



FUTURE OF FREEDOM

VOLUME 29 | NUMBER 7

JULY 2018

To see what is right and not to do it, is want of courage.

— Confucius

FUTURE OF FREEDOM

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Nonintervention: America's Founding Foreign Policy

by Jacob G. Hornberger



On the Fourth of July, 1821, John Quincy Adams delivered one of the most remarkable speeches in U.S. history. Having gone down in history with the title “In Search of Monsters of Destroy,” Adams’s speech summarized the founding foreign policy of the United States.

Adams pointed out that there are lots of bad things that happen around the world. Brutal dictatorships. Tyranny. Civil wars. Revolutions. Wars between nations. Poverty. Famines.

Notwithstanding the death and destruction such “monsters” produced in foreign countries, however, the U.S. government would not go abroad to slay them. That was

the founding foreign policy of the United States, a policy of nonintervention.

That’s not to say that the United States was unwilling to offer any assistance to people who were suffering in foreign lands. Private Americans were free to offer their support, either personally or with financial donations. Equally important, the United States had a founding immigration policy of open borders, which meant that anyone who was willing and able to escape the monstrous conditions in his homeland and emigrate to the United States was assured that he would never be forcibly repatriated to his country.

In his speech, Adams also issued a profound admonition. He said that if America were ever to abandon its founding foreign policy of nonintervention, she would inevitably acquire the characteristics of a “dictatress.”

What are the characteristics of a dictator or a dictatress? Dictatorships wield omnipotent powers, such as the powers to incarcerate, torture, and kill people with impunity or to arbitrarily seize and keep their money or property.

Nonintervention and open immigration were not the only policies that made the United States such an unusual country. There was also no

income taxation or IRS. No Social Security, Medicare, Medicaid, or farm subsidies. No Federal Reserve System of paper (i.e., fiat) money. No drug laws. Hardly any economic regulations, including minimum-wage laws, price controls, or rent controls. No Pentagon or military-industrial complex. No CIA. No NSA. No FBI. No Homeland Security. No public (i.e., government) schooling systems. No sanctions or embargoes. No war on terrorism. No torture. No indefinite detention. No travel restrictions. The American people didn't even use passports.

The great turning point
with respect to foreign policy
came in 1898 in the Spanish-American War.

We know there was slavery and some lesser violations of the principles of liberty, such as tariffs. But if we set those exceptions aside and consider the overall founding principles of the United States, it is impossible to reach but one conclusion: It was the most unusual political and economic system that had ever existed in the history of mankind.

It was that unusual system that defined an American. It was that unusual system that caused Americans to believe that they were the

freest people in history. It was that unusual system that the French were honoring when they gifted the Statue of Liberty to the American people.

The shift away from freedom

Things started to shift in the late 1890s. Government programs such as Social Security, government health care, public schooling, and progressive income taxation, which were originating among socialists in Germany, began percolating within American society.

At the same time, some Americans were advocating a turn towards empire. Looking to the examples set by the British Empire, the French Empire, the Spanish Empire, and others, such Americans were arguing that it was time for the United States to travel the imperialist road as well. The key to national greatness, they argued, was for the United States to acquire colonies, just like other empires in history.

The great turning point with respect to foreign policy came in 1898 in the Spanish-American War, which, insofar as the United States was concerned, involved a combination of interventionism and empire.

The war originated as a fight for independence by colonies of the Spanish Empire, including Cuba,

the Philippines, and Puerto Rico. That war did not involve the United States. Certainly Spain had not attacked the United States or even threatened to do so. It was purely a war between a foreign empire and its overseas colonies.

America had turned towards both empire and intervention, which made it easier for Woodrow Wilson to convince Americans to intervene in World War I.

But the U.S. government decided to intervene in the conflict by coming to the assistance of the rebelling colonies. The intervention constituted an abandonment of the founding foreign policy of nonintervention that Adams had summarized a half-century before in his Fourth of July speech to Congress. The U.S. government had decided to intervene in the Spanish-American War to slay the monster of the Spanish Empire.

While independence was the goal of the Spanish colonies, that was not the goal of the U.S. government. The goal of the U.S. government was to replace the Spanish Empire as the owner and controller of its colonies.

That's why U.S. troops stayed in Cuba after the war was over — to

ensure U.S. control over the island. In fact, that is how the United States ended up with its foreign military base at Guantanamo Bay — by forcing a compliant administration in Cuba to lease it at a nominal price to the United States in perpetuity.

While the Cuban people deeply resented what had happened, they didn't resort to a war for independence from the United States, as they had done against Spain. It was different with the Filipino people, however. Having prevailed against Spain in their war for independence, they weren't about to settle for being a colony of the United States. Thus, they continued their war for independence, only this time against the United States, at a cost of hundreds of thousands of lives lost at the hands of U.S. forces. In the end, the U.S. government prevailed. The Philippines, along with Cuba, Puerto Rico, and Guam, remained under the control of a foreign power, albeit the United States rather than Spain.

America had turned towards both empire and intervention, which made it easier for Woodrow Wilson to convince Americans to intervene in World War I twenty years later. Wilson argued that U.S. intervention into the European conflict would have two extremely

positive effects. One, U.S. intervention would bring an end to war in Europe, something that had besieged that part of the world for centuries, and, two, it would make the entire world safe for democracy.

Securing a declaration of war from Congress, the U.S. government proceeded to intervene in World War I on the side of Great Britain and others and against Germany. The intervention was a clear abandonment of the founding foreign policy of the United States. The U.S. government under Wilson was going abroad in search of monsters to destroy — precisely the opposite of what Adams had described nearly 100 years before as America's founding foreign policy of nonintervention.

Irredeemable federal notes and bills were made the official money of the country.

Meanwhile, America was shifting in a different direction domestically as well. The progressive income tax, the IRS, and the Federal Reserve System came into existence in the 1910s. In the 1930s, gold coins, which under the U.S. Constitution had been the official money of the American people for more than a century, were nationalized and seized, with

any American caught owning them being subject to federal felony prosecution. Irredeemable federal notes and bills were made the official money of the country.

The adoption of Social Security, an idea that had originated among German socialists, heralded the advent of the welfare state in America, a way of life in which the government forcibly takes money from one group of people and gives it to another group of people. At the same time, America was moving towards a regulated, controlled, and managed economy, as reflected by Franklin Roosevelt's National Industrial Recovery Act; minimum-wage laws; maximum-hours laws; and economic, financial, and banking regulations.

World War II

It did not take long for Americans to realize that U.S. intervention in World War I was a total disaster, one that had sacrificed tens of thousands of American troops, many of whom had been forced to fight through conscription. The U.S. intervention not only failed to end all war and make the world safe for democracy, it actually laid the political and economic conditions that gave rise to Adolf Hitler and the Nazi regime.

Thus, it shouldn't have surprised anyone that the American people were overwhelmingly opposed to intervening in World War II. They had had enough of intervention in Europe's unending conflicts.

But Franklin Roosevelt, like Wilson before him, had other ideas. He was bound and determined to embroil the United States in the European war, this time certain that intervention would prove to be a positive thing for the United States.

Franklin Roosevelt was bound and determined to embroil the United States in the European war.

Americans, of course, are taught that World War II was a great victory for the United States because Nazi Germany was defeated. They are also taught, however, to ignore the other consequences of the war.

For example, the Poles never considered the defeat of the Nazis to be a victory. Recall that the Poles were the reason that Great Britain had entered the conflict in the first place. Having issued a guarantee to Poland, England declared war on Germany with the intent of freeing the Poles from Nazi tyranny. While victory in the war did, in fact, free the Poles from Nazi tyranny, it also left them under the control of the

communist regime of the Soviet Union (which had been America's World War II partner and ally), for the next 45 years. From the standpoint of the Poles, there was no difference between Nazi tyranny and communist tyranny, which is why they never celebrated World War II as a victory.

It was the same with the rest of Eastern Europe and, for that matter, East Germany. At the end of the war and for the next 45 years, they had to live under the iron fist of brutal communist rule.

But there is something important to understand about all this: In the midst of the war, Roosevelt actually agreed to deliver those nations into the clutches of Soviet communist leader Joseph Stalin, whom he affectionately referred to as "Uncle Joe," notwithstanding the fact that Stalin had killed many more people than Hitler.

And then here is the irony: After the Soviets insisted on maintaining postwar control over the nations that Roosevelt had delivered into their clutches, Harry Truman and other U.S. officials used that control to convince Americans that there was a worldwide communist conspiracy, based in Moscow, to conquer the United States and the rest of the world.

The national-security state

The aftermath of America's intervention into World War II produced a monumental change in America's governmental structure, one that entailed the destruction of a limited-government republic and the adoption of what is known as a "national-security state."

What is a national-security state? It is a type of governmental structure that is inherent to totalitarian regimes. It is characterized by a massive, permanent, generously funded military establishment; a highly secret intelligence agency with omnipotent powers, including assassination; and a massive surveillance operation to secretly monitor and keep track of both citizens and foreigners.

North Korea is a national-security state. So is Russia. And Cuba. And Egypt. And post-World War II United States. That's what the Pentagon, the CIA, and the NSA are all about.

In his Farewell Address in 1961, President Dwight Eisenhower referred to this new governmental apparatus as "the military-industrial complex." At the same time, he issued one of the most dramatic warnings in U.S. history, one that rivaled that of John Quincy Adams in 1821. Ike told Americans that

this governmental apparatus that was new to the United States posed a grave threat to the liberties and democratic processes of the American people.

The Soviet Union was converted into America's post-World War II official enemy.

President Truman and other U.S. officials told Americans that it was necessary to adopt this totalitarian-like governmental structure in order to prevent America's World War II partner and ally, the Soviet Union, from conquering the United States in what became known as the Cold War. It was never made clear how the Soviet Union was going to do that, especially since the entire nation had been devastated by the war and then had continued its socialist economic system, which inevitably makes a nation weaker, not stronger.

Nonetheless, the Soviet Union was converted into America's post-World War II official enemy, and Americans were made to believe that the communists were coming to get them. Truman clearly understood that in order to get Americans to accept the conversion of the federal government to a national-security state, he had to "scare the hell" out of the American people.

There is something important to keep in mind here. Intervention, empire, and a national-security state are different concepts. It is possible for a nation to be a national-security state without having a foreign policy of intervention and empire. North Korea is an example.

**The Pentagon and the CIA were
not ready to permit the
restoration of a limited-
government republic to our land.**

But after World War II, the United States went in all three directions. It became a national-security state and almost immediately it began intervening in foreign countries, under the guise of fighting the communists. That's how the U.S. intervention in the Korean War, which was always just a civil war, was justified — to prevent an eventual communist takeover of the United States. It was also how U.S. intervention in the Vietnam War, which also was just a civil war, was justified — to keep the dominoes from falling to the Reds, with the final domino being the United States.

But it wasn't just intervention that characterized Cold War America. It was also empire, not by following the old British Empire mod-

el but rather by following the model of empire established by the Soviets in Eastern Europe, where the Soviets installed regimes ruled by locals who would follow orders from the Soviets.

That's what the U.S. coups in Iran in 1953, Guatemala in 1954, Chile in 1973, and others were all about — the destruction of independent regimes, even democratically elected ones, and the installation of local dictatorships that would follow orders from the U.S. government.

Meanwhile, budgets were soaring throughout the Cold War for the Pentagon, the CIA, and the NSA.

New enemies

In 1991 the Cold War suddenly and unexpectedly came to an end with the dissolution of the Soviet Union, the withdrawal of Soviet troops from East Germany and Eastern Europe, and the normalization of relations between Russia and the West. The justification for America's national-security state way of life had come to an end.

The Pentagon and the CIA were not ready, however, to go quietly into the night and permit the restoration of a limited-government republic to our land. Almost immediately, they initiated a series of

interventions in the Middle East that were virtually certain to produce “blowback” in the form of terrorist retaliation: The Persian Gulf intervention, followed by 11 years of brutal sanctions on Iraq, which killed tens of thousands of Iraqi children every year. UN Ambassador Madeleine Albright’s infamous declaration that the deaths of half a million Iraqi children from the sanctions was “worth it.” The stationing of UN troops near the holiest lands in the Muslim religion, knowing full well how that would be perceived by people of Muslim faith. They also continued America’s unconditional financial and military support to the Israeli government.

All that interventionism produced the inevitable terrorist retaliation, including the 1993 attack on the World Trade Center; the attack on the USS *Cole*, the U.S. warship that was passing near Yemen; the attacks on the U.S. embassies in East Africa; and then the 9/11 attacks.

Refusing to acknowledge that such attacks were the inevitable result of U.S. intervention in the Middle East and insisting instead that they were motivated by foreign hatred for America’s “freedom and values,” U.S. officials doubled down

with post-9/11 regime-change invasions of Iraq and Afghanistan. Those two interventions produced nothing but massive death, destruction, and suffering, not to mention the rise of ISIS, which was then used as a justification for intervening in Syria’s revolution, which U.S. officials had encouraged as part of their foreign policy of intervention in the Middle East. There was also the Libya regime-change operation, which, in combination with the Syrian and Iraqi interventions, produced a massive refugee crisis for Europe.

The Pentagon and the CIA initiated a series of interventions that were virtually certain to produce “blowback” in the form of terrorist retaliation.

Meanwhile, what Adams predicted in 1821 has come to pass. The federal government has become a dictator. How else to describe a regime that wields the omnipotent power to assassinate its own people or simply take them into military custody and hold them indefinitely as “enemy combatants” and torture them for as long as officials want? How else to describe a regime that wields the omnipotent power to seize people’s

money and other assets under the so-called drug war without ever charging them with a crime?

The good news is that there is a solution to all this mayhem, death, destruction, and loss of liberty, if Americans can only gather the will to embrace it. That solution is two-fold: to restore America's founding principles of a noninterventionist foreign policy and America's founding principle of a limited-government republic. If American people were to do that, they could lead the

world out of the statist morass in which it finds itself.

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

NEXT MONTH:
“U.S. Anti-Communist
Propaganda at SiriusXM”
by Jacob G. Hornberger

The accumulation of property is no guarantee of the development of character, but the development of character, or of any other good whatever, is impossible without property.

— William Graham Sumner

James Comey and the Unending Bush Torture Scandal

by James Bovard



The vast regime of torture created by the Bush administration after the 9/11 attacks continues to haunt America. The political class and most of the media have never dealt honestly with the profound constitutional corruption that such practices inflicted. Instead, torture enablers are permitted to pirouette as heroic figures on the flimsiest evidence.

Former FBI chief James Comey is the latest beneficiary of the media's "no fault" scoring on the torture scandal. In his media interviews for his new memoir, *A Higher Loyalty: Truth, Lies, and Leadership*, Comey is portraying himself as a Boy Scout who sought only to do good things. But his record is far

more damning than most Americans realize.

Comey continues to use memos from his earlier government gigs to whitewash all of the abuses he sanctified. "Here I stand; I can do no other," Comey told George W. Bush in 2004 when Bush pressured Comey, who was then Deputy Attorney General, to approve an unlawful anti-terrorist policy. Comey was quoting a line supposedly uttered by Martin Luther in 1521, when he told Emperor Charles V and an assembly of Church officials that he would not recant his sweeping criticisms of the Catholic Church.

The American Civil Liberties Union, Human Rights Watch, and other organizations did excellent reports prior to Comey's becoming FBI chief that laid out his role in the torture scandal. Such hard facts, however, have long since vanished from the media radar screen. MSNBC host Chris Matthews recently declared, "James Comey made his bones by standing up against torture. He was a made man before Trump came along." *Washington Post* columnist Fareed Zakaria, in a column declaring that Americans should be "deeply grateful" to lawyers such as Comey, declared, "The Bush administration wanted to claim that its 'enhanced

interrogation techniques' were lawful. Comey believed they were not.... So Comey pushed back as much as he could."

Martin Luther risked death to fight against what he considered the scandalous religious practices of his time. Comey, a top Bush administration policymaker, found a safer way to oppose the worldwide secret U.S. torture regime widely considered a heresy against American values: he approved brutal practices and then wrote some memos and emails fretting about the optics.

Losing sleep

Comey became deputy attorney general in late 2003 and "had oversight of the legal justification used to authorize" key Bush programs in the war on terror, as a Bloomberg News analysis noted. At that time, the Bush White House was pushing the Justice Department to again sign off on an array of extreme practices that had begun shortly after the 9/11 attacks. A 2002 Justice Department memo had leaked out that declared that the federal Anti-Torture Act "would be unconstitutional if it impermissibly encroached on the President's constitutional power to conduct a military campaign." The same Justice Department policy spurred a secret 2003

Pentagon document on interrogation policies that openly encouraged contempt for the law: "Sometimes the greater good for society will be accomplished by violating the literal language of the criminal law."

Comey approved brutal practices and then wrote some memos and emails fretting about the optics.

Photos had also leaked from Abu Ghraib prison in Iraq showing the stacking of naked prisoners with bags over their heads, mock electrocution from a wire connected to a man's penis, guard dogs on the verge of ripping into naked men, and grinning U.S. male and female soldiers celebrating the sordid degradation. Legendary investigative reporter Seymour Hersh published extracts in the *New Yorker* from a March 2004 report by Maj. Gen. Antonio Taguba that catalogued other U.S. interrogation abuses: "Breaking chemical lights and pouring the phosphoric liquid on detainees; pouring cold water on naked detainees; beating detainees with a broom handle and a chair; threatening male detainees with rape ... sodomizing a detainee with a chemical light and perhaps a broom stick, and using military

working dogs to frighten and intimidate detainees with threats of attack, and in one instance actually biting a detainee.”

The Bush administration responded to the revelations with a torrent of falsehoods, complemented by attacks on the character of critics. Bush declared, “Let me make very clear the position of my government and our country.... The values of this country are such that torture is not a part of our soul and our being.” Bush had the audacity to run for reelection as the anti-torture candidate, boasting that “for decades, Saddam tormented and tortured the people of Iraq. Because we acted, Iraq is free and a sovereign nation.” He was hammering this theme despite a confidential CIA Inspector General report warning that post-9/11 CIA interrogation methods might violate the international Convention Against Torture.

James Comey had the opportunity to condemn the outrageous practices and pledge that the Justice Department would cease providing the color of law to medieval-era abuses. Instead, Comey merely repudiated the controversial 2002 memo. Speaking to the media in a not-for-attribution session on June 22, 2004, he declared that the 2002

memo was “overbroad,” “abstract academic theory,” and “legally unnecessary.” He helped oversee crafting a new memo with different legal footing to justify the same interrogation methods.

Comey twice gave explicit approval for waterboarding, which sought to break detainees with near-drowning. This practice had been recognized as a war crime by the U.S. government since the Spanish-American War. A practice that was notorious when inflicted by the Spanish Inquisition was adopted by the CIA with the Justice Department’s blessing. (When Barack Obama nominated Comey to be FBI chief in 2013, he testified that he had belatedly recognized that waterboarding was actually torture.)

Comey twice gave explicit approval for waterboarding, which sought to break detainees with near-drowning.

Comey wrote in his memoir that he was losing sleep over concern about Bush-administration torture policies. But losing sleep was not an option for detainees, because Comey approved sleep deprivation as an interrogation technique. Detainees could be forcibly kept awake for 180 hours until they confessed

their crimes. How did that work? At Abu Ghraib, one FBI agent reported seeing a detainee “handcuffed to a railing with a nylon sack on his head and a shower curtain draped around him, being slapped by a soldier to keep him awake.” Numerous FBI agents protested the extreme interrogation methods they saw at Guantanamo and elsewhere, but their warnings were ignored.

FBI agents protested the extreme interrogation methods they saw at Guantanamo and elsewhere, but their warnings were ignored.

Comey also approved “wall slamming” — which, as law professor David Cole wrote, meant that detainees could be thrown against a wall up to 30 times. Comey also signed off on the CIA’s using “interrogation” methods such as facial slaps, locking detainees in small boxes for 18 hours, and forced nudity. When the secret Comey memo approving those methods finally became public in 2009, many Americans were aghast — and relieved that the Obama administration had repudiated Bush policies.

When it came to opposing torture, Comey’s version of “Here I stand” had more loopholes than a reverse-mortgage contract. Though

Comey in 2005 approved each of 13 controversial extreme interrogation methods, he objected to combining multiple methods on one detainee.

The torture guy

In his memoir, Comey relates that his wife told him, “Don’t be the torture guy!” Comey apparently feels that he satisfied her dictate by writing memos that opposed combining multiple extreme interrogation methods. And since the vast majority of the American media agree with him, he must be right.

Comey’s cheerleaders seem uninterested in the damning evidence that has surfaced since his time as a torture enabler in the Bush administration. In 2014, the Senate Intelligence Committee finally released a massive report on the CIA torture regime — including death resulting from hypothermia, rape-like rectal feeding of detainees, compelling detainees to stand long periods on broken legs, and dozens of cases where innocent people were pointlessly brutalized. Psychologists aided the torture regime, offering hints on how to destroy the will and resistance of prisoners. From the start, the program was protected by phalanxes of lying federal officials.

When he first campaigned for president, Barack Obama pledged

to vigorously investigate the Bush torture regime for criminal violations. Instead, the Obama administration proffered one excuse after another to suppress the vast majority of the evidence, pardon all U.S. government torturers, and throttle all torture-related lawsuits. The only CIA official to go to prison for the torture scandal was courageous whistleblower John Kiriakou. Kiriakou's fate illustrates that telling the truth is treated as the most unforgivable atrocity in Washington.

The only CIA official to go to prison for the torture scandal was courageous whistleblower John Kiriakou.

If Comey had resigned in 2004 or 2005 to protest the torture techniques he now claims to abhor, he would deserve some of the praise he is now receiving. Instead, he remained in the Bush administration but wrote an email summarizing his objections, declaring that "it was my job to protect the department and the A.G. [Attorney General] and that I could not agree to this because it was wrong." A 2009 *New York Times* analysis noted that Comey and two colleagues "have largely escaped criticism [for approving torture] because they

raised questions about interrogation and the law." In Washington, writing emails is "close enough for government work" to confer sainthood.

When Comey finally exited the Justice Department in August 2005 to become a lavishly paid senior vice president for Lockheed Martin, he proclaimed in a farewell speech that protecting the Justice Department's "reservoir" of "trust and credibility" requires "vigilance" and "an unerring commitment to truth." But he had perpetuated policies that shattered the moral credibility of both the Justice Department and the U.S. government. He failed to heed Martin Luther's admonition, "You are not only responsible for what you say, but also for what you do not say."

Comey is likely to go to his grave without paying any price for his role in perpetuating appalling U.S. government abuses. It is far more important to recognize the profound danger that torture and the exoneration of torturers pose to the United States. "No free government can survive that is not based on the supremacy of the law," is one of the mottoes chiseled into the facade of Justice Department headquarters. Unfortunately, politicians nowadays can choose which laws

they obey and which laws they trample. And Americans are supposed to presume that we still have the rule of law as long as politicians and bureaucrats deny their crimes.

James Bovard is a policy advisor to The Future of Freedom Foundation and is the author of a new ebook, Freedom Frauds: Hard Lessons in American Liberty, published by FFF,

Public Policy Hooligan, Attention Deficit Democracy, and eight other books

NEXT MONTH:
“Beltway Baloney on ‘Speaking Truth to Power’”
by James Bovard

It is the greatest good for a man to discuss virtue every day and those other things about which you hear me conversing and testing myself and others, for the unexamined life is not worth living.

— Socrates

Seven Implications of Protectionism

by Laurence M. Vance



In a speech on the campaign trail in 2016, then-Republican presidential candidate Donald Trump said about Hillary Clinton and trade,

Hillary Clinton unleashed a trade war against the American worker when she supported one terrible deal after another, from NAFTA, to China to South Korea. It doesn't matter. No matter where she went, the American worker was hurt and you'll be hurt worse than ever before if she becomes president of the United States. That I can tell you.

He then promised that a Trump administration would "end that war by getting a fair deal for the American people and the American work-

er." "The era of economic surrender will finally be over," he said. "You're not going to see it anymore."

Donald Trump has now done what he accused Hillary Clinton of doing: He has unleashed a trade war.

Trump on trade

On March 8, Trump signed a proclamation imposing a 25 percent tariff on imported steel and a 10 percent tariff on imported aluminum. The administration exempted Canada, Mexico, the European Union, Australia, Argentina, Brazil, and South Korea. "Trade wars are good, and easy to win," declared Trump after announcing the tariffs. The CEO of United States Steel, said, predictably, "This feels like the beginning of a renaissance for us." On March 22, Trump signed a proclamation imposing tariffs on as much as \$60 billion worth of Chinese goods to combat what he perceives as the rising threat from "an economic enemy." After China announced retaliatory measures, Trump directed the U.S. trade representative "to determine whether tariffs on an additional \$100 billion in goods were warranted" because of China's "unfair retaliation." Almost forgotten in all of this are the steep tariffs on imported washing machines and solar panels that Trump imposed back in January.

None of that should come as any surprise. Trump's economic nationalism, his protectionist mindset, and his ignorance and incoherence on trade were well known during his presidential campaign. If there was one issue that candidate Trump was outspoken about, it was U.S. trade policy.

If there was one issue that candidate Trump was outspoken about, it was U.S. trade policy.

According to Trump, trade results in winners and losers: "Our country is in serious trouble. We don't win anymore. We don't beat China in trade. We don't beat Japan, with their millions and millions of cars coming into this country, in trade. We can't beat Mexico, at the border or in trade." He believes that other countries are taking advantage of the United States: "You only have to look at our trade deficit to see that we are being taken to the cleaners by our trading partners." Free trade is beneficial only when it is fair trade: "For free trade to bring prosperity to America, it must also be fair trade." Free trade is good only when it is negotiated: "The problem with free trade is you need really talented people to negotiate for you. If you don't have people

that know business, not just a political hack that got the job because he made a contribution to a campaign, free trade is terrible." Trump's vision of free trade is for the U.S. government to "negotiate fair trade deals that create American jobs, increase American wages, and reduce America's trade deficit." Although Trump says that "we need tougher negotiations, not protectionist walls around America," he supported the imposition of protectionist tariffs even before he began running for president. In his book *Time to Get Tough: Making America #1 Again* (2011), Trump included "a 20 percent tax for importing goods" as part of his five-part tax policy. As a candidate, Trump proposed that every car and car part manufactured in a Mexican plant "that comes across the border" be subject to a 35 percent tariff. In one of the Republican primary debates, he proposed a 45 percent tariff on all imported goods from China "if they don't behave."

Some of the most ridiculous things that Trump has ever said (and he has said a lot of ridiculous things) relate to trade. He claims, "When Ford moves their massive plants to Mexico, we get nothing. I want them to stay in Michigan." Actually, we do get something —

cheaper cars. When any company relocates a plant across the border or overseas, it is because it believes that it is too expensive to produce the item in the United States; that is, consumers will not pay what they would have to charge to make a profit. Manufacturing jobs need to be brought “back home where they belong,” says Trump. U.S. companies “should make their products in America.” Since when do manufacturing jobs “belong” in America? And why “should” U.S. companies make their products in America? In a free market — which Trump professes to believe in — jobs “should” “belong” wherever the provider of the jobs wants to put them.

For someone who prides himself on being “really smart,” and “a very stable genius,” Trump is very confused about tariffs.

For someone who prides himself on being “really smart,” “very intelligent,” and “a very stable genius,” Trump is very confused about tariffs. Regarding Mexico, he has said, “Let me give you the example of Mexico. They have a VAT tax. We’re on a different system. When we sell into Mexico, there’s a tax. When they sell in — automatic, 16 percent, approximately. When they

sell into us, there’s no tax. It’s a defective agreement.” Although a VAT and a tariff are both taxes, a VAT is levied on both domestic and imported goods and should never be compared with a tariff. Countries that have a VAT can also impose tariffs. And just look at what Trump is saying is bad: Mexicans get gouged by their government and Americans don’t. Trump has also said this about tariffs and the Constitution: “Our original Constitution did not even have an income tax. Instead, it had tariffs emphasizing taxation of foreign, not domestic, production.” Article I, Section 8, Paragraph 1 of the Constitution reads, “The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States.” But that does not mean that the Constitution had tariffs. The Tariff Act of 1789 is what instituted the first tariffs in the United States “for that support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures,” not the Constitution itself.

Protectionism

The alternative to free trade is some form of protectionism. Although it can take the form of import quotas or restrictions, it usually involves a tariff (a tax) that is placed on some imported goods to “protect” a domestic industry from foreign competition. Although all tariffs provide the government with revenue, a revenue tariff should be distinguished from a protective tariff. If a country levies an *identical* tariff on *all* imported goods for the purpose of raising revenue, then it is a revenue tariff. If a country levies an *identical* tariff on some imported goods, *unidentical* tariffs on *all* imported goods, or *different* tariffs on *different* goods, then it is a protective tariff even though it still raises revenue for the government. Most tariffs are protective tariffs.

The alternative to free trade is some form of protectionism.

Trump’s actions have led to a resurgence of conservative defenses of protectionism. The *New American* magazine — normally very “libertarian” on economic issues — maintains that Trump’s tariffs will be good for the economy and will foster economic independence:

If Trump is successful in imposing his tariffs, the price of imported steel and aluminum and items made from those metals will increase, but this will give U.S.-made metal products a competitive advantage. In time, as the U.S. steel and aluminum mills go back into full production, providing thousands of jobs, the U.S. economy will reap the benefits. And this is exactly what Trump promised to do while running for president.

Is obtaining consumer items more cheaply more important than our national security and our national sovereignty? Do we really want to be dependent upon other nations, some of which are hostile and some of which might become hostile in the future, for basic items necessary to our ability to provide a national defense — such as the steel industry? Is trade with other nations, even when this does boost our material wealth, of greater importance than maintaining our nation’s independence?

Protectionism has, of course, always had its defenders. In fact, the

United States is very protectionist even though it is often viewed as a bastion of free trade. If in doubt, one look at the massive 3,713-page Harmonized Tariff Schedule of the United States published by the U. S. International Trade Commission's Office of Tariff Affairs and Trade Agreements should convince you otherwise.

Even if Trump reversed course and completely renounced his protectionism, even if Barack Obama had not imposed tariffs on tires imported from China, and even if George W. Bush had not imposed tariffs on imported steel, protectionism would still have its defenders. But there are a number of implications of protectionism that should be considered.

The implications

The first implication of protectionism is that the president has the authority to unilaterally impose tariffs. One look at the limited powers of the president in Article II of the Constitution says otherwise. Not only does the president have no authority to directly impose tariffs, he has no authority to protect industries, save jobs, create jobs, or punish American businesses who buy products from foreign companies. The Constitution specifically says that

"the Congress shall have the Power to lay and collect Taxes, Duties, Imposts and Excises," and "regulate Commerce with foreign Nations." Trump's new tariffs are justified by section 232 of the Trade Expansion Act of 1962 and the Trade Act of 1974, not the Constitution.

The United States is very protectionist even though it is often viewed as a bastion of free trade.

The second implication of protectionism is that the government is capable of calculating the correct amount of a tariff on the right goods. Back in January, when Trump imposed tariffs on imported washing machines and solar panels, he decreed that there would be a 20 percent tariff on the first 1.2 million large residential washers in the first year, which would decline to 16 percent in the third year, and a 50 percent tariff on machines above that number, with a decline to 40 percent in the third year. Solar cells and modules would have a 30 percent tariff in the first year, declining to 15 percent by the fourth year.

But who is to say that there shouldn't instead be a 22 percent tariff on the first 1.5 million washers for all three years and a 40 per-

cent tariff on machines above that number? And who is to say that there shouldn't instead be a 16 percent tariff on solar cells for two years that declines to 5 percent in year three and goes away in year four? Calls for protectionism are calls for Soviet-style central planning of the economy by the U.S. government. This is a strange thing to hear coming out of the mouth of a conservative.

In a free society, the only possible legitimate functions of government are policing, defense, and judicial activities.

All forms and levels of protectionism require central planning. Government economists and bureaucrats must determine which industries to protect, against which countries to impose protectionist measures, which items should be subject to tariffs, how much the tariffs should be, what exemptions should be given, and what the duration of the tariff should be. As Austrian economist Ludwig von Mises showed us, governments have a calculation problem that cannot be overcome.

The third implication of protectionism is that it is the proper role of government to protect domestic in-

dustry from foreign competition. In a free society with a limited government, the only possible legitimate functions of government are policing, defense, and judicial activities. As libertarian theorist Doug Casey recently explained,

Since government is institutionalized coercion — a very dangerous thing — it should do nothing but protect people in its bailiwick from physical coercion. What does that imply? It implies a police force to protect you from coercion within its boundaries, an army to protect you from coercion from outsiders, and a court system to allow you to adjudicate disputes without resorting to coercion. If it is the job of government to protect domestic industries from foreign competition, then why is it not also the job of government to protect domestic industries from each other? Why not protect industries in New York from those in New Jersey? Why not protect industries in Dallas from those in Fort Worth? And if it is the proper role of government to protect domestic industries from foreign competition,

then why shouldn't the government just ban all imported goods and end foreign competition once and for all?

The fourth implication of protectionism is that trade results in winners and losers. Trade is not a zero-sum game in which one side gains at the expense of the other. That is not the case when both parties are in different countries any more than when both parties are in the same country. In every exchange, both parties give up something they value less for something they value more. When you buy something at a store, you give up money and get a product in return. You are left with fewer dollars but you end up with something you value more than those dollars. The store is left with fewer products to sell but it has something that it values more: dollars. Each party to a transaction anticipates a gain from the exchange or it wouldn't engage in commerce with the other party.

The fifth implication of protectionism is that it is essential for national security. The idea is that hostile foreign trading partners will cut off access of the United States to something important such as steel and leave the country unable to produce what it needs to defend it-

self. But even if there were no steel imports, domestic producers can refuse to sell steel to the government or price it exorbitantly. The only way to really ensure national security is for the government to nationalize the steel industry (which Truman did in 1952 until his action was struck down by the Supreme Court). But why stop with the steel industry? Soldiers have to eat and wear shoes, so why not nationalize the farm and shoe industries?

Trade is not a zero-sum game in which one side gains at the expense of the other.

But if even the U.S. military doesn't use the national-security argument, then why should anyone else? In a Defense Department memo — issued in response to the president's tariff proposal and a Commerce Department report pushing for tariffs — the secretary of Defense stated that the tariffs were not necessary: "The US military requirements for steel and aluminum each only represent about three percent of US production. Therefore, DoD does not believe that the finds in the reports impact the ability of DoD programs to acquire the steel or aluminum neces-

sary to meet national defense requirements.” And of course, if the U.S. military was used strictly for defense instead of offense, it would need even less steel and aluminum. As recently explained by Reagan budget director David Stockman,

If Washington stopped wasting money on aircraft carriers, tanks, amphibious landing ships, TOW missiles, airlift planes and bunker buster bombs, among other weapons of foreign invasion and occupation, the national defense really wouldn’t need much more steel annually than is produced by Denmark (70k tons). In today’s world, in fact, military steel is about empire, not homeland security.

Last year the United States produced an estimated 82 million tons of steel and imported steel from 85 countries. The top source country for steel was Canada. China barely made the top ten.

The sixth implication of protectionism is that tariffs are different from taxes. A tariff is an import tax. A tariff is an indirect tax, since it is not paid directly by the final consumer of the imported goods. A tariff is a hidden tax, since no con-

sumer is aware of the amount of the tax that is embedded in the cost of the imported good he purchases. Any way you look at it, a tariff is a tax. The economic effects of tariffs are all the same regardless of the intentions of the presidential decree or congressional legislation that imposes them: tariffs raise money for the government and raise prices on consumer goods (either directly for imports of consumption goods, or indirectly for imports of intermediate goods). When a president or the Congress imposes tariffs on imported goods, it is important to recognize that these tariffs are actually taxes imposed on Americans who consume the goods, for it is they who will ultimately bear most of the burden of any tariffs, not the exporter or importer.

The economic effects of tariffs are all the same regardless of the intentions.

The seventh implication of protectionism is that trade deficits are important. According to the U.S. Census Bureau, Americans bought \$505.6 billion worth of goods from China in 2017, but the Chinese purchased only \$130.4 billion worth of goods from the United States — resulting in a trade deficit in goods of

\$375.2 billion. Trump has rounded that to “at least \$500 billion.” (The combined goods and services deficit that the United States has with the whole world is about \$566 billion.)

An increase in the trade deficit is not an increase in Americans’ indebtedness to foreigners. The concept of the trade deficit is based on the erroneous idea that trade takes place between nations. Trade — that is, commerce — takes place between individuals, businesses, and other organizations. That the two parties engaged in commerce are not located in the same country has no economic significance whatsoever. No one goes to sleep at night worrying about his trade deficit with Walmart and how he can get Walmart to purchase the same amount from him as he purchases from Walmart. It is just as true now as when Adam Smith wrote in *The Wealth of Nations* in 1776 that “nothing can be more absurd than the whole doctrine of the balance of trade.”

Our third president, Thomas Jefferson, had it right:

The true theory of our Constitution is surely the wisest and best, that the States are independent as to everything within themselves, and united as to everything respecting

foreign affairs. Let the General Government be reduced to foreign concerns only, and let our affairs be disentangled from those of all other nations, except as to commerce, which the merchants will manage the better, the more they are left free to manage for themselves, and our General Government may be reduced to a very simple organization, and a very inexpensive one; a few plain duties to be performed by a few servants.

Let the merchants — not the government — manage commerce.

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NEXT MONTH:
“Balanced-Budget Baloney”
by Laurence M. Vance

A great part of that order which reigns among mankind is not the effect of government. It had its origin in the principles of society and the natural constitution of man. It existed prior to government, and would exist if the formality of government was abolished. The mutual dependence and reciprocal interest which man has upon man, and all parts of a civilized community upon each other, create that great chain of connection which holds it together. The landholder, the farmer, the manufacturer, the merchant, the tradesman, and every occupation, prospers by the aid which each receives from the other, and from the whole. Common interest regulates their concerns, and forms their laws; and the laws which common usage ordains, have a greater influence than the laws of government. In fine, society performs for itself almost every thing which is ascribed to government.

— Thomas Paine

The Deep Hurt

by Stephen Kinzer



More than a century has passed since American hearts were first seized by the grand debate about overseas expansion. During that period, much of what anti-imperialists predicted has come to pass. The United States has become an actively interventionist power. It has projected military or covert power into dozens of countries on every continent except Antarctica. In many places, these interventions have set off anti-American resistance movements, insurgencies, rebellions, or terror campaigns. George Frisbie Hoar, U.S. senator from Massachusetts, was right when he warned that intervening in distant lands would turn the United States into “a vulgar, commonplace empire founded upon physical force.”

Anti-imperialists also predicted that an aggressive foreign policy

would have pernicious effects at home. In this, too, history has vindicated them. Military budgets have soared to levels that would have seemed unbelievable to even the most fervent expansionists of 1898. The weapons industry wields inordinate power. Government is highly centralized. A wealthy elite dominate politics. Martial values are exalted over peaceful ones. Earth-shaking decisions to wage distant wars are made in private by a handful of people. Anti-interventionist minister Charles Ames was right when he warned that militarism would lead to “trampling on the principles of free government.”

...

A truism holds that any story can be happy or sad depending on where you end it. That perfectly describes the history of American intervention. Overwhelming power has allowed the United States to impose its will on many peoples. Often, however, these successes have been short-lived. Americans have been forced to learn an ancient lesson: nations dominated by foreign power eventually seek to throw it off.

The expansionists of 1898 understood that rebellions had shaken and destroyed past empires, but they dared to believe the United States was immune to this pattern

of history. America's inherent benevolence, they insisted, made it unlike every previous great power. From this illusion they leaped to another: that America's benevolence would quickly become clear to people in subject nations and would lead them to welcome American power. The opposite happened. Teaching half-free people the value of freedom made them want more of it. Carl Schurz, who had been the first German-born cabinet secretary and was among the most articulate anti-imperialists, was right when he warned that dominating foreigners would ultimately force Americans to "shoot them down because they stand up for their independence."

One reason for this backlash, paradoxically, is the idealism that lies near the heart of America's expansionist impulse. Convinced that we have been granted providential access to secrets that can produce free and prosperous societies anywhere, Americans seek to share those secrets with others. Sometimes we take on the mission of fundamentally changing foreign societies — "destroying barbarism," as Theodore Roosevelt put it. People in those societies, though, often see such projects as efforts to rip them away from their deepest so-

cial and cultural roots. Yale professor William Graham Sumner was wise to observe that although Americans presume their rule over foreigners is "a welcome blessing," many foreigners "like their own ways, and if we appear amongst them as rulers, there will be social discord."

In the face of profound new challenges, Americans are once again debating the role of the United States in the world.

In the face of profound new challenges, Americans are once again debating the role of the United States in the world. Should it intervene violently in other countries? This remains what Senator William V. Allen called it in 1899: "The greatest question that has ever been presented to the American people." ...

American fantasies

History's great counsel to the United States is that it should more carefully weigh the long-term effects of its foreign interventions.

The United States has not discovered a magic formula that can produce happiness and prosperity everywhere. It cannot implant its ideals or values in vastly different

social and political environments. Preemptive war and “regime change” operations reflect the quintessentially American view that the world is not a situation to be understood, but a problem to be solved.

Most American interventions are planned to achieve short-term objectives. They are not soberly conceived, with realistic goals and clear exit strategies. Many ultimately harm the target country while weakening the security of the United States.

Violent intervention always leaves a trail of “collateral damage” in the form of families killed, towns destroyed, and lives ruined. Usually these consequences are called mistaken or unavoidable. That does nothing to reduce the damage — or the anger that survivors pass down through generations.

Interventions lead people who once bore no ill will toward the United States to begin cursing its name.

The argument that the United States intervenes to defend freedom rarely matches facts on the ground. Many interventions have been designed to prop up predatory regimes. Their goal is to increase American power — often economic

power — rather than to liberate the suffering.

Interventions aimed at “peacekeeping” often degenerate as well, because intervening forces naturally lean toward one side or another. Fighters on non-favored sides consider the peacekeepers their enemies and attack them. This is why the United States Marine barracks in Lebanon were blown up in 1983, and why American soldiers were killed in Somalia during the “Black Hawk Down” debacle a decade later. Americans may still cling to the fantasy that our soldiers are neutrals, fighting only for the good of humanity. Few others see them that way.

Interventions multiply our enemies. They lead people who once bore no ill will toward the United States to begin cursing its name. Every village raid, every drone strike, every shot fired in anger on foreign soil produces anti-American passion. Americans are shocked and incensed when that passion leads to violent counterattacks. They should not be. The instinct to protect one’s own and to strike back against attackers is older than humanity itself.

American intervention overseas is hugely expensive. The United States spends more on its military than the next seven countries combined, including trillions of dollars

to fight foreign wars. Meanwhile, American communities decay, infrastructure ages and withers, schoolchildren fall behind their counterparts in other countries, and millions go without housing, jobs, or health care. Even worse, at least symbolically, are the lifelong plagues that haunt many combat veterans. War brings “collateral damage” to Americans as well as foreigners.

Interventions are often imagined as discrete in-and-out operations. Once we impose a servile regime in a foreign country, however, we must remain indefinitely or return regularly to defend it against popular uprisings. Interventions rarely end quickly. Many never end at all. The “surgical” intervention that resolves an immediate problem without long-term effects is like a unicorn: an alluring fantasy that never becomes real.

Lost authority

Foreign intervention has weakened the moral authority that was once the foundation of America’s political identity. The United States was once admired for its refusal to fight imperial wars or impose its will on distant nations. Today, many people around the world see it as a bully, recklessly invading foreign lands, blowing up entire societies,

and leaving trails of destruction and conflict. They associate the name “United States” with bombing, invasion, occupation, night raids, covert action, torture, kidnapping, and secret prisons. History gives them the right to fear that their country may be “saved” the way the United States saved Iran, Guatemala, Vietnam, Chile, Nicaragua, Afghanistan, Iraq, Sudan, and Libya.

Some American leaders realized that these foreign interventions might set off upheaval in target countries. All presumed, however, that there would be no serious effects within the United States. For years this seemed reasonable. In the modern age, though, people with roots in countries whose history has been twisted by foreign intervention find ways to take revenge. It comes in forms from mass migration to terror attacks. These are bad results of assaults that we believed would have no bad results. We were foolish to presume that no matter how awful American or European interventions were, their effects would not reach the United States or Europe. The developed world — the invading world — is not an island or an impregnable fortress. Intervention takes a toll at home as well as abroad.

The distance between what the United States was and what it has be-

come is nowhere more painfully clear than in the words of our noble patriarch. The advice George Washington left to posterity in his Farewell Address is now considered antique, quaint, a relic from bygone times. In fact, it is even more apt today than when he offered it in 1796. Future generations of Americans, Washington warned, would live in peace only if they avoided the traps that bring proud nations down:

- permanent alliances with any portion of the foreign world;
- frequent collisions, obstinate, envenomed, and bloody contests;
- overgrown military establishments which, under any form of government, are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty;
- the mischiefs of foreign intrigue;
- love of power and proneness to abuse it;
- excessive partiality for one foreign nation and excessive dislike of another;
- the illusion of an imaginary common interest in cases where no real common interest exists;
- projects of hostility instigated by pride, ambition, and other sinister and pernicious motives.

Washington sensed that his warnings would one day be forgotten. "I dare not hope they will make the strong and lasting impression I could wish," he wrote. Yet he insisted on declaring the principle that he believed would "prevent our nation from running the course which has hitherto marked the destiny of nations." "Give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence," Washington advised. "Can it be that Providence has not connected the permanent felicity of a nation with its virtue?" Nations lose their virtue when they repeatedly attack other nations. That loss, as Washington predicted, has cost the United States its felicity. We can regain it only by understanding our own national interests more clearly. It is late for the United States to change its course in the world — but not too late.

This is a modified excerpt from the concluding chapter of Stephen Kinzer's book True Flag: Theodore Roosevelt, Mark Twain, and the Birth of the American Empire. Copyright 2017 by Stephen Kinzer. Reprinted by permission. All rights reserved.

I t is certainly true that our age is full of conflicts which generate war. However, these conflicts do not spring from the operation of the unhampered market society. It may be permissible to call them economic conflicts because they concern that sphere of human life which is, in common speech, known as the sphere of economic activities. But it is a serious blunder to infer from this appellation that the source of these conflicts are conditions which develop within the frame of a market society. It is not capitalism that produces them, but precisely the anticapitalistic policies designed to check the functioning of capitalism. They are an outgrowth of the various governments' interference with business, of trade and migration barriers and discrimination against foreign labor, foreign products, and foreign capital.

— Ludwig von Mises

How to Drain the Swamp: End the Failed War on Drugs, Part 2

by David Stockman



According to the most comprehensive investigations, the United States spends nearly \$50 billion per year on the war on drugs — including about \$34 billion annually at the state and local level for police, courts, and incarceration. By contrast, it is estimated that were drugs to be legalized and taxed at the same average rate across the country as alcohol and tobacco, the revenue yield would be about \$50 billion to the positive side of the ledger.

So the question recurs as to why the nation's fiscally impaired governments collectively endure this \$100 billion opportunity cost? That is, fund massive outlays for law enforcement when they could readily

step aside and turn the whole drug-distribution business over to Phillip Morris, Pfizer, and Walgreens?

At the end of the day, we contend that the reason lies in the failure of the GOP to understand and implement its own principles about limited government and free markets. So doing, it provides legislative votes, philosophical sanction, and bipartisan political cover for Beltway enterprises that eventually fill the swamp with fiscal waste and societal dysfunction.

As to the former, prevention of self-inflicted harm is never, ever a good reason for state intervention in the private lives of its citizens. The essence of liberty is that people have the right to choose for better or worse when it comes to their own health and well-being.

Moreover, even setting aside this fundamental principle of individual liberty, the lesson of this type of "prohibition" from time immemorial is that it invariably fails to change behaviors, and causes enormous collateral damage to boot.

Invariably, the apparatus of state control and criminal enforcement merely drive proscribed activities from the efficient, pacific venues of free-market commerce into the violent, exploitative netherworld of black-market distribution.

Needless to say, that's a heavy societal price to pay for nothing in return. Yet the chart below dramatizes in purely utilitarian terms that the war on drugs is an unmitigated bust.

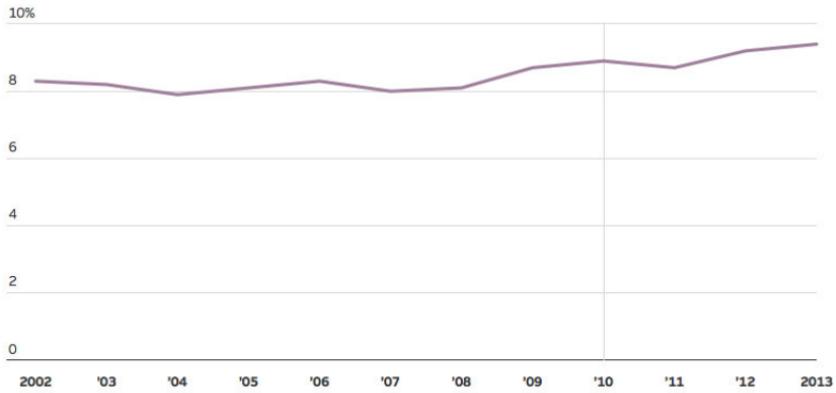
By 2003 the federal campaign against illicit drugs was already 30 years old and nearly \$10 billion was being spent by Uncle Sam on domestic law enforcement, border interdiction, and international drug-control initiatives; and another \$7 billion was being spent on treatment and prevention. Yet \$17 billion of federal drug-control spending was having no impact whatsoever.

The rate of use had remained at about 8 percent of the population 12 years and older for decades; nor did it budge as federal spending continued to climb in the years ahead. In fact, by FY 2016 the federal budget for enforcement, treatment, and prevention had reached \$30.5 billion annually, but the drug-use rate had actually crept up to 9.0 percent of the population.

The flat-lining chart puts you in mind of the famous definition of insanity — doing the same thing over and over and expecting a different result. Yet that goes right to the heart of the Washington Swamp that Donald Trump has proposed to drain.

Percent of Americans 12 and older reporting illicit drug use in the past month

Note: Federal surveys prior to 2002 used different methodologies, so they aren't included in this chart.



Source: National Survey on Drug Use and Health



To wit, when there is bipartisan consensus on a politically exploitable issue like the social tragedies of drug abuse and deaths, the Beltway spending machine flat-out cannot be stopped. It becomes a perpetual-motion contraption that gets re-authorized and re-funded year after year because inertia and log-rolling are the driving forces of the domestic welfare state.

Even if some intrepid critic of the false purposes underlying these bipartisan spending silos attempts to challenge them, it is invariably for naught.

The weed that cannot be exterminated

On the entitlement side of the ledger, of course, programs go on automatically by law forever, while in areas of discretionary funding like the drug-control programs, virtually the same outcome pertains. That is, Washington has become so dysfunctional and immersed in self-perpetuation that it never chooses, decides, allocates, or rejects; it essentially operates by continuing resolution — last year's spending plus a little more, year after year, for any program function that ever gets started and embraced by both parties.

The GOP's complicity in this horrid stalemate was evident al-

most from the beginning of the war on drugs. After Nixon launched it, total spending grew modestly to about \$1.7 billion per year by the time that Ronald Reagan arrived to drain the swamp in 1981. As it happened, however, the drug-control swamp got immeasurably deeper during the next 12 years of Reagan/Bush superintendence.

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superintendence.**

To wit, by FY 1993 when the man who claimed he didn't inhale — Bill Clinton — moved into the White House the so-called national drug-control budget was up to \$12.7 billion, meaning that it had ballooned at an 18 percent compound annual rate during the years of GOP rule.

As it happened, I was on the losing end of that budget breakaway. In the first Reagan budget, we had actually sharply curtailed spending for the drug-control programs at the DEA, FBI, and other agencies based on the above principles and the necessities of fiscal triage. Drug control falls to the bottom of the list when you are trying to actually balance the federal budget.

Accordingly, the federal drug-control budget was pegged at less than \$1 billion and was heading toward the shallow end of the swamp in the outyears. But that didn't last long — not even one budget season.

That's because the Heritage Foundation-style conservatives in the administration were able to quickly redefine the issue. No longer was it a matter of free markets, individual liberty, and fiscal rectitude. Instead, it became a matter of generic "law enforcement".

Accordingly, the White House budget rollback of the war on drugs ended up DOA on Capitol Hill. It took all of three months to extinguish the challenge!

In fact, the principal advocates of Ronald Reagan's renewed and up-sized war on drugs were Attorney General William French Smith and White House domestic policy counselor Ed Meese. Quite simply, they had the "law and order" brief and endless opinion polls which supported a crackdown on illegal drugs, and that's all it took.

Oh, and they also were sure to wear their Adam Smith ties whenever the issue was put to the president.

That historical lesson is also why Donald Trump's prospective campaign to drain the swamp is go-

ing to be so profoundly unsuccessful. He has campaigned on and embraced exactly the kind of generic "do gooder" principles that shield the bipartisan consensus from challenge. To wit, the most dangerous soundbites Trump ever uttered are "law and order", "strong defense" and "25 million jobs."

The upward march of spending for the wrong-headed and failed war on drugs has not abated.

Those slogans will keep the Trump administration buried in the swamp just as the "law and order" brief back in the 1980s enabled the most fiscally conservative administration in modern times to increase spending on the war on drugs by 7X.

As I described in part 1, the upward march of spending for the wrong-headed and failed war on drugs has not abated. During the year just ended, spending totaled \$30.5 billion, representing nearly a 9 percent annual growth rate since the abortive challenge of 1981.

But outside the annihilation of 125 million cannabis plants and the annual arrest of 1.4 million young men — mostly black and Hispanic and mostly for simple possession and small-time dealing — this colos-

sal waste of money has accomplished only one thing: It has visited untold drug-cartel violence and mayhem on the nation's borders and inner cities, and over several decades put upwards of 20 million young citizens through crime-training schools while incarcerated on drug charges.

Worse still, this pointless war has insinuated itself so deeply and broadly in the federal budget that it has actually become the “weed” which cannot be exterminated. More than 50 agencies and departments share in the \$30.5 billion jackpot and much of that goes for purposes that outright deny the reality that ineradicable criminal black markets will always emerge when the state makes a commodity artificially scarce and thereby generates vast windfall margins and profits.

**Criminal black markets
will always emerge when the
state makes a commodity
artificially scarce.**

It's the latter which provides the financial wherewithal by which the criminal cartels man-up, arm-up, and operate multi-billion distribution systems. It is also what makes government interdiction and enforcement efforts so futile. Every

truckload of contraband seized is just the cost of doing business and can be accommodated in the bloated margins available on controlled substances.

For instance, in its budget presentation last year, the DEA crowed that it had deprived drug-distribution organizations of \$25 billion in revenue during the most recent year by seizing, burning, and destroying crops and processed cargos.

The jackpots

So what! The very interdiction and seizure efforts that led to this estimate, also increased the product scarcity, drove its street prices even higher than would pertain in a Philip Morris vending machine on the free market, and therefore paid for the cost of product lost to law enforcement. The law of supply and demand does will out — and especially in the face of feckless government interventions like these.

Thus, last year \$4.5 billion of the drug-control budget was spent on “interdiction.” This included \$2.4 billion for border control and customs operations, \$1.3 billion for the Coast Guard, and \$435 million for DoD’s counterdrug programs to “detect, monitor and support the disruption of drug trafficking organizations”.

So, yes, it is apparently a real war that fully validates the theorem about insanity. The DoD has been doing interdictions for decades, and there has been no reduction in drug supply or use at all; just an increase in the level of violence involved in bringing it into the United States at illegal crossings.

Then another \$1.6 billion was spent last year under the rubric of “international” drug-control programs. Naturally, the State Department got in on that action with \$380 million for its own “Bureau of International Narcotics and Law Enforcement.” So did the Agency for International Development, which got \$132 million to help persuade desperate farmers in drug-producing third-world countries not to produce the high-value cash crops that the war on drugs actually enables.

Finally, the DoD got another \$560 million for its “International Counternarcotics Efforts,” which comes on top of the previously itemized amounts for “interdiction.”

But it is in the “Domestic Law Enforcement” component where the loot is spread far and wide, and amounts to upwards of \$10 billion annually. Nearly 25 different agencies are in on the action, including small-time operations like the

“Methamphetamine Enforcement and Lab Cleanup” grants, which amount to \$11 million per year, and the Federal Law Enforcement Training Center, which gets \$43 million.

On the other end of the spectrum are the big bucks for “investigations,” which total \$3.3 billion and go to the DEA, FBI, and other DOJ operations; and also Homeland Security (\$540 million), Treasury (\$96 million), and also lesser amounts to DoD, Interior, and Agriculture.

The DoD has been doing interdictions for decades, and there has been no reduction in drug supply or use at all.

After that comes \$875 million for “Prosecution,” which is spread among a dozen agencies. Major amounts go to the DOJ’s Organized Crime Drug Enforcement Task Force (\$160 million), the U.S. Marshals Service (\$144 million), the federal judiciary (\$450 million), and lesser amounts to the DOJ criminal division, the U.S. Attorneys, and many more.

Then there is “Corrections,” totaling \$4.5 billion. From that particular bucket, the U.S. Bureau of Prisons draws \$3.4 billion, the Federal Judiciary gets \$600 million, and

the U.S. Marshals dip again for \$500 million. Needless to say, not a dime of that would be needed if drugs were sold at far cheaper prices by reputable firms on the free market.

The federally funded treatment and research programs are too numerous to specify.

Still, “enforcement” is only part of the budgetary outpouring. There is also \$1.5 billion for “prevention,” which is shunted through at least 10 different programs. The latter have also failed, as evidenced by rising use and addiction rates. But they are the archetypical sop to liberals in return for their support of the overall war on drug enterprise.

Finally, the federally funded treatment and research programs — costing upwards of \$13 billion annually — are too numerous to specify. Beyond the billions that go through Medicare and Medicaid there is also \$700 million for VA treatment programs, \$450 million for HSS substance-abuse and mental-health grants to state and local government, \$700 million for NIH research, \$500 million for HUD to take care of homeless addicts, \$75 million for DoD health services, \$92 million for drug courts, and then two more of especial salience.

The Bureau of Prisons gets \$118 million to treat drug offenders while they are incarcerated, and then additional agencies at DOJ and HSS get another \$60 million for prisoner “reentry programs” when they are released.

Then again, neither program would be needed if these guests at Uncle Sam’s hospitality facilities had not been arrested in the first place.

In a word, the above catalogue of spending programs is what lies at the bottom of the Beltway swamp for hundreds of like and similar federal program silos. The above described \$30 billion war on drugs silo is seemingly invulnerable to reduction owing to the bipartisan consensus as to the broad function of “law enforcement”; and because the loot has now been spread among so many agencies and congressional authorization and appropriations committees that it is virtually immune to attack.

So if we go back to our 1981 proposition, it is surely true that at \$30 billion per year the war on drugs is even more ripe for the budget knife than it was back then at \$1.7 billion — purely as a matter of priority rankings and fiscal triage. If that pointless pool can’t be drained, it might be asked, what part of the Beltway swamp can be?

Alas, don't count on the Donald or his incipient administration to even consider the task. Trump ran a demagogic campaign on law and order, including a pledge to stop all illicit drugs at his wall on the border and to rid the land of the scourge of heroin addiction.

Likewise, his attorney general, Jeff Sessions, is a solid conservative on constitutional matters, but he is as bad as Ed Meese and Bill Smith rolled into one with respect to the war on drugs. And General Kelly at Homeland Security never saw a contraband cargo he didn't want to interdict, and now has the vast resources of the Homeland Security Department to do exactly that.

Yes, the war on drugs is a 45-year failure that wastes vast sums of

scarce fiscal resources and wreaks havoc on the nation's borders and communities. It's the very first place to begin draining the swamp.

But if by every indication the Trump administration doesn't even try, then it might well be asked, Exactly what part of the swamp is it that the Donald actually plans to drain?

David Stockman is a former businessman and U.S. politician who served as a Republican U.S. Representative from the state of Michigan and as the director of the Office of Management and Budget under Ronald Reagan. This article is reprinted with permission.

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