



Vol. 6, No. 2, Winter 2009, 181-190

www.ncsu.edu/project/acontracorriente

Note / Nota

Vargas Llosa, Von Hayek, Libertarian Dogmas High and Low, and my Prophetic Spoofs Thereof

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First, some semantics. The term “neo-liberal” serves to designate those who espouse the unfettered market, free of all regulations and controls—in short, nineteenth-century economic liberalism. The word gained currency sometime after 1990 with the fall of Communism and the triumph of capitalism. It does not appear in dictionaries before that date. For some reason, neo-liberal advocates such as Vargas Llosa object to the term and apparently consider it an epithet, even though it’s obviously denotative, signifying simply “new liberal.”

Now, since Cold-War days the neo-liberal position on these shores has commonly been designated by the word “libertarian.” The alternate

term caught on here presumably because, beginning with the New Deal, the Democrats with their interventionist policies had assumed the mantle of the l-word, precisely the opposite of what it had originally meant. In U.S. discourse, then, “liberalism” corresponds roughly to European social democracy, if in much attenuated form. The handle “neo-liberal” is employed more in Spanish America, probably because, in the Romance languages, *libertario* is synonymous with “anarchist.” Needless to say, revolutionary anarchism à la Bakunin, the Wobblies, or the Tierra y Libertad people is not exactly what today’s neo-liberals have in mind.

Vargas Llosa over the past four decades has moved across the entire political spectrum: a socialist in the sixties, a centrist in the seventies, a conservative in the eighties, and, since the early nineties, a libertarian. The shifts can be detected in part in his fiction.. In *Conversación en la catedral* (1969), the only positive figures are the Marxist student activists who clandestinely oppose the Odría dictatorship. Then, in *La guerra del fin del mundo* (1981), reflecting the novelist’s stated opposition at the time to all extremists, he depicts most everyone in Brazil to be fanatical—not just the Canudos rebels but also the republican press, the anarchist Galileo Gall, even the army officer corps. The only saving figure is the refined and cultivated Barón de Cañabrava, who stands serenely aloof from all dogmas. Similarly, in a later rebuke to indigenist solutions and ideas, which Vargas Llosa deems pre-modern and “totalitarian,” the author in his 1995 novel *Lituma en los andes* shows a tavern keeper and his wife practicing ritual sacrifice and cannibalism as their means of placating mountain spirits.

It is in his opinion columns for the Madrid daily *El País* and other such venues, however, that Vargas Llosa has become most vocal as a libertarian. There with regularity he heaps scorn on government regulations, state pensions, trade unions, the evil welfare state in Europe, and anything that interferes with the sacred workings of the market. In their stead he praises “labor flexibility”—meaning absence of job security—as beneficial *for workers*. And he singles out for emulation Japan and the Asian “little tigers” while ignoring the highly protectionist practices that have made those economies possible, as well as the massive land reforms that, in the 1940s and ‘50s, broke up large landholdings, ended

tenant farming, and altered the structures of food production and distribution in those nations.

There is a profound irony in Vargas Llosa's having grown into so absolute a believer in the market. In this respect he's come to resemble those single-minded dogmatists and utopian fanatics skewered by him in his novels. His political ideas, however, do not originate solely with him. They are essentially distillations, popularizations of the thought of the well-known neo-liberal economists Milton Friedman, Ludwig von Mises, and Friedrich von Hayek. As just one instance of these sources, I'd like to share with you a brief glance at Hayek, who was born in Austria in 1899 and died in Germany in 1992. In the thirties von Hayek developed some theoretical concepts that earned him the 1974 Nobel Prize in Economics. And among social thinkers and conservative activists he is respected for his formulations concerning the rule of law, the dynamics of tradition, and the diffusion of knowledge.

Hayek, though, is best known for his subsequent non-technical, sometimes polemical works in which he defends the absolute free market and rejects, on principle, any major governmental intervention and redistribution programs. He first attracted wide attention in 1944 with a book called *The Road to Serfdom*, which initially caused a major stir when it appeared in *Reader's Digest*, was carried by the Book-of-the-Month Club, and sold some six hundred thousand copies. And what will lead us inexorably to "serfdom"? The answer: Government economic planning, just like they have in the USSR. Written at the height of World War II, the book interprets fascism as an instance not of directed capitalism, but as socialism. Hayek even goes to far as to suggest that imperialism and modern indoctrination methods are the result of socialism. As you can see, Hayek has clearly singled out his enemy. Correspondingly, the book makes no mention of the decisive Eastern military front, where the Nazi hordes were being thoroughly defeated by our then-ally, the Soviet Union. The book, then, is one of the first textual salvoes in the ideological Cold War.

Hayek went on to expand his critique and his targets. In a more scholarly work, *The Constitution of Liberty* (1959), he rejects such things as labor unions, social security, and socialized medicine as inimical to the

market and, by extension, to the entire community. The book was written when Hayek was living in the U.S. as a professor at the University of Chicago, and curiously it contains not a single reference to American racial politics and the civil-rights topics that were emerging in public debate. But then, one of Hayek's main targets in life was social justice itself, and he would go so far as to reject the ordinary terms "society" and "social" as "weasel words." Among his major late opuses is a jaundiced treatise with the significant title *The Mirage of Social Justice* (1976). Here he systematically lets fly at this very notion. Some typical quotes: "The phrase 'social justice' means nothing at all, and to imply it is either thoughtless or fraudulent." Social justice, says Hayek, is "a superstition." Social justice is "a will-o'-the-wisp which has lured men to abandon many of the values which in the past have inspired the development of civilization." Again: "In a society of free men, the term 'social justice' is mostly devoid of meaning or content." Another: "The term is intellectually disreputable, the mask of demagoguery or cheap journalism, which responsible thinkers ought to be ashamed of to use because, once its vanity is recognized, its use is dishonest." Yet another: "Ideals of social justice are an atavism, a vain attempt to impose upon the Open Society the morals of the tribal society, which, if it prevails, must not only destroy society but would also threaten the survival of large numbers of people." In a more specific passage, Hayek goes so far as to claim that demands of "periodic holidays with pay" are "an absurdity."

Some of Hayek's scattered insights border on the nonsensical. These are real quotations: "Antarctica will enable thousands of miners to earn an ample livelihood." Perhaps the penguins could be recruited for the mineshaft operations... "I doubt whether there exists a single great work of literature which we would not possess had the author been unable to obtain an exclusive copyright." Does the man really believe that there was copyright in the time of Sophocles, or Chaucer, or Shakespeare? So it seems! Moreover, Hayek's quasi-apocalyptic claims about the destructiveness of the welfare state have simply not been borne out. One of the best refutations of the Austrian school of economics is, in fact, post-war Austria, where, until recently, social democracy has created an enviable

standard of living *and* liberal freedoms for all of its citizens, without having had to depend on the tyranny of a Thatcher or a Pinochet. By contrast, if the Western world had adhered to Hayek's stern beliefs, we would still have the rule of (Jim Crow) law, fifteen-hour workdays, six-day work weeks, impoverished retirees, and all-male professions, not to mention vacations without pay.

Hayek et al. represent what we might call high libertarian dogma. But there's also a low libertarian dogma that you'll find on right-wing talk shows, on countless blogs, and in the simplistic slogans of movement conservatism and its more cognitively challenged followers. A comparable term might be "vulgar libertarianism," by analogy with vulgar Marxism. An instance of the trend is the *Guide to the Perfect Latin American Idiot*, published in Barcelona in 1996, translated into English in 2000, and co-authored by Plinio Apuleio Mendoza, Carlos Montaner, and Alvaro Vargas Llosa, with foreword by novelist Mario.

The book is a relentless attack on all those foolish enough to oppose pure capitalism, a lengthy list comprising not just Marxists but reformists, nationalists, anti-imperialists, liberation theologians, and of course social democrats. For the moment, though, I'll focus on some of the general principles of the team. A key quote: "The market, with its winners and losers, is the only economic justice possible." (You can see the unmistakable Hayek origins here.) Or "Classes do not exist." Or the axiom, "It is not the state but individuals that create wealth." Or, most drastically, "the state, instead of correcting inequalities, intensifies them."

Well, allow me to turn to our immediate North American reality and list the following items, all of them state products: The highway system. The airports, built and run by the Transportation Department. Federally funded medical researches. The National Institute of Health. The NASA satellites in space, without which there'd be no government program called the Internet. The massive water works that deliver H₂O to farms and homes in the Southern California desert. The ten-campus University of California system. And, a stone's throw from this MLA conference, the Golden Gate Bridge, built under WPA auspices. Regarding the state's allegedly intensifying inequality, let's consider the millions of Social

Security pensioners whose government checks have made the difference between penury and survival. Or the FDIC, which recently rescued the depositors at over two dozen failed banks, including the mammoth Washington Mutual, and rescued them from the ranks of the Idiot trio's losers.

Their book, moreover, engages in constant prevarication, in evading larger truths. The threesome make much of recent prostitution in Cuba, somehow implying that such vice exists only on that island and because of Communism. Meanwhile, just this year they issued a sequel volume, *El regreso del idiota*, of which roughly half consists of attacks on new leftist presidents Chavez, Evo Morales, Ortega, and Kirschner. The general arguments remain the same and the prevarications continue. Chile's Pinochet and the Nicaraguan Contras are hardly mentioned. The Argentine crash of 2001 is either glossed over or attributed to Peronista social programs. There are new targets—the Madres de la Plaza de Mayo; Keynesian economics, which they dub “Keynesian mischief;” and, of all people, Franklin Roosevelt, for they've bought into the Old-Right notion, recently being revived, that the New Deal actually worsened rather than alleviated the Depression. They have special two-page broadsides against Harold Pinter, James Petras, and particularly Noam Chomsky, whom they falsely accuse of being a Holocaust skeptic. That they should repeat this guttersnipe slander raises serious questions about their reliability as data gatherers and interpreters.

And there are some new recommendations. In the first pamphlet they had a section called “Ten Books That Shook the Latin American Idiot.” Among their titles was Galeano's *Venas abiertas*, a work that obsessed them. The sequel now features “Ten Books That Will Cure Idiocy.” Its concluding entry is none other than Ayn Rand's *Atlas Shrugged*. They actually praise her adolescent philosophy of Objectivism. Here even Mario in his Foreword objects to the choice, finding Rand's novels “unreadable”, as is the case with all didactic literature. Rand, nonetheless, gets the last word.

The Idiot books are symptomatic of a libertarian culture that got its big push with the Reagan presidency. The dogma has since spread and

attained the status of a folklore, especially in this country, where the thinking has roots stretching back to John Locke. Hence from perfectly intelligent Americans, not always conservatives, you'll hear it stated that socialized medicine in Europe and social democracy in general are a disaster. I've seen syndicated newspaper columns arguing that we should start dubbing public schools "government schools" and thereby note that they're somehow tainted. One particularly dark moment in this ongoing mass upsurge came as a result of the right-wing campaign spearheaded by Newt Gingrich in the 1994 mid-term elections. Along with this wave there arose the militias, armed libertarians who simply hated taxes and compared the IRS to the Gestapo. Their signal moment was the blowing up of the Oklahoma City Federal Building in 1995, the biggest terrorist attack on U.S. soil before 9/11.

Believe it or not, Vargas Llosa that year published in *El País* an article in which he tried to understand the militias and place them within a positive framework. There was in the piece precious little of the bile or scorn he normally reserves for the welfare state or the left; the tone instead was one of compassion and concern. He sees the militias as an unfortunate distortion of a "profoundly democratic and libertarian" cause, a movement seeking emancipation from "the growing state intervention that has been suffocating individual initiative." He praises as "healthy" the aspirations of Newt Gingrich's Contract with America, a plan to salvage the individual, orphaned as he or she is by so much regulation. The hecatomb in Oklahoma, then, must be seen as "a stepdaughter of liberty."

No doubt, plenty of crackpots exist out there. And I must confess that, for decades now, the stuff I see being stated in the political arena oftentimes goads me to scribble satires about it—including a satirical novel and book of stories, but also short spoofs in the general press. In my remaining minutes I'd like to share with you a few of those brief send-ups and note, woefully, how they've sort of become true.

In 1972, Hurricane Agnes battered southern New York State, with major news coverage and government aid as a result. Back then I was working as a novice instructor at SUNY-Binghamton, and I felt inspired to

write a letter to the editor in the local daily, signed Jonathan Swifte, with an “e.” The letter ran, and it read thus:

I’m absolutely sick and tired of reading these bleeding-heart reports about alleged flood victims. If these people’s homes are in such bad shape, they can show some private initiative and fix them on their own. I made my money by my own efforts, and I don’t like seeing my hard-earned salary go so some crybaby can mooch off a government hand-out. All this flood-welfare is only the first step toward socialism, and I want no part of it.

Well, never has a piece of writing of mine elicited so vigorous a public response. There followed a spate of letters from irate citizens deploring Mr. Swifte’s lack of compassion. One such respondent said, “While being a conservative and against much of the socialism being thrust upon us, I am thoroughly disgusted at Mr. Swifte. I’ve known many real flood victims but no alleged ones. If Mr. Swifte is self-made, I’m glad I was created.” And so forth. I must admit I got something of a kick out of seeing some right-wing folks all riled up at having their clichés turned against them. Sometime later, however, I found out that our old friend Ayn Rand, now in the Idiot trio’s good graces, was in fact solidly against aid to the victims of natural disasters. More recently, libertarian congressman Ron Paul, whose principled stance against Bush’s Iraq war I applaud, has nonetheless voted against federal assistance to the victims of Hurricane Katrina. As the honorable Mr. Paul asks, “Is bailing out people that chose to live on the coast a proper function of government? Why do people in Arizona have to be robbed to support people on the coast?” Thus spake the libertarian. Moreover, the inept response of Bush and Co. to the tragedy demonstrates that, in practice, it’s not just pure libertarians who take such a hands-off view of government toward its less-fortunate citizenry.

Another example: In 1994, in the wake of those elections, the gun lobbyists were especially vocal. Meanwhile, in our local newspaper there was an editorial decrying violent acts against public-school teachers. So in reply I published an op-ed satire in which I argued rationally, step-by-step, with a straight face, that the best way to prevent school violence is, first, to let teachers carry guns in the classroom, and second, as protection against trigger-happy teachers, to let the pupils tote guns, too. And to those who wished to place limits on gun-toting for kids, I elaborated on a certain

bumper-sticker motto and said, “If you outlaw guns for children, only outlaw children will have guns.”

Shortly after it appeared, I received a personal letter from the owner of a local gun shop, who praised my arguments and further informed me that he was going to forward my article to our state legislator Jane Swift and urge her to implement these proposals. More chillingly, in the wake of the shootings at Virginia Polytechnic in Blacksburg two years ago, there were not a few letters to the editors of national newspapers, arguing that the best way to prevent school shootings is, indeed, to allow everyone on campus to bear arms. And in August of this year, in the town of Herrold, Texas, the local high school began allowing its teachers and other employees to pack pistols. My satire, as you see, wasn't so satirical.

Just one more instance: At different points over the last few decades I've penned and published satires called “Hitler Reconsidered.” They take their cue from a dirty little secret, namely, that during the thirties, conservative ideologues and business leaders regularly defended the fascist states as bulwarks against communism. And so, in my spoofs I give voice to those argufiers and suggest that, in the World War, America should have sided with Hitler instead. Well, once again, on libertarian blogs and in their literature you now find postings that, while not openly exonerating Hitler, seriously maintain that the Anglo-American war against the Nazis led to the Soviet domination of Eastern Europe, something that could have best been avoided by non-intervention. In a word, they argue for having allowed Hitler a free hand in the East, since the Soviets were allegedly worse. Pat Buchanan, who admittedly is not a libertarian, has just published a book questioning the wisdom of that war, for analogous reasons. On the other hand, when libertarians do criticize Hitler, they claim he was actually socialist. After all, the Nazis imposed price controls, and what is more socialist than price controls? Similarly, the NRA likes to argue that gun control laws in Germany paved the way for a Nazi takeover. And so forth...

Libertarian dogmas and the culture that sustains them may now be temporarily sidelined, but they're not going to go away soon. I've encountered blogs that blame today's financial mess squarely on the FDIC and on the New Deal. Mass-based libertarian sloganeering actually gained

impulse during the nineties as part of the anti-Clinton constituency, and it was in those relatively peaceful nineties that the first Idiot book hit the stands and that Vargas Llosa became a committed publicist for the movement, a task he shows no signs of renouncing. Granted, the novelist has recently revised some of his views, seeing the need for a more activist role for government in the economy, and, much to our surprise, actually praising Barack Obama as a person and backing his candidacy. Vargas Llosa, however, is a subtle and intelligent individual; whereas I've no doubt that we'll be living with hard-line, vulgar libertarianism and its seductive formulas for many years to come.