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# FUTURE OF FREEDOM

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*He who moves not forward, goes backward.*

— *Johann Wolfgang von Goethe*

# FUTURE OF FREEDOM

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## The Future of Freedom Foundation

11350 Random Hills Road

Suite 800

Fairfax, VA 22030

...

[www.fff.org](http://www.fff.org) · [fff@fff.org](mailto:fff@fff.org)

...

tel: 703-934-6101 · fax: 703-352-8678

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# The National Security-State and JFK, Part 3

by *Jacob G. Hornberger*



John F. Kennedy came into the presidency in 1961 as a standard Cold Warrior. Like most Americans, he had bought into the entire rationale for the Cold War — that is, that communism and the Soviet Union posed a grave threat to the United States and, therefore, that it had been necessary for the U.S. government to become a national-security state and for the United States to stop the spread of communism all over the world.

Soon after he became president, the CIA presented Kennedy with a plan for a violent regime-change operation in Cuba, one that entailed an invasion by CIA-trained Cuban exiles. Following the CIA's successful regime-change operations in Iran in

1953 and Guatemala in 1954, the CIA assured Kennedy, who opposed overt U.S. involvement in the invasion, that the operation could succeed without overt U.S. support, including U.S. air support.

It was a lie. In fact, given the widespread popularity among the Cuban people of Cuba's new leader, Fidel Castro, the CIA knew that the success of the invasion would require U.S. air support. What the CIA figured was that faced with the impending defeat of Cuban freedom fighters at the hands of Castro's communist forces, Kennedy would be put into a position where he would have to "save face" by providing air support and then doing whatever else was necessary to make the operation succeed.

The CIA-sponsored invasion took place at the Bay of Pigs three months after Kennedy became president. When it became clear that the operation was in danger of failing, the CIA asked the president for air support, fully expecting that he would say yes. But Kennedy stuck by his guns and refused to provide it. Castro easily defeated the invaders, killing or capturing more than 1,200 men.

"Rage" would be a good word to describe the reaction of the CIA, Cuban exiles, and the conservative

movement in the United States. By refusing to come to the aid of the Cuban freedom fighters, Kennedy was viewed as a coward and a traitor. By refusing the requested air support, he had, his critics felt, betrayed the cause of freedom and had doomed the Cuban exiles to death or imprisonment at the hands of the communists. Even worse, he had ensured that Cuba would remain under communist rule, where it would continue to be a grave threat to U.S. national security.

By the same token, Kennedy realized that the CIA had set him up and had tried to manipulate him into providing the needed air support. He publicly took responsibility for the debacle, and is said to have vowed that he would “splinter the CIA into a thousand pieces and scatter it to the winds.” He also fired the revered director of the CIA, Allen Dulles, and his deputy director, Charles Cabell.

It was the start of a war between Kennedy and the national-security establishment that would grow in intensity and, in fact, spread to the Pentagon during the next two years.

In the second year of Kennedy’s administration — 1962 — the Pentagon presented the president with another top-secret plan for a violent regime-change operation against

Cuba, one that would entail a full-scale U.S. military invasion of the island. Called Operation Northwoods, the plan called for terrorist attacks and plane hijackings to be carried out by secret agents of the CIA who would be posing as agents of communist Cuba. The plan, which would entail killing innocent Americans, would provide a pretext for invading Cuba and effecting regime change on the island.

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**Kennedy is said to have vowed that he would “splinter the CIA into a thousand pieces.”**

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Kennedy rejected the plan, to the consternation, anger, and suspicion of the Joint Chiefs of Staff (JCS), who had unanimously recommended approval of the plan. Failure to approve Operation Northwoods, they were convinced, meant that Cuba’s communist regime would continue to pose a great threat to U.S. national security.

Convinced also that the Cold War between the Soviet Union and the United States was destined to end in a real war — a nuclear war — the Pentagon presented a plan to Kennedy calling for a U.S. surprise nuclear attack on the Soviet Union, one not dissimilar to the surprise attack that Japan had carried out in

1941 on Pearl Harbor. The idea was that, since the United States had vast nuclear superiority over the Soviets at that time, a surprise U.S. attack could knock out most of the Soviet Union's retaliatory capability. When Kennedy asked about the projected outcome of the war, the Pentagon assured him that the United States would come out the winner, with only an estimated 40 million deaths as compared with the total destruction of the Soviet Union.

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**The Soviet missiles in Cuba were installed there purely for defensive purposes.**

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Kennedy rejected that plan as well, indignantly remarking to an aide, "And we call ourselves the human race."

### The missile crisis

The conflict between Kennedy and his national-security establishment came to a head in the fall of 1962, during the Cuban Missile Crisis. Realizing that the Pentagon wanted to invade the island and recognizing that the Cuban forces could never defeat a full-scale U.S. invasion, the Cubans turned to the Soviets for help. To deter the United States from invading Cuba, the Soviets installed nuclear weapons on the island.

It is not difficult to imagine the ire of the national-security establishment. If Kennedy had approved Operations Northwoods, they no doubt felt, America would not be in the fix it now found itself in.

Throughout the Cold War and beyond, U.S. officials and the U.S. mainstream press described the Soviet missiles as "offensive missiles." The notion has always been that Cuba and the Soviet Union were conspiring together to initiate a nuclear attack on the United States and that the United States was demanding a withdrawal of the missiles as a matter of self-defense.

Nothing could be further than the truth. In actuality, the Soviet missiles in Cuba were installed there purely for defensive purposes — that is, not to initiate an attack against the United States but rather to deter another U.S. attack on Cuba or to defend Cuba in the event of another U.S. attack on the island.

How do we know this?

Ever since the crisis, U.S. officials and the U.S. mainstream press described the Soviet missiles as "offensive missiles." If their purpose had been to start a nuclear war with the United States, however, they would have been fired.

Another consideration is that Soviet Premier Nikita Khrushchev

authorized Soviet commanders on the ground to fire the missiles only as a defensive measure in the event of a U.S. invasion of Cuba.

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**The U.S. national-security establishment brought the world to the brink of extinction.**

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Finally when Kennedy vowed that the United States would no longer invade Cuba as part of the deal struck to resolve the crisis, the Soviets withdrew their missiles from Cuba.

There is another relevant fact about the crisis that the American people have never wanted to confront: that it wasn't Cuba or the Soviet Union that brought the world to the edge of nuclear catastrophe. It was instead the U.S. national-security establishment — specifically, the Pentagon and the CIA — and their obsession with bringing about regime change in Cuba — that brought the world to the brink of extinction.

That brings us to why the CIA and the Pentagon were so insistent on regime change in Cuba in the first place. Why did the CIA plan to invade Cuba at the Bay of Pigs? Why Operation Northwoods? Why the demand on Kennedy to bomb and invade Cuba during the Cuban Missile Crisis?

It all goes back to the severe anti-communist and anti-Soviet mindset that had held the United States in its grip since the end of World War II. Given that the communists were hell-bent on world conquest, peaceful coexistence with the communist world was considered an impossibility. In the minds of CIA and Pentagon officials, there was going to be a war to the finish, most likely a nuclear war, with only one victor at the end.

That's why they conspired to remove the democratically elected Arbenz from power in Guatemala — because he himself was a communist who had reached out to the Soviet Union in a spirit of peace and friendship. It's the same reason that they conspired to remove Castro from power in Cuba, including, later, attempting to assassinate him. It's why they would conspire to remove the democratically elected Allende from power in Chile — because, like Arbenz, he too reached out to the Soviet Union and Cuba.

Mossadegh of Iran, Arbenz, and Allende were all considered grave threats to U.S. national security. But all three of them were of secondary importance compared with Cuba, which was located only 90 miles away from American shores. Once Castro took power in Cuba and re-

vealed his socialist-communist convictions and, even worse, reached out to the Soviet Union, the CIA and the Pentagon, along with other Cold Warriors, became convinced that the United States was in grave danger if the Cuban communist regime were permitted to remain standing.

The irony in all this is that hardly any American ever bothered to ask who was the aggressor and who was the defender in the ongoing hostility between the United States and Cuba. The fact is that Cuba never attacked the United States or even threatened to do so. It never initiated any acts of terrorism or sabotage within the United States. It never attempted to assassinate any U.S. officials.

Indeed, it was the exact opposite. It was the United States — specifically the CIA and the Pentagon — that did all those things to Cuba. They attacked and invaded Cuba at the Bay of Pigs. They committed acts of terrorism and sabotage inside Cuba. In partnership with the Mafia, the international criminal organization that Castro had tossed off the island, the CIA conspired to assassinate Fidel Castro.

Consider a top-secret CIA document that the National Archives released in July 2017 pursuant to

the JFK Records Act that was enacted in the 1990s as a result of Oliver Stone's movie *JFK*, which posits that Kennedy's assassination was a national-security regime-change operation. The document, dated October 16, 1962, called for demolition of a railroad bridge and port facilities in Cuba, a grenade attack against the Chinese embassy in Havana, mining of Cuban harbors, demolition of a power plant, demolition of a Soviet surface-to-air missile site, sabotage of a cooling tower, and gunfire destruction of an oil tanker in a Cuban harbor.

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**Cuba never initiated any acts of terrorism or sabotage within the United States.**

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Ask yourself: What would have been the response of the United States if Cuba or any other nation did those things here in the United States. Perhaps it's worth mentioning that the Chinese embassy in Havana constituted sovereign soil of China itself. A U.S. attack, overt or covert, on the Chinese embassy would constitute an act of war against China!

Nonetheless, today U.S. officials, America's public-school teachers, and the U.S. mainstream press continue to maintain, with straight

faces, that it was Cuba and the Soviet Union who were the aggressors during the Cuban Missile Crisis and that it was the United States who was the innocent victim of communist aggression.

The conflict between John Kennedy and the U.S. national-security establishment reached an apex during the Cuban Missile Crisis. The Joint Chiefs of Staff believed that the way that Kennedy handled and resolved the crisis was “appeasement” — in fact, worse than Chamberlain’s appeasement of Hitler at Munich, as one member of the JCS put it. Kennedy’s resolution of the crisis was considered a grave defeat at the hands of the communists, especially since it effectively put a permanent end to the U.S. national-security state’s regime-change operations against Cuba.

In one sense, the national-security establishment was right. While U.S. public-school teachers have long taught American students that Kennedy prevailed in the crisis and that Khrushchev had “blinked,” it was actually the opposite. It was Kennedy who “blinked” by vowing not to invade Cuba, thereby leaving the island’s communist regime permanently intact as a supposed perpetual threat to U.S. national security. Of course, it’s fortunate that he

did because if Kennedy had followed the CIA’s and Pentagon’s advice to bomb and invade Cuba, Soviet commanders would very likely have fired their operational nuclear missiles in defense.

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**The real grave threat to the freedom and democratic processes lay not with the Soviets, Cubans, and communists.**

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That wasn’t the end of the conflict between Kennedy and the U.S. national-security state. After the Cuban Missile Crisis, Kennedy achieved a “breakthrough” which enabled him to see the entire Cold War and the U.S. anti-communist crusade for the fiction they had always been.

By that time, Kennedy also understood what President Eisenhower had come to realize — that the real grave threat to the freedom and democratic processes of the American people lay not with the Soviets, Cubans, or communists but rather with the U.S. national-security establishment itself. Kennedy undoubtedly remembered Eisenhower’s Farewell Address, which warned the American people of the threat that the military-industrial complex posed to their freedom and democratic system. Kennedy also

played an instrumental role in the making of the novel *Seven Days in May*, which posited a military regime-change operation in the United States, into a movie. During the Cuban Missile Crisis, Kennedy's brother Robert had expressed the president's concern of a military coup in the midst of the crisis.

### Change of direction

On June 10, 1963, Kennedy threw down the gauntlet in one of the most remarkable presidential speeches in U.S. history, one that he prepared without consulting or advising either Pentagon or CIA officials. In what has gone down in history as his Peace Speech, Kennedy told an audience at American University that he had decided to end the Cold War. The United States would henceforth live in peaceful coexistence with the Soviet Union and the communist world. He expressly reached out to the Soviet communist regime in a spirit of peace and friendship. The president's speech was broadcast all across the Soviet Union, the first time that had ever happened.

A few months later, over the vehement objections of the Pentagon and the CIA, the United States entered into a nuclear test-ban treaty with the Soviet Union. Kennedy

also ordered a partial withdrawal of U.S. troops from Vietnam and told aides that he would order a complete withdrawal after his reelection in 1964.

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**Kennedy told an audience at American University that he had decided to end the Cold War.**

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It was one of the most dramatic and remarkable changes of direction in U.S. history. Needless to say, Kennedy's actions sent shockwaves throughout the U.S. national-security establishment. Not only was he challenging the official anti-Soviet, anti-communist, pro-Cold War mindset that had guided the United States since World War II, his turn in direction also connoted a grave threat to the long-term financial well-being and perhaps even survival of the entire national-security-state bureaucracy and ever-growing army of contractors and subcontractors that had become and would continue to be dependent on the Cold War and the permanent anti-Russia foreign policy.

Most ominous for Kennedy, however, was the fact that he was doing what Arbenz and Castro had done and what Allende would do that made them targets of regime-change operations. By reaching

out to the Soviet Union, he, like them, was committing a cardinal sin according to the U.S. national-security establishment.

On November 22, 1963, Kennedy was assassinated, thereby bringing his conflict with his national-security establishment to an end. His successor, Lyndon Johnson, resumed the old direction, continuing the Cold War, which would ultimately morph into the war on terrorism. With the full support of the Pentagon and the CIA, Johnson ramped up the Vietnam War, which ultimately cost the lives of more than 58,000 American soldiers and more than a million Vietnamese. The national-security establishment remained in existence,

and its budgets have never stopped growing. Official hostility against Russia has been made a permanent feature of America's foreign policy.

Kennedy's assassination was blamed on a communist.

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

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**NEXT MONTH:**

**“The National-Security State and JFK, Part 4”**

*by Jacob G. Hornberger*

**“Why Ruby Ridge Still Matters”**  
*by James Bovard*

*Let us therefore animate and encourage each other, and show the whole world that a Freeman, contending for liberty on his own ground, is superior to any slavish mercenary on earth.*

— George Washington

## Homeland Security's Multibillion-Dollar Comedy Show

by James Bovard



After the 9/11 attacks, Congress and the Bush administration pretended that unlimited federal spending was one of the best ways to thwart terrorist threats. In 2002, Congress created the Homeland Security Department (DHS), sweeping some of the most inept federal agencies, such as the Secret Service and the Federal Emergency Management Agency (FEMA), into the new megadepartment. Congress also created numerous programs — some run directly by FEMA — to shovel out more than \$30 billion in anti-terrorism funding to local and state governments.

As Sen. Tom Coburn (R-Okla.) observed a few years ago, “FEMA’s lax guidelines and oversight made

the agency a virtual rubberstamp for most anything that grant recipients creatively justified as related to homeland security — regardless of how loosely related.” Louisiana Homeland Security grant recipients spent \$2,400 for a lapel microphone and \$2,700 for a teleprompter. Fort Worth, Texas, spent \$24,000 of a federal anti-terrorism grant on a latrine-on-wheels. Other Texas local governments spent Homeland Security grants on “a hog catcher for Liberty County, body bags, garbage bags, Ziploc bags and two 2011 Camaros at \$31,000 apiece,” as a Senate report revealed.

DHS approved a Michigan police department’s spending \$6,200 of its grant on 13 sno-cone machines. The Senate report noted that local officials “defended the sno-cone purchases saying the machines were needed to treat heat-related emergencies.” DHS also asserted that the machines were “dual purpose” because they “could be used to fill ice packs in an emergency.”

The Jacksonville Urban Area Security Initiative used a DHS grant to produce an 8-minute film entitled “Domestic Terrorism: The First Line of Defense.” The film urged viewers to report any suspicious activity and to be especially wary of people who are “alone or nervous” or

people “of average or above average intelligence” (unlike the people who made the film). People were also told to be on the lookout for residents who displayed “increased frequency of prayer or religious behavior.” As a Techdirt analysis pointed out, “Broadly defined ‘suspicious behavior’ is a great way to make every citizen a suspect ... and justify every violation of personal privacy. If you need warrantless wiretaps or a reason to indefinitely detain U.S. citizens, all you have to do is start listing everyday activity as ‘suspicious.’”

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**“Broadly defined ‘suspicious behavior’ is a great way to make every citizen a suspect.”**

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Anti-terrorism funding has proven to be a boon for the travel industry. Many DHS grant recipients paid to send their employees to the HALO Counter-Terrorism Summit in 2012, which took place at the Paradise Point Resort & Spa on an island near San Diego. Invitees were told that “this luxury resort features over 460 guestrooms, five pools, three fantastic restaurants overlooking the bay, a world-class spa and state-of-the-art fitness center. Paradise awaits.” The highlight of the conference was a “zombie

apocalypse” show featuring “40 actors dressed as zombies getting gunned down by a military tactical unit.... Conference attendees were invited to watch the shows as part of their education in emergency response training,” as a Senate investigation reported. This type of federally subsidized mass-shooting rehearsal did not spur any protests from anti-gun groups.

DHS handouts make state and local law-enforcement agencies more intrusive and punitive. DHS has given a number of grants to purchase license-plate readers for police patrol cars. One California urban area spent \$6 million on the readers, which were used to detect vehicles with “excessive traffic violations.” Two years ago, DHS solicited proposals for private companies to create a national database on license-plate data that could disclose exactly when and where citizens drive. The subsequent firestorm caused DHS to temporarily back off from its proposal but it was rolled out again in 2015.

Maryland used federal Homeland Security grants to equip hundreds of police cars with license-plate scanners that create almost 100 million records per year detailing exactly where and when each vehicle travels. The grants also paid

for stationary cameras that recorded license plates passing on nearby roads. The massive databank, which mortifies the ACLU, has been almost a total failure at nailing violent criminals or car thieves or terrorists. Instead, almost all the license-plate alerts involve scofflaws who failed to take their cars in for mandatory vehicle-emissions tests.

### Increased surveillance

Local governments and agencies in the Chicago area spent \$45 million in Homeland Security grants to set up a network of surveillance cameras known as “Project Shield.” The system was justified as an anti-terrorist measure but was shut down after it was recognized as a boondoggle. A *Chicago Tribune* editorial derided the program as “Project Sieve.” Some of its equipment failed to function in hot or cold weather. Almost 20 percent of the equipment was misplaced or stolen. Idiotic decisions were made in where to place the surveillance cameras — in police-station lobbies for example. Congressman Michael Quigley (D-Ill.) denounced Project Shield as “corruption which makes us less safe.”

After the heavy-handed police response to protests in Ferguson, Missouri, in August 2014, Barack

Obama publicly fretted about the militarization of police. But many of the worst abuses have long been funded by DHS. A Senate report noted, “‘Militarized’ vehicles and bomb detection robots top the list of ‘must have’ equipment being purchased by law enforcement teams around the country.”

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### Many of the worst abuses have long been funded by DHS.

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Many police departments use DHS grants to purchase the same type of armored personnel carriers used by the U.S. military. The most popular model is the BearCat — an acronym for Ballistic Engineered Armored Response Counter Attack Truck. The Keene, New Hampshire, police department justified using federal funds to purchase a BearCat because of rowdiness at a local pumpkin festival. An Arizona police department used a BearCat to carry out a raid on a cockfight organizer. A police department in Washington state used its BearCat to “pull over drunk drivers.” The Clovis, California, Police Department displayed its BearCat at a local Easter egg hunt. A Senate report noted, “Police departments rave about the vehicles’ ‘shock and awe’ effect saying the vehicles’ menacing

presence can be enough of a deterrent for would-be criminals.” Unfortunately, there is no way to deter police departments from spending federal dollars to intimidate local taxpayers.

Police departments are also using DHS grants to buy drones to conduct surveillance over their entire domains. As the Senate report explained, “Given the proliferation of military drones used in war operations, local police now want similar equipment in their arsenal of crime-fighting tools.” Senator Coburn warned, “The deployment of these types of surveillance machines raises important questions about American citizens’ constitutional rights and the appropriate balance between improving security and freedom. Federal, state, and local policymakers must carefully consider whether new law-enforcement tools and strategies protect freedom or threaten civil liberties.” But few members of Congress have shown any interest in reining in federally funded abuses.

Federal grant money is enabling local police to buy other military-style devices. As a Senate report noted, “Long-Range Acoustic Device (LRAD) machines were originally developed for use by the military as a nonlethal way to repel adversaries,

including Iraqi insurgents or pirates, by making a loud and intense sound that is capable of damaging hearing.” Pittsburgh used \$88,000 of DHS grant money to buy a “long-range acoustic device” and used it on protesters at a 2009 international summit in Pittsburgh, leading to at least one lawsuit from a victim claiming permanent loss of hearing.

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### Federal anti-terrorism grants are spurring pointless intrusions around the nation.

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Federal anti-terrorism grants are also spurring pointless intrusions around the nation. The Washington, D.C., subway system has been plagued by high-profile violent attacks by riders (as well as horrendous service which occasionally kills passengers). The feds’ solution? Special grants of \$10 million or more per year to bankroll police to accost travelers before they enter the subway system and search their purse, briefcase, backpack, or whatever. Metro officials insisted that the searches were no big deal because they would be very brief — unless, of course, police found a reason to arrest someone or detain him for questioning. Police rely on hand-held explosive-detection devices which are well known to be

ludicrously inaccurate (and can be triggered by hand sanitizer or soap). A *Washington Post* reporter noted that “many of those transit commuters still have the option of traveling by car, where their property is likely to be safe from police search as long as they don’t commit a crime, a distinction no longer available to Metro riders.” The police search teams are not deployed in response to any credible threat; instead, they are simply sent out to establish police presence. This is akin to the “security theater” that TSA has made famous. But news that police conduct warrantless searches of passengers entering subway stops quickly spreads on social media. If someone wants to avoid the hassle (or the discovery of the nuclear bomb in his suitcase), he merely needs to go to a different metro station a mile or two away.

Federal anti-terrorism grants have been a great political success regardless of pervasive waste, fraud, and abuse. As author James Risén (who was targeted for years by both the Bush and Obama Justice Department for national-security leaks he received) observed, the “homeland security–industrial complex” has been a windfall for Washington. Politicians have “learned that keeping the terrorist threat alive provides

enormous political benefits.... A decade of fear-mongering has brought power and wealth to those who have been the most skillful at hyping the terrorism threat,” enhancing the “financial well-being of countless federal bureaucrats, contractors, subcontractors, consultant, analysis and pundits.”

The Trump administration has proposed curtailing some anti-terrorism grants to state and local governments but it remains to be seen whether Congress gets on board. What does the United States have to show for tens of billions of dollars of Homeland Security anti-terrorism spending by local and state governments? Michael Sheehan, former New York City deputy commissioner for counterterrorism, observed, “I firmly believe that those huge budget increases have not significantly contributed to our post–9/11 security.” But the war on terrorism has been an unmitigated victory for Leviathan and politicians at every level of government.

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*James Bovard is a 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.*

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# What Americans Should Know about the Constitution

by *Laurence M. Vance*



Having just finished reading a new biography of H.L. Mencken, I was intrigued when I discovered that the *Washington Post* had an online section about politics called “Monkey Cage.” It was Mencken who said, “Democracy is the art of running the circus from the monkey cage.” “Monkey Cage”’s mission “is to connect political scientists and the political conversation by creating a compelling forum, developing publicly focused scholars, and building an informed audience. Here, political scientists draw on their own expertise and the discipline’s research to illuminate the news, inform civic discussion, and make some sense of the circus that is politics.” But it was

the headline of the first post I read in the comments section that intrigued me even more.

“Too many Americans know too little about the Constitution,” read the headline. That is certainly not fake news, I thought. I saw that ignorance firsthand back when I taught American Government to high-school seniors. Most of them had absolutely no clue about federalism, the separation of powers, the differences between the House and Senate, or anything the Constitution actually said other than “separation of church and state,” which, of course, is a phrase not found in the Constitution. But, as Andrew Rudalevige made clear in his “Monkey Cage” post, ignorance of the Constitution is not limited just to high-school seniors. Adults — including college students and college graduates — are just as ignorant. Rudalevige is the Thomas Brackett Reed Professor of Government at Bowdoin College in Brunswick, Maine. He “specializes in the study of American political institutions, primarily the presidency and the interbranch relations, with a recent focus on presidential management of the executive branch.”

For years now, late-night television hosts, including Jay Leno and Jimmy Kimmel, have sent camera

crews onto the sidewalks in major cities and asked random pedestrians questions about U.S. history and government, including questions about the Constitution. The answers (and nonanswers) are comical. Some of them will make you cringe.

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**More than twice as many college graduates identified Thomas Jefferson, not James Madison, as the “Father of the Constitution.”**

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Last year the PoliTech political student group at Texas Tech University released a video titled “Politically Challenged” in which students at the university were asked very simple political questions, such as “Who is the vice president?” and gave answers that “were nothing short of appalling.” Of course, the students had no trouble naming famous actors or the actors’ television shows.

A few years ago an American-history literacy survey called “What Do College Graduates Know?” was conducted for the American Council of Trustees and Alumni, “an independent, non-profit organization committed to academic freedom, excellence, and accountability at America’s colleges and universities.” Three hundred college graduates between the ages of 21 to 34 were

interviewed, evenly divided between men and women. Only 58 percent could identify the Constitution as the document that “established the division of powers between the states and the federal government.” Some thought it was the Marshall Plan. A little more than half knew that the right to a speedy trial and public trial by an impartial jury was not one of the freedoms protected in the First Amendment. Thirty percent thought that the right to petition the government for redress of grievances, which is part of the First Amendment, was *not* one of the freedoms protected in the First Amendment. Twenty-two percent placed Lincoln’s famous statement from the Gettysburg Address, “government of the people, by the people, for the people” in the Constitution and more than 50 percent thought it appeared in the Declaration of Independence. Just 17 percent had it correct. Only 38 percent knew that the terms for members of Congress were 6 years for senators and 2 years for representatives. And more than two-thirds of college graduates identified Thomas Jefferson, not James Madison, as the “Father of the Constitution.”

The purpose of Rudalevige’s post was to introduce a small at-

tempt by Bowdoin College to remedy American ignorance of the Constitution. Beginning on June 27, and appearing every Tuesday throughout the summer, the professor began posting a 15-lesson educational video series dedicated to civics titled “Founding Principles.” The series, which Rudalevige narrates, “provides an introductory overview and basic understanding to American government, but one that is crucial to building citizen-leaders, promoting civic engagement, and working toward the common good.” It is “an instructive tool readily available and appropriate for a wide assortment of audiences.” It “lays out what the Constitution says; why it says it; how (and how well) it works now; and how that matters.” I have watched some of the videos. Although they do a good job of telling Americans what the Constitution says, they are inadequate to really inform Americans what they should know about the Constitution.

### The Constitution

Another Constitution Day has come and gone. September 17 is designated Constitution Day because it is the anniversary of the signing of the U.S. Constitution in 1787. Federal law requires “each

educational institution that receives Federal funds for a fiscal year to hold an educational program on the U.S. Constitution on September 17 of such year for its students.” Yet, in spite of that, and as Rudalevige wrote, too many Americans know too little about the Constitution.

The United States was set up as a federal system of government where the states, through the Constitution, granted a limited number of powers to the national government. As future president James Madison explained in *Federalist No. 45*,

The powers delegated by the proposed Constitution to the Federal Government, are few and defined. Those which are to remain in the State Governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation, and foreign commerce; with which last the power of taxation will for the most part be connected. The powers reserved to the several States will extend to all the objects, which, in the ordinary course of affairs, concern the lives, liberties and properties of the people; and the internal

order, improvement, and prosperity of the State.

There are about 30 powers given to Congress throughout the Constitution. Everything else is reserved to the states — even without the addition of the Bill of Rights and its Tenth Amendment.

Most of these powers are listed in the 18 paragraphs found in Section 8 of Article I on the Legislative Branch. Congress is therein given the power

- To lay and collect taxes, duties, imposts, and excises
- To borrow money
- To regulate commerce with foreign nations, among the states, and with the Indian tribes
- To establish rules and laws regarding naturalization and bankruptcies
- To coin money, regulate its value, and fix the standard of weights and measures
- To provide for the punishment of counterfeiting
- To establish post offices and post roads
- To secure to authors and inventors copyrights and patents
- To constitute tribunals in-

ferior to the Supreme Court

- To define and punish maritime crimes

- To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water

- To raise and support armies

- To provide and maintain a navy

- To make rules for the government and regulation of the land and naval forces

- To provide for calling forth the Militia to execute the laws of the Union, suppress insurrections, and repel invasions

- To provide for organizing, arming, and disciplining, the Militia

- To exercise exclusive legislation over the District of Columbia and federal installations.

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**There are about 30 powers given to Congress throughout the Constitution.**

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The last paragraph gives Congress the power “to make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution

in the Government of the United States, or in any Department or Officer thereof.”

Elsewhere in the Constitution, Congress is given the authority to admit new states into the Union; propose amendments to the Constitution or call a convention for proposing amendments; make or alter state regulations concerning national elections; direct the location of the place for the trial of a crime not committed within a state; declare the punishment for treason; provide the manner in which the public acts and records in each state are accepted by the others; dispose of and regulate the territory or other property of the United States; impeach and try the impeachment of federal officials; and provide by law for the case of the removal, death, resignation, or inability of the president or vice president.

The Constitution is not a long document, it is not an obscure document, and it is not a document that any American with a computer or smart phone couldn't access in a matter of seconds. Yet too many Americans know too little about the Constitution.

### Notable omissions

Just as important as what the Constitution says, is what it doesn't

say. The Constitution has some notable omissions that Americans should know about.

Americans should know that the Constitution gives the federal government no authority to wage war on drugs. That means no Controlled Substances Act, Office of National Drug Control Policy, drug “czar,” National Drug Control Strategy, Drug Enforcement Agency (DEA), or Domestic Cannabis Eradication/Suppression Program (DCE/SP), and no prohibitions or regulations relating to the buying, selling, growing, processing, transporting, manufacturing, advertising, using, possessing, or “trafficking” of any drug

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**Americans should know that the Constitution gives the federal government no authority to wage war on drugs.**

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Americans should know that the Constitution gives the federal government no authority to have anything to do with education. That means no student loans, Pell Grants, math and science initiatives, school breakfast and lunch programs, bilingual-education mandates, Head Start funding, Title IX mandates, teacher-education requirements, teacher-certification standards, school ac-

creditation, educational vouchers, Common Core, standardized-testing requirements, or special-education mandates, and no Department of Education.

Americans should know that the Constitution gives the federal government no authority to have anything to do with medicine. That means no Medicare, Medicaid, State Children's Health Insurance Program (CHIP), vaccination programs, HIV/AIDS-prevention initiatives, federal laboratories, National Institutes of Health, or Department of Health and Human Services, and no regulation of medical schools, drugs, hospitals, nursing homes, medical devices, or physicians.

Americans should know that the Constitution gives the federal government no authority to have anything to do with insurance. That means no National Flood Insurance Program, no unemployment insurance, no regulation of insurance companies, and no mandate that Americans must have health insurance.

Americans should know that the Constitution gives the federal government no authority to have anything to do with charity. That means no welfare programs, means-tested or otherwise, such as food stamps,

Temporary Assistance to Needy Families (TANF); Low Income Home Energy Assistance Program (LIHEAP); Women, Infants, and Children (WIC); Commodity Supplemental Food Program (CSFP); or Elderly Nutrition Program, and no refundable tax credits.

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**Americans should know that the Constitution gives the federal government no authority to have anything to do with medicine.**

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Americans should know that the Constitution gives the federal government no authority to have anything to do with a retirement or disability program. That means no Social Security, Supplemental Security Income (SSI), or Social Security Administration, and no Social Security payroll taxes.

Americans should know that the Constitution gives the federal government no authority to make gun-control laws. That means no gun-dealer licensing; no National Instant Criminal Background Check System; no Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF); and no regulations concerning guns, ammunition, magazines, gun shows, gun manufacturing, or gun sales. And all of that would be true even without the Second Amendment.

Americans should know that the Constitution gives the federal government no authority to have anything to do with labor. That means no minimum-wage laws, job-training programs, overtime requirements, Equal Employment Opportunity Commission (EEOC), Davis-Bacon Act, or National Labor Relations Board, and no Department of Labor.

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**Americans should know that the Constitution gives the federal government no authority to have anything to do with housing.**

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Americans should know that the Constitution gives the federal government no authority to fund research or the arts. That means no government scientific or medical research, no funding of clinical trials, no National Endowment for the Humanities (NEH), and no National Endowment for the Arts (NEA).

Americans should know that the Constitution gives the federal government no authority to have anything to do with housing. That means no Section 8 housing vouchers, public housing, homeless assistance grants, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), Federal

Housing Administration (FHA), or VA loans, and no Department of Housing and Urban Development.

Americans should know that the Constitution gives the federal government no authority to have anything to do with agriculture. That means no subsidies, guarantees, loans, Rural Development Agency, dietary guidelines, or Department of Agriculture.

Americans should know that the Constitution gives the federal government no authority to provide security for private businesses. That means that airports and airlines should handle their own security just like any other business and the Transportation Security Administration (TSA) should be abolished.

### **An objection**

Supporters of the welfare/nanny state frequently raise an objection to the limited authority the federal government has under the Constitution: the “general welfare” clause. The first paragraph of Article I, Section 8, of the Constitution, where this clause is found, reads as follows:

The Congress shall have power To lay and collect taxes, duties, imposts and excises, to

pay the debts and provide for the common defense and general welfare of the United States;...

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**“The general welfare clause doesn’t really mean unlimited federal authority to fund things beneficial to the nation as a whole.”**

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Typical is *Huffington Post* columnist Paul Abrams:

The general welfare. There is no adjective or adverb qualifying that authority. Article 1, Section 8, Clause 1 grants the United States government the unqualified and unlimited power to raise and spend money, for example, to: provide healthcare for the elderly (or for everyone); provide old-age pension; build roads, bridges, train tracks, airports, electric grids, libraries, swimming pools, housing; educate our children, re-train the unemployed, provide pre-school and day care; fund public health projects; invest in and conduct basic research; provide subsidies for agriculture; save the auto industry; create internets; and, yes, Tea Party Senator Mike Lee (R-UT),

even provide emergency aid from natural disasters, and so forth. All subsumed under the authority to spend for the general welfare.

Abrams believes that the authority of the federal government “to raise and spend money for the general welfare is broad, deep and unqualified.”

But as Michael Maharrey of the Tenth Amendment Center points out, “The fact that the Framers followed up the general welfare clause in Article I Sec. 8 with specific enumerated powers” indicates that “the general welfare clause doesn’t really mean unlimited federal authority to fund things beneficial to the nation as a whole.” If the Framers “had intended Congress should have the power to do virtually anything and everything to promote the general welfare, they wouldn’t have bothered to include specific powers.” This is the very point that James Madison — the Father of the Constitution — made in *Federalist No. 41*:

For what purpose could the enumeration of particular powers be inserted, if these and all others were meant to be included in the preceding

general power? Nothing is more natural nor common than first to use a general phrase, and then to explain and qualify it by a recital of particulars. But the idea of an enumeration of particulars, which neither explain nor qualify the general meaning, and can have no other effect than to confound and mislead, is an absurdity which as we are reduced to the dilemma of charging either on the authors of the objection or on the authors of the Constitution, we must take the liberty of supposing, had not its origin with the latter.

And in a letter written in 1792 just a few years after the adoption of the Constitution,

If Congress can do whatever in their discretion can be done by money, and will promote the general welfare, the Government is no longer a limited one possessing enumerated powers, but an indefinite one subject to particular exceptions. It is to be remarked that the phrase out of which this doctrine is elaborated, is copied from the old articles of

Confederation, where it was always understood as nothing more than a general caption to the specified powers, and it is a fact that it was preferred in the new instrument for that very reason as less liable than any other to misconstruction.

And in a letter written years later in 1831,

With respect to the two words general welfare, I have always regarded them as qualified by the detail of powers connected with them. To take them in a literal and unlimited sense would be a metamorphosis of the Constitution into a character which there is a host of proofs was not contemplated by its creators.

Clearly, the general welfare clause does not give Congress *carte blanche* to make any law or spend money on anything it pleases. The enumerated powers in Article I, Section 8, of the Constitution limit the federal government's spending power to specific things. Any tax collected and any money spent must be for the benefit of the United States as a whole — not for individual, regional, or special interests

— but only within the scope of the authority granted to the federal government by the Constitution.

### The most ignorant

Yes, too many Americans know too little about the Constitution. But the most ignorant of Americans when it comes to the Constitution are the very people that one would expect should know the most about it: members of Congress. All senators and representatives take an oath of office in which they solemnly swear that they will “support and defend the Constitution of the United States against all enemies, foreign and domestic” and that they will “bear true faith and allegiance to the same.” How are members of Congress supposed to “support and defend” and “bear true faith and allegiance” to the Constitution if they don’t know what it says, and, just as important, what it doesn’t say? Although all members of Congress are educated (only 20 House members have only a high-school diploma), and many have law degrees (36 percent in the House and 54 percent in the Sen-

ate), their continual votes to fund the welfare/nanny state show that they don’t have a clue about what the Constitution says or doesn’t say.

Libertarians don’t claim that the Constitution is perfect, ideal, or a libertarian document. But they do maintain that the Constitution is adequate as a check on the welfare/nanny state — if it were just followed. Americans need to know more about the Constitution. Someone has got to teach the members of Congress.

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*Laurence M. Vance is a policy advisor for The Future of Freedom Foundation, an associated scholar of the Mises Institute, and a writer at LewRockwell.com. Visit his website: [www.vancepublications.com](http://www.vancepublications.com). Send him email: [lmvance@laurencemvance.com](mailto:lmvance@laurencemvance.com).*

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**NEXT MONTH:**  
**“Middlemen, Government,  
and the Free Market”**  
*by Laurence M. Vance*

# Slavery and Segregation Were Federal Programs

by David D'Amato



Americans are afflicted with a “collective amnesia” that surrounds the subject of segregation, complacently assured that it was, if anything, a “minor factor” in the striking wealth gap that today divides white from black Americans. In his book *The Color of Law*, the Economic Policy Institute’s Richard Rothstein argues that not only have Americans forgotten the true legacy of segregation, they have also forgotten its principal cause. Rothstein contends that the polite, embarrassedly euphemistic story we find in the mainstream’s politics of respectability has ignored or underplayed important facts. “Most segregation,” he states in the book’s introduction, “*does* fall into the category of open

and explicit government-sponsored segregation.”

To undergird his claims, Rothstein adduces an impressive body of evidence, surveying a range of government policies and court decisions that he says show the government’s official “imposition of racial segregation,” both forceful and purposeful. His thesis, then, runs quite contrary to the comfortable notion that segregation in the United States is by and large the result of private (that is, nongovernmental) actors’ private decisions and is, therefore, not the kind of action against which the Constitution and federal civil-rights law protect.

Rothstein sets out to provide concrete facts supportive of the claim that federal government policies are implicated in segregation at every stage, stamping the “badge of slavery” on official actions of the government. This systematic segregation and (as Rothstein admirably does not hesitate to call it) ghettoization was neither an accident nor the spontaneous development of private prejudices, even if those played a role. “It was,” Rothstein argues, “a nationwide project of the federal government in the twentieth century, designed and implemented by its most liberal leaders.” If Rothstein is right and that is true, then it

follows that the government ought to provide appropriate remedies.

For libertarian readers, Rothstein's book immediately falls into a much broader, older conversation about the inability of the defective left-right political paradigm to make sense of the uniquely odious history that surrounds race in America. That paradigm unthinkingly places the small and anti-government positions of libertarians on its far right wing, grouped with racists and segregationists of all stripes. The whole of the conversation about the relationship between race and politics in the United States rests on a historical mistake — that government power has tended overwhelmingly to ameliorate the lot of black Americans.

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**The government's role in creating, perpetuating, and protecting slavery, America's ultimate disgrace, is simply forgotten.**

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In this version of history, the federal government is rendered coextensive with the exalted, if largely mythological, legacy of Abraham Lincoln, the Great Emancipator — and thus reimagined as a source not of abusive centralized power but of freedom and justice. That story, false though it may be, is deeply ingrained

in the discourse, popular and scholarly, about race in America, reaffirmed constantly, and held above inquiry. To question the notion that the federal government is the source of racial justice, to suggest that political centralization is in fact the cause of serious social and economic problems, is to brand yourself a reactionary or worse, a racist.

Somehow, the government's role in creating, perpetuating, and protecting slavery, America's ultimate disgrace, is simply forgotten, as if slavery were an example of free-market fundamentalism from which benevolent federal power rescued the nation. Similarly, conventional wisdom has it that in the time since slavery was officially abolished, aggrandizement of federal power to the detriment of the states has generally benefitted black Americans. Once considered, it is perplexing that the Left should want to pursue this line of hypothesizing, should want to absolve government power of its crimes against black Americans. But the federal government as enemy — which is to say, the truth — doesn't fit the narrative of the present moment, which casts Washington, D.C., as the savior of black people throughout American history, from the Civil War to the civil-rights era.

## Slavery

*The Color of Law* vindicates libertarians, though of course it doesn't set out to. It bolsters a position libertarians have maintained for generations, one so simple and obviously true that it shouldn't need to be defended at all: the United States's shameful history of racial injustice, including Jim Crow laws and segregation, has absolutely nothing to do with the libertarian philosophy of nonaggression and respect for individual rights. That is an extremely unfashionable view. Progressives and socialists have made blaming libertarians for America's brutal history of racial injustice a favorite pastime.

In a representative article in *Aeon*, Blake Smith claims that “the original laissez-faire economists loved slavery” and argues, “the birth of modern capitalism depended not only on the labour of enslaved people and the profits of the slave trade, but also on the example of slavery as a deregulated global enterprise.” Hundreds of books and articles prosecute this most absurd case — that because actually existing American capitalism was built on the backs of slaves, today's free-market libertarians are apologists for an essentially racist political and economic program.

Our calls for economic freedom and political decentralism are just coded language.

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**The United States's shameful history of racial injustice has nothing to do with the libertarian philosophy of nonaggression and respect for individual rights.**

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Smith (and the many others who accept the same ideologically shaped narrative) conveniently omits any mention of the fact that exponents of liberal political economy were among the earliest, most active and outspoken enemies of the slave trade and slavery in general. That fact simply doesn't fit Smith's stylized version of history, which of course is not history at all but merely an unsophisticated anti-free-market polemic. Today's political Left will go to any lengths to pin America's disgraceful history of racial injustice on the champions of limited government and economic freedom. Such tortured attacks on the free market seem like so many propitiations to the gods of good taste; their connections to historical reality aren't as important as their propaganda value. The relationship between the philosophical questions surrounding slavery and the 18th- and 19th-century free-trade

tradition as we actually find it in history undoubtedly remains contested historical ground. But it is lazy and inaccurate both to conflate libertarianism's strictly hypothetical vision of free markets with the deeply interventionist historical American economy (at any point hitherto), and to attempt to excise the dauntless anti-slavery efforts of classical liberal free-traders from the historical record. Historian Marc-William Palen, for example, underscores "the strong transatlantic connections between Victorian free-trade ideology and abolitionism," centered on the group surrounding noted radical free-trade campaigner Richard Cobden. "Cobdenites," Palen observes, "numbered among the leading transatlantic abolitionists."

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**The Supreme Court "got [its] facts wrong" in believing "that residential segregation was mostly created by private choices."**

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Libertarians argue that, in general, mechanical or institutional constraints on government power function more effectively than do words on paper. We see federalism not as an end in itself, not even as an indispensable component of libertarian theory in itself, but as an instrument with which we can

serve the more important, underlying goal of individual liberty. And as legal scholar Ilya Somin points out, such decentralist and federalist reasoning implies the ability to move about freely, to vote with one's feet by exiting the territory of the abusive government in question. Somin notes that "state efforts to constrain the mobility of their citizens" undermine the entire theoretical structure, which requires real competition between the states. "Slavery, of course, was the paradigmatic example of a state policy intended to curb mobility." Yet libertarians are somehow blamed for slavery and its inhuman restrictions on movement — that is, for the most serious and obvious affronts to basic libertarian principles.

### Easily avoided errors

The arguments in *The Color of Law* play out against this backdrop; one cannot fully understand Rothstein's arguments without understanding the historical debate sketched above. An accurate picture of the historical record is especially important here insofar as Rothstein's chief claim is that the Supreme Court "got [its] facts wrong" in believing "that residential segregation was mostly created by private choices." Readers who

believe with Rothstein that such “segregation was created by state action” will find themselves puzzled at the author’s proposed solutions, all of which call for more state action. At times, Rothstein too readily indulges his impulse to blame concrete, coercive government action, even to this libertarian reader. For example, in his chapter “Private Agreements, Government Enforcement,” Rothstein argues, as the title of the chapter implies, that even genuinely private contractual obligations are a form of government-backed discrimination. Most libertarians would disagree, however abhorrent is the notion of something like a whites-only clause to our philosophy.

In including such arguments, Rothstein seems to want to have it both ways: the whole book is premised on the claim that private prejudice, encapsulated in things such as “racial clauses in deeds and mutual agreements,” was, as a matter of actual, historical fact, insufficient to bring us to the point at which we find ourselves today. That claim, strong enough on its own merits, is seriously undermined by Rothstein’s confusing of private contracts with government action — exactly what he promises not to do at the outset.

Libertarians will be familiar with this easily avoided mistake. It’s what happens when one has studied discrete public-policy problems without considering the deeper questions that precede them, that is, questions of political theory. Had Rothstein a more solid understanding of the theory — the political philosophy — that is necessary to a worthy task such as his book’s, he would be able to see the difference between mere enforcement of a private contract and, for instance, active Federal Housing Administration sponsorship of discrimination. After all, one cannot undertake to sort justice from injustice without a sophisticated theory about what rights individuals possess, what they are allowed to do as long as they leave others in peace, equally free to exercise their rights.

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**Rothstein accepts the fallacy that we are the government or are in some way responsible for its actions.**

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In his good-hearted, if naive, desire for appropriate remedial action, Rothstein accepts the fallacy that we are the government or are in some way responsible for its actions, even those hundreds of years in the past. “It was our govern-

ment,” he says, “that segregated American neighbors, whether we or our ancestors bore witness to it, and it is our government that now must craft remedies.” That is among the worst and most dangerous of all fallacies, the kind of reflex collectivism that can only aggravate existing problems. This poisonous thinking naturally drives the policy prescriptions that *The Color of Law* recommends “to provide an adequate environment for [the government’s] integration efforts,” among them, failed socialist ideas such as “a full employment policy, minimum wages that return to their historic level and keep up with inflation, and a transportation infrastructure that makes it possible for low-income workers to get to jobs that are available.”

We must assume that Rothstein is simply unaware of minimum-wage laws’ own racist history, their goal of full unemployment for black Americans and other undesirables. How often we see Progressives’ policy proposals undermining their stated goals. If the Supreme Court’s jurisprudence has been, as Rothstein contends, based on a misreading of the facts, then so are his hastily drawn remedies, which ignore the empirical record of state intervention.

It is regrettable that Rothstein ultimately fails to recognize the broader implications of his own argument. Human beings, possessed of the power to rule others, behave much worse, not better, corrupted by that power rather than elevated by it. We have so enskied political power that we no longer see its true corrupting nature. Progressives such as Rothstein fall again and again into the trap of believing that unchallenged political authority can be a tool used for good. It is astonishing to see *The Color of Law* call for a laundry list of destructive government actions even as the book’s own words argue that federal programs are “reinforcing racial isolation” even today. As a corrective to the country’s “comfortable delusions” surrounding race, *The Color of Law* is a welcome addition to the literature. But, as is so often the case, as a formula for solving the problem as described, it shoots wide of the mark.

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*David S. D’Amato is a policy advisor at the Future of Freedom Foundation, an attorney, and an adjunct law professor. He is also a regular contributor at the Cato Institute’s [Libertarianism.org](http://Libertarianism.org) and a policy advisor at the Heartland Institute.*

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## Felix Morley, Champion of the American Republic

by Wendy McElroy



The American socialist Ed Sard is reported to have originated the concept of a “permanent arms economy” as a way to explain why America experienced a post–World War II boom, while World War I had been followed by recession. Sard concluded that the United States retained many of the characteristics of a war economy, including what today is called “the military-industrial complex.” Capitalism was shored up by continued military spending, he argued. Rooted in Marxism, Sard coupled keen political insight with badly flawed economics.

The concept was far better enunciated by the libertarian journalist and scholar Felix Morley (1894–1982). A war economy crippled

capitalism in myriad ways, Morley argued, including the public’s increased dependency on government and increased skepticism toward free-market solutions; the system war truly promoted was socialism.

As an advocate of limited government, Morley believed the centralization of power during war and preparation for war was the core dynamic by which America had moved from a republic to an empire. In his essay “Felix Morley and the Commonwealthman Tradition: the Country-Party, Centralization, and the American Empire,” libertarian scholar Leonard Liggio rendered a sense of Morley’s analysis. Liggio paraphrased Morley: “The War of 1812 caused a national debt, a national bank, protective tariff and ... strongly centraliz[ed] Supreme Court decisions. The Mexican War caused extension of slavery, military government and central administration of conquered territories. The Civil War greatly expanded civilian and military bureaucracy.”

The greatest centralization came with World War II which, in turn, flowed from Franklin Roosevelt’s “New Deal.” The term “New Deal” collectively describes an onslaught of sweeping social and political programs through which the govern-

ment assumed massive control of the economy. Morley had a front-row seat from which he delivered his criticism.

World War II ended but the centralization did not. Morley explained why: America had reached a tipping point in the tension between Republic and Empire. He believed Americans almost instinctively “mistrust empire. Common sense tells us that the republic was never designed to run an empire. Imperialism requires centralization of power, and all the political institutions of our federal union were carefully planned to make that centralization difficult.”

By the end of World War II, however, Empire had gained the upper hand. “Unwittingly and unwillingly, the American people had accepted imperial burdens that strongly imply the passing of their Republic.... Soon, on a frontier stretching from Korea to Bavaria, an interventionist America was maintaining conscript troops, and pouring forth its substance, in a Herculean effort to ‘contain’ the very forces that our own ‘diplomacy’ had released.

To prepare “an interventionist America” for war, massive industries were created and funded by war-level defense spending. Intrud-

ing into the politics of other nations became policy, with greatly expanded surveillance of both foreign and domestic threats. All corners of society were politicized. Through regulation, taxes, and government funding, America slowly became a permanent war economy with preparation for war substituting for the reality of it. The constantly simmering conflict was called the Cold War.

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**“Common sense tells us that the republic was never designed to run an empire.”**

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Some advocates of Republic denied reality even to the threat. *American Conservatism: An Encyclopedia*, by Bruce Frohnen, Jeremy Beer, and Nelson O. Jeffrey noted, “The Cold War was the fault line.... Many of the libertarians at *Human Events* [a journal published by conservatives and libertarians], including Morley, tended not to see the Soviet Union as an immediate threat to America’s security interest and opposed arming for a showdown with Russia.” They did not quietly surrender to empire.

***Freedom and Federalism, the true America***

Morley’s book *Freedom and Federalism* (1959) is both a ringing

defense of the federal system of government and an indictment of the centralizing power of war. The title of chapter 12 reflects how he believed the American Empire continued to expand: “The Need for an Enemy.” To make Americans go against their instincts and history, there had to be an enemy of which they were so horrified that freedom would be sacrificed for security.

The Soviet Union was perfect. Its economic and political system were antithetical to the American tradition. It had joined (albeit temporarily) with Hitler against the Allies, and it still challenged America for dominance around the globe. The Soviet Union was also militaristic and mighty enough to make American blood run cold.

Morley did not consider the Soviets to be either an immediate threat or a threat to the American mainland, but he knew it would be viewed as such. In his essay “American Republic or American Empire,” he sadly concluded,

We seem to have reached the stage, in our national evolution, where we have a vested interest in preparation for war. It has become necessary for us to have a powerful enemy. Soviet Russia is currently our

target not only because its economic system is communistic and its political system tyrannical, but perhaps primarily because the Russian organism rivals ours in actual or latent physical power. Russia could revert to free enterprise, or restore an hereditary Czardom, tomorrow; and still our Secretary of State would be compelled to question her bona fides. Peaceful co-existence with Russia is impossible not simply because of Communist plotting but because our economy apparently needs the constant stimulus of a threat of large-scale war. That, I greatly fear, is the fact....

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**There had to be an enemy of which Americans were so horrified that freedom would be sacrificed for security.**

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Economic pressures also created a felt need for an enemy:

- Both parties accepted the policy of “full employment,” largely because of union demands and New Deal work programs. If private jobs were not plentiful enough, then government would become a de facto employer with the military-industrial complex playing a pivotal role.

- Without a forced overproduction, a chain reaction would shake the economy. Morley used the automobile industry as an example: “Any protracted slowdown in automobile production will ... threaten the employment both of steel workers and of salesmen. Then ... clothing stores in Pittsburgh find they don’t need so many clerks, and advertising agencies in New York dispense with copy-writers. Grocery sales go down and newspapers fail to replace ... reporters. There is no end of it...”

- Industries that rely on defense spending would have to close if it was cut off. Then “the retarding effects of a depression” would spread quickly as would the “stimulative consequences of inflation.”

- Defense spending is a way to reward cronies and for politicians to make a handsome profit, in a round-about manner.

### Conclusion

Capitalistic societies experience a contraction after a war largely because of the suspension of military spending. But after World War II, America’s defense spending continued to soar. The reason: America avoided peace. The infusion of public money into military goods and

services on “a gigantic scale” created the permanent war economy with its “spurious prosperity.”

Morley introduced an ominous note. He wrote, “Because of the tremendous vitality of our economy we have guns without abstaining from butter, and with a depreciation of the dollar rather less than might have been expected from so much unproductive spending.” The comment is ominous because the process cannot go on forever. Sooner or later, the vitality of the private sector will be drained beyond its ability to pay for both guns and butter. The dollar may lose resistance to depreciation; the price of goods will increase.

Today, the moment of reckoning seems to be “sooner,” not “later.” The rapid increase in military spending suggests the same. As the economy teeters, the war establishment will turn to its “go to” solution — ramping up the permanent war economy.

But, first, it needs an enemy.

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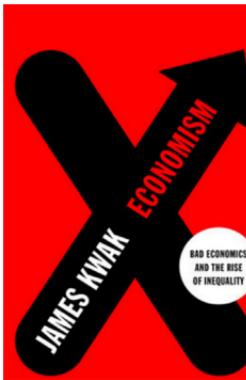
*Wendy McElroy is a fellow of the Independent Institute, and the author of The Reasonable Woman: A Guide to Intellectual Survival (Prometheus Books, 1998).*

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# A Bad Attack on Libertarian Economics

by George Leef

*Economism: Bad Economics and the Rise of Inequality* by James Kwak (Pantheon Books, 2017; 237 pages)



There is a nasty genre of writing: books and articles that seek to build the case for socialism and interventionist government policies by smearing those of us who oppose them. That approach appeals greatly to Progressives who think that they are virtuous and their enemies must therefore be driven by base motives.

Such a book is *Economism: Bad Economics and the Rise of Inequality*, by University of Connecticut law professor James Kwak. He is ex-

tremely bothered by the fact that free-market arguments often succeed in derailing the kinds of socialistic policies he believes we need to combat inequality. And they succeed with what Kwak deems “simplistic” concepts.

Many years ago, I taught introductory college economics courses. Perhaps today one of my former students, if asked whether or not he supports increasing the minimum wage would reply, “No, because what I learned about economics makes me think that doing so will lead to more unemployment among workers with low-skill levels.”

That sensible response, according to Kwak, would exemplify the harmful phenomenon he calls “economism.” When people make decisions on what he deems complex policy questions on the basis of their having absorbed some of the “simple” concepts from Econ 101, that’s a bad thing. In his view, the United States is being held back from addressing the crucial issue of rising inequality because economism has indoctrinated so much of the population. If, for example, that former student opposes the minimum wage because he remembers that price increases mean decreases in demand, that shows the malign force of “economism” at work.

The “elegant model” of supply and demand, Kwak writes, “requires that all suppliers offer the same product — there are no differences in features, quality or anything else — and each competitor is so small that its behavior has no effect on overall supply.” Because the model of a perfectly competitive market is unrealistic, Kwak argues, it follows that the basic teachings derived from it are not reliable policy guides. We really can’t be sure about the impact of a mandated wage increase, for instance, and it’s therefore wrong to instruct impressionable students that there are any necessary implications from it or other interventionist policies. This artificial model, however, does not describe free-market economics and plays no role in comprehending human action.

### Down with economics!

In short, learning the basic principles taught in Econ 101 is an instance of the old adage that a little learning is a dangerous thing. If it weren’t for the simplistic notions implanted in people’s minds about those principles, we would have adopted a host of regulatory and tax policies to relieve suffering and make America a more equal nation.

If that seems like an attack on economic theory, that’s exactly

what Kwak is doing. He derides writers such as Henry Hazlitt for arguing that the world obeys economic laws. Theory, Kwak maintains, has been overthrown by data. We can discover the impact of different policies only by looking at studies after implementing them, and if any study finds an apparently beneficial result, that’s adequate justification for it. Naturally, he points to outlier academic studies finding little or no harm from minimum-wage increases and little or no benefit from tax cuts to make his case that the world is too complicated for mere theory.

Where does economism have its roots? They’re found in the ideas of economists who have argued that free markets lead to the most efficient use of resources to satisfy the desires of consumers and, equally important, that coercive interference with markets will have predictable and generally harmful consequences. Kwak displays a superficial familiarity with those economists. Throughout the book, he mentions Adam Smith, Ludwig von Mises, Friedrich Hayek, Milton Friedman, and others. All of them opposed the sorts of interventionist policies that he thinks are now necessary to restore fairness: trade restrictions, minimum-wage laws,

strong labor unions, high taxes on the wealthy, and so on.

But Kwak never ventures a direct assault against their ideas. Rather, his contention is that their theoretical notions, while not necessarily wrong, have been pulled out of their books and impressed into the service of rich Americans who were unhappy that the New Deal had slightly reduced their share of national wealth, and wanted some means of fighting back. If, for example, Charles Koch cites Milton Friedman on the benefits of deregulation in an op-ed, that's bad old economism at work — using simple, merely theoretical ideas to tear down our regulatory apparatus so his companies can gain.

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**Kwak never ventures a direct assault against free-market ideas.**

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In Kwak's version of history, America had settled into a comfortable and relatively fair equilibrium under the enlightened policies of Franklin Roosevelt, which sensible Republicans continued under Dwight Eisenhower. But then a few people on the far Right decided that the New Deal's big administrative state was an obstacle to their wealth maximization, so they created a movement to counter it, a move-

ment centered around the anti-interventionist arguments of Smith, Mises, et al. Thus was economism born. It takes "simplistic" economic concepts and repackages them into op-eds and videos and radio commentaries designed to get Americans to believe that free markets are always good and government interference with them is always bad.

In making his argument, Kwak is relentlessly uncharitable toward his opponents. They're depicted as mean-spirited people, all about money for themselves, never about principled economic and philosophical arguments against government coercion. William Graham Sumner is tarred with the false claim that he was indifferent to the poor, who just "deserved it." Leonard Read, founder of the Foundation for Economic Education, was just a business executive looking for ways to put business back on top, not a man with a deep philosophic commitment to liberty. Americans who oppose the minimum wage merely want to keep down labor costs for business and those who argue for tax cuts do so only because their deep pockets could hold a few more dollars.

Kwak can't even resist a dig at two Nobel laureates who provide ammunition for the practitioners of econo-

mism. Writing about Hayek and Friedman, he says, “Both were well versed in the complexities of various markets, even if their political sensibilities constantly colored their economic assessments.” I don’t think I have ever before seen the intellectual sincerity of Hayek or Friedman called into question, but Kwak feels the need to suggest that they were part of the right-wing cabal against the Golden Age of Progressivism.

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### Kwak has to ignore some inconvenient facts.

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To make his attack on the purveyors of “economism” as people who are all about greed and couldn’t care less about the poor hold up, Kwak has to ignore some inconvenient facts. Who opposes harmful labor-market restrictions such as occupational licensing that drive up prices for the poor, while at the same time preventing many from finding good work? They are almost always people who are imbued with “economism.” Who opposes crony capitalism that lines the pockets of the politically connected rich and who opposes the government schooling monopoly that so harms the chances for success of children from poor families? Again, those of us who have absorbed the basics of Econ

101. But Kwak is so adamant to portray economism as a wholly malign force that he can’t admit that it works for the poor and against the (unjustly) rich.

While Kwak claims that he isn’t trying to say who is right and who is wrong in policy debates and only wants deeper and more-enlightened debate, that’s hard to take seriously. He never indicts any of the equally simple arguments that come from Progressives. For every instance of economism — let’s say a *Wall Street Journal* editorial saying that raising the minimum wage will cause increased unemployment — it’s easy to find one of simple egalitarianism — say a *New York Times* op-ed declaring that raising taxes on the “1 percent” is a matter of basic fairness. Only the former appears to bother our author; simplistic appeals that help advance the policies he likes occasion no complaint from him.

Whatever impact the book has will be to encourage true-believing Progressives to say “Well, that’s just economism for you” any time they encounter an argument that’s premised on supply and demand, incentives, efficiency, or other concepts of basic economics. Instead of promoting deeper debate, the book encourages leftists to believe that free-market arguments are just a mask for greed.

## Objections

Besides the book's tactic of impugning the motives of those who argue for free markets and noninterventionist government, Kwak's work is open to two obvious objections.

First, is it true that basic supply-and-demand analysis is so drummed into American students that they reflexively oppose government interventionism? Demonstrating that would seem to be crucial to Kwak's case, but he never even bothers to try. Only a small percentage of Americans ever take an economics course (they are required at very few colleges) and as Daniel Klein has shown, many economics professors are not free-market enthusiasts. Among the minority of students who do take an Econ 101 course, many are taught in a way that gives more attention to alleged market failures and the need for intervention than to the adverse consequences of tampering with prices. In the rest of the college curriculum, students are far more likely to be imbued with egalitarian and statist ideas than to hear anything that reinforces supply-and-demand theory from Econ 101. If "economism" affects American thinking, its impact is far, far smaller than Kwak would have us believe.

The second obvious problem is that despite the supposedly gigantic

barrier of economism, the United States has kept right on increasing the power of the state to interfere in markets. Economism did not prevent the Affordable Care Act from passing; it didn't keep Congress from raising the minimum wage in 2007 or keep Seattle from raising it to \$13 per hour last year; it didn't prevent ethanol subsidies or steel tariffs; it didn't keep states from enacting laws against price gouging. Nor has the government repealed any of the laws that people infected with economism have long railed against. The Davis-Bacon Act? Still on the books. The Department of Education? Ronald Reagan promised to abolish it, but it's still here.

In short, Kwak vastly overstates the power of economism to dictate policy. He declares that it prevents Americans from even considering a single-payer national health policy, but many politicians and policy advocates have put forth that idea. It has been widely debated. Most Americans seem to have concluded that single-payer would be a big mistake. That isn't because economism is so dominant; it's because the case for a federal health-care monopoly is so poor.

What this book boils down to is the author's complaint that the world of policy debate doesn't oper-

ate to his satisfaction. “With economism,” he writes, “there are only implicit assumptions and asserted conclusions. When commentators and politicians say that a higher minimum wage will increase unemployment ... they often do not realize that they are making contested claims about how the economy should be organized and how its output should be distributed.”

So what? Writers who rely on economism are just as apt to know they’re making “contested claims” as Progressive writers are to know that they’re doing the same thing when they advocate interventionist, redistributionist policies. People on any side who seek to shape public opinion couldn’t possibly include and respond to every objection that has been lodged against the positions they advocate. The realm of policy debate is (thankfully) still an even field of battle and Kwak’s lament that economism gives greedy right-wingers an unfair advantage is risible.

In the end, what does Kwak want? He wants his philosophical allies to develop “a new, compelling narrative about how the world works.” And what would that entail? To break the grip of economism, Kwak wants to fight the idea that “the overriding objective

should be to have more and more stuff.” He praises Amartya Sen for saying that we should care about “the richness of human life” and not just “the richness of the economy.”

Fine. Let Kwak and anyone else make that case any way they can — even if those advocates don’t bother to acknowledge when they’re making “contested claims” and ignore the counterarguments about the trade-offs their preferences would require. They need not be fair and can make their arguments with simplistic notions. When they advocate coercion (as they almost inevitably will) we libertarians will oppose them as we think best.

In fact, writers have been trying to sell people around the world on a “less is more” philosophy for thousands of years. They haven’t gotten very far. Perhaps Kwak’s next book will argue that Americans should change to a sharing ethic, since we already have enough stuff. That would be a far greater challenge than writing a misguided hit piece like *Economism*.

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*George C. Leef is the research director of the Martin Center for Academic Renewal in Raleigh, North Carolina.*

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[www.fff.org](http://www.fff.org)

[fff@fff.org](mailto:fff@fff.org)

Tel: 703-934-6101

Fax: 703-352-8678