometimes the reviews sting. Sometimes they praise. *They are never dull!* What does the book say? How well does it say it? Is it worth your time and attention? *LR answers those questions* in a style that will challenge, entertain and enlighten you.

LR's reviews are fair, critical and *biased in favor of liberty*. There is no pretense at a false "neutrality" in the pages of LR. We are concerned with liberty and justice without apologies to anyone.

LR has been called the outstanding intellectual publication of the libertarian movement. The very finest libertarian writers and scholars review new books in their fields. LR's board of associate editors insures that the most important books in every field are considered for treatment in our pages. Every month *hundreds* of new works are examined in order to bring you reviews of the dozen or so which our editors consider most significant.

But LR doesn't merely review the best of new works. We regularly select the greatest of classical works to bring to your attention—works by

WHY THREE LEADING LIBERTARIANS READ LR

"... What I like is the fact that all viewpoints within the broad spectrum of libertarianism are given a hearing within the pages of LR... I find the reviews lively, intelligent, informative..."

Nathaniel Branden, Ph.D.

"... concise, forthright, often brilliant. Many books which are not reviewed in other periodicals and newspapers and which one might otherwise never hear of, are reviewed here... Libertarian Review is providing a service, that is not only of high quality, but absolutely unique and unduplicated elsewhere..."

John Hospers, Ph.D.

"... Libertarian Review is the finest libertarian publication in existence and it is improving all the time. It is indispensable in keeping up with... matters of interest to libertarians: economic, educational, historical, philosophical and cultural... the one absolutely indispensable publication in the exciting and expanding field of libertarianism..."

Murray N. Rothbard, Ph.D.

FREE BONUS

With your subscription

"TWO GREAT LIBERTARIANS: MISES AND HAYEK"

by Murray N. Rothbard

Murray N. Rothbard is the dean of today's libertarian thinkers. Economist, social philosopher, historian, political theorist, his writings have inspired a whole new generation of libertarians in all fields.

In two essays titled "The Essential von Mises" and "Nobel Prize to von Hayek" he pays tribute to the life and accomplishments of two men history will record as among the founding fathers of libertarianism.

In his essay on the late Ludwig von Mises, Rothbard summarizes the great Austrian economist's contributions to economic thought. The scope and impact of Mises' work and his epic struggle against a hostile academic community is nowhere better shown than in this beautifully styled essay.

F.A. von Hayek, co-recipient of the 1975 Nobel Prize for Economics and Mises' most famous pupil, is the subject of the second essay. Rothbard's moving tribute to Hayek outlines his rich and lifelong contributions in a broad range of disciplines.

Together, these two essays are at once a brilliant treatment of the basic framework of Austrian and libertarian ideas, but also an inspirational tribute to "Two Great Libertarians," by their foremost contemporary interpreter.

Herbert Spencer, John Stuart Mill, Thomas Jefferson. And of contemporary classics as well, such as the work of Ludwig von Mises and F.A. Hayek.

Our book reviews will help you separate the good books from the bad, *saving you time and money* on dull, pointless books you might otherwise have purchased.

OTHER FEATURES IN LR

In addition to its regular book reviews, LR brings you other features indispensable to well-informed libertarians:

- LR's ESSAY REVIEW, a monthly feature written by a renowned scholar in which a book, a movie or an idea serves as the "jumping-off" point for the development of the writer's theme.
- AFTERWORD, LR's lively letters column in which spirited debate between readers, authors, and reviewers is aired over points made in reviews. Here, *your* views can be expressed.
- A WORD TO OUR READERS, news of interest to libertarians, announcements of lectures, courses and other events throughout the country. A libertarian *calendar of events* which keeps you informed of new developments in libertarianism.
- MUSIC, music lovers will appreciate LR's reviews of recorded classical, jazz and popular music.
- LIBERTARIAN CROSS-CURRENTS, a survey of work being done by libertarians in the scholarly and popular press.

A LIBERTARIAN WHO'S-WHO

The many distinguished libertarians whose writings have appeared in LR include:

- MURRAY N. ROTHBARD, the well-known economist, historian, and social critic.
- HENRY HAZLITT, the eminent economist, former *Newsweek* columnist, author and essayist.
- JOHN HOSPERS, 1972 Presidential Candidate of the Libertarian Party, and Chairman of the University of Southern California's Department of Philosophy.

- ARTHUR A. EKIRCH, whose *Decline of American Liberalism* is a classic of libertarian historical analysis.
- HANS J. EYSENCK, a scholar of world-wide renown. Professor of psychology at the University of London.
- ROBERT SHERRILL, the Washington journalist, well known for his biting and iconoclastic political reporting.
- FELIX MORELY, the Pulitzer Prize-winning former Washington *Post* editor, college president and long-time scholar of isolationism.
- THOMAS SZASZ, the well-known libertarian psychiatrist, whose *Myth of Mental Illness* revolutionized his profession.
- ROBERT LeFEVRE, the well-known libertarian philosopher, lecturer and author.
- HENRY B. VEATCH, probably the best-known Aristotelian philosopher in the world. Author of the classic *Rational Man*.
- ALSO, D. T. Armentano, Petr Beckmann, Walter Block, Barbara Branden, Peter Breggin, Allan C. Brownfeld, R. A. Childs, Jr., James Dale Davidson, Percy L. Greaves, Walter Grinder, Karl Hess, Tibor Machan, James J. Martin, Edmund Opitz, S. E. Parker, Sylvester Petro, Ralph Raico, Donald I. Rogers, George H. Smith, Jerome Tuccille, Jarrett B. Wollstein and many others.

LOW-RATE SUBSCRIPTION OFFER

It's easy for you to find out if LR is all we claim. *Only \$6 for a full-year of service—12 monthly issues.* This special trial-rate offer is being made for a limited time only, so please let us urge you to act today.

NO-RISK GUARANTEE

After reading a few issues of LR if you are not fully satisfied, for any reason whatsoever, write and tell us so. We will send you a full—not partial—refund. No questions asked!

Mail the order form without delay so your subscription can begin with the current issue. You will join the select company of America's foremost libertarians.

LR promises you excitement, intellectual stimulation, exposure to new ideas. Don't delay. Mail the order form today!



I enclose \$6. Please enter my subscription to LR for a full year (12 issues) and send me, FREE and postage paid, "Two Great Libertarians: Mises and Hayek" by Murray Rothbard. I understand that I may cancel my subscription at any time, for any reason, and receive a full refund—no questions or quibbling!

599

NAME _____

ADDRESS _____

CITY _____

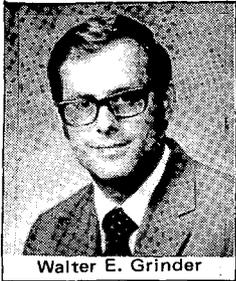
STATE _____

ZIP _____

Libertarian Review

410 First Street, S.E. • Washington, D.C. 20003

SA733



Walter E. Grinder

The times are bad. We hear from both Left and Right that times will get even worse. Historian Geoffrey Barraclough, his views strongly influenced by the strange Kondratieff 50-cycle theory, predicts a second Great Crash which will completely alter the socio-economic mechanism and likely usher in an era of fascism. F. A. Hayek recently lamented that within a decade inflation and subsequent price controls will put an end to the international market system that has developed over the past two centuries. The noted input-output economist

Wassily Leontief cheers the direction towards which the current economic malaise is taking us, towards central planning and "rational" control of the economy. Mr. Midas, Franz Pick, predicts a gold price of \$500 per ounce and a closing of the stock exchange.

Predictions are always precarious. There is, however, a growing body of opinion, the whole of which has its roots in divergent streams of thought, that clearly sees a forthcoming disaster of the kind and at least the same magnitude as that of the Great Depression of the 1930s.

BANKING & THE BUSINESS CYCLE: A STUDY OF THE GREAT DEPRESSION IN THE UNITED STATES

/ C. A. Phillips, T. F. McManus, & R. W. Nelson / \$12.00

THE GREAT DEPRESSION / L. Robbins / \$12.50

AMERICA'S GREAT DEPRESSION / M. N. Rothbard / \$4.95

THE ECONOMICS OF INFLATION: A STUDY OF CURRENCY DEPRECIATION IN POST-WAR GERMANY, 1914-1923 / C. Bresciani-Turroni / \$12.50

Drawing analogies between different periods of history is perhaps just as dangerous as attempting to predict the future. Yet, we must continue to search for parallels in the past; for even though the causative forces of the social processes are never identical, there are certain basic socio-economic determinants which if pursued consistently must logically produce similar results. If we do not try to understand ourselves in relation to the past, then we can know neither how nor why we got to the present, and hence, we can never genuinely understand where it is that we really are. Neither would we be able to face the future with any reasonable hope of achieving any of our goals.

It is hardly surprising that, now, many people, in their attempts to find answers to our current economic malaise, are looking to the Great Depression to draw their analogies. Is it possible for us to learn anything significant about 1975 and beyond by looking back to the twenties and the thirties? It seems that perhaps we can—if we go on our tour of the period with knowledgeable guides who will help us to separate out the truly important evidence and conclusions from the merely trivial flow of fact and circumstance. It is for this reason that these four books have been chosen to aid us in our investigation of several of the more salient features of the period. Each of the books is, of course, complete unto itself and eminently worthy of study on that basis. When, however, they are studied as an integrated whole, they give one a uniquely clear perspective and understanding of the period and subject under consideration. It is this reviewer's strong suggestion that they indeed be carefully studied as such a whole.

We shall notice several things as we proceed. First, economic crises do not just happen. They are *not* inherent in the free-market process. Second, there is a general theory of the business cycle that explains all such economic crises. The Austrian, or "monetary over-investment," theory of the cycle correctly and convincingly explained the Great Crash and Depression of the 1930s, and it is also the only theory that clarifies our current inflationary-recession problems. Third, we shall touch on two anti-Austrian myths: (1) that the Depression was caused by a so-called Great Contraction, and (2) that the Austrian theory does not adequately explain a *general* collapse of economic activity, the so-called secondary depression. Fourth, it should become clear that if something is not done soon to deal with our current inflation problem, we conceivably could be faced with a hyper-inflation similar to the German experience of the early 1920s.

When a libertarian is called upon to defend the free-market system, he sooner or later is confronted with the argument that the market is inherently unstable—that if left to its own devices, the market would thrash

madly back and forth between ever accelerating booms and busts. The proof most often offered is the Great Depression, which began in 1929, deepened precipitously in 1931-32, and was ended only by the mobilized inflationism of the Second World War. The 1930s, it is alleged, proved to be the last and most convincing failure of free enterprise, the market system, and the order of the Western world—capitalism.

If a defender of the market system is to be successful, it would seem that he must be able to deal with this question effectively. In order to do so, the defender must come to grips with the true nature of business cycles in general and with the Great Depression in particular. He must also distinguish between the free market, on the one hand, and the system of world capitalism on the other. After 1914, the two have seldom been synonymous. One must, then, guardedly keep this distinction in mind as he proceeds.

All of our authors make it clear that the Great Depression had its roots firmly planted in the Great War. The wartime command economy is the antithesis of the free market. The military-industrial-financial complex that grew out of the war joined together business and State in such a fashion as to regulate competition practically out of existence. Defenders of the free market might have a difficult time wrestling with rationalizations for such business-State partnerships, but, as especially Rothbard shows, many of the regulated industries failed to feel nearly so uncomfortable about the arrangement. A pattern of neo-mercantile, vested-interest relationships was established during the war, and, as Robbins describes in detail, it continually hindered the rebirth of the international free market during the following decade. The wartime command economy also served as a model and source of inspiration to the various central planners who attempted later to "cure" the Western economies during the Depression.

In addition to being the creator of anti-competitive business-government relationships, the war also was the single most important cause of the ultimate bane of the market system—inflation. As the authors clearly show in *Banking and the Business Cycle*, it was the policies and effects of massive wartime inflation, rather than the actual state of belligerency, that ultimately led to the decline of the genuine international gold standard. For a full century the gold standard had stood as the facilitator and symbol of true free trade. International trade has remained in a state of crisis or near crisis ever since the standard's collapse. The wartime inflation also led to the initiation of large-scale public debt for the first time since the Napoleonic Wars. This debt led both to a greater general tax burden and to massive government manipulation in the bond markets. The various governments' involvement in the Western money markets in turn led to even further solidification of the crucial banking-state nexus.

The Great War set the pattern for the twentieth century in numerous ways. It was a deadly, counter-revolutionary blow against the relatively free market system of the nineteenth century. After a century of an expanding market economy and free-market institutions, the war reimposed on the world economy a leaden overlay of mercantilism. There was no way that the expanded market system could operate efficiently within these mercantilistic constraints. It was the war that set the ideological tone under which the policies of the next two decades were to be implemented. But perhaps most important, it was the war that ushered in the universal Age of Inflation which has plagued the market mechanism ever since. One really must read the Robbins book in detail in order to grasp the full flavor of the causal relationship between the war and the decline of the international market process.



Appealing as the thought might be, we cannot lay the blame for the Great Depression directly on the war. The war both weakened the market process and created the ideological framework of interventionism, but it is the central banks and the central bankers to whom we must turn our attention if we want to find the *true* culprits for 1929 and its aftermath.

Before we proceed, we must for a moment turn our attention to the nature of the business cycle. The sequential booms and busts of the dreaded business cycle are *not* inherent in the natural functioning of the market process. They are caused by exogenous (government-banking partnership) tampering with the market. Specifically, they are caused by the central banks' increases in bank credit, an inflation of the effective money supply. In my opinion, only the Austrian theoreticians (Mises, Hayek, and their followers) have consistently followed the implications of this insight. In so doing they alone have been able to explain the full macroeconomic ramifications of such a policy of inflationism.

Each of the three books on the Depression considered here devotes a section to explaining in some detail the Austrian theory of the cycle. Each does it somewhat differently, and therefore each stresses different aspects of the presentation. This is really quite helpful to one who is