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## **War and Leviathan: The Trick that Works Every Time** **by Robert Higgs**

*The following is a transcript of a speech given at The Future of Freedom Foundation's June 2007 conference, "Restoring the Republic: Foreign Policy & Civil Liberties" held in Reston, Virginia.*

**Jacob Hornberger:** If I can have your attention please, Robert Higgs is senior fellow in political thought at the Independent Institute. He's the author of eight books, the most famous in my opinion being and the best *Crisis in Leviathan*, his most recent being, *Depression, War and Cold War*. Having received his Ph.D. in economics from Johns Hopkins University, Bob has taught at the University of Washington, Lafayette College, Seattle University, and the University of Prague. His articles have appeared in the *Wall Street Journal*, the *Los Angeles Times*, *Chicago Tribune*, *Financial Times*, and many, many other publications. His talk is entitled "War in Leviathan: The Trick that Works Every Time." Please welcome Bob Higgs.

<applause>

**Robert Higgs:** Thanks so much, very kind of you. It's a great honor for me to have been invited to speak at this conference. Many of the other speakers are old and cherished friends of mine and people for whom I have the highest respect and whose work has taught me a great deal over the years. Ralph Raico, by the way, I always refer to as my favorite historian and I've spent many hours listening to Ralph's lectures and always with great pleasure and with edification. Among the speakers here I just want to single out a couple because as splendid as they all are, there are two that seem to be to be genuine American heroes and that notion is thrown around very loosely nowadays, but there are heroes and we have two on the program and they are Daniel Ellsberg and Karen Kwiatkowski.

<applause>

**Robert Higgs:** I'm very happy to pay homage to those two individuals who had the courage and the integrity to do the right thing in a way that made a big difference. I'm going to talk about the growth of government in my address today. It's something I've been studying for a long time,

so you may have heard remarks similar to this before if you've heard me speak. If so, I apologize but I think the message remains germane today and so I'm going to repeat it again. Margaret Atwood's poem, "Siren Song," begins: "This is the one song everyone would like to learn, the song that is irresistible, the song that forces men to leap overboard in squadrons even though they see the beached skulls." Our rulers know how to sing that song and they sing it day and night. The beached skulls are those of our fathers and our sons, our friends and our neighbors for whom the song proved not only irresistible but fatal. The state is the most destructive institution human beings have ever devised, a fire that at best can be controlled only for a short time before it leaps its improvised confinements and spreads its flames far and wide. Whatever promotes the growth of the state also weakens the capacity of individuals in civil society to fend off the state's depredations and therefore augments the public's multifaceted victimization at the hands of state functionaries.

Nothing promotes the growth of the state as much as war. Randolph Bourne's statement, "War is the health of the state," has become a cliché, not simply because it is pithy but above all because it expresses a vitally important truth. States by their very nature are perpetually at war, not always against foreign foes, of course, but always against their own subjects. The state's most fundamental purpose, the activity without which it cannot even exist, is robbery. The state gains its very sustenance from robbery, which it pretties up ideologically by giving it a different name, taxation, and by striving to sanctify its existential crime as legitimate and socially necessary. State propaganda and long-established routine combine to convince many people that they have a legitimate obligation, even a moral duty to pay taxes to the state that rules their society. They fall into such erroneous moral reasoning because they're told incessantly that the tribute they fork over is actually a kind of price paid for essential services received and that in the case of certain services, such as protection from foreign and domestic aggressors against their rights to life, liberty, and property, only the government can provide the service effectively.

They're not permitted to test this claim by resorting to competing suppliers of law, order and security, however, because the government enforces a monopoly over the production and distribution of its alleged services and brings violence to bear against would-be competitors. In so doing, it reveals the fraud at the heart of its impudent claims and gives sufficient proof that it is not a genuine protector but a mere protection racket. All governments are, as they must be, oligarchies. Only a relatively small number of people have substantial, effective discretion to make critical decisions about how the state's power will be brought to bear. Beyond the oligarchy itself and the police and military forces that compose its palace guard, somewhat larger groups constitute a supporting coalition. These groups provide important financial and other support to the oligarchs and look to them for compensating rewards, legal privileges, subsidies, jobs, exclusive franchises and licenses, transfers of financial income and wealth, goods and services in kind, and other booty channeled to them at the expense of the mass of the people.

Thus, the political class in general, that is, the oligarchs, the palace guards, and the supporting coalition, use government power, which means ultimately the police and the armed forces, to exploit everyone outside their class by wielding or threatening to wield violence against all who fail to pay the tribute the oligarchs demand or to obey the rules they promulgate. Democratic political forms and rituals, such as elections and formal administrative proceedings, disguise this class exploitation and trick the masses into the false belief that the government's operation yields them net benefits. In the most extreme form of misapprehension, the people at large become convinced that owing to democracy, they themselves are the government. Frequent individual passages back and forth across the boundary between the political class and the exploited class testify, however, to nothing more than the system's cunningly contrived flexibility and openness.

Although the system is inherently exploitative and cannot exist in any other form, it allows some leeway at the margins in the determination of which specific individuals will be the shafters and which the shaftees. At the top, a modest degree of circulation of elites within the oligarchy also serves to mask the political system's essential character. It is a sound interpretive rule, however, that anything that cannot be accomplished, except with the aid of threats or the actual exercise of violence against unoffending persons, cannot be beneficial to one and all. The mass belief in the general beneficence of democracy represents a kind of Stockholm syndrome at large, yet no matter how widely this syndrome may extend it cannot alter the basic fact that owing to the operation of government as we know it, that is government without genuine express individual consent, a minority lives on balance at the expense of the rest, and the rest therefore lose on balance in the process while the oligarchs, elected or not scarcely matters, preside over the enormous organized criminal enterprise we know as the state.

Notwithstanding the ideological enchantment that official high priests and other intellectuals have thrown over the plundered class, many members of this class retain a capacity to recognize at least some of their losses and hence they sometimes resist further incursions on their rights by expressing their grievances, by supporting political challengers who promise to lighten their burdens, by fleeing the country and most important by evading or avoiding taxes and by violating legal prohibitions and regulatory constraints on their actions as in the so-called underground economy or black market. Together, these various forms of resistance compose a force that opposes the government's constant pressure to expand its domination. Working one against the other, the two forces establish a locus of what we might call equilibrium, a boundary between the set of rights the government has overridden or seized and the set of rights the plundered class has somehow managed to retain, whether by formal constitutional constraints or by everyday tax evasion, black market transactions, and other defensive violations of the government's oppressive rules.

Politics in the largest sense can be viewed as the struggle to push this boundary one way or the other. For members of the political class, the crucial question is always, how can we push out the frontier? How can we augment the government's dominion and plunder with net gains to ourselves, the exploiters who live not by honest production and voluntary exchange, but by fleecing those who do. War answers the political class's crucial question more effectively than anything else because war has the unique capacity to dissipate the forces that otherwise would obstruct or oppose the government's expansion. Virtually any war will serve at least for a while because in modern nation states the outbreak of war invariably leads the masses to rally round the flag, regardless of their previous ideological stance in relation to the government.

Recall the situation in 1941, for example, when public opinion polls and other evidence indicated that a great majority of the American people, approximately 80 percent of them as late as the autumn, oppose outright engagement in the World War, an engagement that Franklin Roosevelt and his administration had been seeking relentlessly by hook and by crook from the very beginning. When news of the Japanese attack on Pearl Harbor reached the public, however, mass opposition to war dissolved overnight, almost completely. No wonder the neocon intriguers in a September, 2000, report of the project for the New American Century expressed their yearning for "some catastrophic and catalyzing event like a new Pearl Harbor." The attacks of 9/11 answered the neocon prayer perfectly.

An administration that had been wallowing without a breeze in its sails was suddenly invested with overwhelming public support for aggressive action abroad. In a Gallup poll taken on September 7 to 10, 2001, 51 percent of the respondents approved of the way George Bush was handling his job as president. Thirty-nine percent disapproved and ten percent had no opinion, yielding what I call an opinion balance of 12 percent; that is 51 percent approval minus 39 percent disapproval. A few days later, while the ruined buildings were still smoldering, 86 percent approved, 10 percent disapproved, and only 4 percent had no opinion for an opinion balance of positive 76 percent more than six times greater than it had been just a few days earlier. Although Bush had done absolutely nothing to demonstrate an abruptly improved performance of his job as president, nearly the entire population, many members of which roundly disliked the president, suddenly showered approbation on his performance in office.

A week later, the opinion balance had risen even higher to 84 percent on the strength of a 90 percent approval response. Afterward, Bush's job performance approval rating followed a long, downward trend interrupted by only brief up ticks until it reached its present range. The Gallup poll of early May, less than a month ago, found the opinion balance was negative 29 percent and only 34 percent of the respondents rated the president's performance favorably. During the long downhill slide Bush's approval rating held up amazingly well among Republicans but fell lower and lower among both Democrats and Independents, an expression of how normal political

partisanship reasserted itself as the initial unifying crisis slipped farther and farther into the background.

Similar movements may be seen in Gallup polls that ask the respondents whether they viewed George Bush himself favorably or unfavorably. Here the opinion balance jumped from positive 25 percent in August, 2001 to positive 76 percent in November, 2001, a threefold increase before beginning a long downward trend and becoming negative after mid-2005. When the public's approval of the president's actions is broken down by specific issues, we see that his greatest 9/11 related jump occurred in the area of, *mirabile dictu*, foreign affairs. And the Gallup poll taken during July 10 to 11, 2001, the opinion balance in this area was 21 percent, but in the poll taken October 5 to 6, 2001, the opinion balance had jumped to 67 percent or more than three times higher and that included the 81 percent favorable to Bush's management of foreign affairs.

The lesson is clear. If the president conducts foreign policy so as to antagonize foreigners and provoke them to launch massively destructive attacks on this country, the American public will respond with an enormous outpouring of approval of his actions as if to prove that in our political system no failure goes unrewarded. Not only did the events of September 11, 2001, cause the American public to look more favorably on the president as a person, as a president, and as the principal architect of U.S. foreign policy, but those events also apparently caused the public to express more trust in the federal government in general in its handling of both international and domestic problems. In the Gallup poll of 7 to 10, 2001, 68 percent of the respondents expressed a great deal or a fair amount of trust and confidence in the government's handling of international problems, whereas 31 percent expressed not very much or none at all, which implied an opinion balance of positive 37 percent. A month later in the poll conducted during October 11 to 14, this opinion balance had risen to 67 percent, almost doubling.

The public's perversely increased trust in the government had also spilled inexplicably onto its handling of domestic problems, increasing this opinion balance from 22 percent in the early September poll to 56 percent in the October poll. A final measure of public opinion, trust in Washington to do what is right, which is normally a fairly stable indicator, also rose in an unusual way owing to 9/11. In the Gallup poll of July 6 to 9, 2000, 42 percent of the respondents expressed confidence that government will do what is right just about always or most of the time; whereas, 58 percent responded only some of the time or never which implies an opinion balance of negative 16 percent. When the pollsters next asked this question in October, 2001, however, the opinion balance had risen to positive 21 percent, indicating a complete turnaround toward greater trust than distrust in government.

At the time of these events as I considered everything that was going on, I was dismayed by what seemed to be a wholly unwarranted public stampede into the protective arms of the federal government, the same government that had been robbing and abusing most of the people in countless ways for as long as they could remember. Hardly anyone asked whether the

government's actions abroad might have provoked the 9/11 attacks, and of course most of them were so ignorant of the government's actions abroad that they had no inkling of how the government might have created such a provocation. Many seemed consumed by a combination of fear and rage that manifested itself in a desire to nuke someone, anyone, who might have had something to do with the attacks. Standards of proof fell virtually to the ocean's floor. People didn't want careful investigation. They wanted action, and in particular they wanted the government to strike back immediately at any and all plausible targets.

In searching for the cause of this tremendous and rationally unjustified rallying round the flag, we do not have far to go. Such public reactions are always driven by a combination of fear, ignorance, and uncertainty against a background of deep jingoistic nationalism, a popular culture predisposed toward violence, and a general inability to distinguish between the state and the people at large. Because the government ceaselessly sings the siren song, relentlessly propagandizing the public to look upon it as their protector, such alleged protection being the principal excuse for its routinely robbing them and violating their natural rights, and because the mass media incessantly magnify and spread the government's propaganda, we can scarcely be surprised if that propaganda turns out to have entered deeply into many people's thinking, especially when they are in a state of near panic. Unable to think clearly in an informed way, most people fall back on a childlike us against them style of understanding the perceived threat and what should be done to meet it.

If any resistance should arise to the government's war making, the government has a time-tested means of disposing of the resisters. Perhaps the classic description of this tactic was given by the Nazi bigwig, Hermann Göring, when he was being held in prison during the trials at Nuremberg in 1946. The account I'm going to give you comes from Gustav Gilbert, the German-speaking prison psychologist who had free access to all the prisoners during the trials and talked to them frequently in private. Gilbert's book, if you've never read it, *Nuremberg Diary*, is fascinating reading and I highly recommend it. You might even discover that it has application to events in the United States today.

On the evening of April 18, 1946, Gilbert visited Göring in his cell and he later described their conversation as follows: "We got around to the subject of war again and I said that contrary to his attitude I did not think that the common people are very thankful for leaders who bring them war and destruction." "Why, of course, the people don't want war," Göring shrugged, "why would some poor slob on a farm want to risk his life in a war when the best that he can get out of it is to come back to his farm in one piece? Naturally, the common people don't want war, neither in Russia, nor in England, nor in America, nor for that matter in Germany. That is understood, but after all it is the leaders of the country who determine the policy and it is always a simple matter to drag the people along, whether it is a democracy or a fascist dictatorship or a parliament or a communist dictatorship." "There is one difference," I pointed out. "In a democracy, the people

have some say in the matter through their elected representatives and in the United States only Congress can declare war.” “Oh, that is all well and good,” Göring replied, “but voice or no voice the people can always be brought to do the bidding of the leaders. That is easy. All you have to do is tell them they are being attacked and denounce the pacifists for lack of patriotism and exposing the country to danger. It works the same way in any country.” Göring was right and matters have only become worse in this regard during the past 60 years in this country.

Under the postwar regime in the United States, of course, Congress never declares war. It has made no such declaration since June 5, 1942, when it declared war on Romania and Bulgaria and Hungary. And the president now wages war solely at his own pleasure and caprice as if he were Caesar. Dragging the people along, as Göring put it, remains as easy as ever because, as we have seen, an initial incident, even one the government itself has provoked or trumped up, invariably causes the masses to rally round the flag. We’ve also seen, however, that the ardent enthusiasm and mindless support for the government’s war making begins to erode soon afterward. When the people increasingly come to their senses, as casualties and other costs accumulate and as bits and pieces of the truth seep out, why does the system not revert to the status quo ante bellum?

The answer is that actions taken during the early days of the crisis when the government responds practically without opposition to the public’s fear and desire for retribution by vastly expanding its powers, I call that stage two of the ratchet phenomenon. These actions take the form of political, legal, and institutional changes that set precedents or become so deeply embedded that not all of them are abandoned in the postcrisis stage of incomplete retrenchment, which I call stage four of the ratchet phenomenon. For example, soon after the Pearl Harbor attack, the government enacted the first War Powers Act, December 18, 1941, and the second War Powers Act, March 27, 1942.

These sweeping delegations empowered the president to rearrange the executive branch as he pleased, gave him a free hand to contract with munition suppliers almost as he pleased, and gave him far-reaching control over international financial transactions, and censorship power over all communications between the United States and any foreign country. They expanded the government’s powers to seize private property for war purposes, empowered the president to set priorities for deliveries of designated goods and services, and gave the president effectively unrestrained power over resource allocation in the domestic economy, a power he delegated to the War Production Board under his direct oversight. Wielding all this authority, the president and his lieutenants became, in effect, central planners of a command economy for the duration of the war.

Similarly, just six weeks after the 9/11 attacks, the government enacted the USA Patriot Act, which greatly entrenched on civil liberties and long-established rights, effectively demolished the Fourth Amendment, and gave a mighty boost to the U.S. police state. Other

measures moving in the same direction followed soon afterward, including nationalization of the airline security industry and creation of the bureaucratic monstrosity known as the Department of Homeland Security, an organization as menacing in its ideological underpinnings as it is feckless in its day-to-day operations. Once the government has expanded greatly at the outset of a war and then employed its new powers for an extended period, getting rid of all the new weapons the government has added to its arsenal of power is virtually impossible, even when the war ends and people clamor for a return to normal peacetime arrangements. Therefore, many of the wartime measures become permanent parts of the government's apparatus for dominating and robbing those outside the political class.

Wartime organizations may be retained to carry out new functions as, for example, the War Finance Corporation of World War I was kept going for six years after the war to provide subsidized credit to exporters, agricultural cooperatives, and rural banks. After finally having been discontinued in 1925, it was revived in 1932 as the Reconstruction Finance Corporation, a huge lender to politically favored railroads, banks, and insurance companies during the Depression and later the government's chief agency for financing a variety of undertakings during World War II. Retained after 1945, the RFC continued to make subsidized loans to privileged borrowers until it sank in a storm of scandal in 1953, only to be replaced as part of the deal of killing it with a similarly egregious agency, the Small Business Administration, which has continued its politically driven misallocation of taxpayer money ever since.

Cases such as that of the War Finance Corporation and its direct descendants exemplify how war solidifies so-called iron triangles, alliances of government bureaucrats, congressional overseers, and privileged private sector beneficiaries. These arrangements are called iron because they are so difficult to break. Their beneficiaries have great incentive to fight for the retention and even for the expansion of the triangle's activities, whereas the general public rarely has much incentive to fight against them even when it is aware of them because the public burden per capita is normally too small to justify anyone's expenditure of much time or effort in the requisite politicking. Under modern conditions, high wartime taxes always stick to some extent, leaving the amount of the government's plunder much greater after the war than it was before the war.

In the present so-called war on terror, the government has partially concealed this increased seizure of private property by running up the national debt, rather than by jacking up ordinary tax rates or imposing new kinds of taxes. But this financial trick does not alter the raw fact that the government has been using more of the people's resources for its own purposes, as shown by the rapid run-up of its spending, leaving the public on the hook to pay for the increased interest and eventually to repay the principal or to suffer the consequences if the government should attempt, in effect, to repudiate its obligations to creditors by inflating the money stock. During the present Bush administration, public debt held by the public has grown from \$3.3

trillion at the end of fiscal 2001 to an estimated \$5.1 trillion at the end of the present fiscal 2007, or by about 53 percent in only six years.

Apart from war's financial legacies that exacerbate the government's burden on the public, war leaves institutional legacies of various kinds that enhance government power at the expense of the public's liberties. The rent controls of World War II, for example, never ended in New York City. For more than 60 years, they have denied landlords and tenants there the liberty to contract on any mutually agreeable terms, and they have created incentives that foster the avoidance of maintenance for rented apartments and discouraged the construction of new structures that would be built if only the housing market were free of these war born betters. Perhaps most important, war has effects on the dominant ideology that work in favor of long-lasting government power and the permanent reduction of public liberties.

During wartime, governments take many actions that would be more or less unthinkable in a reasonably free society during peacetime because people would not tolerate them. Having tolerated them in wartime, however, people may come to regard them not only as permanently tolerable but even as desirable in peacetime. For example, nearly everything the U.S. government did during the Great Depression had an obvious wartime precedent in the Great War. President Herbert Hoover declared "We use such emergency powers to win the war. We can use them to fight the Depression." Everything from the Depression era—agricultural price controls, to the industrial cartelization program, the public housing program, the schemes to control oil and coal prices, the tax hikes, and the promotion of labor unionization—had a precedent during 1917–1918.

Obviously, many of these war-inspired public policies became permanent after the 1930s, as later did the military industrial complex created from 1940 to 1945. People can get used to almost anything, especially if it has a plausible justification. War softens up formerly free people and habituates them to government controls and abuses that they would resist except for their alleged wartime necessity. In this way, government war measures change the very character of once free people by breaking down their will to be free and their determination to resist tyranny. It's important to appreciate that all of the effects on freedom that I've been discussing occur regardless of the rationale for the war itself. One may regard the war as ever so necessary and desirable or not, yet these effects will occur in any event. The logic of a government at war asserts itself more or less in the same fashion, regardless of the war's provocation and purpose, because every major war requires the government to take a much bigger bite out of the people's resources quickly, and it cannot do so successfully without suppressing many normal liberties and rights, especially those that might be exercised to obstruct the government's wartime programs and policies or to persuade people to resist the war or to demand its discontinuation or settlement.

Hence, as Göring noted, the government vigorously denounces all those who stand in its way as traitors, or has its mouthpieces in the media do so, and it encourages the masses to act as

amateur G-men identifying disloyal citizens, hounding them into buckling under and reporting them to governmental authorities. Nowadays, for example, the government frequently encourages all of us to report any suspicious persons or actions to the police or the FBI, ostensibly to prevent terrorism. Needless to say, no free society can exist when everyone in effect has enlisted as a government informant, especially when the character of the threatening person or actions is so vague that it is bound to give rise to abuses. Not uncommonly now, people are reported for nothing more than looking like an Arab or for speaking a strange language to strange-looking companions. It happens all the time.

This insidious enlistment of informants so reminiscent of the atrocious American Protective League during World War I is turning our once free society into a sort of East Germany redux. Horror stories abound of perfectly innocent persons taken into custody for interrogation or worse. While the government promotes mindless support of its war making and may induce a sort of patriotic hysteria in the most mentally fragile personalities, many citizens swing into action as faux patriots on strictly opportunistic grounds. War contractors, for example, may be able to position themselves to make a killing so to speak off of the actual killing; moreover they may parlay their wartime business as government suppliers into profitable postwar business that long outlives the war itself. The aircraft companies, none of which amounted to anything before World War II yet suddenly profited so greatly during the war, became permanent, highly successful feeders at the government's trough, or some of them are feasting lavishly even now, the current administration's military build-up having proved a godsend for them and a boon to their stockholders. Other people simply want a cushy job in the government's expanded wartime bureaucracy.

The so-called war on terror has given rise to a huge industry that has emerged almost from scratch during the past few years. Thus, besides the military industrial congressional complex, we now have a parallel security industrial congressional complex. Between 1999 and 2006, the number of federal homeland security contractors increased from 9 companies to 33,890. Let me repeat that. Between 1999 and 2006, the number of federal homeland security contractors increased from 9 companies to 33,890, and a multibillion dollar industry selling security related goods and services has emerged, complete with specialized newsletters, magazines, Web sites, consultants, trade shows, job placement services, and a veritable army of lobbyists working around the clock to widen the river of money that flows to these opportunists. As Paul Harris wrote, "America is in the grip of a business based on fear."

The last thing these people want, of course, is an abatement of the perceived terrorist threat, and we can count on them to hype any signs of an increase in such threats and, of course, to crowd the trough happily slurping up the taxpayers' money. What chance does peace have when millions of well-heeled, politically connected opportunists of all stripes depend on the continuation of a state of war for their personal financial success? For members of Congress, the

Department of Homeland Security has quickly become the most magnificent dispenser of pork and patronage to come along in decades. Everyone is happy here, except for the beleaguered ordinary citizens whose pockets are being picked and whose liberties are being overridden by politicians and private sector opportunists with utter contempt for the people's intelligence and rights. So long as the people continue to be consumed by fear and a fall for the age-old swindle that the government seeks only to protect them, these abuses will never end.

Recall Margaret Atwood's poem, "Siren Song," with which I prefaced my remarks. It begins, "This is the one song everyone would like to learn, the song that is irresistible, the song that forces men to leap overboard in squadrons, even though they see the beached skulls." And it ends, "Alas, it is a boring song but it works every time." It works every time because people falsely believe that those who sing it are their protectors, rather than their exploiters. Until people learn to disregard the state siren song of benevolence and protection, they will continue to suffer and die as victims of the state's wars, foreign and domestic. People yearn for security and they look to the state to provide it, but they are calling upon a wolf to guard the sheep.

The state cannot refrain from crime because it is an inherently criminal enterprise living by robbery, which it re-labels taxation, and maintaining its turf by murder, which it re-labels war. Constantly singing the siren song, it seduces the people by giving back to them a portion of what it has previously extorted from them and by ceaselessly claiming to protect them from all manner of threats to their lives, liberties, property and even their self esteem. If it protects them at all, however, it does so only as a shepherd protects his captive flock, not because he recognizes and respects the natural rights of his sheep, but only to keep them unmolested in his sole possession and control until he finds it expedient to shear or slaughter them.

A peaceful state is an impossibility. Even a state that refrains from fighting foreigners goes on fighting its own subjects continuously to keep them under its control and to suppress competitors who might try to break into the domain of its protection racket. The people cry out for security yet they will not take responsibility for their own protection. And like the mariners of Greek mythology, they leap overboard immediately in response to the state's siren song.

When the Israelites had fled from their captivity in Egypt, they made do for centuries with only judges, yet they were not satisfied and eventually they demanded a king, crying out "We will have a king over us that we also may be like all the nations and that our king may judge us and go out before us to fight our battles." Well they got a king all right, just as we Americans have embraced one of our own, although we call ours a president. The Israelites, as the prophet Samuel had warned, were no better off for having a king. However, King Saul only led them from one slaughter to another.

Likewise, our rulers have led us from one unnecessary slaughter to the next, and to make matter worse, they have exploited each such occasion with fastening their chains around us more tightly. Like the ancient Israelites, we Americans shall never have real lasting peace so long as we

give our allegiance to a king, that is, in our case, to the whole conglomeration of institutionalized exploiters and murderers we know as the state. Thank you very much.

<applause>

**Robert Higgs:** We have time for some questions. Yes, ma'am.

**W1:** First, Mr. Higgs, I want to thank you for taking this discussion I will say to a more philosophical level this morning. I have been in agreement with many of the things I've heard this morning but I was discouraged to see so much finger pointing, as in the case of using the expression Bush administration, rather than just government in general. I was saddened by the expression earlier of "Don't bother with the World War II Memorial" because I think that it ignores the American spirit. You are right, absolutely correct as you started saying that war is ugly, but it is really a product of the state I think more so than what I would like to say or Americans in general because people do not like war. Government likes war. So going back to my appreciation of your taking this to a philosophical level that you have, I would like to know what you feel that we as Libertarian-minded people, liberty-loving people, can do about the situation. The two words that come to me are education not manipulation, but perhaps you can expound on that more. Thank you.

**Robert Higgs:** I appreciate your question. I receive it whenever I give a talk and I never have a proper answer. I'm an analyst, I'm not a prophet, and I certainly don't pretend to have the answer to how we get out of this predicament. It was a long time in developing, complex in its development, and it is now so deeply embedded that I cannot see any simple or easy way to get out of it. I think, however, each one of us can do something.

Each one of us controls ourselves. I think the first thing we have to do is recognize the state for what it is. If we keep cutting slack to people who live by crime and fail to call that crime what it is, then we are simply deluding ourselves and we'll never come to a realization of how to escape from our plight. So when you say education, yes of course. People's eyes must be open to the realities in which they find themselves because it's the people's support and acquiescence that allow the criminal gangs to do what they do. If we en masse simply said "No" one day, the whole apparatus would collapse. They need us. We are the host for their predation. They cannot live without our cooperation.

But to say that solves nothing because I have no way to coordinate 300 million people to stand up tomorrow morning and say "No," and I'm sure that at least 99 percent of them would find it a preposterous idea even if they were presented with it. So we have to somehow find a way to open people's eyes to the reality in which they find themselves. It's unfortunate that the American people are to a very high degree violent, irrational, vicious people, and I don't feel good saying that, but all you have to do is get out and listen to the people around you. This is not going to change easily, but I think there are a number of ways to demonstrate to people that war is not

in their long-term interest, that it is in the interest of a small minority of exploiters who live at the expense of everyone else. Yes, sir.

**M1:** Yes. My name is Carl Bening. I'm from the New York City area. It seems that the fundamental systemic enabling factor of perpetual warfare is the central banking system, the fractional reserve system, and what are the prospects of changing that? Does that change first? Does that change later? There could be political change, ideological change, but I've been reading a lot of Mises Institute material, and certainly the central banking system seems to be a fundamental enabling factor.

**Robert Higgs:** Certainly since the Federal Reserve was created it has been an integral part of the machinery by which government finances its war making. I don't happen to agree, however, that if we got rid of the Fed tonight that everything would be hunky-dory tomorrow. Government has alternative ways to finance its spending. It used those ways when there was no Fed earlier in our history, and it could revert to them again. Just as government printed up treasury notes, so-called greenbacks during the Civil War, it could print up greenbacks again. It could create deposits and pass them around in any number of forms, so one can recognize the Fed as a vicious institution, but need not conclude that destruction of the Fed would somehow bring the whole house down on the government and its war making. I don't think it would. Yes, sir.

**M2:** I'm John Walsh from Massachusetts. You spoke very forcefully in a philosophical vein about the power of the state and certain pessimism can come out of that, but I'd like to disagree and raise a different question. I think maybe we don't-- maybe we shouldn't be so pessimistic because before this war started there was an enormous popular opposition to it. If you look at the Korean War and there was none, the Vietnam War a little bit, and this much more, so people I think are waking up to these colonial wars. But I guess in the matter of the state I'd like to say since the state is so powerful, a nation state is so powerful, what happens when a nation state is able to embed itself in another nation state? And I'm speaking specifically about this war, not being just a war for oil and empire, but also a war for Israel and Mearsheimer and Walt point out very well, although what they said was not new, that without AIPAC, the American Israel Public Affairs Committee, this war couldn't have happened. They were the decisive factor that pushed us over. I don't think we can ignore that, and I don't think we can ignore the power that a state has over our state when it can run its own police, run its own spying agencies, run everything else and then embed itself in ours, which means that we cannot act rationally and I'd like your comment on that.

<applause>

**Robert Higgs:** Well, obviously the Zionist influence on policy making in the current war was important and any complete understanding of recent events requires us to take it into account. I myself do not consider it, however, necessarily decisive. It was important. It was significant. It remains significant. It must be dealt with by people who seek peace. But this

government has gone to war many times before without Zionist influence at all, and the same motivations that have led it to war at other times may easily lead it to war again even if every Zionist in the world drop dead tonight. So I appreciate your comment. I think it is important. I don't minimize it in the least, but I think we need to keep it in perspective that the oligarchs have several important interests. The interests of the Likud Party lately have been high on the list, but they have others that are important and perhaps even more decisive. Yes, ma'am.

**W2:** Yes, I'm Zinta McDonnell and my husband and I live in Honduras. The speaker stated that many Americans don't wish to really accept responsibility for their own actions. In order to accept responsibility for your own action you do have to be an individual and you do have to not be afraid of what other people think. But unfortunately we are all afraid of what everybody else thinks because we all are part of a society. We have a job. We have a position. We have a family. We have to earn money. Now money is a very important subject. Nothing works without money. Why don't the Americans quit paying their damn taxes and take, assume responsibility for their own activities, create their own private schools, their own private hospitals, their own private everything? Why are they looking to the government to save them? Save yourselves.

<applause>

**Robert Higgs:** In a way my reply to you is similar to an earlier reply. Americans once were more self-reliant. There was a time when they did take responsibility for educating their children and protecting themselves on the local level. But a long and complex history has intervened between those times and today, and along the way the character of the American people has changed in my view for the worse. They've become more slavishly dependent on the government. They've fallen for the tricks again and again and again. It's no secret many commentators have stated for centuries that people would rather live easily than live by toil, and that means they'd rather live by having someone called the government rob and give them part of the loot than they would work and earn their own living. So more and more people have been led to accept the government's handouts or gifts or favors or however they arrive at this loot as okay and as better than the alternatives.

I think what is fundamentally required is a moral reawakening, a recognition that when the government gives us something we are receiving stolen property and that government took that money by threatening violence against innocent people. We need to ask does this policy pass the mother test, as I call it? In other words, if you say the government ought to do something, I ask you would you agree that if this policy were resisted by your mother, the government should kill her? And if you disagree, then why are you favoring this policy? Because every government policy involves an implicit threat to kill those who resist, all they have to do is keep resisting one stage after another and then the government kills them. These people are robbers and murderers if need be. They want us to think of them as ever so ordinary people doing good. And, of course, they want us to think that. That eases their task enormously. If we all viewed them as robbers and

murderers we wouldn't tolerate this another 24 hours. We'd run these people out of the country with pitchforks. But our thinking about them has been so distorted and falsified and propagandized that we are completely confused about the nature of the situation in which we find ourselves, and hence these crimes have become institutionalized and even favored by a large number of people. Yes, sir.

**Moderator:** Bob, we need to wrap up.

**Robert Higgs:** Okay.

<applause>

**Moderator:** One of the reasons I was so excited about this particular line-up of speakers is that finally I would feel like a moderate. Thank you, Bob, and thank all our speakers this morning.