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*Liberty, Equality, Fraternity, these three: but the
greatest of these is Liberty.*

— Benjamin R. Tucker

FUTURE OF FREEDOM

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The Future of Freedom Foundation is a nonprofit educational foundation whose mission is to advance liberty and the libertarian philosophy by providing an uncompromising moral, philosophical, and economic case for individual liberty, free markets, private property, and limited government.

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Why We Don't Compromise, Part 2

by *Jacob G. Hornberger*



In fighting for the free society, people necessarily must determine what it means to be free. Freedom obviously has many different dimensions. Religious liberty entails the freedom to worship God or not, without state compulsion one way or the other. It means the right to read and publish whatever a person wants, even if what is published or read doesn't meet with the approval of most others. It means the right to keep and bear arms, thereby enabling people to protect themselves from criminals and tyrants. A free society also entails long-established procedural guarantees that must be followed before government officials incarcerate or fine a person.

The libertarian concept of freedom is that people should be free to

live their lives any way they choose, so long as their conduct is peaceful. That is, so long as people do not engage in conduct that infringes on the rights of others to live their lives the way they want, people should be free to do whatever they want, even if others consider it irresponsible, dangerous, or immoral.

That means that people do not have the right to murder, rape, steal, defraud, rob, or burglarize, because those acts infringe on the rights of others. But people do have the right to view pornography, ingest cocaine, commit adultery, and advocate satanic worship because those peaceful acts do not infringe on the rights of other people.

Thus, the test of a free society is not whether people are free to engage in responsible or morally correct behavior. The test of a free society is whether people have the right to engage in irresponsible or immoral behavior, so long as it is peaceful.

That leads us to a discussion of the primary differences between libertarians and nonlibertarians with respect to freedom and America's modern-day governmental system, specifically what has become known as the welfare state and the warfare state.

The statist way

Nonlibertarians, or statist, believe that freedom entails a way of life in which the government is charged with the responsibility of taking care of people. That's what the welfare state is all about. Social Security, which statist consider to be the crown jewel of the welfare state, is a governmental program that takes care of seniors by providing them with retirement pay through money that has been taken from people who are still working. Medicare provides seniors with free or deeply discounted health-care services. Medicaid does the same for poor people. Education grants help students get an education. Farm subsidies help farmers. Foreign aid helps faraway regimes. Under the welfare state, large segments of people receive welfare largess from the government.

There is hardly any part of economic life that is not subject to some governmental regulation.

The welfare state also encompasses what we call a regulated economy, one in which government controls and regulates economic activity. Minimum-wage laws come to mind. Or price controls during natural emergencies, such as hurri-

canes. Or insider-trading laws. Let's face it: There is hardly any part of economic life that is not subject to some governmental regulation.

The welfare state also consists of immigration controls and trade restrictions, which punish people for seeking a better way of life through labor and which inflict economic harm on people for political purposes through such programs as sanctions, embargoes, and trade restrictions.

The welfare state also includes drug laws, which purport to take care of people by punishing them with incarceration and fines for ingesting substances that government officials think might be harmful to them.

The welfare state also consists of government-owned and government-operated enterprises, such as the Postal Service and the Federal Reserve System, both of which are monopolies. At the state and local level, governments own and run the educational system, which is a semi-monopoly.

The warfare state, which is also known as the national-security state, consists of the vast military establishment, headed by the Pentagon, an enormous string of foreign and domestic military bases, the CIA, and the NSA. Statist believe

that a national-security state apparatus is part and parcel of a free society and that its existence is necessary to keep the nation safe and secure.

The warfare state also entails a massive assault on the procedural principles that are essential to a free society, such as due process of law, trial by jury, right to counsel, right to confront witnesses, and habeas corpus. It is characterized by torture, assassination, indefinite detention, secret prisons, and partnerships with dictatorial regimes.

The primary means of funding the welfare-warfare state is the federal income tax, which empowers the government to seize whatever portion of people's income it wants, in order to pay for the ever-growing expenditures of the welfare-warfare state. The secondary means of funding is through debt and the Federal Reserve System, whose primary task is to finance the debt through inflationary increases in the money supply.

The libertarian way

It shouldn't surprise anyone that libertarians hold a totally opposite position on all these welfare-warfare state issues

Libertarians hold that freedom necessarily entails keeping every-

thing you earn and deciding what to do with it for yourself. That's why we oppose the federal income tax and would repeal it.

We also would repeal, immediately, every single welfare-state program, including, of course, Social Security, Medicare, and Medicaid. We believe that government has no more business in the charity business than it does in the religion business.

Libertarians hold that freedom necessarily entails keeping everything you earn and deciding what to do with it for yourself.

We would terminate every single economic regulation, including minimum-wage laws, price controls, insider-trading laws, immigration controls, and trade restrictions. That's because we believe in free enterprise — that is, enterprise that is free of government control, interference, and regulation.

We would open the borders to the free movements of goods and people and lift all sanctions, embargoes, and trade restrictions.

We would legalize drugs — all drugs, including heroin, meth, cocaine, and marijuana, just as we would keep alcohol and tobacco legal. We hold that what a person in-

gests is no business of the government and that, in fact, government should be protecting the exercise of freedom, not infringing on it.

We would separate school and state, as our ancestors separated church and state. Government has no more legitimate role in education than it has in religion.

Libertarians want to rid our governmental structure of both the welfare state and the warfare state.

And we would dismantle, not reform, the national-security branch of the government. That would mean an end to the Pentagon, the vast military establishment, the empire of foreign and domestic military bases, the military-industrial complex, the CIA, and the NSA. We hold that a national-security governmental apparatus is totalitarian in nature and therefore antithetical to the principles of a free and secure society.

Thus, the big difference between libertarians and statisticians in our time concern those two areas: the welfare state and the warfare state. Statisticians want to keep the welfare state and the warfare state as part of America's governmental structure. Libertarians want to rid our gov-

ernmental structure of both the welfare state and the warfare state.

One of the criticisms that statisticians level at libertarians is that we are fighting for a utopia. Our philosophy is pie-in-the-sky, they tell us. It's not capable of being achieved, they say. We are Don Quixotes, they claim. Better to just throw in the towel and become a reformer of the welfare-warfare state way of life, they counsel. Abandon your delusions of achieving a free society, they declaim, and join up with us statisticians to make the welfare-warfare state a better way of life for everyone.

Over the years, some libertarians have fallen for this line, which has caused them to give up trying to achieve a genuinely free society through the dismantling of the welfare-warfare state and to relegate themselves to becoming reformers of the welfare-warfare state way of life. Thus, they devote their efforts to reforming and modifying the serfdom system under which we live, much as there were people in the 19th century who devoted their lives to improving the lives of the slaves on the plantations.

Obviously that's not all bad. I think we would all agree that any reform that makes life better for serfs or slaves is a positive thing. But we just need to be clear about

something: It's not freedom! And libertarianism is about freedom. It's not about an improved way of life for serfs and slaves.

A benchmark

Are the statist right? Is the libertarian paradigm of economic liberty and a limited-government, constitutional republic impossible to achieve?

Well, it certainly wasn't impossible for our American ancestors in the late 1800s. If we consider, say, the year 1890, we find a society which had the following characteristics: no federal income tax; no IRS; no Federal Reserve System; no fiat (paper) money; gold coins and silver coins as the official money of the country; no Social Security, Medicare, Medicaid, or welfare; no immigration controls; very few economic regulations; no drug laws; no sanctions or embargoes; no gun control; no public-schooling systems; no enormous permanent military establishment; no Pentagon; no CIA; no NSA; no empire of foreign and domestic military bases; and no foreign aid.

That's what it once meant to be an American. That's what it once meant to be free.

Now, before anyone writes me (as they inevitably do whenever I

point this out), I am not suggesting that the latter part of 19th-century America was a perfectly pure libertarian society. It wasn't. There were government-business partnerships, land grants to the railroads, various economic regulations (including the Sherman Anti-Trust Act of 1890), compulsory school-attendance laws in Massachusetts, and more.

I agree! But that's not the point I am making. I'm not saying that America in 1890 was a libertarian paradise. What I'm saying is that those Americans proved that it's possible to achieve a society without income taxation, a welfare state, or a warfare state.

Constitutional amendments can enshrine libertarian principles permanently into the political system.

So why not make that a minimal benchmark for freedom? If our ancestors could achieve it, then why can't we? Then, once we achieve it, we can build on that minimal benchmark by expanding on what they accomplished.

How could we do that? One way is through constitutional amendments that enshrine libertarian principles permanently into the po-

litical system. That is, rather than simply repeal welfare programs and economic regulations, let's think at a higher level — one that totally separates charity and the state and economy and the state.

**Let's think at a higher level —
one that totally
separates charity and the state
and economy and the state.**

Isn't that what our ancestors did with religion? They didn't settle for a reformed system of state churches. No, they instead enacted the First Amendment, which expressly prohibited the federal government from involving itself in religion. Why not do the same with respect to the welfare-warfare state? Indeed, why not go even further and apply the principles of economic liberty to the states?

Consider the following constitutional amendments:

"No law shall be enacted respecting the establishment of welfare or charity or abridging the free exercise thereof."

"No law shall be enacted respecting the regulation of commerce or abridging the free exercise thereof."

"No law shall be enacted respecting the establishment of edu-

cation or abridging the free exercise thereof."

"Taxation on income is prohibited."

"Standing armies and intelligence agencies in times of peace are prohibited."

If such amendments were to be enacted, it would obviously constitute a revolutionary transformation in American life, one that would bring our nation closer to a libertarian paradise than ever before in history. It would mean freedom for a long time and would serve as a model for the entire world.

One criticism that reformist libertarians level at purist libertarians is that there is no "button" to push that would automatically and immediately get rid of the welfare state and warfare state. But actually, there is. The "button" is called a constitutional amendment. At the moment that constitutional amendments that enshrine economic liberty into the Constitution became effective, the income tax and every welfare-state program would automatically go out of existence. The "button" would have been pushed.

Is it difficult to achieve the free society? Of course it is. If freedom were easy, everyone in history would have experienced what it's really like to live the life of a free

man or free woman. But while achieving freedom is difficult, it's not impossible.

Imagine how socialists and imperialists must have felt in 1890. Here they were facing a society in which there was no income tax, no welfare state, and no warfare state. Their aim was to induce Americans to abandon that way of life and embrace a statist way of life. If anyone should have been discouraged over their prospects for success, it should have been statist in 1890.

Yet within a relatively short period of time, statist had achieved their goal. They had convinced Americans to abandon the principles of economic liberty and a constitutional republic and embrace the principles of socialism, interventionism, militarism, and imperialism in the form of the welfare-warfare state.

If they could do it in the wrong direction, why can't we do it in the right direction? In fact, given the disastrous outcomes of the welfare-warfare state way of life, our job in finding people to join up with us has been made considerably easier.

The question is: How do we achieve freedom — by advocating reform of the welfare-warfare state or by standing squarely for dismantling infringements on freedom? We'll examine that question in part 3.

Jacob Hornberger is founder and president of The Future of Freedom Foundation.

NEXT MONTH:
“Why We Don't
Compromise, Part 3”
by Jacob G. Hornberger

Who are the militia? They consist now of the whole people, except a few public officers.

— George Mason

The Supreme Court's Dreadful Record on Freedom

by James Bovard



The Supreme Court heard oral arguments on the legality of the Affordable Care Act this past March. Several justices questioned whether a ruling against Obamacare would be “unconstitutionally coercive” to state governments that did not create health-care exchanges. The Supreme Court is sometimes hypersensitive about the authority of state governments when federalism issues are raised. But at the same time, the justices have rubber-stamped a vast increase in government coercion of private citizens.

For instance, the Affordable Care Act trounces freedom by giving the IRS the right to heavily fine persons who do not purchase federally approved insurance policies, in

the process canceling millions of people’s insurance policies, entitling the Health and Human Services Department to outlaw many low-cost health-insurance options, and compelling individuals and businesses to subsidize other people’s abortions and contraception.

Unfortunately, that is typical of the oppressive practices the Supreme Court has countenanced in recent decades.

In 2005, the Supreme Court blessed the condemnation of private homes under eminent-domain authority so local politicians could redistribute the land to favored businesses. The case of *Kelo v. New London* involved fifteen Connecticut homeowners who were objecting to government plans to seize their homes to turn over their property to a private developer. There was nothing wrong with the homes being seized — the government did not even attempt to allege blight. Instead, it was simply that the government had a comprehensive plan that it believed would provide more revenue for itself and more economic stimulation than permitting people to continue residing in their homes.

Justice John Paul Stevens, writing for the majority, declared that “public use” in the Fifth Amend-

ment really meant “public purpose” — and, apparently anything that helps the government serves a public purpose. Stevens declared that even cases in which the government seizes one person’s land to directly give it to another private citizen could meet that standard: “Quite simply, the government’s pursuit of a public purpose will often benefit individual private parties.”

The Court frowned upon examining the rationales or motives of politicians seizing private property.

Stevens declared that the Court would avoid “intrusive scrutiny in favor of affording legislatures broad latitude in determining what public needs justify the use of the takings power.” Thus, the Court frowned upon examining the rationales or motives of politicians seizing private property — as if requiring evidence for the use of blunt force is “intrusive.” Justice Sandra Day O’Connor dissented in the *Kelo* decision, warning that “the specter of condemnation hangs over all property. Nothing is to prevent the State from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory.”

Expanding police power

Supreme Court decisions on asset forfeiture have helped police confiscate cars, cash, and other property from scores of thousands of Americans without a criminal conviction. In 1996, the Supreme Court upheld the seizure of an automobile jointly owned by a husband and a wife after the husband was caught with a prostitute on the front seat. The Clinton administration brief to the Supreme Court blamed the wife for her husband’s illicit use of the auto, claiming that she had not taken “all reasonable steps to prevent illegal use of the car.”

Chief Justice William Rehnquist based his pro-government decision heavily on an 1827 case involving the seizure of a Spanish pirate ship that had attacked U.S. ships. Rehnquist did not deign to explain the legal equivalence of piracy in the 1820s and prostitution in the 1990s. He ruled that since the property had been involved in breaking the law, there was no violation of due process in its seizure. He basically granted government unlimited power to steal: if it wants to “lawfully acquire” private property without compensation, all it needs to do is write more confiscatory laws. The nationwide epidemic of

legalized looting became so embarrassing that Attorney General Eric Holder recently promised to curb the abuses.

In 1982, the Supreme Court upheld the authority of government agents to intrude onto private land without a warrant as long as they did not venture into areas where individuals were involved in “intimate activities” (i.e., nudist camps). U.S. Solicitor General Rex Lee, arguing the government’s position in the case, told the Court, “The posting of ‘No Trespassing’ signs, as a practical matter, gives a landowner little assurance that outsiders will not enter his property.... Nor does the existence of a fence surrounding an open field necessarily increase the expectation of privacy in that field. Fences around large areas of rural property are usually designed to mark a boundary or to keep animals in rather than to keep people out, and they pose little impediment to entry by a person.... [An] individual may lack a legitimate expectation of privacy in an area like a field, where private activities do not ordinarily take place, even if the field is private property.”

The Court’s decision made it clear that government agents could roam far and wide: “A thickly wooded area nonetheless may be an

open field as that term is used in construing the Fourth Amendment.” The resulting “open fields” doctrine makes it practically impossible to convict a government agent of trespassing.

The Supreme Court has utterly failed to curb the power of police over average citizens.

The Supreme Court has utterly failed to curb the power of police over average citizens. Instead, it has continually granted new powers to law enforcement. In 2001, it sanctified the arrest of a Texas mother whose only crime was that her child wasn’t wearing a seat belt during a short drive — even though Texas law did not authorize arrests for such offenses. The Supreme Court declared, “If an officer has probable cause to believe that an individual has committed even a very minor criminal offense in his presence, he may, without violating the Fourth Amendment, arrest the offender.” The Court explained that if arrests were limited only to offenses for which the statute book includes arrests as punishments, the result could be a “systematic disincentive to arrest.” Instead, the Court’s ruling created a systematic bias in favor of accosting and handcuffing

citizens. The Court also worried that putting any limits on the police's right to arrest people for petty offenses could result in "personal liability" for officers who make such arrests.

Justice O'Connor, in a stout dissent, warned that "such unbounded discretion carries with it grave potential for abuse." O'Connor also mocked the Court majority for stressing that there was little evidence of "an epidemic of unnecessary minor-offense arrests." The fact that governments did not keep statistics on such abuses somehow justified entitling government agents to commit more abuses. According to Capt. Steve Powell of the Colorado State Patrol, "Ninety percent of the cars out there are doing something that you can pull them over for. There are a jillion reasons people can be stopped — taillights, windshields cracked, any number of things." Since almost everybody is violating some arcane government edict, the Court practically gave lawmen the prerogative to jail whomever they pleased.

Expanding arbitrary control

Supreme Court decisions have helped Congress and multiple presidents camouflage the arbitrary federal fiats that increasingly dominate

Americans' lives. The Court has granted federal agencies vast sway over private companies by pretending that racial hiring quotas are not coercive. Instead, they are merely "goals and timetables" — regardless of whether bureaucrats ravage companies that fail to hire and promote by race and gender.

The Court practically gave lawmen the prerogative to jail whomever they pleased.

In a 1982 case, Supreme Court Justice Stevens ruled that while a government hiring plan did severely discriminate against white teachers, the teachers' injury was "not based on any lack of respect for their race." This is a contemptible judicial sleight-of-hand: judging "equal rights" not by whether a government-enforced policy preserved neutrality but by whether the victims of discrimination felt stigmatized by their race. It is absurd to define coercion according to the supposed self-esteem of the victim, rather than the nature of the government action. It is like judging a government prohibition on a newspaper's publication by whether a judge believes that the editors of the newspaper will feel that the censorship insults their intelligence, rather

than by whether censorship occurs. In a 1987 decision written by Justice William Brennan, the Supreme Court upheld a discriminatory government hiring program because it did not “unnecessarily trammel the rights of white employees.” The Supreme Court has used the same phrase in other cases, implying that it is legitimate to trammel the rights of certain groups — as long as they are not “unnecessarily” trammelled. Naturally, the Supreme Court has never stooped to define how much trammeling is necessary and how much is too much.

The Court has turned a blind eye to almost all the civil-liberties abuses of the war on terror. It has done nothing to curb the Obama administration’s crackdown on journalists and whistleblowers. It has refused to accept any case challenging the Transportation Security Administration’s whole-body scanners that take explicit “birthday suit” photos of almost every airline passenger. Instead, the Court has often defined out of existence Americans’ Fourth Amendment right to be free from unreasonable searches.

Nine years after revelations that the National Security Agency was illegally commandeering Americans’ email and phone records, the

Court has done nothing to curb an abuse far worse than the British “general warrants” that helped provoke the American Revolution. In a 2013 decision, the Court effectively absolved warrantless federal spying on citizens because the victims could not prove they had been spied on — a ludicrous precondition for objecting to a secret surveillance regime.

The Court has turned a blind eye to almost all the civil-liberties abuses of the war on terror.

Even when the feds have clearly violated a statute such as the Anti-Torture Act, the Court either refuses to accept key cases or effectively grants immunity to all the officials involved in breaking the law. The court’s acquiescence makes it far easier for agencies to cover up outrageous conduct that would shock Americans if it was exposed.

America’s prisons are overflowing in part because the Supreme Court has objected to few of the 4,500+ criminal statutes Congress enacted. Thanks to the threat of ruinous mandatory minimum penalties, 97% of defendants plead guilty. As Justice Antonin Scalia noted in a 2012 dissent, the current system “presents grave risks of prosecuto-

rial overcharging that effectively compels an innocent defendant to avoid massive risk by pleading guilty to a lesser offense.”

Does the Court believe that unlimited compulsion of citizens is okay but that any pressuring of state governments is a cardinal sin? If the Court saves Obamacare to avoid “unconstitutionally coercing” state governments, it will be another milestone on the Supreme Road to Serfdom. States’ rights are no substitute for individual liberty.

James Bovard serves as policy advisor to The Future of Freedom Foundation and is the author of a new ebook memoir, Public Policy Hooligan, as well as Attention Deficit Democracy and eight other books.

NEXT MONTH:
“The Mandatory-Voting
Panacea”
by James Bovard

Henry [VIII], for reasons of state, made himself Supreme Head of the Church, and made it a capital offense to say that he was not. Then, finding it inconvenient that [St. Thomas] More should live, Henry had him put to death by perjury. We may hold that such a judicial murder is contrary to Divine and Natural Law; or we may hold that it was merely a matter of taste and policy how the all-competent state disposed of the lives and bodies of inconvenient persons. But we must decide for one or the other.

— Raymond Wilson Chambers

The Simplicity of Libertarianism

by *Laurence M. Vance*



Libertarianism has been defined as an ethical system that seeks to preserve the liberty of individuals and as a political philosophy concerned with the permissible use of force or violence. These are two sides of the same coin.

As libertarianism's greatest theorist, Murray Rothbard, explained,

Libertarianism is not and does not pretend to be a complete moral, or aesthetic theory; it is only a political theory, that is, the important subset of moral theory that deals with the proper role of violence in social life. Political theory deals with what is proper or improper for government to do, and government is distinguished from every other

group in society as being the institution of organized violence. Libertarianism holds that the only proper role of violence is to defend person and property against violence, that any use of violence that goes beyond such just defense is itself aggressive, unjust, and criminal. Libertarianism, therefore, is a theory which states that everyone should be free of violent invasion, should be free to do as he sees fit except invade the person or property of another. What a person does with his or her life is vital and important, but is simply irrelevant to libertarianism.

It is that simple.

Libertarianism is not ...

Yet, some people still just don't get it. The simplicity of libertarianism is a stumbling block to them. And because some have made libertarianism more complex by confusing it with certain elements of liberalism or conservatism, reading into it what they think it means, expanding it beyond what it professes to be, blaming it for market "failures," ascribing to it what its critics have falsely said about it, or equating it with the absence of morality, myths

regarding libertarianism abound. It should be therefore noted that —

- Libertarianism is not libertinism.
- Libertarianism is not amoral.
- Libertarianism is not indifference to the plight of the poor or less fortunate.
- Libertarianism is not just about economics.
- Libertarianism is not a life-style.
- Libertarianism is not utopian.
- Libertarianism is not about greed and selfishness.
- Libertarianism is not pacifism.
- Libertarianism is not “dog eat dog.”
- Libertarianism is not about making the government more efficient.
- Libertarianism is not hedonism or licentiousness.
- Libertarianism is not being naive about human nature.
- Libertarianism is not atheistic or materialistic.
- Libertarianism is not some particular school of aesthetics.
- Libertarianism is not “every man for himself.”
- Libertarianism is not privatization.
- Libertarianism is not being socially liberal and economically conservative.
- Libertarianism is not egalitarianism.
- Libertarianism is not anti-nomian.
- Libertarianism is not inimical to tradition or religion.
- Libertarianism is not “survival of the fittest.”
- Libertarianism is not “the free market.”
- Libertarianism is not “low-tax liberalism.”
- Libertarianism is not anarchy.
- Libertarianism is not “unfettered capitalism.”
- Libertarianism is not limited government.
- Libertarianism is not a social attitude.
- Libertarianism is not rebellion against all authority.
- Libertarianism is not acceptance of alternative lifestyles.

Libertarianism celebrates individual liberty, private property, peaceful activity, voluntary interaction, laissez faire, personal freedom, financial privacy, individual responsibility, free markets, free thought, and a free society.

It is that simple.

The principle undergirding the libertarian philosophy is what is known as the nonaggression principle. Again, as Rothbard explains,

The fundamental axiom of libertarian theory is that no one may threaten or commit violence (“aggress”) against another man’s person or property. Violence may be employed only against the man who commits such violence; that is, only defensively against the aggressive violence of another. In short, no violence may be employed against a non-aggressor. Here is the fundamental rule from which can be deduced the entire corpus of libertarian theory.

The nonaggression principle is designed to prohibit someone from infringing upon the liberty of another. It is the core premise and linchpin of the philosophy of libertarianism. Aggression is the initiation of nonconsensual violence, the threat of nonconsensual violence, or fraud. The initiation of aggression against the person or property of others is always wrong. Force is justified only in defense or retaliation, but is neither essential nor required.

It is that simple.

A libertarian society

In a libertarian society, people are free to live and let live.

In a libertarian society, it is legal for anyone to do anything he wants, provided that he not threaten or initiate violence against the person or property of others.

In a libertarian society, every individual is free to pursue happiness in his own way — even if his choices are deemed by others as harmful, unhealthy, unsafe, immoral, unwise, stupid, or irresponsible.

In a libertarian society, people are free to live and let live.

In a libertarian society, people are free to live their lives any way they choose as long as their conduct is peaceful.

In a libertarian society, people are free to participate in any activity with anyone else as long as their behavior is consensual.

In a libertarian society, people are free to associate with, discriminate against, do business with, and interact with anyone (or no one) as long as their association and business are voluntary and their discrimination and interaction are peaceful.

In a libertarian society, individuals, groups, and businesses are perfectly free to associate, discriminate, interact, and conduct business for any reason and on any basis — regardless of how illogical, irrational, or unreasonable the reasons are perceived to be or how stereotypical, prejudicial, or biased the bases are perceived to be.

In a libertarian society, people have the right to keep the fruits of their labor.

In a libertarian society, people are free to engage in any economic enterprise or activity of their choosing without license, permission, restriction, interference, or regulation from government as long as they don't commit violence against others, violate their property rights, or defraud them.

In a libertarian society, people have the right to keep the fruits of their labor and decide for themselves what to do with their money — whether that means save it, spend it, invest it, donate it, hoard it, or waste it.

In a libertarian society, people are free to accumulate as much wealth as they can as long as they do it peaceably and without committing fraud.

In a libertarian society, buyers and sellers are free to exchange with each other for mutual gain any product of their choosing for any price.

In a libertarian society, charity, relief, and philanthropy are entirely voluntary activities.

In a libertarian society, individuals, organizations, and businesses are responsible for their actions that negatively affect others.

It is that simple.

One major difference between libertarians and libertarian-leaning liberals, conservatives, and fellow travelers is that libertarians extend the nonaggression principle to government. Libertarians oppose or otherwise seek to limit the intervention, regulation, and control of governments, which, after all, are the greatest violators of the nonaggression principle, personal liberty, and property rights. Those who are not libertarians believe that it is appropriate for government to punish people for engaging in entirely peaceful, voluntary, and consensual actions that do not aggress against the person or property of others. But as Rothbard also stated, "Libertarians simply apply a universal human ethic to government in the same way as almost everyone would apply such an ethic to every other person or institution in soci-

ety.” They “make no exceptions to the golden rule and provide no moral loophole, no double standard, for government.”

It is that simple.

In a libertarian society, the only legitimate purpose of government is to prosecute and punish those who initiate violence against others, commit fraud against them, or violate their property rights.

In a libertarian society, government actions beyond judicial and policing functions to keep the peace are themselves unpeaceful and in violation of the nonaggression principle.

In a libertarian society, vices are not crimes and incarceration is limited to violent criminals only.

In a libertarian society, the government leaves those alone who don’t threaten or initiate violence against the person or property of others.

In a libertarian society, the government doesn’t legislate morality.

In a libertarian society, every crime needs a victim.

In a libertarian society, freedom is not the absence of morality, the rule of law, or tradition; it is the absence of government paternalism.

In a libertarian society, actions are *prohibited* that involve the initi-

ation of violence against persons (murder, manslaughter, rape, assault) or property (burglary, robbery, embezzlement, shoplifting, vandalism, trespassing, arson) and *permitted* that don’t.

In a libertarian society, behavior that some consider to be immoral, unsafe, addictive, unhealthy, risky, sinful, or destructive (drug use, alcohol use, skydiving, smoking, using pornography, bungee jumping, adultery, sodomy, boxing, gambling, prostitution, et cetera) is none of the government’s business.

In a libertarian society, what is considered immoral, unethical, or sinful is the domain of conscience, family, and religion, not puritanical busybodies, nanny-statists, or government bureaucrats.

It is that simple.

A libertarian society is a free society.

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Penalty of Surrender

by Leonard E. Read



A certain business leader, perhaps among the most publicized during the last two decades, once severely lectured me on my unswerving and uncompromising behavior. He charged that I saw things only in blacks and whites. He argued that practical life was lived in shades of grays, actually in the shadows of these two extremes. He suggested that I had a nice chance of “going far” in the world, if only I would become more pliable to the thoughts and actions of my fellows. He really wanted me to be more agreeable to his middle-of-the-road political theories.

The compromising attitude is exalted by many and deplored by only a few. Most current discussions are tempered with concepts of compromise and expediency....

For example, let us make the reckless assumption that most of us

are committed to the biblical injunction, “Thou shalt not steal.” This is based on the moral principle that each person has the right to the fruits of his own labor. The point I wish to make — my major point — is that this *as a principle* defies compromise. You either take someone else’s property without his consent, or you do not. If you steal just a bit — a penny — you do not compromise the principle; you abandon it. You surrender your principle.

By taking only a *little* of someone’s property without his consent, as distinguished from taking a lot, you do compromise in the physical sense the amount you steal. But the moral principle, whatever the amount of the theft, is surrendered and utterly abandoned.

If all the rest of mankind is in favor of passing a law that would take the property, honestly acquired, of only one person against his will, even though the purpose be allegedly for the so-called social good, I cannot adjust myself both to the moral injunction, “Thou shalt not steal,” and to the demand of the millions. Principle does not lend itself to bending or to compromising. It stands impregnable. I must either abide by it, or in all fairness, I must on this point regard myself as an inconsistent, unprincipled person

rather than a rational, reasonable, logical one....

To me, “Thou shalt not steal,” is a principled injunction not alone because some sage of antiquity said so, but largely because my own experience has compelled me to adopt this as a principle of right conduct which must be adhered to if I am not to destroy my own integrity, and if I am to live peacefully with my fellow men.

Intellectual integrity simply means to reflect in word and in deed, always and accurately that which one believes to be right.

To those of opposite judgments, who believe that they should gratify their personal charitable instincts not with their own goods, but with goods extorted from others by the police force, who fail to see how thieving damages integrity, and who accept the practice of political plunder as right and honorable — to them, “Thou shalt not steal” must appear wrong in principle....

Intellectual integrity simply means to reflect in word and in deed, always and accurately that which one believes to be right. Integrity cannot be compromised. It is either practiced or not practiced.

Certainly, there is nothing new

about the efficacy of accurately reflecting what one believes to be right. This principle of conduct has been known throughout recorded history. Now and then it has been expressed beautifully and simply. Shakespeare enunciated the principle when he had Polonius say,

This above all: to thine own self be true, And it must follow, as the night the day, Thou canst not then be false to any man.

Edmond Rostand had the same principle in mind when he wrote for *Cyrano*,

Never to make a line I have not heard in my own heart.

The Bible announces the penalty of surrender — what it means to abandon the truth as one sees it:

The wages of sin is death.

Whether the wages of sin be mere physical death, as when men shoot each other over ideological differences, or profound spiritual death, as in the extinction of integrity, character, and self-respect, one needs to make but casual inquiry to verify the rightness of this biblical pronouncement. Abundant testi-

mony is being provided in our time. Nor is the end in sight.

Principles surrendered

All the world is filled with examples of surrendered principles: men who know practically nothing about themselves trying to play God, attempting to control and forcibly direct the creative actions of others; the glamour of popularity and shallow earthly fame rather than the concepts of rightness directing the policies of nations; expediency substituting for the dictates of conscience; businessmen employing “experts” to help them *seem* right, often at the expense of rightness itself; labor leaders justifying any action that gratifies their lust for power; political leaders operating on the premise that the end justifies the means; clergymen preaching expropriation of property without consent in the name of the “common good”; teachers not explaining but advocating coercive collectivism; aspirants to public office building platforms from public-opinion polls; farmers, miners, and other plunderbundists uniting with the police force to siphon others’ labor; arrogance replacing humility; in short, surrender of principle appears to be the distinguishing mark of our time.

If we were suddenly to find foreign vandals invading our shores, vandals that would kill our children, rape our women, and pilfer our industry, every last man of us would rise in arms.

Being honest and adhering to principle requires intelligence more than courage.

Yet, these ideas born of surrendered principles are the most dangerous vandals known to man. Is the Bible right that the wages of sin is death? Observe the growth of domestic violence. Note the extent to which the organized police force — government — promotes and enacts plunder rather than inhibits it. Scan the last forty years of war, hot and cold; wars to end wars, each serving only as a prelude to larger wars. And, today, we worldlings, in angry and hateful moods, stand tense and poised to strike out at each other, not with shillelaghs, pistols, hand grenades, and cannons, but with mass exterminators of the germ and atom types, types that only a people of surrendered principles could concoct.

Perhaps it is timidity that prevents many a man from standing squarely on his own philosophy and uttering nothing less than the

highest truth he perceives. He fears the loss of friends or position. Actually, the danger lies in the other direction, in settling for less than one's best judgment.

Does it take courage to be honest? Does one have to be brave to express the truth as he sees it? Indeed, *it is not dangerous to be honest*, but rather a mark of intelligence. Being honest and adhering to principle requires intelligence more than courage. Courage without intelligence makes men blustering and cantankerous with their views; they offend with their honesty. But, the villainy in that case is their cantankerousness, not their integrity.

Finally, some may contend that even if everyone were a model of intellectual integrity, by reason of the great variety of judgments, differences would still remain. This is true. But differences lead in the direction of truth in an atmosphere of honesty. Honest differences are livable differences.

Life in a physical sense is a compromise, a fact that need not concern us. But, when vast numbers of people surrender living by what they believe to be right, it follows that they must then live by what they believe to be wrong. No more destructive tendency can be imagined.

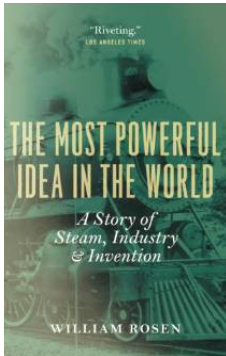
Honesty — each person true to his highest conscience — is the condition from which revelation springs; from which knowledge expands; from which intelligence grows; from which judgments improve. It is a never-ending, eternally challenging — a thoroughly joyous — process. Indeed, *it is living in its higher sense.*

Leonard Read was founder and president of The Foundation for Economic Education. This article appeared in the April 1957 issue of FEE's monthly journal, The Freeman.

Innovation, Patents, and the Industrial Revolution

by David Levine

The Most Powerful Idea in the World: The Story of Steam, Industry and Invention by William Rosen (University of Chicago Press 2012), 376 pages.



This is the story of an important microcosm of the Industrial Revolution: the development of the railroad. Although the story is one of personalities — and the book is engaging and a good read as a result — an important theme runs through the book. Building a railroad is not just a matter of some genius saying, “Let’s take this steam engine of James Watt and

stick it on something with wheels.” A railroad has a lot of ingredients — none of which existed in the 18th century. First, you have to have the right kind of steam engine — the early steam engines were low-pressure — driven by a vacuum that lifts the piston — and as a result generate far too little power relative to the weight of the machine to be mobile. What was needed was a high-pressure engine, with the pistons driven directly by the steam. In order to build such an engine proper materials are needed — strong-enough and light-enough metal — and precision engineering — tolerances have to be fine enough to prevent catastrophic leaks (something that was not the case with the U.S. space shuttle). Hence developments in metallurgy and manufacturing are as important to building a steam train as the idea of a steam engine — and of course a railroad needs the right kind of tracks to run on as well. So the story of this microcosm of the Industrial Revolution is not a story of isolated geniuses and eureka moments, but rather one of the effort of a great many people — some famous, some not, some working in collaboration and some working independently.

So far so good — it is an interesting and important tale and well told:

we learn about Torricelli, Boyle, Hooke, Papin, Savery, Newcomen, Calley, Coke, Thompson, Watt, Darby, Huntsman, Cort, Wilkinson, Bramah, Kay, Trevithick, Stephenson, and others — some were gentlemen, some scoundrels, but all contributed in important ways to the development of the railroad. There is, however, a deeper theme of the book and that is the question of what made Britain special — why did the Industrial Revolution happen there at that time and not somewhere else at some other time? Here the answer given in the book is roughly, “Britain had patents.” Unfortunately the evidence of the book contradicts that idea, and indeed suggests rather different ideas.

Limiting competition

The book is honest in its history. It does not pretend that patents played a role when they did not, nor does it overlook the fact that patents often played a negative role. So the story of Thomas Savery — a man who developed at government expense a useless engine and then sued and hindered Newcomen and Calley, who built a quite different and useful engine — is told and told well. So is the fact that James Watt’s separate condenser was a technological dead end and that he used

his patent to prevent the development of steam engines generally and high-pressure engines in particular. We have the story of the steel-making innovations by Benjamin Huntsman — who did not patent his techniques. There is the story of Henry Cort — “the father of the iron trade,” who financed his work by embezzling funds from the Royal Navy. There is the story of Matthew Murray — who was sued by Boulton and Watt over a technicality in one of his patents and after losing soured on the patent system and rarely filed patents subsequently. And there is the story of Richard Arkwright, who patented the spinning machine — a device developed for him by John Key, who stole the design from Thomas Highs. All in all it is hard to find any evidence of the efficacy of patents in promoting invention in the book.

Rosen’s perspective is that innovation was hindered prior to the Industrial Revolution.

What then is going on? Rosen’s perspective is that innovation was hindered prior to the Industrial Revolution: “Throughout most of human history, successful inventors, unless wealthy enough to retain their amateur status, have depended

on patronage.” This he illustrates with the story of the Greek Heron, who invented the first steam engine, and Torricelli, who discovered the vacuum in Florence in 1644. About Torricelli he writes, “At the behest of one of his patrons, the Grand Duke of Tuscany, whose engineers were unable to build a sufficiently powerful pump, Torricelli designed a series of apparatuses....”

What the Statute of Monopolies did was to restrict patents only to inventions.

Let’s step back and take a look at those assertions. Heron’s engine, while driven by steam, was totally useless — and even if it had been useful, was a solution to a problem that did not exist at that time — water in mines was not a big problem in ancient Greece. We can say that Torricelli depended on patronage if we like — but how is the Grand Duke of Tuscany’s employing him to do research into a practical commercial problem any different from, say, IBM’s hiring a computer engineer to write a computer program, and what does that have to do with patents?

Finally, Rosen points to Edward Coke and the famous Statute of Monopolies, which established the pat-

ent system in Britain, to argue that it triggered the Industrial Revolution. Except that — as Rosen says in his clear and straightforward prose — the Statute of Monopolies did no such thing. Patents existed before the Statute of Monopolies — for inventions — and practically everything else. What the Statute of Monopolies did was to restrict patents only to inventions. Hence — insofar as the Statute was of key importance in the Industrial Revolution — it was the elimination of noninventive monopolies that did the trick, not the introduction of inventive monopolies, since they already existed.

From an economic perspective, the elimination of legal monopolies probably did play an important role in the Industrial Revolution. By limiting the ability of competitors to interfere with innovators (except to the limited extent allowed by patents over innovations) it became possible to build a business around innovation. And make no mistake — a lot of the important figures in the book made a lot of money — and the fact that they were able to do so played an important role in the Industrial Revolution. But all those who became wealthy — including Watt and Arkwright — did so by being first to the post and building a business around their innovations.

They perhaps picked up a few extra pounds because of their patents, and no doubt prolonged the amount of time over which they were able to earn their riches — but they would have become wealthy with or without patents (and of course some of the figures in the book did exactly that). Rather, these patent-protectors each seems more like an old-time Steve Jobs — suing rivals not because it made commercial sense, but out of a misplaced sense of self-importance.

The way that the world really works is that the scientists earn a living through the transmission of knowledge.

Indeed — if we were to tell the story of the Second Industrial Revolution — the revolution that took place a hundred years later in Germany in the chemical industry — the revolution of systematically applying scientific principles to practical commercial problems — we would find that that revolution took place with a vastly weaker patent system than the British one — and indeed, that innovation fled from Britain to Germany to escape the heavy hand of patent holders. The way that the world really works is that the scientists earn a living

through the transmission of knowledge (mostly through teaching), inventors who have simple ideas that revolutionize the world do not exist, and engineers who build complicated and useful things either rent their skills or become entrepreneurs and build big businesses. None of that requires or benefits from patents.

The role of freedom

What does emerge from reading the book is the idea that profiting from the commercialization of ideas, along with the ability to raise funds, played a key role in the Industrial Revolution. The perhaps more surprising picture that emerges is that one great advantage that Britain had — for example over France — was not the patent system, but rather religious tolerance and open borders. As you read through the stories of the many important figures in the book, you will discover that a surprisingly large number of them were religious dissenters of some variety. Those who lived in France — such as Denis Papin — fled to Britain because of religious persecution — while those who lived in Britain — such as Thomas Newcomen (whose work was financed by a religious bank) or John Wilkinson — had no reason to flee and remained in Britain.

It seems that the same ingredients remain important for innovation today. If we look at the Forbes 2013 list of the 31 billionaires under the age of 40, we find that 14 of them inherited their money — one American and nine from Germany, Switzerland, and France. Two Americans from upper-class families made a fortune through investment activities. The remaining 15 all made their money as entrepreneurs and innovators. Ten of those 15 are Americans — and two of those Americans were born in foreign countries. All of them made their money by building new products and organizations against fierce competition — and there is no evidence that patents played a role in their success. The story of one slightly older — 43-year-old — entrepreneur is especially instructive. Elon Musk emigrated to the United States from South Africa at the age of 21. He has achieved wealth and commercial success in two industries — neither related to the Internet — the automobile industry, where he competes with the huge well-established automobile companies, and the rocket-ship industry where he competes with governments. How important are patents to his success? In June 2014 Musk announced that his automobile company “will not initiate pat-

ent lawsuits against anyone who, in good faith, wants to use our technology.” His rationale is instructive:

The market is enormous. Our true competition is not the small trickle of non-Tesla electric cars being produced, but rather the enormous flood of gasoline cars pouring out of the world’s factories every day. We believe that Tesla, other companies making electric cars, and the world would all benefit from a common, rapidly evolving technology platform.

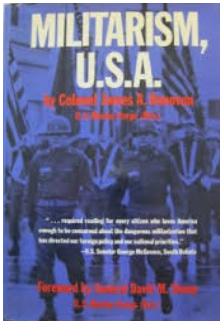
It was as true during the First Industrial Revolution as it is today that using patents to fight over share in a nonexistent market is self-defeating. The First Industrial Revolution steamed into history only when the Watt patents expired and entrepreneurs stopped fighting with each other and started to exponentially expand their markets by fighting against the old technology.

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Militarism: Our Civic Religion

by Michael Swanson

Militarism, U.S.A by Col. James Donovan; Foreword by Gen. David Shoup (Scribner's 1970), 265 pages.



Today the United States is engaged in seemingly winless wars without end in Iraq and Afghanistan and has been engaging in interventions in places such as Libya, which seem to result in nothing but chaos. Libya has descended into civil war and the rise of ISIS is a fallout of the Iraq war. U.S. foreign policy has created a mess, but there seems to be very little debate over the wisdom of engaging in further interventions and wars in the world when it comes to the leaders of the two main political parties or on the television news

and commentary channels, where the need for more interventions seems to be taken for granted. It is as if nothing has been learned from the past thirteen years. But this pattern of intervention goes back for decades and much can be learned from studying the past.

The silence and conformity of today hides the fact that the role of the United States in the world was once a contentious issue in mainstream politics, thanks to the Vietnam War. People were told that the United States needed to send hundreds of thousands of Americans to Vietnam to defend freedom and to prevent communism from spreading throughout the world. It was called the domino theory and asserted that if South Vietnam were to fall to communism, so would Thailand, Indonesia, and even Japan and India. But as the war went sour, more and more people came to doubt the wisdom of the war and the leaders that brought it into being.

On May 14, 1966, one of the most unlikely critics of the war gave a speech at a community college in Los Angeles on Junior World Affairs Day. He told them that much of what they had learned as children wasn't true. "First, you're taught there is a Santa Claus. Lovely thing at the right time. But a lot of people

want you to keep believing this your whole life. In fact, they want you to be about as vibrant and thoughtful as the inhabitants of a second-hand wax museum,” this man said.

He told them that “everyone talks peace, peace, world peace, while for years our government has sold or approved the sale of hundreds of millions of dollars’ worth of war material to other countries.”

Although Shoup’s speech was his first public pronouncement against the war, he had worked behind the scenes in retirement to oppose it.

He said, “You read, you’re televised to, you’re radioed to, you’re preached to that it is necessary that we have our armed forces fight, get killed and maimed, and kill and maim other human beings, including women and children, because now is the time we must stop some kind of unwanted ideology from creeping up on this nation. The people we chose to do this [to] is 8,000 miles away with water in between. I believe there’s a record of but two men walking on water and one of them failed.”

He argued that the people of Vietnam could sort their own problems out and that “the whole of

Southeast Asia, as related to the present and future safety and freedom of the people of this country, is not worth the life or limb or a single American.”

The man who gave that speech was Marine Gen. David Shoup. He won the Medal of Honor in World War II in the Pacific War and, after the war, rose to the highest levels of the military brass after he was appointed by President Dwight Eisenhower to become the Commandant of the Marine Corps. He served on the Joint Chiefs of Staff from 1960 to 1963.

Shoup is today a forgotten critic of the Vietnam War, but although his speech in 1966 was his first public pronouncement against the war, he had worked behind the scenes in retirement to oppose it. When the alleged attacks on U.S. naval vessels in the Gulf of Tonkin took place in 1964, he offered himself to the Senate Foreign Relations Committee to testify against intervention in Vietnam.

Not an aberration

Within a year of giving his community college speech he became a target of FBI surveillance. The war only escalated and in 1969 he wrote an article in the *Atlantic Monthly* with retired Marine Col. James

Donovan, who had been an assistant of his. They did not see the war as some aberration; their experience in government as insiders at the top taught them that it was part of an even bigger problem.

They did not view the communists in Vietnam, or even communism in general, as any sort of threat to the United States. They did not think that the United States was simply acting in defense of its interests in a rational way by going to war in Vietnam. Instead, they claimed that the United States had become “a militaristic and aggressive nation” and that is what led it into war.

The two worked together on a book titled *Militarism, U.S.A.*, which expounded on their article. Donovan was billed as the main author and Shoup contributed a lengthy foreword to it. This is a work to read today and should be considered a classic when it comes to the topic of the United States and all of its wars since World War II.

The authors provide an explanation for the Vietnam War that has not been given in any of the thousands of history books written about it but that goes a long way to explaining not only that war, but the wars of today. Shoup and Donovan saw U.S. militarism not as being caused by any particular group

in society, such as the military-industrial complex, but rather as a pervasive problem that involves many diverse groups who have come to treat militarism as something akin to a spiritual outlook.

Shoup and Donovan did not view the communists in Vietnam, or communism in general, as any sort of threat to the United States.

Of course Eisenhower famously warned of all of that in his Farewell Address and one could see it as an outgrowth of the creation of the national-security state; but Shoup and Donovan make note of how it “has become a dominant aspect of our culture.” In their view militarism was being pushed not just by the Pentagon, but by think tanks linked to the defense establishment, veterans’ groups, and even churches.

“The basis of America’s modern militarism has been a hallowed trinity of ideals or creeds; patriotism, national defense, and anti-Communism. These terms mean different things to different people and each can be employed to motivate and justify actions, to attack opposing ideas, and to serve as a refuge for the chauvinist. Their pure and simple meanings are not in themselves a basis for militarism

but they are frequently used and distorted by militarists for many purposes,” they write.

They note that like “hot dogs” and the “Fourth of July” those notions are “usually held above criticism.” “American militarism,” they write, “is founded upon this trinity of ideological beliefs which are the source of the national military policy — but American militarism is motivated by much less well recognized factors; defense-establishment careerism, defense-industry profits, fascination with military technology and weapons of destruction — and a national pride and competitive spirit.”

Shoup and Donovan blame much of the American drive for war in Vietnam on careerism inside the military itself and dismiss the idea that the United States simply responded to communist aggression in Southeast Asia. They claim that the way the American defense establishment is structured causes each branch of the armed forces to compete with the others for resources and importance. The planning staff of the Joint Chiefs of Staff makes plans to fight the next war, while officers seek to prove their mettle and win promotions by serving in combat and pushing for new programs, units to command, and

bases to oversee. The result “is a constant urge to exercise and test the military solution to America’s many foreign problems,” they write.

“American militarism is motivated by defense-establishment careerism, defense-industry profits, and fascination with military technology and weapons.”

They claim that “our armed intervention in Vietnam was not a continuation of Eisenhower-Kennedy policies so much as it was the result of new aggressive and militaristic policies evolved by President Johnson’s civilian advisors who desired to be generals and military strategists, and to the urge among Pentagon careerists who were tempted to test their theories of counterinsurgency, and to try out new organizations and equipment in a ‘limited’ war against ‘Communist aggression.’” When it comes to Vietnam they title one of their chapters “A War for Everybody.”

In their view anti-communism was a “sacred shibboleth used by doctrinaires and demagogues to support special interests.” They believed that “if there were no Communist block and no such enemy threat, the defense establishment would have to invent one.”

No safer, less free

Today no one thinks of communism as a threat to the United States. A war on terror has merely replaced the Cold War and terrorist cells have replaced communist agents in the minds of the most fearful of people. It seems that many of the American wars of today do not make the people of the United States any safer from terrorist attacks. In fact, often they engender the anger and hatred that lead to terrorist attacks against the United States.

A war on terror has merely replaced the Cold War and terrorist cells have replaced communist agents.

In time, the societies of the Middle East will grow so sick of the chaos of civil war and terror inside their borders that they will change their societies for the better. People want to be free and the way the Cold War came to end is proof of that. The U.S. government simply needs to stop pouring fuel on the fire.

Moreover, there is no evidence that mass surveillance programs have made Americans any safer. With their massive assaults on privacy, they have certainly made them less free. There is zero evi-

dence that they have been worth the costs of eroding civil liberties and the Constitution. Details of the recently released Senate torture report even show a program created more to the benefit of careerism than to the discovering of valuable information.

Shoup and Donovan quote George Washington as saying, “Overgrown military establishments are under any form of government inauspicious to liberty, and are to be regarded as particularly hostile to republican liberty.” They desire a more rational national defense policy that would recognize the reality that “there are limits to the power of the United States” and that would steer “clear of the forces of militarism which have so powerfully influenced the nation’s course in recent years.”

The two men want to see the defense industry and the forces of militarism in American both shrink. “It will be the duty of the Congress, the media, and the people, however, to recognize that the disciples of national defense are not completely selfless and altruistic when they foster national defense programs — they too have vested interests. Their ideas must be judged — not sanctified,” they write. That sounds like a tall order today.

By speaking and writing books on the topic they sought to influence the public, but they understood what they were going up against. The third pillar of the “sacred trinity” of American militarism they saw as public adoration of military affairs in a “culture of war” that creates a “blind enthusiasm for military actions” and “identifies numerous enemies who can only be dealt with through military power and which equates national honor with military victory.”

Instead of a nation of citizens who cast votes after a careful analysis of issues and demand to make their judgment heard after a careful weighing of facts, a nation awash in militarism creates a form of citizenship based on pure worship and obedience. It is foolish to expect much change to take place in Washington in such an environment until the public is better shown the

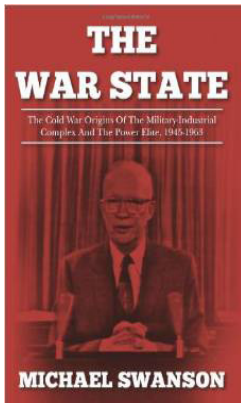
folly of what Shoup and Donovan call the “sacred trinity.” They did not call for an end of “patriotism,” which they define as “simply devotion to one’s country,” but for an “attack in a different direction” against those who misuse such devotion. Today it is through the work of individuals and institutions that take up the banner to educate the public that the future of the nation and of the world can be redirected in a better direction. That is what freedom and liberty are really about. The book *Militarism, U.S.A.* is one worth reading today.

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Empire, Security, and the War State

by David D'Amato

The War State: The Cold War Origins of the Military-Industrial Complex and the Power Elite, 1945–1963
by Michael Swanson (CreateSpace 2013), 430 pages.



In the October 1958 issue of *The New Yorker*, near the high-water mark of McCarthyism, the novelist and literary critic Mary McCarthy famously wrote, “Bureaucracy, the rule of no one, has become the modern form of despotism.” Michael Swanson’s book, *The War State*, provides an account of the almost two-decade period that followed the end of World War II, a period that the author argues saw

the emergence of a new political and economic system in the United States. This new system of “a permanent big-government war state,” promoted by a small circle of elites, entailed “new bureaucracies created as a result of the Cold War” and “a permanent armaments industry of vast proportions.” At the nucleus of the war state from the start was a kind of internationalist and corporatist northeastern typified by the 1940 Republican presidential candidate, New York lawyer Wendell Willkie, whose thesis in his book, *One World*, Swanson writes, “advocated for world government.”

Throughout *The War State*, Swanson investigates the postwar period’s militaristic variant of internationalism and the economic significances of empire, looking for the “deep power that can go beyond the power of the president and Congress.” Swanson finds an important clue in one famous farewell address. Significant changes in the character of the domestic economy necessarily attended the postwar transformation of American foreign policy. In his parting speech of January 1961, Dwight Eisenhower addressed the “sweeping changes in our industrial-military posture,” famously warning “against the acquisition of unwarranted influence ...

by the military-industrial complex.” Early in his book, Swanson observes the peculiarity of a well-known, moderate political figure, certainly no ideologue or libertarian, offering words of such deep foreboding. And the balance of *The War State* confirms the feelings of fear and worry that Swanson’s opening induces, showing a United States refashioned as a full-fledged empire, its influence covering the world.

U.S. interventions actively impose a specific economic and political model that finds an American power elite as its chief beneficiaries.

The War State demonstrates that, in policing the world, the United States is not merely a scolding invigilator, its imperial arm reaching out only to correct wayward states veering off the tracks of what is acceptable under the global system of American hegemony. Though that would be bad enough, U.S. interventions in geopolitics are far more direful than all that, actively imposing a specific economic and political model that finds an American power elite at its center as its chief beneficiaries. Swanson’s book offers a piercing narrative that, while

running against the cheery historical fiction that passes for incontrovertible fact in this country, will not easily be drowned out. Swanson shows us a world of powerful bureaucrats, ensconced mostly in the national-security and intelligence communities, wielding tremendous power, their new system supplanting what Swanson sees as the United States’s traditional one in the years immediately following the end of the Second World War.

As the principal pretext for this sweeping restructuring of the federal government, the Cold War — which, of course, was not really “cold” at all — sits at the center of this alarming plot. World War II had placed the United States on a new footing, a precarious posture in which private enterprise was forcibly commandeered in order to supply American fighting men with the necessary supplies. Convinced that the United States ought to continue on such footing quite indefinitely, a small cabal of blue-blooded elites, Ivy League-educated and hailing from the Northeast, embarked on an effort to make America an imperial power, a garrison state, and the successor to the European powers whose global importance evanesced after the conclusion of fighting.

Under the new system, the most important decisions about foreign policy would be made largely outside of congressional oversight and the political process generally, in interconnecting executive branch nerve centers wherein the intelligence community in particular enjoys tremendous power and influence. Swanson describes the nascent American intelligence apparatus as constituted not of the highly trained, adroit international spies we may imagine, but of clumsy, largely incompetent frat boys with no real expertise or background in global affairs. Bound to powerful commercial interests such as the United Fruit Company, the fledgling CIA used its new power to prepare the ground for a new, distinctly American brand of corporate imperialism, deposing popularly elected governments in favor of dictators, stretching the meddlesome tendrils of U.S. influence into far-flung corners of the globe. As Swanson writes, “The Central Intelligence Agency became the mechanism for the United States to hold imperial influence over other nations.”

Paving the way

But Swanson perhaps underestimates the extent to which the

American empire’s wheels were already very much set in motion long years before the end of World War II or the onset of the Cold War. Even if the postwar intelligence framework and the permanent war economy as we now know them were decades down the road, certainly by the turn of the century the U.S. quest for the prestige of colonial dominion was already well under way. Moreover, the First World War arguably deserves the place of paramount importance in considerations of the materialization and evolution of the twentieth-century war state. While World War II undoubtedly saw the recrudescence of centralized, domineering control of the economy, it was hardly a new phenomenon.

“The Central Intelligence Agency became the mechanism for the United States to hold imperial influence over other nations.”

Indeed, Robert Higgs writes, “In view of the more than 5,000 mobilization agencies of various sorts — boards, committees, corporations, administrations — contemporaries who described the 1918 government as ‘war socialism’ were well justified.” In his book *In Restraint of Trade*, law professor Butler Shaffer

similarly describes “the symbiotic relationship existing between political and economic institutions,” a relationship that, while antedating and informing the founding of the United States, became more firmly established than ever with the wartime mobilizations of World War I. Shaffer describes the process of business happily “being brought under the discipline of rational, politically supervised economic planning.” Similarly, in his Progressive Era history, *The Triumph of Conservatism*, Gabriel Kolko sets forth the claim that business leaders, swallowing whole “the notion that corporate consolidation leads to industrial efficiency,” actively embraced robust government intervention as a means to expurgate the perceived disarray and inefficiency of *laissez faire*.

Leading financial and banking interests have always been quite literally invested in the war state.

Like so many today, those businessmen of course ignored the implications of the fact that there had never actually been genuine *laissez faire* in the years before the Progressive Era’s reconstitution of corporate capitalism. Thus did the

business community accept the program of wartime controls and federal government plans with alacrity. Bankers in particular had always endorsed the essential features of the military-industrial complex, well before World War II or the Cold War. Throughout American history, leading financial and banking interests have always been quite literally invested in the war state; they have nurtured it and viewed it speculatively, as an opportunity for rent-seeking and corporate profit. Swanson’s book strikes pointedly at a misconception endemic in libertarian circles, that the American business community has some ideological commitment to free markets and instinctive hostility to economic intervention.

False dichotomy

Challenging another pervasive myth, Swanson shows that progressives such as Woodrow Wilson and Franklin Roosevelt were never truly enemies of Wall Street, asking his readers to consider “who benefits the most from free-trade internationalism and global currency markets.” What’s more, to his credit, Swanson takes care to ensure that we do not mistake international “free trade” as it has existed in practice for the kind of free trade that

libertarians favor. The progressive, central state, rather than reining in big business, has with some consistency served and preserved the monopolistic power of certain favored firms, these being part of a power elite that spans both the public and nominally private sectors.

The War State keenly examines the power elite's "revolving door."

Swanson's book demonstrates once again that a thoroughgoing libertarian critique of the political economy of class rulership in America cannot focus only on the formal state, for much of the military-industrial complex exists in the nominally private sector. It is the underlying relationships between coercive, governmental authority and prevailing economic structures and arrangements that we must carefully probe.

Libertarians, by definition, oppose the coercive, authoritarian structures that limit individual liberty, regardless of overformalistic, false dichotomies of "public" and "private." Only the most willfully oblivious analyses and tortuous abuses of language would allow us to regard American defense and aeronautics firms as examples of

true private enterprise at work. In equity jurisprudence, there is a preference for substance over form, a general principle that mere adherence to special legal terminology or documentary structures should not insulate a party from the real, underlying intention of an arrangement or its effects as a practical matter. In deciding which institutions and relationships are to be treated as praiseworthy examples of free enterprise in practice, we libertarians ought to keep this principle in mind. Abandoning facile analyses that rely far too heavily on the public-private distinction, *The War State* keenly examines the power elite's "revolving door." Swanson writes that "at the highest levels of power they [i.e., the power elite] go back and forth between the public and private world."

The book understands that, as an analytical tool, the frequently employed distinction between the public and private sectors is an unclear and misleading half-truth at best and an outright myth at worst. Authoritarian class rule has always consisted of both political and economic aspects; attempts to neatly separate these aspects are too often superficial and presumptuous, assuming we can distinguish "the economy" from the rest of social

and political life. This mistake is, of course, just another instantiation of what Friedrich Hayek's 1974 Nobel Prize Lecture famously called the "The Pretence of Knowledge." We must strive to avoid the vain mistake of doing economics without carefully considering the context provided by historical, political, and social phenomena. Consider the system we now call feudalism. It is quite impossible to place the institution of liege homage, to take just one example, in either of the current categories of public sector or private sector. In the contemporary United States, just as in feudal Europe, the concomitants of political power and privilege are everywhere in social life, thoroughly suffusing the aggregate of relationships, decisions, and transactions deceptively called "the economy." As libertarians, then, we must be vigilant — sensitive to the ways that illegitimate authority has shaped the insti-

tutions we take for granted. Michael Swanson's *War State* demonstrates this kind of vigilance, unafraid to look deeply at "the processes of power often obscured behind the surface stories of history." Studying the terrible picture of the blood-stained twentieth century, Swanson has magnified an important detail of that picture, offering new insights on the inner workings of power and the growth of empire at a pivotal moment in American history. *The War State* closes by emphasizing the importance of knowledge in ending the "seemingly endless and unwinnable wars" of the military-industrial complex. Swanson writes, "We must all do our part," and he certainly did his part with this book.

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