

bond market matured and became more efficient over time. Perhaps this accounts for his unremitting pursuit of more deals long after he had amassed riches beyond the dreams of normal avarice. Or perhaps he was just pathologically aggressive. I never knew anyone at Drexel who reported Milken as anything but polite and soft-spoken. But he surrounded himself with a Beverly Hills sales force that was a notorious goon squad.

### Predators' Ball

**W**EALTH never changed his modest lifestyle or relentless work ethic. I remember him late one evening at the "Predators' Ball"—the annual clients' conference in Beverly Hills which cost scillions, including millions for such minor items as flowers and limousines. While every pipsqueak with a Drexel business card was holding court in places like the Polo Lounge and Chasen's, the most powerful financier in the world was quibbling over the rush charges on slides he wanted made up overnight for his keynote address the next day. "If it's \$100 per slide, have them produce them all," he specified, "but if it's \$300, I only want these ten."

In the end, it was Milken's power, not his greed, that excited a remarkable number of old and some quite new antagonisms. "Main Street," America's commercial heartland, has traditionally resented the high-paid financial city-slickers upon whom it depends for capital. And entrenched managements were secretly happy to believe Professor John Kenneth Galbraith's complaint that they had usurped the rights of the shareholders who technically owned their companies and had become a self-perpetuating "techno-structure." Milken showed they could be displaced by his undreamt-of species of monster takeover, briefly reasserting the supremacy of shareholders' rights. (In the aftermath of Milken's fall, there is an illusion that the boardroom has emerged insulated from the authority of the shareholder ballot box. But the Left abhors a vacuum. It can be counted upon to nominate the government to fill it.)

Above all, Milken attracted the jealousy of America's powerful "New Class," the social grouping that Irving Kristol has identified as making its

living through its influence on the government's power to spend, regulate, and legislate. This includes professional politicians, their hangers-on in the media and academic life, and much of the ever-proliferating legal profession. Rudolph Giuliani, in fact, seems to have thought that his crusade against Milken would help elect him mayor of New York.

Significantly, there are now ominous signs that Washington is eager to lay as much as possible of its responsibility for the savings-and-loan mess at Milken's door. This of course is nonsense. The thrifts were in trouble as a direct result of federal policy long before the junk-bond market cratered. And at most, it is estimated that 1.4 per cent of S&L losses, or some \$14 billion, represent losses on junk-bond holdings.

The whole truth about the Milken phenomenon will not be known for years. But it is disturbing to compare this case with the results of an earlier discovery of a better financial mousetrap. At the turn of the century, J. P. Morgan was attacked for taking a sim-

ilar quantum leap in risk by financing major takeovers through the nascent markets for publicly traded common stocks, which paid little or no dividends and were not secured by any assets. The institutions he built—Morgan Guaranty Trust, U.S. Steel—are now part of America's financial establishment.

In making a market Morgan was legally able to do much that Milken could not. The complex securities legislation passed amid populist outrage after the 1929 Crash, arguably misconceived and certainly subject to unpredictable judicial and regulatory reinterpretation, has caused many denizens of Wall Street to resign themselves to being perpetually open to charges of having violated some regulation or another. Milken himself was obviously a risk-taker of heroic proportions. The ultimate question is whether the American system needs and can still accommodate such personalities.

Or, as Drexel used to proclaim on its mugs and T-shirts, "No guts, no glory." □

## CHRISTIAN LIBERTARIANISM

# AYN RAND IS DEAD

LLEWELLYN H. ROCKWELL JR. & JEFFREY A. TUCKER

**I**N THE Old Right, cultural conservatism came as naturally as devotion to the free market or aversion to foreign wars. But when the cold war split the Right into two camps, both sides suffered. Conservatives lost their skepticism about what Clare Boothe Luce called "globaloney"; libertarians lost their moorings to what Russell Kirk called "the permanent things."

Today, both parts of the movement are harking back to their roots. More and more conservatives are coming to agree with Patrick J. Buchanan's denunciations of global messianism, and more and more libertarians cheer Murray N. Rothbard's jeremiads against "libertine libertarians."

In the 1950s, "virtually everyone in the libertarian movement was a cultural conservative, and virtually ev-

eryone was a believer," says George Resch of the Center for Libertarian Studies. "The Randian movement changed that, for the worse."

When Ayn Rand—the Jackie Collins of ideological novelists—split with her "intellectual heir" and boyfriend Nathaniel Branden in 1968, most of her followers came over to the libertarian movement, but they brought with them their unfortunate Randian baggage. Miss Rand was not just an atheist, Rothbard reminds us, "she was a militant atheist. She hated God and thought that Christianity ought to be stamped out." Catholicism in particu-

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lar she called the spiritual equivalent of Communism, with the same morality ("altruism"), goal ("global rule by force"), and enemy ("man's mind").

The Libertarian Party, founded in 1971, was infected from the beginning with Miss Rand's pet hatreds, albeit with some odd twists. New Ageism was welcomed, for example, and the party's Randian-hippie coalition even embraced a witch. Only one group was made to feel unwelcome: Christians.

But now a burgeoning group of scholars, journalists, and activists is recapturing the libertarian-Christian connection. These libertarians agree with Lord Acton that liberty is the highest *political* end of man, but see Christianity as the guide to the virtuous society as well as virtuous individuals.

Miss Rand asserted undying war between faith and freedom. But it is to "Christianity that we owe individual freedom and capitalism," says Rothbard. It is no coincidence that "capitalism developed in Christian Europe after the transnational church limited the state. In ancient Greece and Rome, the individual was merely part of the city state or the empire, unimportant in his own right. Christianity changed that by stressing the infinite worth of each individual soul."

### Freedom for Virtue

**C**HRISTIAN libertarians see no inconsistency in being both. For these libertarians freedom is important for more than economic reasons. It allows Christians to transform the culture through the church and the family. This transformation is no business of the state's. As Pius IX wrote in his *Syllabus of Errors*, "the civil authority" must not interfere "in matters relating to religion, morality, and spiritual government." The Beatitudes are not instructions to federal officials, except in their personal lives.

"Freedom is no virtue in itself," says Robert Sirico, CSP, of the Catholic Information Center. "It is a context in which virtue can be practiced."

And, say the Christian libertarians, the virtuous life cannot be brought about by government. "It is a great mistake for religious people to appeal for state support," says James Sadowsky, SJ, of Fordham University. "The price of that support is subservience to the state."

The leviathan state's systematic attack on the family goes beyond the promotion of unwed motherhood through welfare programs, and secular humanism through the government schools—the welfare state cuts to the heart of the family by arrogating to itself the authority of the father as protector and provider. In view of this, David Gordon of the Ludwig von Mises Institute points out that, contrary to the common impression that libertarians are free-thinkers and libertines, "Many libertarians . . . are libertarians precisely because they wish to protect traditional values and culture from the state."

The Christian libertarian's reconciliation of freedom and virtue echoes the earlier "fusionism" of Frank S. Meyer, but it also harks back to the Spanish Scholastics and their rigorous defense of liberty, the free market, sound money, and the rule of law. Typical was Pedro Fernandez Navarrete, chaplain to the king of Spain, who wrote in 1619 that "the origin of poverty is high taxes" and that the only "agreeable country is one where no man is afraid of tax collectors." May the rector of George Bush's Episcopal parish preach similar views!

Moral posturing has become inextricably linked with our politics. William Bennett says that repealing the laws against drug use is the same as approving addiction. But as James Sadowsky points out, libertarianism does not "mandate moral approval of all the behaviors that we would legalize. We accept the Actonian distinction between civil law and moral law." This position is not, as some charge, a denial of Original Sin, but rather an affirmation of its baleful importance. A

man giving full rein to his sinful tendencies does far more harm as a state official than as a private individual.

### Illiberal

**I**N THEIR acceptance of Original Sin, as well as a host of other ways, the Christian libertarians distinguish themselves from most of the classical liberals. Frédéric Bastiat and Lord Acton grounded their liberalism in Christianity, but most classical liberals were Benthamite atheists. Rothbard points out that, except in England, when these liberals "came to power, they confiscated church lands, suppressed religious orders, and nationalized church schools. Their hatred of Christianity was far more important to them than their alleged love of liberty."

With Randianism following Ayn Rand into the grave, the future is with the Christian libertarians. And that is good news for conservatives.

"Many Christian conservatives have been put off by what seemed to be libertarianism's irreligiousness, moral relativism, and belief in 'gay rights,'" says Joseph Sobran. "But the emergence, or rather re-emergence, of Christian libertarianism—which rejects all of this—makes it possible for us to join together to limit the giant state. We are all libertarians when it comes to the Federal Government. And we are all conservatives in our cultural and moral values."

The big news of the post-Reagan era may not be a split, but a healing: the coming together of the two strands of the Old Right. It is, as even a quick glance at Washington, D.C., will show, an alliance whose time has come. □

## What Christian Libertarians Believe

1. Objective standards of morality are essential to the free and civilized social order.
2. Western culture is eminently worthy of preservation and defense.
3. Vigorous social *authority*—as embodied in the family, church, and other mediating institutions—is a bedrock of the virtuous society.
4. The egalitarian ethic is morally reprehensible and destructive of private property and social authority.
5. The leviathan state is the prime

institutional source of evil throughout history.

6. The unhampered free market is morally and practically superior to all other systems.

7. Private property is economically and morally necessary.

8. The garrison state threatens liberty and social well-being.

9. The welfare state is organized theft.

10. Proper civil liberties are based on property rights.