
FUTURE OF FREEDOM

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*The greatest thing in the world is to know how to
belong to oneself.*

— *Michel Eyquem de Montaigne*

FUTURE OF FREEDOM

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Separating Economy and State

by *Jacob G. Hornberger*



Throughout history, governments have controlled and regulated economic activity and monetary affairs. It has been generally accepted that such control and regulation are among the essential functions of government. The notion has always been that without government control and regulation of the economy and money, there would be economic and monetary chaos and disorder that would cause suffering for everyone, especially the poor.

It was once that way with religion. Throughout history, government has been involved, in one way or another, with religious activity. The American people rejected all that with the enactment of the First Amendment, which expressly forbade Congress involved itself in re-

ligious activity. Later, the Fourteenth Amendment was interpreted to operate as a bar to state involvement in religion. The principle is commonly known as the separation of church and state, which is widely accepted among Americans as a bedrock principle of a free society.

We should take the principle of separating church and state and apply it to economic and monetary activity.

Employing the phrasing of the First and Fourteenth Amendments, I propose the following three amendments to the U.S. Constitution:

No law shall be enacted by either the federal government or the state governments respecting freedom of trade or economic activity or abridging the free exercise thereof.

No law shall be enacted by either the federal government or the state governments respecting the establishment, control, or regulation, of money.

Neither the federal nor the state governments shall impose any tax on income.

What I am proposing, in other words, is a genuine and total free-

enterprise system — that is, one in which all economic and monetary enterprise is entirely free of control, regulation, and taxation by all levels of government, federal, state, and local, just as all religious enterprise is free of government control, regulation, and taxation.

Just think: No more debates over the IRS Code or the types of deductions people are permitted to take. No more rushing to the post office to meet the IRS deadline. No more need to file income-tax returns. No more IRS. People would be free to keep everything they earn no matter how much government officials want to seize part of it. Whenever the federal government or some state or local government tried to seize part of people's income, people could sue in federal or state court seeking an injunction against the tax, just as church officials are able to do if some governmental unit imposes a tax on churches.

Naturally, some would find such a proposal to be radical. But that's only because they have been born and raised under a different type of system and thus find it difficult to conceive of an economic and monetary system that is completely different from the one to which they are accustomed. Undoubtedly there were some who felt the same

way when some people proposed the radical idea of separating church and state with the First Amendment.

People would be free to keep everything they earn no matter how much government officials want to seize part of it.

Moreover, while the idea is radical compared with the economic and monetary systems in which Americans are living today, it isn't radical compared with the economic and monetary systems in which our American ancestors lived. Don't forget, after all, that the U.S. government under which they lived for more than 100 years was one based on no taxation on income, no occupational-licensure laws, few economic regulations (especially at the federal level), no Federal Reserve System, no paper (i.e., fiat) money, and no immigration controls.

Thus, our American ancestors would certainly not have considered such a proposal to be radical, given that it pretty much encapsulates the economic and monetary principles and philosophy to which they subscribed. They would find the economic and monetary systems under which Americans living today to be radical.

People would be free to keep everything they earned and decide for themselves what to do with it. Ideally, the first two amendments would be combined with amendments providing for a separation of charity and the state and health care and the state. (See my article in the May 2017 issue of *Future of Freedom*, “Separating Charity and Health Care from the State.”)

Natural harmony

There are two keys to economic prosperity and rising standards of living: increases in productivity and trade.

Increases in productivity mean that more goods and services hit the market, bringing about lower prices, thereby enabling people to improve their personal economic well-being at a lower cost.

How do people become more productive? By using tools and equipment. To take a simple example, suppose workers on a farm using hoes are able to produce 1,000 bushels of wheat a year. After five years, the farmer goes out and buys a tractor. Suddenly, the farm workers are producing 10,000 bushels of wheat a year.

That increase in wheat production obviously benefits the farmer. His revenues and profits have

soared. It also benefits consumers because they now have greater quantities of lower-priced wheat to purchase in the stores. It also benefits the workers through higher pay rates. How can we be sure that the employer will use part of the proceeds to raise the pay of the workers? Through competition. Other farms and other businesses will hire away workers with the increased revenues that they are taking in from increases in productivity in their lines of work.

There are two keys to economic prosperity and rising standards of living: increases in productivity and trade.

Where does the farmer get the money to buy the tractor? Through savings. Since he is able to keep everything he earns, he is able to set aside a certain portion of his income as savings. He uses his savings to buy the tractor. What happens if the farmer has saved only \$15,000 and the tractor costs \$25,000? He can go to the bank and borrow the difference, promising to repay the loan with interest. But where does the bank get the money to lend to him? From the savings of workers. Since they too are able to keep everything they earn, they save a per-

centage of their income and deposit it in the banks, thereby providing the bank with the funds that the farmer borrows to buy the tractor, which makes his workers more productive.

Domestically the United States became the largest free-enterprise and free-trade zone in history.

Thus, there is a natural harmony that develops in a genuine free-market society. Everyone benefits from increases in productivity.

People also benefit from trade. Whenever two people enter into a trade, they both benefit from their own individual perspective. That's because they both are giving up something they value less to get something they value more.

Consider, for example, a farmer who has 100 apples and another farmer who has 100 oranges. They enter into a trade in which the apple farmer gives 90 apples to the orange farmer and receives in trade 10 oranges. Is that an unfair trade? Of course not. From the personal, subjective standpoint of both farmers, it was a perfectly fair trade, one in which their standards of living went up at the moment of the trade. That's because they both gave up

what they valued less and got something they valued more.

The corollary to these principles becomes obvious: To the extent that government takes people's income from them or interferes with their freedom to trade, it is destroying or damaging the ability of people to improve their standard of living.

It is freedom of enterprise and freedom of trade that explain the tremendous rise in the standard of living of the American people throughout the 19th century. While there were tariffs on imported goods, which, of course, damaged people's ability to improve their lives, domestically the United States became the largest free-enterprise and free-trade zone in history. People all across the United States were free to engage in trades with people in other states and free to keep everything they earned, without federal or state interference, control, or regulation.

Fleeing poverty

While many university professors teach that this period of time, which is known as the Industrial Revolution, was enormously damaging for the poor, nothing could be further from the truth. In fact, our American ancestors, wittingly or not, came up with the solution to

the age-old problem of poverty. People had remained mired in poverty throughout the ages precisely because governments had controlled and regulated economic activity and taxed people's income. The Americans showed that when government is prohibited from doing those things, economic prosperity and standards of living soar, especially for the poor, many of whom actually become wealthy.

Where the university professors go wrong is in comparing economic conditions in the 19th century with economic conditions today. The accurate comparison is with economic conditions that preceded the 19th century, when life for most people was miserable and short. The Industrial Revolution gave the poor a chance to survive and, even better, to prosper. Certainly, circumstances were difficult, since poverty had been the normal condition for mankind throughout history. When people have next to nothing and are barely surviving, there is very little savings that are being accumulated and being put into productive capital. What happened in 19th-century America was that people were gradually, generation after generation, saving money that was being converted into capital, which made workers

more productive and consumers better off and raised the overall standard of living of the American people. To a large extent, 20th-century Americans, who unfortunately abandoned the free-enterprise economic system of their predecessors, nonetheless benefitted from the enormous base of productive capital that 19th-century Americans brought into existence.

In 19th-century America people were gradually, generation after generation, saving money, which was being converted into capital.

In fact, the best proof of how beneficial an income-tax-free society and a free-enterprise system are to the poor was seen when thousands of penniless immigrants, many of whom couldn't speak a word of English, began flooding American shores. They were fleeing societies in which governments strove to take care of people with welfare, and economic and monetary regulations, which were funded by massive amounts of taxation. The resulting poverty of such a system motivated countless poor people to flee to America, where people were free to keep everything they earned and where government didn't take care of people, either

with welfare (including Social Security, Medicare, and Medicaid) or economic control and regulation.

Inflation

A separation of money and state would mean no governmental involvement whatsoever in monetary affairs. The Nobel Prize-winning economist Friedrich Hayek termed this idea the “denationalization of money.” It is a monetary system in which the free market — i.e., producers, consumers, investors, and traders — determines the nature and value of money.

One of the benefits of a free-market monetary system would be that government would no longer be able to tax people secretly through inflation. That’s how governments throughout history have taken people’s income and other assets whenever they were reluctant to antagonize them by raising taxes on their assets.

Many university professors and many in the mainstream media define inflation as rising prices. They have it wrong. Inflation occurs when the government, which controls the supply of money, increases — i.e., inflates — the money supply by artificially expanding money and credit. The decreased value of the money — owing to increasing

or inflating its supply — is reflected by the rising prices of the things that money buys. The rising prices reflect that people cannot buy as much with the same amount of money as they were able to before the government started inflating the money supply.

A separation of money and state would mean no governmental involvement whatsoever in monetary matters.

Thus, the root of the problem is not rising prices, which are simply a sign of what the government is doing to people, but rather the fact that government is inflating the money supply, usually to finance ever-increasing governmental expenditures. One of the most extreme examples of how government inflated the money supply occurred in Weimar Germany, when people were using wheelbarrows to cart large quantities of paper money into stores just to buy a loaf of bread.

Inflation was the real purpose of the Federal Reserve, an agency that came into existence in the early part of the 20th century. While its ostensible purpose was to bring “stability” to America’s monetary system, it did the exact opposite. Becoming

the engine for taking people's income and assets through inflation of the money supply, the Fed is the root of the chaos and crisis that has characterized America's monetary system for the past hundred years.

The philosophy behind a separation of money and state was reflected in America's original monetary system, which was entirely different from the monetary system under which today's Americans have been born and raised. When the Constitution called the federal government into existence, the government was not empowered to issue paper money. The Constitution also barred the states from emitting "bills of credit," which was what paper money was called at that time.

For more than a hundred years, America's official money consisted of gold coins, silver coins, and other coins made out of metals. While both the federal government and the state governments were permitted to borrow money through the issuance of bills and bonds, everyone understood that those were just promises to pay money (e.g., gold coins), not money itself.

While the gold standard wasn't a free-market monetary system, it did remove the ability of government officials to do what government officials had done throughout

history — take people's money and assets from them surreptitiously through inflation while, at the same time, blaming "rapacious" profiteers and "price gougers" for raising their prices. Since the official money consisted of gold coins and silver coins, it was difficult for government to inflate the money supply, which they are easily able to do with a printing press when paper money is the official money.

One of the reasons government interference in money is so destructive is that it distorts the price system.

One of the reasons government interference in money is so destructive is that it distorts the price system, which is the intricate way that people calculate in a free market. When government is inflating (or contracting) the money supply, it is warping and distorting the system by which people make their calculations.

That's precisely what brought on the Great Depression. While many schoolteachers, university professors, and media commentators teach people that "free enterprise" brought about the Great Depression, nothing could be further from the truth. Instead, the cause was the

chaotic monetary policies that the Fed had initiated after it was created in 1913. Moreover, while the Great Depression could have been a temporary economic crisis, the change in the monetary system was made permanent.

One of the fascinating aspects of the Great Depression is that it provided the government with the excuse for abandoning the gold-coin/silver-coin monetary system established by the Constitution and adopting the paper-money standard that we all know today. Yet the Constitution provides only three methods for amending the Constitution. Nonetheless, the Supreme Court essentially held that a crisis provides the government with the authority to amend the Constitution, even though the Constitution doesn't say that.

Separating economy and money from the state would be the key to achieving an era of constantly rising economic prosperity and

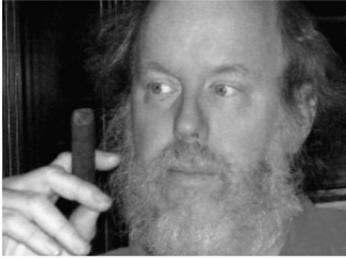
standards of living. But that isn't the main reason for supporting this idea. The main reason for favoring it is economic liberty: freedom entails the right to engage in any economic activity so long as it is peaceful. The right to freely engage in economic activity, to trade with others, and to accumulate the fruits of one's earnings and decide what to do with them, without any governmental interference, is as much a part of freedom as whether or not to attend church or fund church activities.

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

NEXT MONTH:
**“The National-Security State
and JFK, Part 1”**
by Jacob G. Hornberger

How World War I Still Haunts America

by James Bovard



This year is the 100th anniversary of Woodrow Wilson's pulling America into World War I. Many people celebrate this centenary of America's emergence as a world power. But at a time when the Trump administration is bombing or rattling sabers at half a dozen nations and many Democrats are clamoring to bloody Russia, it is worth reviewing how World War I turned out so much worse than the experts and politicians promised.

Wilson was narrowly reelected in 1916 on the basis of a campaign slogan, "He kept us out of war." But Wilson had massively violated neutrality by providing armaments and money to the Allied powers that had been fighting Germany since 1914. At the same time, he had no quarrel

with the British blockade that was slowly starving the German people. In his April 1917 speech to Congress seeking a declaration of war against Germany, he hailed the U.S. government as "one of the champions of the rights of mankind" and proclaimed that "the world must be made safe for democracy."

American soldiers helped turn the tide on the Western Front in late 1918. But the cost was far higher than Americans anticipated. More than 100,000 American soldiers died in the third-bloodiest war in U.S. history. Another half-million Americans perished from the Spanish Flu epidemic spurred and spread by the war. But the political damage lasted far longer.

In his speech to Congress, Wilson declared, "We have no quarrel with the German people" and feel "sympathy and friendship" towards them. But his administration speedily commenced demonizing the "Huns." One Army recruiting poster portrayed German troops as an ape ravaging a half-naked damsel beneath an appeal to "Destroy this Mad Brute." Wilson's evocations of fighting for universal freedom were quickly followed by bans on sauerkraut, beer, and teaching German in public schools. Tolerance quickly became unpatriotic.

The Wilson administration sold the war as an easy win — failing to realize how close France and Russia were to either collapsing or surrendering. When fewer than 100,000 Americans volunteered for the military, Congress responded by authorizing conscripting 10 million men. Wilson proclaimed that “it is in no sense a conscription of the unwilling. It is, rather, selection from a Nation which has volunteered in mass.” But people had voted against the war. Regardless, Wilson touted the draft as a new type of freedom: “It is nothing less than the day upon which the manhood of the country shall step forward in one solid rank in defense of the ideals to which this Nation is consecrated.” It was as if Wilson was presaging George Orwell’s motto in 1984 — “Freedom is Slavery.”

The government also assumed it was entitled to practically brainwash any and all conscripts.

Wilson acted as if the congressional declaration of war against Germany was also a declaration of war against the Constitution. Harvard professor Irving Babbitt commented in 1924, “Wilson, in the pursuit of his scheme for world service, was led to make light of the

constitutional checks on his authority and to reach out almost automatically for unlimited power.” Wilson even urged Congress to set up detention camps to quarantine “alien enemies.”

Wilson unleashed ruthless censorship. Anyone who spoke publicly against military conscription was likely to get slammed with federal espionage or sedition charges. Possessing a pamphlet entitled “Long Live the Constitution of the United States” earned six months in jail for a Pennsylvania malcontent. Censorship was buttressed by fanatic propaganda campaigns led by the Committee for Public Information, a federal agency whose shameless motto was “faith in democracy ... faith in fact.” The government cared so much about the American people that it could not burden them with details of government follies and fiascoes.

The government also assumed it was entitled to practically brainwash any and all conscripts. As Thomas Fleming noted in his masterpiece *The Illusion of Victory: America in World War One*, soldiers were subject to many hours of exhortations “to resist sexual temptation.... Spokesmen for the Committee on Training Camp Activities urged soldiers to stop thinking

about sex: ‘A man who is thinking below the belt is not efficient.’” The Wilson administration strove for the creation of “‘moral and intellectual armor’ that would sustain the soldiers when they went overseas and were beyond the U.S. government’s ‘comforting and restraining and helpful hand.’” The failure of the purity campaign was best reflected in the lyrics of a 1919 hit song: “How ya gonna keep ‘em down on the farm after they’ve seen Pree?”

The federal government added poisons to industrial alcohol that was often converted into drinkable hooch.

To broaden support for the war, Wilson partnered with the Prohibition movement. Prohibition advocates “indignantly insisted that ... any kind of opposition to prohibition was sinister and subversively pro-German,” noted William Ross, author of *World War I and the American Constitution*. Even before the 18th Amendment (which banned alcohol manufacture, sale, and transportation) was ratified, Wilson banned beer sales as a war-time measure. Prohibition itself was a public-health disaster; the rate of alcoholism tripled during the

1920s. To punish lawbreakers, the federal government added poisons to industrial alcohol that was often converted into drinkable hooch; 10,000 people were killed as a result. Deborah Blum, the author of *The Poisoner’s Handbook*, noted that “an official sense of higher purpose kept the poisoning program in place.” It took more than half a century for the quality of American beer to recover from Prohibition. And the effects of the booster shot that organized crime received in those years lasted even longer. Even worse, the war on alcohol paved the way for the war on drugs; many former Prohibition agents signed up to crusade against marijuana after the ban on booze ended.

Attacking speech, ruining farms

World War I exposed the cravenness and authoritarianism of progressive intellectuals. As journalist Randolph Bourne wrote, “‘Loyalty,’ or rather war orthodoxy, becomes the sole test for all professions, techniques, occupations. Particularly is this true in the sphere of the intellectual life.” Bourne lamented,

It has been a bitter experience to see the unanimity with which the American intellec-

tuals have thrown their support to the use of war-technique in the crisis in which America found herself. Socialists, college professors, publicists, new-republicans, practitioners of literature, have vied with each other in confirming with their intellectual faith the collapse of neutrality and the riveting of the war-mind on a hundred million more of the world's people.... Herd-instinct became herd-intellect.

Writers who failed to join the stampede found themselves banished or, in some cases, persecuted. One of the Post Office's primary targets for suppression was magazines guilty of "high-browism." The collapse of honest, thoughtful criticism was invaluable to Wilson's effort to spur mass mindless obedience. Unfortunately, with the same pattern of servility repeated in subsequent wars, few intellectuals seem to recall how World War I set the model for cravenness.

As Bourne noted, "War is the health of the state." The war provided the pretext for unprecedented federal domination of the economy — and endless debacles. In early 1918, the government "shut down all the factories in the country east

of the Mississippi River for a week" to save fuel, as Fleming noted. Even Wilson's Democratic congressional allies were aghast at the mismanagement and inefficiency. Wilson was outraged at criticism, declaring that it showed "such an ignorance of the actual conditions as to make it impossible to attach any importance" to the charge. But presidential indignation failed to straighten out the snafus from central control of production processes.

The collapse of honest, thoughtful criticism was invaluable to Wilson's effort to spur mass mindless obedience.

Perhaps the most dramatic economic impact fell on American farmers. Washington promised that "food will win the war" and farmers vastly increased their plantings. Price supports and government credits for foreign buyers sent crop prices and land prices skyrocketing. However, when the credits ended in 1920, prices and land values plunged, spurring massive bankruptcies across rural America. They in turn spurred perennial political discontent that helped lead to a federal takeover of agriculture by the Roosevelt administration in the 1930s. When the New Deal imposed

price controls across the economy in 1933, World War I was the model that administrators touted.

Making the world safe

Before the war began, Wilson declared in April 1915, “No nation is fit to sit in judgement upon any other nation.” In his war speech to Congress in 1917, he portrayed the Kaiser as a dictator (though Germany was actually far more democratic than most parts of the British Empire). By 1919, Wilson had totally reversed his moral compass, declaring, “In the last analysis, my fellow countrymen, as we in America would be the first to claim, a people are responsible for the acts of their government.” Unfortunately, that became the lodestar for subsequent U.S. warring — including the massive civilian bombings of Germany and Japan in World War II, in North Korea in 1952, in Vietnam, and in Iraq in this century.

World War I was ended by the Treaty of Versailles, which redrew European borders willy-nilly and imposed ruinous reparations on Germany. Wilson had proclaimed 14 points to guide peace talks; instead, there were 14 separate small wars in Europe towards the end of his term — after peace had been proclaimed. The League of Nations

charter was written so smarmily that the United States could have been obliged to assist Britain and France in suppressing revolts in the new colonies they garnered from the war.

George W. Bush practically recycled Wilson en masse to whip up fervor for invading Iraq.

The chaos and economic depression sowed by the war and the Treaty of Versailles helped open the door to some of the worst dictators in modern times, including Germany’s Adolf Hitler, Italy’s Benito Mussolini, and Russia’s N. Lenin — whom Wilson intensely disliked because “he felt the Bolshevik leader had stolen his ideas for world peace,” as historian Fleming noted.

Despite winning the war, Wilson’s Democratic Party was crushed at the polls in both 1918 and 1920. H.L. Mencken wrote on the eve of the 1920 election that Americans were sickened of Wilsonian “idealism that is oblique, confusing, dishonest, and ferocious.” Unfortunately, the recoil against bogus idealism was temporary. Starting in 2002, George W. Bush practically recycled Wilson en masse to whip up fervor for invading Iraq.

Have today’s policymakers learned anything from the debacle a

century ago? Wilson continues to be invoked by politicians who believe America can achieve great things by warring abroad. The bellicosity of both Republican and Democratic leaders is a reminder that Wilson also failed to make democracy safe for the world.

James Bovard serves as policy advisor to The Future of Freedom Foundation and is the author of an ebook

memoir, Public Policy Hooligan, as well as Attention Deficit Democracy and eight other books.

NEXT MONTH:
**“The FBI’s Forgotten
Criminal Record”**
by James Bovard

We are opposed to state interference with parental rights and rights of conscience in the education of children as an infringement of the fundamental Democratic doctrine that the largest individual liberty consistent with the rights of others insures the highest type of American citizenship and the best government.

— Democratic National Platform [1892]

How Not to Cut Welfare Spending

by *Laurence M. Vance*



The U.S. federal budget is now in the neighborhood of \$4 trillion. Just ten years ago it wasn't even \$3 trillion. It was "only" \$2 trillion in 2002, and didn't reach the trillion dollar mark until 1987. The greatest component of the federal budget is spending on the welfare state.

Welfare programs

There are in the United States about 80 means-tested welfare programs. These are programs that limit benefits or payments on the basis of the beneficiary's income or assets. The best-known of these programs are Medicaid; the State Children's Health Insurance Program (SCHIP); the Supplemental Nutrition Assistance Program (SNAP [formerly known as food stamps]); Women, In-

fants, and Children (WIC); Section 8 housing vouchers, Temporary Assistance to Needy Families (TANF); Pell grants; farm subsidies; subsidized student loans; Head Start; Healthy Start; Supplemental Security Income (SSI); school breakfast and lunch programs; and the Low Income Home Energy Assistance Program (LIHEAP).

The most egregious of these programs is the TANF program — formerly known as Aid to Families with Dependent Children (AFCD) — because it doles out cash directly to the welfare recipient to spend as he chooses. States receive block grants from the federal government to design and operate programs that accomplish one of the four purposes of the TANF program:

- Provide assistance to needy families so that children can be cared for in their own home
- Reduce the dependency of needy parents by promoting job preparation, work, and marriage
- Prevent and reduce the incidence of out-of-wedlock pregnancies
- Encourage the formation and maintenance of two-parent families

The “basic assistance” provided by the TANF program costs taxpayers more than \$4 billion a year.

And then there are the welfare programs that most Americans have never heard of: the Special Milk Program (SMP), refugee assistance programs, job training programs, community health centers, the Elderly Nutrition Program, the Commodity Supplemental Food Program (CSFP), Community Development Block Grants (CDBG), housing-assistance programs, subsidized low-income phone service, homeless-assistance grants, family-planning programs, adult basic-education grants, legal-services block grants, and the Healthy Marriage and Responsible Fatherhood (HMRF) initiative.

To them should be added refundable tax credits such as the Earned Income Tax Credit (EITC), Additional Child Tax Credit (ACTC), and the American Opportunity Tax Credit (AOTC). Regular tax credits reduce the amount of tax owed, but if there is no taxable income to begin with — because of tax deductions, exemptions, or otherwise — then no credit can be taken. However, refundable tax credits are treated as payments from the taxpayer, such as federal income-tax withheld or quarterly

estimated taxes paid. If the “payment” is more than the tax owed, the taxpayer receives a “refund” from the government of money never withheld or never paid in. This cash payment is just welfare by another name, since the “refund” one receives was actually paid in by someone else. Refundable tax credits are means-tested in the sense that they are phased out once one’s income reaches a certain level.

Welfare is the fastest-growing part of government spending.

According to the Heritage Foundation (a conservative think tank),

- Today, the U.S. spends 16 times as much on welfare as it spent in the 1960s — about 4 times the amount needed to pull every poor family out of poverty — yet the federal poverty rate remains nearly unchanged.
- Total spending at all levels of government on the roughly 80 federal means-tested welfare programs, which provide cash, food, housing, medical care, and social services to poor and lower-income Americans, is more than \$1 trillion annually.

- Welfare is the fastest-growing part of government spending. Between 1989 and fiscal year 2008, means-tested welfare spending increased by 292 percent.

And that is just spending on means-tested welfare programs.

There are also several programs that most Americans don't consider to be welfare programs: Medicare, Social Security, and Unemployment Compensation.

Medicare is government-funded health care for Americans who are 65 or older, are permanently disabled, or have renal disease or ALS. Medicare consists of four parts: Part A (hospital insurance), Part B (supplemental medical insurance), Part C (Medicare Advantage Program), and Part D (prescription-drug benefit). Social Security is properly the federal Old-Age, Survivors, and Disability Insurance (OASDI) program. It provides benefits for retirement, disability, survivorship, and death. Social Security consists of two parts. Under the Old-Age and Survivors Insurance (OASI) part of the program, monthly benefits are paid to retired workers, their families, and survivors of deceased workers. Under the Disability Insurance (DI)

part of the program, monthly benefits are paid to disabled workers and their families. Unemployment Compensation is overseen by the U.S. Department of Labor and administered by the states. It provides “unemployment benefits to eligible workers who become unemployed through no fault of their own, and meet certain other eligibility requirements.”

Most Americans don't consider Medicare, Social Security, or Unemployment Compensation to be welfare.

Most Americans don't consider Medicare, Social Security, or Unemployment Compensation to be welfare because they are partially funded by employers (all three programs) and employees (Medicare and Social Security). Medicare Part A is partially funded by a payroll tax of 2.9 percent (split between employer and employee) on all of an employee's earnings. Participation in Parts B, C, and D is voluntary. They are funded by a combination of income-based beneficiary premiums and taxpayer subsidies. Like Medicare, Social Security is “funded” by payroll-tax deductions from both employers and employees. The rate is 12.4 percent (split

between employer and employee) on wages up to \$127,200. Federal unemployment taxes are paid by employers at a rate of 6 percent on the first \$7,000 of each employee's income. The 50 states also assess employers an unemployment tax with a wage base, but are allowed a credit against their federal unemployment-tax liability up to 5.4 percent. Some states also levy some amount of unemployment tax on employees. But those programs are forms of welfare because in no case does the amount of taxes collected fully pay for the program and because there is absolutely no relation between the amount of taxes paid and benefits received.

Some states also levy some amount of unemployment tax on employees.

With the U.S. national debt now around \$20 trillion, it is clear that the current level of federal spending on the welfare state is unsustainable. Spending is going to have to be cut, and Republicans in Congress think they have found a way to do it. Or have they?

Unemployment-benefit cuts

The latest scheme by Republicans to cut welfare spending with-

out actually cutting welfare spending is to expand drug testing for recipients of unemployment-compensation benefits and deny benefits to those who fail. This scheme is possible only because the federal government's drug war has so demonized drugs that the state can do practically anything in the name of combating drug use. But in this case, fighting the drug war is just a means to an end. That end is the political grandstanding by Republicans to make their conservative base think that they are cutting welfare by making it tougher for applicants to qualify for benefits.

Donald Trump earlier this year signed a bill into law making it easier for states to require drug testing for recipients of unemployment benefits. H.J.Res.42, a joint resolution "disapproving the rule submitted by the Department of Labor relating to drug testing of unemployment compensation applicants," passed both Houses of Congress on party-line votes. The one-sentence text of the bill reads,

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the rule submitted by the Department

of Labor relating to “Federal-State Unemployment Compensation Program; Middle Class Tax Relief and Job Creation Act of 2012 Provision on Establishing Appropriate Occupations for Drug Testing of Unemployment Compensation Applicants” (published at 81 Fed. Reg. 50298 (August 1, 2016)), and such rule shall have no force or effect.

**The rule in question
“constrains a State’s ability to
conduct a drug testing program in
its unemployment insurance
system.”**

Rep. Adrian Smith (R-Neb.) argued on the House floor that “the Obama administration effectively blocked states from making sure hard-working taxpayer dollars only go to deserving citizens.” However, Rep. Richard Neal (D-Mass.) saw the bill another way: “It’s about allowing states to put one more time-consuming, humiliating obstacle in the way of Americans while they look for new jobs.” In a “statement of administration policy” on H.J.Res.42, the Trump administration maintained that the rule in question “imposes an arbitrarily narrow definition of occupations

and constrains a State’s ability to conduct a drug testing program in its unemployment insurance system.”

The rule addressed by the bill “determines the occupations that regularly conduct drug testing for use by States when determining which unemployment insurance applicants may be tested.” The Department of Labor published a Notice of Proposed Rulemaking (NPRM) “concerning occupations that regularly conduct drug testing” in 2014 in accordance with a provision in Title II, “Unemployment Benefit Continuation and Program Improvement,” subtitle A, “Reforms of Unemployment Compensation to Promote Work and Job Creation,” section 2105, “Drug Testing of Applicants,” of the Middle Class Tax Relief and Job Creation Act of 2012 (PL 112–96, H.R.3630, 126 Stat. 156), which states,

Consistent with current law that eligibility for benefits be based on the “fact or cause” of unemployment, this provision sets forth that states may enact legislation to require an applicant to submit to and pass a drug test for the unlawful use of controlled substances only under the following condi-

tions: 1) the individual has been terminated from their most recent employment because of the unlawful use of controlled substances, or 2) the individual's only suitable work involves employment in an occupation, as determined by regulations issued by the Secretary of Labor, that regularly conducts drug testing. This provision is consistent with the Federal law requirement that eligibility be based on the "fact or cause" of unemployment, since the only circumstances under which drug testing would be permitted are related to the "fact or cause" or unemployment.

There are problems with the idea of drug testing applicants as a means to cut spending on unemployment benefits.

The NPRM proposed that "occupations that regularly drug test be defined as those required to be drug tested in Federal or State laws at the time the NPRM was published." When the final rule was adopted in 2016, that was expanded "to encompass any Federal or State law requiring drug testing regardless of when enacted."

There are six problems with the idea of drug-testing applicants for unemployment compensation as a means to cut spending on unemployment benefits because of the denial of benefits to those who fail a drug test. First, if a person is a drug user and is terminated by his employer because of his unlawful drug use, he doesn't qualify for unemployment compensation because he was terminated for just cause.

Second, Section 620.4 of the rule states that "drug testing is permitted only of an applicant, and not of an individual filing a continued claim for unemployment compensation after initially being determined eligible." There is no requirement that someone who receives unemployment benefits be tested again for drug use after his initial test. A drug user who was laid off from his job could simply wait until he was clean, then apply for unemployment compensation, and then begin using drugs again. A non-drug user could begin using drugs any time after he applied for unemployment compensation with no fear of losing his benefits.

Third, not only could someone use drugs while he receives unemployment benefits, there is nothing to prevent anyone from spending every penny of his unemployment

benefits (which are always paid in cash) on drugs throughout the duration of his benefit period. Fourth, there is nothing to prevent anyone from spending every penny of his unemployment benefits on substances and behaviors that are just as “bad” as drug use such as alcohol, pornography, prostitution, and gambling. Why focus just on drug use? Fifth, no state is required to conduct drug testing of those applying for unemployment compensation. And sixth, in more than half of the states, medical marijuana is legal; in eight of them, recreational marijuana is legal. How can someone in one of those states justly be denied welfare benefits for using marijuana when it is legal to do so?

Drug testing of unemployment compensation applicants is neither an efficient nor an effective way to cut welfare spending.

How to cut welfare spending

If drug testing of unemployment-compensation applicants is an example of how not to cut welfare spending, then what is the proper way to truly cut welfare spending? It’s actually quite simple: just cut it. If the federal government currently spends x amount of dollars on welfare spending, then reducing that spending by a certain

percentage or amount is a sure way to cut welfare spending. If the federal government currently spends x amount of dollars on a particular welfare program, then reducing spending on that program by a certain percentage or amount is a sure way to cut welfare spending. If the federal government currently operates x number of welfare programs, then reducing that number by a certain amount is a sure way to cut welfare spending. And of course, completely eliminating a particular program is the surest way to cut welfare spending and ensure that it doesn’t creep back up — at least for that particular program.

Completely eliminating a particular program is the surest way to cut welfare spending.

But if it is so easy to cut welfare spending in whole or in part by a certain percentage or amount or by the wholesale elimination of particular programs, then why is it never done? We know that Democrats, liberals, and progressives in Congress are wary of any spending cuts to any welfare program — as are their constituents and those of any political party who receive welfare benefits. That is understandable. But what about the Republicans,

conservatives, and constitutionalists in Congress?

Unfortunately, although they sometimes rail against parts of the welfare state using libertarian rhetoric, it is clear that when they have the power to actually cut or eliminate welfare programs, they usually maintain them as they are, sometimes expand them, and occasionally even create new ones. They simply have no philosophical objections to government welfare programs. Those who do have objections, but continue to vote for welfare spending because it is unpopular not to, because they are nervous about losing campaign contributions, or because they are afraid of not getting reelected are hypocrites and scoundrels. Even the conservatives who elect them and support them generally don't have any philosophical objections to government welfare programs — as long as they are run efficiently, with minimal fraud, have stringent requirements, have limited benefits, and don't cost too much.

The reason that welfare spending is never actually cut is that there are a number of things that must first be recognized about welfare programs before members of Congress have the will power to make the cuts and the general public is willing to accept the cuts.

It must be recognized that welfare programs don't need to be reformed, fixed, saved, revamped, simplified, trimmed, or made more efficient. They need to be eliminated and abolished, and all the government bureaucrats that administer them must be laid off, not reassigned — all of the programs and all of the bureaucrats. Although the elimination of one program or one bureaucrat is certainly to be preferred to the elimination of none, the ultimate goal of abolishing the welfare state must always be kept to the forefront.

It must be recognized that welfare programs are an illegitimate function of government.

It must be recognized that welfare programs are an illegitimate function of government. It is not the job of government to establish a safety net, maintain a retirement program, feed the hungry, house the homeless, eradicate poverty, guarantee a minimum income, subsidize anything, help children, or provide charity.

It must be recognized that welfare programs are clearly unconstitutional. The Constitution nowhere authorizes the federal government

to institute welfare programs, fund them, or create departments or agencies to administer them. If there are to be any welfare programs, then they must be instituted, funded, and administered by state governments.

A free society includes the freedom to be unsympathetic toward the disadvantaged.

It must be recognized that welfare programs are destructive. They are socialistic, they foster dependency on the government, they shift responsibility from the individual and families to society and the state, they contribute to class warfare, they are collectivist, they encourage indolence and fraud, they crowd out real charity, they are social-engineering schemes, and in many cases they actually harm welfare recipients.

It must be recognized that welfare programs are simply income-transfer programs. They redistribute income from the rich to the poor, from the young to the old, from the well to the sick, from workers to nonworkers, from producers to consumers, and from taxpayers to tax eaters.

It must be recognized that all charity can and should be provided

voluntarily. Otherwise, it is not charity at all, but theft. And theft “for a good purpose” does not a philanthropist make. No American should be forced to “contribute” to the welfare of any other American. The decision to aid those in need, like the decision to aid one’s family, friends, or neighbors, is a decision that should be left up to each individual American. A free society includes the freedom to be unsympathetic toward the disadvantaged, unconcerned about the struggles of the disabled, insensitive to the homeless, untouched by the needs of children, apathetic toward the hungry, uninterested in the plight of the poor, and indifferent to the diseased. It all comes down to the question of whether we are to have a society based on freedom or a society based on coercion.

Until those things are recognized by members of Congress, they will continue to fund welfare programs; they might just tinker with them every so often in an attempt to appease those who point out their destructiveness, cost, inefficiency, and fraud rates. Until those things are recognized by the general public, they will not accept cuts to welfare programs. The statist mindset that plagues both groups holds that members of a free society will

not sufficiently help those who are truly in need without coercion or prodding by the government.

Rather than excluding a few people from receiving the wealth of others because they failed a drug test, efforts should be focused on eliminating the income-transfer programs that make welfare possible.

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NEXT MONTH:
“Free the Fire Stations!”
by Laurence M. Vance

Resources of the spirit are like savings: They must be accumulated before they are needed. When they are needed, there is no substitute for them. Sooner or later, the individual faces the world alone, and that moment may overwhelm him if he has no resources within himself... We can escape our physical environment and our neighbors, but we cannot escape ourselves.

— Marten ten Hoor

The Invisible Hand of the State

by Will Tippens



It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.

— Adam Smith

The Wealth of Nations

As Adam Smith observed in 1776, when people seek to benefit themselves through voluntary trade, they unwittingly benefit society at large. This phenomenon is often referred to by the metaphor of the “invisible hand,” as if there were a mystical force guiding ordinary, self-interested persons towards order and productive behavior in the marketplace. Indeed, the explosion of trade occurring on a global scale over the past three centuries has ushered in an age of previ-

ously unimaginable interconnect- edness, innovation, and standard of living for the whole of humanity.

Persons acting through the modern nation-state — whether well-intentioned or not — have a similarly predictable track record. No single person can be said to have directed every action of government over the same span. And yet, as if guided by a similarly supernatural force, those who act through the means of state power tend towards predictable outcomes of their own.

States impoverish their citizens.

In economics, people value everything subjectively. So when two people trade, we can infer that each makes the other better off by trading for what the other person wants more than what he already has. That is why trade is a “positive sum” and the social phenomenon of money has been called “reciprocal altruism.” When two people trade with one another, both parties benefit. That is all the market is, but on an unfathomably large and complex scale.

Despite the abundant wonders of the market, it is often said that the government cares more about our well-being than those who want to sell us burgers and smart phones. After all, those people seek

profit! Social workers and police officers, on the other hand, are presumed to be selfless and disinterested. But even accepting the premise that every person in government is truly benevolent, bureaucrats would be unable to function as efficiently and dynamically as market actors.

Government is unique in that it is wholly disconnected from freely entered transactions. No one who works in government is compensated through the fruits of trade. Instead, government receives its revenue solely through taxation. Because of the disconnect from voluntarily entered transactions, government is heavily insulated from the forces that enable market calculation to take place. Ludwig von Mises wrote that “a bureaucrat differs from a non-bureaucrat precisely because he is working in a field in which it is impossible to appraise the result of a man’s effort in terms of money.” Even with the best motives and academically ordained experts, central planning of any service or good is simply grasping at straws in the dark.

Regardless of how legitimately well-intentioned a bureaucrat may be, every dollar that is taken as government revenue is a dollar that cannot be spent voluntarily in the

market. And preventing people from spending their own money on goods and services of their choosing stifles the creation of real wealth.

Government is a unique entity in that it is wholly disconnected from freely entered transactions.

Further, any harassment of business by government can only hamper economic efficiency and give businesses incentives to direct their resources to influence political outcomes instead of focusing on satisfying consumers themselves. Although that impact often goes unseen, the principle remains the same: every action taken through state means necessarily detracts from overall economic prosperity.

States bend the truth.

In the market, public exposure is vital for private entities to succeed. Since neighborhoods are not forced to eat at a single restaurant, restaurants must attract potential customers and keep them coming back or risk going out of business. That means every restaurant has natural incentives to research, advertise, and ultimately deliver food that satisfies customers enough to induce them to come back, all while remaining profitable and maintain-

ing a positive reputation. If a business fails in any of those categories, it withers and dies (unless it's "too big to fail" of course).

Government operates as a monopoly in a given territory and extracts all its revenue from taxation.

Government, on the other hand, operates as a monopoly in a given territory and extracts all its revenue from taxation. Instead of having to constantly compete with other providers to be actively chosen by consumers, the state must persuade its citizens only to remain tolerant of its ongoing operations — a far lower standard to meet. When an entity is divorced from individual consumer choice and is impervious to feedback signals from profit and loss, its emphasis invariably shifts from providing services to maintaining complacency in the existing status quo. Instead of being penalized for failure as in the case of the market, government failure tends to justify applying more resources towards the failed solution.

The state therefore has a strong incentive not to focus primarily on providing services but rather on tailoring information to fit its narrative. As Alexis de Tocqueville wrote

of the state's natural effect on the minds of its subjects, "The will of man is not shattered, but softened, bent, and guided; men are seldom forced by it to act, but they are constantly restrained from acting. Such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, till each nation is reduced to nothing better than a flock of timid and industrious animals, of which the government is the shepherd."

At the end of the day, the state does not have to sell you anything; it does not have to convince you to do business with it; it only has to convince you that there is no better option. In practice that often entails self-aggrandizement (exuding an aura of legitimacy and relevance in all matters), misdirection (scapegoating domestic and foreign factions), and controlling the way its citizens think (public schooling, confining peaceful behavior to "officially approved" areas).

As Mises said, "It is a fact that no paternal government, whether ancient or modern, ever shrank from regimenting its subjects' minds, beliefs, and opinions."

That does not require that any bureaucrat have ill motives or malignant, but when applied to the

state apparatus at large, information naturally seems to bend itself.

States return humanity to warring tribes.

Nothing symbolizes the invisible-hand metaphor better than the handshake. A handshake conveys mutual respect and cooperation, necessary conditions for all trade. When trade occurs throughout society, it fosters a climate of interdependence despite differences in sex, race, nationality, and culture. The handshake epitomizes the essence of all society: the bond of interconnectedness that arises through voluntary cooperation from individual persons acting freely.

But for those who choose to act through the apparatus of the state, a far more apt symbol is the fist. Beneath all its rhetoric, whitewashing, and special pleading, the state's only real tool is aggressive violence or the threat thereof. The state's very existence is predicated on a territorial monopoly. As the oft-applicable adage goes, "If all you have is a hammer, everything looks like a nail." If your only tool is aggression, everyone looks like an enemy.

True to form, the previous century witnessed states taking their violent behavior to a previously unimaginable scale. Through wars,

genocides, purges, and forced famines states slaughtered hundreds of millions of innocent people like cattle. *Hundreds of millions of individual persons*, each with his own childhood, personality, dreams, and potential. There is no way to ever account for the total impact of such unfathomable annihilation of human life. Only through the state's lens of collectivism can violence take place on such an obscenely anti-human scale. There is simply no other means through which people can act that could even scratch the surface of the sheer pestilence wrought upon humanity by government.

**Beneath all its rhetoric,
the state's only true tool is
aggressive violence or
the threat thereof.**

The natural result of market behavior is to foster peace and individual freedom. The natural result of state behavior is to trample the individual person in the name of the Nation. People who have never met each other are made mortal enemies on the basis of tribal membership and are not only given legal permission to murder one another, but are ordered to by their chieftains. "Collateral damage" is accepted as necessary, as any consider-

ation of ethics and base morality is blown to bits along with guilty-by-association civilians.

State power swells most to the beat of the war drums. For this reason, states will always tend to factionalize its citizens against one-another, foreigners, and even abstract, vague concepts that serve as boogeymen for political gain. Persons acting through the state exhibit the nastiest, least rational, and most herd-like behavior in all of humanity.

Conclusion

The market is what happens when people pursue their own ends peacefully using cooperation and voluntary organization. Through

trial and error, the natural effect of that process is to maximize prosperity for all — as if guided by an unseen benevolent hand. The state has precisely the opposite effect. Even if bureaucrats and politicians have the best possible motives, those who work within the state and control it are always steered towards the same old outcomes — waste, deceit, and violence.

So isn't it time the state gets an "invisible hand" metaphor of its own?

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“Community” (except as it is freely created by free individual persons), community conceived as a principle of social order prior and superior to the individual person, can justify any oppression of individual persons so long as it is carried out in the name of “community” or society or of its agent, the state.

— Frank S. Meyer

The Exit Strategy of Empire

by Wendy McElroy



The Roman Empire never doubted that it was the defender of civilization. Its good intentions were peace, law and order. The Spanish Empire added salvation. The British Empire added the noble myth of the white man's burden. We have added freedom and democracy.

— Gareth Garrett, *Rise of Empire*

The first step in creating Empire is to morally justify the invasion and occupation of another nation even if it poses no credible or substantial threat. But if that's the entering strategy, what is the exit one?

One approach to answering is to explore how Empire has arisen through history and whether the process can be reversed. Another is to conclude that no exit is possible;

an Empire inevitably self-destructs under the increasing weight of what it is — a nation exercising ultimate authority over an array of satellite states. Empires are vulnerable to overreach, rebellion, war, domestic turmoil, financial exhaustion, and competition for dominance.

In his monograph *Rise of Empire*, the libertarian journalist Gareth Garrett (1878–1954), lays out a blueprint for how Empire could possibly be reversed as well as the reason he believes reversal would not occur. Garrett was in a unique position to comment insightfully on the American empire because he'd had a front-row seat to events that cemented its status: World War II and the Cold War. World War II America already had a history of conquest and occupation, of course, but, during the mid to late 20th century, the nation became a self-consciously and unapologetic empire with a self-granted mandate to spread its ideology around the world.

A path to reversing Empire

Garrett identifies the first five components of Empire:

- the dominance of executive power: the White House reigns over Congress and the judiciary.
- the subordination of domestic concerns to foreign policy: civil

and economic liberties give way to military needs.

- the rise of a military mentality: aggressive patriotism and obedience are exalted.
- a system of satellite nations in the name of collective security;
- and a zeitgeist of both zealous patriotism and fear: bellicosity is mixed with and sustained by panic.

These are not sequential stages of Empire but occur in conjunction with one another and reinforce each other. That means that an attempt to reverse Empire in the direction of a Republic can begin with weakening any of the five characteristics in any order.

Garrett did not directly address the strategy of undoing Empire but his description of its creation can be used to good advantage. The first step is to break down each component of Empire into more manageable chunks. For example, the executive branch accumulates power in various ways. They include:

By delegation — Congress transfers its constitutional powers to the president.

By reinterpretation of the Constitution by a sympathetic Supreme Court.

Through innovation by which the president assumes powers that are not constitutionally forbidden

because the Framers never considered them.

By administrative agencies that issue regulations with the force of law.

Through usurpation — the president confronts Congress with a fait accompli that cannot easily be repudiated.

Entanglement in foreign affairs makes presidential power swell because, both by tradition and the Constitution, foreign affairs are his authority.

Entanglement in foreign affairs makes presidential power swell.

Deconstructing these executive props, one by one, weakens the Empire. When all five components are deconstructing, the process presents a possible path to dissolving Empire itself.

A sixth component of Empire

But in *Rise of Empire*, Garet Garrett offers a chilling assessment based on his sixth component of Empire. There is no path out. A judgment that renders prevention all the more essential.

That was why Garrett does not deal with how to reverse the process of Empire. Once an empire is established, he argues, it becomes a “prisoner of history” in a trap of its

own making. He writes, “A Republic may change its course, or reverse it, and that will be its own business. But the history of Empire is a world history and belongs to many people. A Republic is not obliged to act upon the world, either to change it or instruct it. Empire, on the other hand, must put forth its power.”

In his book *For A New Liberty*, Murray Rothbard expands on Garrett’s point: “[The] United States, like previous empires, feel[s] itself to be ‘a prisoner of history.’ For beyond fear lies ‘collective security,’ and the playing of the supposedly destined American role upon the world stage.”

Collective security and fear are intimately connected concepts. It is no coincidence that the sixth component of Empire — imprisonment — comes directly after the two components of “a system of satellite nations” and, “a complex of vaunting and fear.”

Satellite nations

“We speak of our own satellites as allies and friends or as freedom loving nations,” Garrett wrote. “Nevertheless, satellite is the right word. The meaning of it is the hired guard.” Why hired? Although men of Empire speak of losing China [or] Europe ... [how] could we lose

China or Europe, since they never belonged to us? What they mean is that we ... may lose a following of dependent people who act as an outer guard.”

Collective security and fear are intimately connected concepts.

An empire thinks that satellites are necessary for its collective security. Satellites think the empire is necessary for territorial and economic survival; but they are willing to defect if an empire with a better deal beckons. America knows this and scrambles to satisfy satellites that could become fickle. Garrett quotes Harry Truman, who created America’s modern system of satellites. “We must make sure that our friends and allies overseas continue to get the help they need to make their full contribution to security and progress for the whole free world. This means not only military aid — though that is vital — it also means real programs of economic and technical assistance.”

In contrast to a Republic, Empire is both a master and a servant because foreign pressure cements it into the military and economic support of satellite nations around the globe, all of which have their own agendas.

Garrett also emphasizes how domestic pressure imprisons Empire. One of the most powerful domestic pressures is fear. An atmosphere of fear — real or created — drives public support of foreign policy and makes it more difficult for Empire to retreat from those policies. In his introduction to Garrett's book *Ex America*, Bruce Ramsey addresses Garrett's point. Ramsey writes, Empire has "less control over its own fate than a republic,' he [Garrett] commented because it was a 'prisoner of history,' ruled by fear. Fear of what? 'Fear of the barbarian.'"

It does not matter whether the enemy is actually a barbarian. What matters is that citizens of Empire believe in the enemy's savagery and support a military posture toward him. Domestic fear drives the constant politics of satellite nations, protective treaties, police actions, and war. Foreign entanglements lead to increased global involvement and deeper commitments. The two reinforce each other.

The fifth characteristic of Empire is not merely fear but also "vaunting." Vaunting means boasting about or praising something excessively — for example, to laud and exaggerate America's role in the world. Fear provides the emotional impetus for conquest; vaunting provides the

moral justification for acting upon the fear. The moral duty is variously phrased: leadership, a balance of power, peace, democracy, the preservation of civilization, humanitarianism. From this point, it is a small leap to conclude that the ends sanctify the means. Garrett observes that "there is soon a point from which there is no turning back....The argument for going on is well known. As Woodrow Wilson once asked, 'Shall we break the heart of the world?' So now many are saying, 'We cannot let the free world down.' Moral leadership of the world is not a role you step into and out of as you like."

Conclusion

In this manner, Garrett believed, Empire imprisons itself in the trap of a perpetual war for peace and stability, which are always stated goals. Yet, as Garrett concluded, the reality is war and instability.

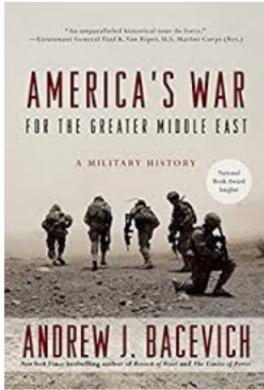
It is not clear whether he was correct that Empire could not be reversed. Whether or not he was, it is at its creation that Empire is best opposed.

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Come You Masters of War

by Matthew Harwood

America's War for the Greater Middle East by Andrew J. Bacevich (New York: Random House, 2016; 480 pages)



America's military involvement in the Middle East began in classic imperial fashion, according to military historian and retired Army colonel Andrew J. Bacevich. They had something we needed, and we made sure we had access to it. "Oil has always defined the *raison d'être* of the War for the Greater Middle East," he writes in the first paragraph of his magisterial work, *America's War for the Greater Middle East*. "Over time, other consid-

erations intruded and complicated the war's conduct, but oil as a prerequisite of freedom was from day one an abiding consideration."

By 1969, oil imports already made up 20 percent of the daily oil consumption in the United States. Four years later, Arab oil exporters suspended oil shipments to the United States to punish America for supporting Israel in the October War. The American economy screeched to a halt, seemingly held hostage by foreigners — a big no-no for a country accustomed to getting what it wants. Predictably the U.S. response was regional domination to keep the oil flowing to America, especially to the Pentagon and its vast, permanent war machine.

The Middle East was now a U.S. military priority, and the pursuit of direct American domination of the region came from none other than the supposed peacenik, Jimmy Carter. Before him, Richard Nixon was content to have the Middle East managed by proxies after the blood-letting America experienced in Vietnam. His arch-proxy was the despised shah of Iran, whom the United States had installed into power and then armed to the teeth. When his regime collapsed in 1979, felled by Islamic revolutionaries

who would eventually capture the American embassy and initiate the Iranian hostage crisis, so too did the Nixon Doctrine. That same year, the Soviet Union rolled into Afghanistan. The world was a mess, and Carter was under extreme pressure to do something about it, lest he lose his bid for a second term. (He suffered a crushing defeat anyway.)

Furies beyond reckoning

The result was the Carter Doctrine. Delivered to the American people during the 1980 State of Union Address, Carter started America's War for the Greater Middle East. Months earlier, in his infamous "malaise" speech, Carter asked Americans to simplify their lives and moderate their energy use. Now he declared America's right to cheap energy. "Let our position be absolutely clear," he said. "An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force."

Analyzing the Carter Doctrine, Bacevich writes that it "represented a broad, open-ended commitment, one that expanded further with

time" — one that "implied the conversion of the Persian Gulf into an informal American protectorate. Defending the region meant policing it." And police it America has done, wrapping its naked self-interest in the seemingly noble cloth of democratization and human rights.

During the 1980 State of Union Address, Carter started America's War for the Greater Middle East.

It is illustrative, and alarming, to list Bacevich's selected campaigns and operations in the region since 1980 up to the present, unleashed by Carter and subsequent presidents. Let's go in alphabetical order by country followed by the campaigns and operations:

Afghanistan (Cyclone, 1980–1989; Infinite Reach, 1998; Enduring Freedom, 2001–2015; Freedom's Sentinel, 2015–present); **Bosnia** (Deny Flight, 1993–1995; Deliberate Force, 1995; Joint Endeavor, 1995–1996); **East Africa** (Enduring Freedom—Trans Sahara, 2007–present); **Egypt** (Bright Star, 1980–2009); **Iraq** (Desert Storm, 1991; Southern Watch, 1991–2003; Desert Strike, 1996;

Northern Watch, 1997–2003; Desert Fox, 1998; Iraqi Freedom, 2003–2010; New Dawn, 2010–2011; Inherent Resolve, 2014–present); **Iran** (Eagle Claw, 1980; Olympic Games, 2007–2010) **Kosovo** (Determined Force, 1998; Allied Force, 1999; Joint Guardian, 1999–2005); **Lebanon** (Multinational Force, 1982–1984); **Libya** (El Dorado Canyon, 1986; Odyssey Dawn, 2011); **North/West Africa** (Enduring Freedom—Trans Sahara, 2007–present); **Pakistan** (Neptune Spear, 2011); **Persian Gulf** (Earnest Will, 1987–1988; Nimble Archer, 1987; Praying Mantis, 1988); **Saudi Arabia** (Desert Shield, 1990; Desert Focus, 1996); **Somalia** (Restore Hope, 1992–1993; Gothic Serpent, 1993); Sudan (Infinite Reach, 1998); **Syria** (Inherent Resolve, 2014–present); **Turkey** (Provide Comfort, 1991); and **Yemen** (Determined Response, 2000)

While Bacevich deftly takes the reader through the history of all those wars, the most important aspect of his book is his critique of the United States's permanent military establishment and the power it

wields in Washington. According to Bacevich, U.S. military leaders have a tendency to engage in fantastical thinking rife with hubris. Too many believe the United States is a global force for good that has the messianic duty to usher in secular modernity, a force that no one should ever interfere with, either militarily or ideologically.

U.S. military leaders have a tendency to engage in fantastical thinking rife with hubris.

As Bacevich makes plain again and again, history does not back up that mindset. For instance, after the Soviet Union's crippling defeat in Afghanistan, the Washington elite saw it as an American victory, the inauguration of the "end of history" and the inevitable march of "democratic capitalism." They didn't see that the U.S.-armed Afghan mujahideen also believed they were the victors and that they had every intention of resisting America's version of modernity as much as they had resisted the Soviet Union's. (America's self-destructive trend of arming its eventual enemies — either directly or indirectly from Saddam Hussein to ISIS, respectively — is a recurring theme of Bacevich's narrative.)

Over and over again after 9/11, America would be taught this lesson, as Islamic extremists, both Sunni and Shia, bloodied the U.S. military across the Greater Middle East, particularly in Afghanistan and Iraq. History cannot be controlled, and it had its revenge on a U.S. military and political elite who somehow believed they could see the future and manage historical forces toward a predestined end that naturally benefitted America. As Reinhold Niebuhr warned, and Bacevich quotes approvingly, “The recalcitrant forces in the historical drama have a power and persistence beyond our reckoning.”

Presidents would speak theologically of America’s role in the world.

Yet across America’s War for the Greater Middle East, presidents would speak theologically of America’s role in the world, never admitting the United States is not an instrument of the Almighty. George H.W. Bush would speak of a “new world order.” Bill Clinton’s Secretary of State Madeleine Albright would declare that America is “the indispensable nation.” George W. Bush’s faith in this delusion led him to declare a “global war on terror-

ism,” where American military might would extinguish evil wherever it resided and initiate Condoleezza Rice’s “paradigm of progress” — democracy, limited government, market economics, and respect for human (and especially women’s) rights” across the region. As with all zealots, there was no acknowledgment by the Bush administration, flamboyantly Christian, that evil resided inside them too. Barack Obama seemed to pull back from this arrogance in his 2009 Cairo speech, declaring, “No system of government can or should be imposed upon one nation by any other.” Yet he continued to articulate his faith that all people desire liberal democracy, even though that simply isn’t true.

All in all, American presidents and their military advisors believed they could impose a democratic capitalist peace on the world, undeterred that each intervention created more instability and unleashed new violent forces the United States would eventually engage militarily, such as Saddam Hussein, al-Qaeda, and ISIS. Bacevich explains that “this conviction, deeply embedded in the American collective psyche, provides one of the connecting threads making the ongoing War for the Greater Middle East some-

thing more than a collection of disparate and geographically scattered skirmishes.”

War and diplomacy

Another piece of connective tissue, according to Bacevich, is the belief that war is not the failure of diplomacy but a necessary ingredient to its success. The U.S. military establishment learned this “lesson” in Bosnia when U.S.-led NATO bombing brought Serbia to the negotiating table at the Dayton Peace Accords. “The proper role of armed force,” writes Bacevich, “was not to supplant diplomacy but to make it work.” Gen. Wesley Clark was more succinct when he called war “coercive diplomacy” during the Kosovo conflict. U.S. military force was no longer a last resort, particularly when technology was making it easier to unleash violence without endangering U.S. service members’ lives.

This logic would run aground in Iraq after 9/11 during what Bacevich calls the “Third Gulf War.” In an act of preventive war, the Bush administration “shocked and awed” Baghdad, believing U.S. military supremacy and its almost divine violence would bring other state sponsors of terrorism to heel after America quickly won the war.

“Vanquishing Saddam Hussein and destroying his army promised to invest American diplomacy with the power to coerce.” Although the Bush administration believed the war ended after three weeks, Bacevich notes, “the Third Gulf War was destined to continue for another 450.” The people on the ground, as the D.C. elites just learned in November, have a way of not going along with the best-laid plans made for them in the epicenters of power.

Gen. Wesley Clark was succinct when he called war “coercive diplomacy.”

There was hope that Barack Obama, a constitutional professor, would correct the Bush administration’s failures and start to wind down America’s War for the Greater Middle East. Instead, he expanded it into Libya, Pakistan, Somalia, Yemen, and West Africa through drone warfare and special-operations missions. Without “any unifying aim or idea,” according to Bacevich, the Obama administration’s “principal contribution” to America’s War for the Greater Middle East was to expand its fronts.

Now this war is in the hands of Donald J. Trump. If there is any upside to a Trump presidency — and I

find it hard to find many — it's the possibility that the intensity of American imperialism in the Middle East will wane. But I find that likelihood remote. Trump has promised to wipe out ISIS, which means continued military action in at least Iraq, Syria, and Libya. He has also called for more military spending, and I find it hard to believe that he or the national-security establishment will increase investment in the military and then show restraint in the use of force overseas.

As Bacevich clearly shows over and over again in his narrative, the men and women who make up the defense establishment have a fanatical, almost theological, belief in the transformational power of American violence. They persist in this belief despite all evidence to the contrary. These are the men and women who will be whispering their advice into the new president's ear. Expect Uncle Sam's fangs to grow longer, his talons sharper, his violence huge.

Bacevich, himself, is not hopeful. In a note to readers that greets them before the prologue, Bacevich is refreshingly terse with his assessment of America's war for the Greater Middle East: "We have not won it. We are not winning it. Simply trying harder is unlikely to produce a different outcome." And to this it's not hard to hear Trump retort, "Loser!" And so the needless violence will continue on and on with no end in sight unless the American population develops a Middle East syndrome to replace the Vietnam syndrome that once made Washington wary of war.

That lack of confidence in the masters of war can't come soon enough.

Matthew Harwood is a writer living in northern New Jersey. His work has appeared at The American Conservative, the Guardian, Reason, Tom-Dispatch, and others. He is senior writer/editor at the American Civil Liberties Union.

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