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# FUTURE OF FREEDOM

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*Sometimes a noble failure serves the world as  
faithfully as a distinguished success.*

— *Edward Dowden*

# FUTURE OF FREEDOM

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# Freedom and Prosperity: The Importance of Sound Money

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*by Jacob G. Hornberger*



Sound money is a key to a free and prosperous society. That principle was clearly reflected in the monetary system that the Constitution established when it called the federal government into existence.

Our ancestors didn't trust government officials with power. They believed that the greatest threat to their own freedom and well-being lay not with some foreign regime but rather with their own government. They understood that historically most people had lost their freedom and prosperity at the hands of their own governments rather than at the hands of some conquering foreign power.

That was why the American people lived for more than a decade under the Articles of Confederation, a governmental structure that provided for a federal government with extremely weak and limited powers. Under the Articles, the federal government didn't even have the power to tax.

That was precisely how our American ancestors wanted it. For them, a weak federal government meant a federal government that was incapable of destroying their freedom and economic well-being.

When the delegates met at the Constitutional Convention, they were charged with the task of simply modifying the Articles of Confederation. Instead, the delegates came up with a proposal for a federal government that was very different from that under the Articles. Under this new governmental structure, the federal government would have much more power, including the power to tax.

Given their conviction that government was the main threat to their freedom and well-being, most Americans were not excited about the proposal. They could envision ending up with a federal government that would enslave them, confiscate their property, incarcerate them, torture them, impoverish

them, and even kill them, all without due process of law.

The proponents of the Constitution emphasized that the federal government would be prohibited from doing such things to Americans because the Constitution itself set forth the limited powers that the federal government could exercise. If a power wasn't enumerated, it couldn't be exercised.

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**People enter into trades  
with one another in order to  
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standards of living.**

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Historically, one of the most effective ways that political rulers would destroy the liberty and economic well-being of the citizenry was through control over the nation's monetary system. That's because governments would inevitably use that control as a way to finance ever-burgeoning expenses of the king, his court, and often his wars against foreign regimes.

To pay for such expenses, the king would tax his subjects. The king's law required people to pay their taxes. If a person refused, the king's soldiers or other agents would simply seize the person's assets and arrest and incarcerate him. Nothing would be permitted to in-

terfere with the process of seizing people's assets or income to pay for the king's expenses and debts.

However, kings knew that when taxes got too high, people would get angry. If the anger got deep enough, rebellion and revolution would become a possibility, which was certainly not in the kings' best interests.

Thus, when a king's taxes rose to the point where revolution became a possibility, he would resort to his control over the nation's money to acquire the additional resources that he needed to fund his burgeoning expenses and debts.

### **The history of money**

In commerce, people enter into trades with one another in order to improve their respective standards of living. A person with lots of apples, for example, trades with a person with lots of oranges. At the moment of the trade, both sides benefit because each is giving up something he values less for something he values more.

However, over time that barter system becomes impractical because often people with lots of apples want to trade with someone with lots of pears. Sometimes, however, the person with lots of pears wants oranges but not apples. And

the person with lots of oranges wants apples but not pears.

Historically, to facilitate trades, people began using commonly used commodities. The most popular became gold and silver. The person with lots of apples would use a small quantity of gold or silver to buy some pears. The person with the pears would then use that gold or silver to purchase oranges. The person with oranges would use it to buy apples.

Over time, kings assumed the power to mint the gold and silver into coins. Their argument was that this process would ensure that people could trust the coins in circulation to be valid and legitimate. If the king's coins said "One ounce of gold," presumably people could rely on that representation because it was the king making it.

Kings, however, figured out a way to turn this power to their advantage. People would pay their taxes in, say, gold coins. Once the coins entered the government's treasury, the king's monetary agents would shave a small part of the gold from around the edges of the coin. The process came to be known as "clipping the coin."

The king would then put the coins back into circulation. The problem, of course, is that while the

coin said "One Ounce Gold Coin" on it, it now contained less than one ounce, owing to the king's clipping of the coin.

Meanwhile, the king would melt the shavings down and create new coins with them, which obviously multiplied the number of coins at his disposal to pay for his ever-increasing expenses and debts. This inflation of additional coins, however, would debase the value of all the other coins in circulation.

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**This process of monetary debasement inevitably left people worse off.**

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This process of monetary debasement inevitably left people worse off. For example, a seller might receive from a purchaser of his wares a coin purporting to contain one ounce of gold but actually containing less than an ounce. When he went into the marketplace to buy something for one ounce of gold, he could encounter sellers who demanded his one-ounce coin plus a bit more, given that his one-ounce gold coin no longer contained one ounce of gold.

Thus the king's clipping of the coin and his inflation of the money supply became a means by which he could secretly and surreptitious-

ly tax people. Another reason that kings preferred this way of taxing people to the direct way was that most people didn't realize what the king was doing. When prices rose across the realm, which is the way a debased currency manifests itself, the citizenry would blame it on sellers and producers rather than on the king.

Once the printing press was invented, the process became even more beneficial to political regimes. They would decree that paper bills and notes issued by the government, rather than gold and silver coins minted by the government, were now the official "legal tender" for the nation. That meant business would be transacted in "fiat" or paper money that was being printed and supplied by the government.

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**As the inflated supply of paper money flooded the economy, the value of everyone's money went down.**

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It didn't take long for governments to realize that they could use the printing press to print up as much paper money as they wanted to pay for their ever-growing expenses and debts. No more clipping the coin, melting the shavings, and producing more coins with them.

Just crank up the printing press and print up as much money as they needed.

Of course, the process would have the same destructive effect as debasing coins. As the inflated supply of paper money flooded the economy, the value of everyone's money went down. That reduction in value was reflected in rising prices across society, which people inevitably blamed on producers and sellers, just as they did when coins were being debased.

### **Guaranteeing sound money**

The delegates at the Constitutional Convention knew that the American people were well versed in the history of monetary debasement at the hands of government officials. They also knew that Americans had just recently experienced this phenomenon during the Revolutionary War, when the Continental Congress and state governments had resorted to the printing press to pay for the war effort. They ended up printing so much paper money that they destroyed the value of everyone's money. That's how the phrase "Not worth a Continental" came into existence.

Thus, the Framers knew that if they were to persuade the American people to abandon the Articles

of Confederation in favor of the new governmental system, the Constitution would have to make it clear that the new federal government would lack the power to destroy people's liberty and economic well-being through monetary debasement.

That's how the American people acquired the most effective sound-money system in history, one that lasted for more than 100 years. It was a system that not only protected the citizenry from monetary debasement but also played a major role in the monumental increase in the standard of living of the American people throughout the 19th century.

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**The Constitution was a document that set forth the limited powers of the federal government.**

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The Constitution was a document that set forth the limited powers of the federal government and, at the same time, restricted some of the powers of the states. The idea was that if a power wasn't expressly delegated to the federal government, it couldn't be exercised. The idea also was that the states were authorized to exercise any power they wanted (subject to any limitations in state constitutions) except

those powers that were expressly prohibited by the Constitution.

The Constitution delegated the power to coin money to the federal government. At the same time, it did not expressly delegate a power to the federal government to issue paper money, which, at that time, was referred to as "bills of credit."

The Constitution also expressly prohibited the states from making anything but gold and silver legal tender. It further expressly prohibited the states from issuing "bills of credit" or paper money.

The Framers' intent was clear: the U.S. economy would be based not on a paper-money monetary system, but rather on a gold standard. The official money of the American people would be both gold coins and silver coins.

The Constitution also provided the federal government with the power to borrow money, a power that U.S. officials would exercise through the issuance of bonds, notes, and bills. While such instruments would often circulate and appear to be money, everyone understood that they weren't money at all but instead promises to pay money.

Today, it is often said that the United States had a monetary system based on paper money that was

backed by gold. That is incorrect. There is no way that our American ancestors would ever have accepted the Constitution if it was going to bring into existence a paper-money monetary system. The system the Constitution brought into existence was one based on gold coins and silver coins.

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**The finest monetary system in history came unraveled in the 20th century.**

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From the very beginning, the U.S. government took charge of minting the coins. While it was theoretically possible for federal officials to begin “clipping the coin,” as rulers had done throughout history, they didn’t do that, possibly because they knew that Americans would never tolerate such political tampering with their money.

The result was a system of sound money, the likes of which the world had never seen. Given that people were assured that government lacked the power to destroy or harm them through monetary debasement, they were free to make long-term loans and investments, which contributed to the economic prosperity of the nation. People even felt safe buying 100-year bonds from private corporations,

knowing that they (or their heirs) would not be paid back in cheapened, devalued money.

### Unraveling

The finest monetary system in history came unraveled in the 20th century. In 1913, the Federal Reserve System was established, which was a government agency charged with centrally planning America’s monetary system. It proved to be a disaster, especially in 1929, when its monetary calculations went awry, resulting in the stock market crash that year, which was followed by the Great Depression.

U.S. officials, led by President Franklin Roosevelt blamed the crash and the Depression on America’s “free-enterprise system” rather than on the Federal Reserve, where the responsibility for the crisis lay. Roosevelt used the crisis as an excuse to destroy America’s gold-coin, silver-coin standard in favor of a paper-money standard that rulers throughout history had used to plunder and loot their citizens and subjects.

Keep in mind that the Constitution also provided for an amendment process should Americans wish to change any aspect of their constitutional system. The Constitution could not be amended by ei-

ther presidential decree or legislative enactment.

Yet that is precisely what Roosevelt and Congress did. They destroyed the monetary system on which the nation had been founded through executive decree and congressional legislation. They used the crisis of the Great Depression as their justification, but they knew that the Framers had intentionally not included a crisis or emergency justification in the Constitution for the exercise of tyrannical powers.

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**There is no better word than “tyranny” to describe what Roosevelt and Congress did.**

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And there is no better word than “tyranny” to describe what Roosevelt and Congress did. “Morally reprehensible” would be a close second. Roosevelt ordered every American to deliver his gold holdings to the federal government. If an American failed to do so and was caught with gold coins, he would be arrested, prosecuted, convicted, and incarcerated for having committed a grave felony offense.

In return for their gold coins, Roosevelt gave Americans federal promissory notes, which effectively promised to pay them nothing. Soon after Roosevelt nationalized

people’s gold, he devalued the paper debt instruments that he had delivered to Americans in exchange for their gold.

Roosevelt’s conversion of America to a paper-money monetary system, one managed by a central bank (the Federal Reserve), opened up the floodgates for federal spending and debt, which would increasingly grow as America moved toward a welfare-warfare state way of life. Decade after decade, as federal spending and debt grew, the feds would crank up the printing presses to augment the ever-increasing taxes they were collecting to pay for the welfare-warfare monstrosity.

Over time, all that “bad money” pushed silver coins out of circulation. People were discovering that they would be better off retaining their silver coins and using the alloyed coins and paper money with which U.S. officials were flooding the market decade after decade. The Lyndon Johnson administration accelerated the process by discontinuing the issuance of silver certificates in 1964, followed by the Coinage Act of 1965, which eliminated silver from dimes and quarters and reduced the silver content in half-dollars from 90 percent to 40 percent.

Today, countless Americans are financially strapped, barely making

ends meet. Many people live paycheck to paycheck and are unable to save up a nest egg. The financial situation becomes worse with each boom and bust that periodically afflicts America's economy.

Unfortunately, all too many of them fail to realize that one of the primary reasons for this phenomenon is America's paper-money system and the ability that it provides federal officials to plunder and loot the American people.

Is the solution to this monetary mayhem a return to America's founding monetary system? That certainly would be preferable to America's paper-money, central banking system under which Americans have now lived for more than 100 years.

But the ideal is one set forth by the libertarian economist Friedrich Hayek in an essay he wrote, "The Denationalization of Money," in

which he advocated a complete separation of money and the state. Thus, just as the Constitution prohibits the federal government from intervening in religious affairs, a similar amendment would prohibit it from intervening in monetary affairs.

A necessary prerequisite for the achievement of a free, peaceful, normal, prosperous, and harmonious society is a monetary system based on sound money. A monetary system based entirely on free-market principles would go along way toward achieving such a society.

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

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**NEXT MONTH:**  
**"Socialism in America"**  
*by Jacob G. Hornberger*

# Gun Seizures Could Lead to Civil War

by James Bovard



“Hell yes, we’re going to take your AR-15,” declared “Beto” O’Rourke at a Democratic party presidential candidate debate in September. Compelling Americans to surrender their so-called assault weapons is “the newest purity test” for Democratic presidential candidates, according to the *Washington Post*. O’Rourke and other Democratic presidential candidates, including Cory Booker, Kristin Gillibrand, and Bill de Blasio (now withdrawn from the race, as are Gillibrand and O’Rourke) have all endorsed mandatory buy-backs of assault weapons. Though such proposals are momentarily politically profitable, they could start a cascade of public-policy dominoes that ends in civil war.

When Australia and New Zealand mandated buy-backs of assault

weapons, most gun owners ignored the decrees despite politicians repeatedly ratcheting up their threats. Similar noncompliance to laws requiring surrender or registration of assault weapons has occurred in California, New York, Connecticut, New Jersey, and elsewhere.

Congress passed an assault-weapons ban in 1994 that lasted for a decade. The original assault-weapons ban protected Americans from being shot with rifles that included features such as grenade launchers, bayonet lugs, or other detailing whose primary impact was to fuel the phobias of gun haters.

Shortly after the 1994 ban was passed, a *Washington Post* editorial admitted, “Assault weapons play a part in only a small percentage of crime. The provision is mainly symbolic; its virtue will be if it turns out to be, as hoped, a stepping stone to broader gun control.” *Post* columnist Charles Krauthammer, in an article headlined, “Disarm the Citizenry. But Not Yet,” explained the “real logic of the ban”: “Its only real justification is not to reduce crime but to desensitize the public to the regulation of weapons in preparation for their ultimate confiscation.” Krauthammer, who was revered by much of the nation’s mainstream media, trumpeted his support for “real

steps” on gun control including “the banning of handguns.”

There is not a clear, consistent definition of “assault weapon” but most politicians are using vague terms that could include more than 10 million firearms. Almost all the ban advocates favor prohibiting rifles built on the AR-15 design. Though these firearms have been endlessly demonized, they are involved in a very small percent of homicides. All types of rifles account for only 3 percent of homicides, and AR-15-style weapons are only a small fraction of the rifle-related homicides.

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### All types of rifles account for only 3 percent of homicides.

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But that doesn’t matter to politicians who are crusading against guns the way Temperance activists crusaded for Prohibition a hundred years ago. Assault-weapons laws resemble hate-speech laws. Hate-speech laws usually begin by targeting a few words that almost no one approves of. Once the system for controlling and punishing “hate speech” is put into place, there is little or nothing to stop it from expanding to punish more and more types of everyday speech. Similarly, once an assault-weapons law is on

the books, there is little to prevent politicians from vastly increasing the number of weapons banned under the law.

### Revvng up the rhetoric

Rep. Eric Swalwell (D-Cal.) has been among the most outspoken anti-gun politicians. Swalwell says the government should first offer a buy-back for retroactively banned weapons and then forcibly confiscate them one by one if necessary. Swalwell declares that his “mandatory national ban” of assault weapons is “bold and ... it rightly treats gun violence as a life-or-death matter.” A Twitter critic summarized Swalwell’s pitch: “We’re not taking anyone’s legal guns, we’re just changing the law so the guns are illegal and then we will take them.”

When a conservative activist suggested that gun grabbers wanted a war, Swalwell replied, “And it would be a short war, my friend. The government has nukes. Too many of them. But they’re legit.” Swalwell did not specify how many bombs he would be willing to drop to end violence. His anti-gun zealotry made him an instant hero, persuading him to briefly run for the Democratic nomination for president.

Other Democratic candidates have also warned of the grave perils

facing anyone who would resist a government-disarmament command. Former Vice President Joe Biden scoffed in September, “If you want to protect yourself against the federal government, you’re going to need at least an F-15” fighter jet.

But Americans resisting mass gun confiscation will not need to defeat the feds. They would merely need to wait until government agents commit horrific blunders that turn millions more Americans against Washington. That pattern has repeated itself in American history in federal gun crackdowns gone awry.

### And if the government attempts seizures?

In clashes between government agents and citizens, weaponry is not destiny. In August 1992, in the initial firefight at Ruby Ridge, Idaho, a camouflaged team of U.S. marshals with submachine guns was routed by a 14-year-old boy with a Ruger Mini-14 and a 25-year-old guy with a 30.06 rifle. False statements by federal officials during and after the siege at the Weavers’ cabin helped destroy the credibility of the criminal prosecution of the survivors the following year.

In February 1993, an assault by more than 70 federal Alcohol, To-

bacco and Firearms agents was routed by the Branch Davidians near Waco, Texas, despite the ATF’s having automatic weapons and being supported by National Guard helicopters flying over the Davidians’ home. The ATF never sought to peacefully serve a search warrant on David Koresh and his followers. Instead, the agency’s code name for the attack was “Showtime” and local television stations had been alerted ahead of time to cover the glorious assault.

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**The ATF never sought to peacefully serve a search warrant on David Koresh and his followers.**

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After each of those initial debacles, the FBI came in and made the situation far worse. FBI snipers at Ruby Ridge were given an unconstitutional “if you see them, shoot them” rule of engagement that resulted in the killing of Vicki Weaver as she stood in her cabin door holding her baby. At Waco, the FBI launched a tank and gas assault that included firing pyrotechnic grenades at the Davidians’ ramshackle dwelling; the subsequent fire left 80 people dead.

In both cases, the feds were spooked by popular resistance. At Ruby Ridge, the FBI and their law-

enforcement allies were becoming encircled by armed private citizens, many of whom opposed the feds. Attorney General Janet Reno declared that the “first and foremost” reason she approved the final FBI assault at Waco was that “law-enforcement agents on the ground concluded that the perimeter had become unstable and posed a risk both to them and to the surrounding homes and farms. Individuals sympathetic to Koresh were threatening to take matters into their own hands to end the stalemate and were at various times reportedly on the way.”

Any firearms crackdown will be applauded by politicians and activists who hate gun owners as much as they hate guns if not more. Fair play is irrelevant when officialdom is saving humanity — especially women and children. The same politicians and media outlets who portray practically every privately owned firearm as a school massacre in waiting will scorn the rights of government victims.

Many rural gun owners are as unlikely to surrender their guns as they are to give up their Bibles. Escalating government force will create martyrs that multiply resistance. The British government’s heavy-handed repression of all Bos-

tonians for a “tea party” by a smattering of activists helped turn the 13 colonies against King George. Any vigorous attempt to forcibly commandeer millions of weapons will result in clashes that the government will sometimes lose — especially given the record of police who either freeze up or cower in crisis situations, such as the Parkland School shooting, the Las Vegas Mandalay Hotel carnage, and the Orlando Pulse Nightclub massacre.

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**Any attempt to enforce widespread gun confiscation will require suspending Americans’ constitutional right to trial by jury.**

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Any attempt to enforce widespread gun confiscation will require suspending Americans’ constitutional right to trial by jury. An Idaho jury found Ruby Ridge defendants not guilty: “Government witnesses cause case to collapse,” a *Washington Post* headline later declared. In 1994, a Texas jury rejected charges that Branch Davidians were guilty of murdering federal agents in a verdict the *New York Times* described as a “stunning defeat” for the feds. Juries in Montana, for instance, might resist convicting firearms violators the way that Massachusetts juries in the 1850s often

refused to enforce the Fugitive Slave Act. Juries would not defer to the assertion of federal agents whom some people viewed as the equivalent of foreign invaders.

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**Each failed government intervention would provide the pretext for politicians to redouble their repression of Americans.**

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The First Amendment could be another gun-grab casualty. During the final day at Waco, the FBI continually broadcast “this is not an assault” as its tanks collapsed 20 percent of the Davidians’ home. The videos of the FBI tank assault swayed far more Americans to completely reject not just the federal claims on Waco but to question whether the entire government had far too much power for the safety of American citizens. Almost everybody with a cell phone has a video camera within reach, and film clips of federal agents smashing into homes and assailing defiant citizens would be more incendiary than any presidential tweet. Such optics will prove disastrous unless the government can prevent uploading any such videos to the Internet. If the government seeks to preemptively prevent exposures of its enforce-

ment campaign, then it will lose the support of vast numbers of Americans who are not gun zealots.

Congress and their bureaucratic allies cannot count on local officials to carry out Washington’s commands. Sheriffs in New York state, New Mexico, and Colorado have already publicly refused to enforce what they consider unjust gun laws. The only way to carry out mass seizures of weapons in many parts of the nation would be by declaring martial law. But that would be perilous because many National Guard members might refuse to carry out orders, especially after enforcement efforts killed innocent civilians. Losing the loyalty of the troops would be the final straw to cause confiscation to collapse — but not until vast damage had been done to the government and private citizens. The more force the U.S. government uses, the more certain it is that federal credibility will collapse.

A ban on assault weapons would be only the first domino to fall — the “stepping stone,” as the *Washington Post* admitted decades ago. After an assault-weapons ban fails to end shootings, advocates will demand that all semi-automatic firearms be prohibited and confiscated. (The vast majority of rifles sold in recent decades have been semi-

automatic.) And if such a ban was proclaimed and still failed to end violence, then politicians would of course have no choice but to confiscate all handguns. Each failed government intervention would provide the pretext for politicians to redouble their repression of Americans.

Citizens should remember that the government that claims a right to seize their firearms also denies that it has any legal obligation to protect individuals from violent criminals. Almost no one is holding politicians advocating mass gun confiscation liable for the carnage their proposals would produce. Instead, gun-ban proposals are being treated as moral imperatives or viewed as a chance for national

atonement. Unfortunately, politicians can win votes in primary elections for championing policies that would ravage much of the nation.

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*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.*

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**NEXT MONTH:**  
**“Our Foreign-Policy  
Perpetual Perfidy”**  
*by James Bovard*

*The Great Depression, like most other periods of severe unemployment, was produced by government mismanagement rather than by any inherent instability of the private economy.*

— Milton Friedman

# Unlibertarian Libertarianism

by *Laurence M. Vance*



Just like liberals, conservatives, progressives, populists, and constitutionalists — but certainly not as bad — libertarians are not always consistent when it comes to libertarianism. In fact, what some libertarians propose is unlibertarian libertarianism.

## Libertarianism

Libertarianism is the philosophy that says that people should be free from individual, societal, or government interference to live their lives any way they desire, pursue their own happiness, accumulate wealth, assess their own risks, make their own choices, participate in any economic activity for their profit, engage in commerce with anyone who is willing to reciprocate, and spend the fruits of their labor as they see fit.

As long as people don't violate the personal or property rights of others, and as long as their actions are peaceful, their associations are voluntary, and their interactions are consensual, they should be free to live their lives without license, regulation, interference, or molestation by the government.

The creed of libertarianism is nonaggression: freedom from aggression and violence against person and property as long as one respects the person and property of others. The non-consensual initiation of aggression against the person or property of others is always wrong, even when done by government. The actions of government should be strictly limited to the protection of life, liberty, and property. The government *should not* transfer our wealth, tax us, force us to be charitable, or punish us for doing things that are not aggression, force, coercion, threat, or violence. Unfortunately, some libertarians maintain that there are cases where the government should do those things. They inconsistently espouse what can only be termed unlibertarian libertarianism.

## Vouchers

The Section 8 housing-choice voucher program is the federal gov-

ernment's program for assisting low-income families and the disabled to find and rent safe and affordable homes or apartments. Participants are free to choose the housing of their choice that meets the requirements of the program. Vouchers are issued by local public housing agencies (PHAs), which receive funds from the U.S. Department of Housing and Urban Development (HUD) to administer the program. A housing subsidy is then paid directly to the landlord by the PHA in behalf of the participating individual or family. The participant pays the difference between the actual rent and the amount of the voucher.

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*Vouchers are a form of welfare,  
just like housing vouchers  
and food stamps.*

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The Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, gives recipients of SNAP benefits a deposit on an electronic benefit transfer (EBT) card each month that can be used for prepackaged food items of the recipients' choice. It is basically a voucher for food. SNAP is administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA), but is

operated by the 50 states. Benefits differ by state. There is no limit to how long one can receive benefits as long as there are children in the household.

I don't know of any libertarians who defend federal housing vouchers and food stamps in the name of housing choice and food choice. Yet, some libertarians inconsistently support educational vouchers in the name of "school choice" — which is code for government vouchers that allow parents to send their children to private schools of their choice, but at public expense.

Vouchers are a form of welfare, just like housing vouchers and food stamps, but also just like Temporary Assistance for Needy Families (TANF) and refundable tax credits. Vouchers are subsidies to private businesses. If vouchers were used for anything but education, they would be denounced as such. There is nothing special about the business of education that necessitates that the government be involved in it. Once government vouchers for education are deemed to be acceptable, no reasonable or logical argument can be made against the government's providing vouchers for other services. Vouchers are not needed to give parents school choice. Parents in every school district in the United States

have a variety of choices right now when it comes to their children's education: parochial schools, Montessori schools, independent private schools, Jewish schools, Christian schools, Muslim schools, private tutors, home-schooling, on-line schooling. The fact that some parents don't have the money to pay for their education choice doesn't justify government education vouchers any more than their not having enough money to pay for their vacation choice justifies government travel vouchers.

Giving one group of Americans the choice of where to spend other Americans' money to educate their children is immoral and unjust. There is nothing libertarian about government educational vouchers.

### Tax reform

It is a maxim of libertarianism that taxation is theft. The libertarian view of taxes is not that taxes should be constitutional, fair, uniform, flat, apportioned equally, or even low. The libertarian view of the tax code is not that it should be short, simple, or efficient; or that it should help the poor, benefit the middle class, and be business-friendly while making the rich pay some arbitrary "fair share." The libertarian view of taxes and the tax

code is simply that they should not exist.

As explained by the Austrian economist Murray Rothbard in *The Ethics of Liberty* (1982),

*All other persons and groups in society (except for acknowledged and sporadic criminals such as thieves and bank robbers) obtain their income voluntarily: either by selling goods and services to the consuming public, or by voluntary gift (e.g., membership in a club or association, bequest, or inheritance). Only the State obtains its revenue by coercion, by threatening dire penalties should the income not be forthcoming....*

It would be an instructive exercise for the skeptical reader to try to frame a definition of taxation which does not *also* include theft. Like the robber, the State demands money at the equivalent of gunpoint; if the taxpayer refuses to pay, his assets are seized by force, and if he should resist such depredation, he will be arrested or shot if he should continue to resist....

Rothbard concludes that “there can be no such thing as “fairness in taxation,” since “the concept of a ‘fair tax’ is therefore every bit as absurd as that of ‘fair theft.’” And as Old Rightist Frank Chodorov wrote in *The Income Tax: Root of All Evil* (1954), “There cannot be a good tax nor a just one; every tax rests its case on compulsion.”

Unfortunately, some libertarians are inconsistently focused on a specific tax plan instead of taxation itself. They feel that there can be a good tax and that there should be a fair tax. There are a number of tax-reform plans that such libertarians might support.

Some libertarians favor the FairTax. This is a consumption tax that would completely replace not only the current income-tax system, but payroll taxes as well. The FairTax is a national retail sales tax on the final sale of all new goods and services — from cars, houses, prescription drugs, and food to heart surgery, funerals, rent, and haircuts. Other libertarians prefer some form of a flat tax. These are all just modified versions of the current income-tax system. Under a flat tax, everyone’s income is taxed at the same rate. Most flat-tax plans also eliminate many tax deductions and credits. Neither tax plan is true

to its name, and neither one is an incremental step toward lower overall taxes. Both are fraught with problems and contradictions, and both are revenue-neutral plans that would fund the federal government at the same obscene level that it is now.

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**Unfortunately, some libertarians are inconsistently focused on a specific tax plan instead of taxation itself.**

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Some libertarians are singularly focused on making the tax code simpler, shorter, and fairer by eliminating loopholes, deductions, and credits. They have the strange idea that letting Americans keep more of their money is a “subsidy.” Other libertarians support a negative income tax, whereby people receive a “refund” of taxes that they never paid in the form of refundable tax credits, such as the Earned Income Tax Credit (EITC). Refundable tax credits are the ultimate form of welfare because they are payments made in cash instead of payments made to third parties or deposited on an EBT card. Libertarians who support refundable tax credits are inconsistently supporting the redistribution of wealth.

Tax increases of any kind or amount, tax reform that is revenue-

neutral, tax-base broadening, replacement of one tax with another, tax-shifting from one group of taxpayers to another, and tax-deduction and tax-credit phase-outs, reductions, or eliminations are not libertarian. There is nothing libertarian about making the tax code shorter and simpler or making tax rates flatter and fairer.

### Social Security

Social Security's Old-Age and Survivors Insurance (OASI) program provides monthly benefits to retired workers, families of retired workers, and survivors of deceased workers. Social Security's Disability Insurance (DI) program provides monthly benefits to disabled workers and families of disabled workers. Although Americans don't have to accept Social Security benefits, they have to, under penalty of law, fund the system with payroll tax deductions.

Social Security is funded by a 12.4 percent payroll tax (split equally between employers and employees) on the first \$132,900 of an employee's income. Self-employed persons pay the full 12.4 percent, but receive a deduction toward their income tax equal to 50 percent of the amount of the Social Security tax they pay. One must pay Social Security taxes for a

minimum of 40 quarters to be eligible for benefits, which are based on the average of a worker's 35 highest years of earnings, adjusted for inflation. For those born after 1959, the retirement age to receive full benefits is 67.

Social Security is unsustainable and on the verge of insolvency, as even the Social Security Board of Trustees acknowledges. Numerous proposals have been put forward over the years to "save" or "fix" Social Security. They include raising the retirement age, raising the Social Security tax rate, reducing or eliminating cost-of-living increases, increasing or eliminating the payroll tax cap, reducing benefits, or means-testing recipients.

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**Social Security is an intergenerational wealth-redistribution scheme.**

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But even though Social Security is an intergenerational wealth-redistribution scheme that has been a welfare program for the elderly from the very beginning, some libertarians still believe that it needs to be fixed or reformed instead of eliminated. Although they claim to be opposed root and branch to socialism, these libertarians inconsistently believe that Social Security

should be saved for future generations — even though it relies on the force of the state to take money from one person and transfer it to another. Social Security is immoral because it is immoral for the government to take money from those who work and give it to those who don't.

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### There are no free-market solutions to fix Social Security.

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The preferred fix of some libertarians for Social Security is some form of privatization. In some privatization plans, contributions from employers and employees would be collected by a public agency and then invested in one or more of a limited number of private investments chosen by employees. In other plans, banks, insurance companies, and other investment companies would compete with each other to attract workers' contributions. One libertarian puts it this way: "Instead of the government taking a portion of your paycheck, it would mandate that you invest it privately in a business that manages pension funds. Then, it would be up to you to decide where your savings goes and what is done with it."

There is one basic problem with all Social Security privatization

plans: they all privatize coercion. The federal government still forces people to save for retirement. Once it is granted that the federal government should be able to force people to save for retirement, then no reasonable or logical objection can be raised to the federal government's forcing people to save for a down payment on a house, unforeseen medical expenses, a new car, or a college education for their children. But even if the forced saving was limited to saving for retirement, it would still constitute a grave violation of libertarian principles. One of the tenets of libertarianism is that everyone has the right to keep the fruits of his labor and decide for himself what to do with his money. There are no free-market solutions to fix Social Security. There is nothing libertarian about privatizing, reforming, fixing, or saving Social Security.

### Universal basic income

The United States has about eighty means-tested welfare programs that provide cash, food, housing, utility subsidies, medical care, and social services to poor, disabled, and lower-income Americans on the basis of the beneficiary's income and assets. And some welfare programs are not even means-tested.

The elderly have Social Security and Medicare. The disabled have Supplemental Security Income (SSI). Pregnant women and new mothers have Healthy Start and Women, Infants, and Children (WIC). Low-income students have Pell Grants and all students have access to federal student loans. Farmers have farm subsidies. Children from low-income families have school-breakfast and -lunch programs. The unemployed have unemployment compensation and access to free federal job-training programs. The poor have Medicaid, food stamps, Section 8 housing vouchers, TANF, energy assistance, subsidized phone service, community health centers, public housing, family-planning programs, and refundable tax credits. All parents — rich and poor alike — can send their children to public schools at no cost.

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**Welfare programs are clearly illegitimate and unconstitutional functions of the federal government.**

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All of these welfare programs are clearly illegitimate and unconstitutional functions of the federal government. They are socialistic, they are collectivist, they foster dependency on the government, they

are income-transfer programs, they are social-engineering schemes, they shift responsibility from the individual to society and from families to the state, they contribute to class warfare, and they crowd out genuine charity.

Yet some libertarians, instead of calling for all of these welfare programs to be eliminated, advocate reforming the system by simply giving “those who need help unrestricted cash grants that they can spend how they see fit,” as one libertarian wrote at a prominent libertarian blog. Other libertarians are not so blunt. They favor a universal basic income or a guaranteed minimum income as a replacement for the current welfare state. They think it would be more efficient to simply scrap the whole welfare system and instead write the poor a check or give them money on an EBT card like food stamps. But not only that. Most basic-income-guarantee proposals would give an unconditional monthly grant of income to every American regardless of his financial condition or ability to work. This can be justified on “libertarian principles” because the state wouldn’t claim to know best how people should live their lives and try to micro-manage human behavior. It would cut out many government

programs and bureaucrats. And it gives money to everyone, but then lets the free market work.

There is just one glaring problem. A universal basic income is still the redistribution of wealth. The federal government has no money to give out without first confiscating it from the paychecks, pockets, and purses of American taxpayers. Forced charity is always unjust. It is coercion, not charity. All charity should be private and voluntary. Every individual has a natural and moral right to decide if and when he wants to help others. There is nothing libertarian about a universal basic income.

### Anti-discrimination laws

Title VII of the Civil Rights Act of 1964 makes it illegal to discriminate against someone “on the basis of race, color, religion, national origin, or sex.” All of the states have similar prohibitions; however, some of them include sexual orientation as well — most notably Colorado. It was there that a Christian baker who held the religious conviction that marriage was the union between one man and one woman was accused by the Colorado Civil Rights Commission of discriminating against a homosexual couple because he refused to bake them a

cake for their wedding reception. The Colorado Court of Appeals eventually agreed with the Commission. However, after making its way to the U.S. Supreme Court, that decision was reversed because “the Commission’s actions here violated the Free Exercise Clause.” However, the Court’s decision was narrowly focused. Not all acts of religious discrimination are legal throughout the United States — but they should be.

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**The federal government has no money to give out without first confiscating it.**

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The libertarian position on discrimination is pretty straightforward: Since discrimination — against anyone, on any basis, and for any reason — is not aggression, force, coercion, threat, or violence, the government should never prohibit it, seek to prevent it, or punish anyone for doing it. Discrimination is a crime in search of a victim. By their very nature, the natural rights of freedom of assembly, freedom of association, free enterprise, and freedom of contract include the right to discriminate. Discrimination is an essential part of property rights. In a free society, there is no right to service.

But even the most recent Libertarian Party candidate for president was confused about discrimination. Although he maintained that people should be allowed to discriminate for a variety of reasons, he singled out religious discrimination as something that should not be allowed. In fact, he not only declared that bakers should be forced to bake wedding cakes for homosexual couples, but that Jewish bakers should be forced by the government to bake wedding cakes for Nazis.

That, of course, doesn't mean that all acts of discrimination are equal, necessary, or justified. It just means that, *as far as the law is concerned*, it is irrelevant whether an act of discrimination is based on stereotypes, false assumptions, or prejudices; it is immaterial whether an act of discrimination is due to racism, sex discrimination, or religion; and it is beside the point whether an act of discrimination is unreasonable, illogical, or irrational. There is nothing libertarian about anti-discrimination laws.

### Libertarian consistency

Unlike liberalism and conservatism, libertarianism is a consistent philosophy. The fact that some individual libertarians are inconsistent

in what they affirm as libertarianism does not negate that. Libertarianism is not monolithic. There is room in libertarianism for differences of opinion. But if libertarians are to have any impact on liberals and conservatives, they must be securely grounded in the fundamentals of libertarianism and consistent in their presentation of libertarianism. There is nothing libertarian about vouchers, tax reform, Social Security, a universal basic income, anti-discrimination laws, or any number of other things that can only be described as unlibertarian libertarianism.

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**NEXT MONTH:**  
**“Ice and Fire”**  
*by Laurence M. Vance*

# Understanding the Freedom We Have Lost

by *Richard M. Ebeling*



Few people can really understand what life is like in a totalitarian state unless they have lived there or have had the opportunity to visit such a society for an extended period of time. For most Americans it seems like an impenetrable world that is not easily comprehended. How can you imagine living in a society with virtually none of the freedoms that the citizens of the United States simply take for granted?

Yes, as classical liberals and libertarians often argue, modern America is far from being a truly free society. The interventionist-welfare state intrudes into many facets of everyday life. Taxes take anywhere from 25 percent to more than 50 percent of what many average Americans earn annually.

Government regulations oversee, restrict, command, or prohibit nearly every form and type of production throughout the United States economy. In some instances, it sets minimum or maximum prices at which people may buy and sell goods and services. The surveillance state increasingly watches and records almost everything we do, as well as where we do it and with whom. The security state can read whatever we write or otherwise communicate to others on our phones and computers.

## Taking losses of freedom for granted

People seem to be able to get used to almost anything after a while. Consequently, many Americans do not appreciate the degrees to which their liberty has been curtailed. For instance, I remember entering any airport and not going through any of the security checks or personal intrusions that are now taken for granted as a fact of life. You rarely showed your ID, and you could freely go to any of the gates to greet someone arriving off the plane, or wish anyone goodbye as he was leaving.

You could go onto the roof of many airport terminals and watch the planes landing and taking off, and see them up close through a

coin-operated telescope. Oh, and people could go up to any airport ticket counter to check in and be smoking a cigar, with no one's reminding them that they were subject to a fine or even arrest if they did not extinguish their cigar. Most people showed common courtesy if anyone objected to the smoker's lighting up, and often the smoker would first ask if anyone around him minded if he smoked. People normally did not need the state to tell them how to act around others. Polite conduct without political coercion. What an idea!

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### Polite conduct without political coercion

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Most Americans probably are not familiar with the Haskell Free Library and Opera House. Its distinction is that it sits right on the U.S.-Canadian international border between Derby Line, Vermont, and Rock Island, Quebec. It was built in 1904, with the intention of symbolically representing the freedom and neighborliness of the citizens of the two countries. The building has two entrances, one on the American and the other on the Canadian side. People for nearly a century just entered the library from either entrance, and ignored the line on the floor mark-

ing which side was U.S. and which side was Canadian political jurisdiction. The seats in the adjacent opera house also straddle the border between the two countries.

But especially since 9/11 and America's intensified security state, things are no longer so simple. Americans merely walk through the doorway on their side of the international border. Canadians face checkpoints and surveillance cameras to get into the library from their side of the border. Indeed, the once-free movement between the two towns in general, which used to be almost unrestricted with people working on one side and living on the other, has become far more complicated now that Uncle Sam has to know about anyone who comes from the Canadian side wanting to check out a library book. To paraphrase Robert Frost, good government border fences do not make for easy-going neighborly neighbors.

Both of these may seem like trivial examples, mere nuisances in a changing world of more dangerous "bad people." But both represent instances of reduced degrees of personal freedom and interaction with others with the long, armed arm of Uncle Sam reducing some of the liberty of everyday life within the Unit-

ed States and between it and the country just to the north of it.

### Accepting loss of freedom in Lithuania

The adaptability of people to the social and political environment in which they live seems, often, to know no bounds. In January 1991, I was on one of my first visits to Lithuania, one of the Eastern European “captive nations” annexed by Stalin during the Second World War. The Soviet military was putting on a public show of strength on the streets of Vilnius, the Lithuanian capital, as a psychological warning to those Lithuanians who were determined to regain the national independence that had been taken away from them in June 1940 as part of Nazi-Soviet Pact of August 1939 to divide up Eastern Europe between the two totalitarian regimes if war broke out.

Walking through a part of Vilnius with a Lithuanian friend who was showing me around the city, I angrily asked how he could be so calm when in one of the buildings we were passing were Soviet army tanks revving their engines in anticipation of being sent into the streets to crush people’s desire to be free.

He said this was all new to me, since I had never grown up and lived in a country occupied and

controlled by an invading power, as the Lithuanians had experienced for more than half a century. Generations had then lived under Soviet power, and they took it for granted, like seeing a neighbor walk his dog in the morning, or standing in line for hours at government retail stores hoping to purchase some of the essentials of everyday life. You know the tanks are there and what they can do, but when you’ve lived with it your whole life, it’s like background noise that you hardly notice as you go about your daily activities. It is just there.

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**You know the tanks are there and what they can do, but it’s like background noise that you hardly notice.**

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That the tanks were there and what they could do became raised to everyone’s consciousness in Vilnius the following week, when the Soviet military used force in an attempt to crush the freedom movement by killing 13 people in one night, with three of the victims being run over by tanks, and arresting many of those Lithuanians who were most vocal and defiant against continuing Soviet control of their country.

### Taking for granted government's spending our money

Another instance of not fully appreciating the impact of government intervention in society is the degree to which various persons and groups benefit from favors, privileges, protections, and subsidies supplied by those in political authority. In the federal fiscal year that ended on September 30, 2019, Uncle Sam spent more than \$4.2 trillion, of which around one trillion was borrowed money.

Every one of those federally spent dollars went for something and into someone's pocket. The more than 2.7 million civilian employees who directly work for the federal government in one capacity or another, and the additional 1.3 million people serving in the U.S. military, received some of that money.

Then there are all those who supply goods and services to the various government departments, bureaus, and agencies, with everything from paper clips to photocopying ink cartridges. And there are the Department of Defense contractors supplying the military hardware used by American armed forces at home and abroad.

For instance, the Defense Department spent around \$940 billion; the Department of Education

spent more than \$156 billion; for federally funded health-care programs, more than \$1.52 trillion was spent; on Social Security and related pension programs, more than \$1.1 trillion was spent; and the interest paid on the national debt of more than \$22.6 trillion, came close to \$395 billion. And that is just naming a few of all the bureaucratic entities through which that more than \$4.2 trillion was spent.

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**Federal, state, and local government, together spent 40 percent of the total output produced in the United States.**

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That is, by the way, not counting all that was spent by state and local governments in the same time-frame. The two, combined, came to nearly \$4 trillion of more government spending, for a total take by all levels of government of more than \$8 trillion. With an estimated \$20.5 trillion Gross Domestic Product (GDP) for 2019, that means that federal, state, and local government, together spent 40 percent of the total output produced in the United States; with Uncle Sam taking 20 percent by himself.

Every dollar of sales revenue earned by a business from producing and supplying something

bought by Uncle Sam, and every dollar of income received from a government transfer program or a salary paid for participating in the production of something purchased by the government, was a dollar that did not come from producing and supplying something directly demanded and bought freely in the marketplace by the consuming public.

Those government-supplied dollars represent political privileges and favors redistributed from one part of the U.S. population to another. But wait, it might be said, unless you're an anarchist, doesn't the government, at every level, need to spend some taxed dollars to protect each individual citizen's right to the life, liberty, and honestly owned property? Let's agree to that.

Let us suppose that if all levels of government were limited to the protection of people's liberty as usually understood in the Declaration of Independence and in the strictly enumerated functions laid out in the U.S. Constitution, it would come to, say, 10 percent of what government spends today, or about \$820 billion.

Too low? Let's suppose a limited government would spend 25 percent of what government spends today in the United States. That

would equal around \$2 trillion dollars rather than the \$8 trillion spent now; and for the federal government alone it would be only a bit over \$1 trillion. What a difference a limited government can make in freeing up dollars to be earned through consumer-oriented and market-directed production rather than satisfying the political wants of those spending other people's tax dollars!

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**Those government-supplied dollars represent political privileges and favors.**

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But we don't think about it in that way, unfortunately. We have gotten so used to government's spending these huge sums, and people's just taking it for granted that profits and salaries earned in a political way are as reasonable and just as any other dollar earned on the market, that we lose sight of the politically driven and determined distribution of income in American society.

**Not having everyday freedoms of choice is clearer under socialism.**

The nature of government privilege and favoritism was much more stark for the average person under the system of socialist central plan-

ning in the Soviet Union. Without any functioning form of a market economy, other than in some highly limited consumer items that the regime tolerated, everything was produced by the state; everyone was employed by the state; nothing could be acquired or bought other than from the state, in the Soviet workers' paradise.

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**Power and privilege determined every person's access to anything wanted, needed, or desired in the planned society.**

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Power and privilege determined every person's access to anything wanted, needed, or desired in the planned society. When *New York Times* correspondent Hedrick Smith returned to the United States after reporting in the Soviet Union from 1971 to 1974, he wrote a highly acclaimed book on his experiences there, *The Russians* (1976).

He began the book with an account of Soviet-style privilege. Not far from the Kremlin in Moscow was a building designated "The Bureau of Passes." This was a euphemism for one of the most important places of Soviet privilege in the country. Chauffeured cars waited near the entrance, motors idling, while the elite of Soviet society —

the Party higher-ups and their family members — had the "passes" to obtain all the food and related delicacies that no ordinary Soviet citizen could hope to find in any of the dreary, dirty, and dilapidated government retail stores where the Soviet segment of the "workers of the world" waited in long lines to do their daily shopping.

Smith explained that there was an

entire network of such stores [serving] the upper crust of Soviet society — the bosses or what one Soviet journalist irreverently called, "Our Communist nobility." These stores insulate the Soviet aristocracy from the chronic shortages, endless waiting in line, rude service, and other daily harassments that plague ordinary citizens.

Here the politically anointed can obtain rare Russian delicacies like caviar, smoked salmon, the best canned sturgeon, export brands of vodka or unusual vintages of Georgian and Moldavian wines, choice meat, fresh fruits, and vegetables in winter that are rarely available elsewhere.

Smith went on to explain that the elites could also obtain foreign foods and other specialties imported into the country by the planning agencies, but which rarely or never reached the government stores where “the people” did their shopping.

How did one get access to the “special stores” with their select “passes” of entrance? The “classless society” of Soviet socialism was stratified into an intricate and complex network of power, position, and status within the Communist Party, within the decision-making structures of socialist management of state industries and agriculture, general ideologically determined social-class position, and then down the scale to the simple factory employee or a collective-farm worker.

This stratified system determined where and how one lived; the education he received and the places of work to which he was assigned throughout his working life; the access he might have not just to food stores, but to medical treatment and pharmaceuticals that could determine whether he or a family member lived or died; when and where he might be allowed to take his vacation; and, most certainly, whether the Party and the secret police would ever permit him to travel

outside of the boundaries of the Union of Soviet Socialist Republics, even to a neighboring communist country in Eastern Europe.

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The “classless society” of Soviet socialism was stratified into an intricate and complex network of power, position, and status.

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Boris Yeltsin, the Russian Communist Party leader of the Russian Federation within the Soviet Union summarized the nature of the Soviet system of privilege in his book, *Against the Grain* (1990):

The Kremlin ration, a special allocation of normally unobtainable products, is paid for by the top echelon at half its normal price, and it consists of the highest-quality foods. In Moscow, a total of 40,000 people enjoy the privilege of these special rations, in various categories of quantities and quality. There are whole sections of GUM — the huge department store that faces the Kremlin across Red Square — closed to the public and specially reserved for the highest of the elite, while for officials a rung or two lower on the ladder there are other special shops.

All are called “special”: special workshops, special dry cleaners, special polyclinics, special hospitals, special houses, and special services. What a cynical use of the word!

The promised “classless society” of material and social equality was in fact the most granulated system of hierarchical privilege and power imaginable. Bribery, corruption, connections, and favoritism permeated the entire fabric of Soviet socialist society, and indeed was the essence of it.

### Market versus government income

Since in the United States most of what we buy and sell is through market transactions, albeit ones heavily influenced or controlled by government, we find it far more difficult to see and distinguish whether anyone’s position and status in society is the result of serving our fellow men through the transactions of the private marketplace or from serving the interests and purposes of those in government who determine how much and for what all the tax dollars that pass through their hands end up being spent.

How much of the distribution of income in society, therefore, is market-based rather than political-

ly determined? If we could disentangle that to any degree of measured nicety, we could have a better idea whether those in the higher income brackets have honestly earned what they have on the basis of more or less free exchange, and how much was due to dealings and connections with those in politics and the bureaucracies who spend their tax-funded budgets.

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**In the interventionist-welfare state, profits earned and incomes received are often a jumbled mix of markets and politics.**

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Market-based profit and income earnings versus politically based profit and income earnings would be a basis and benchmark for the classical liberal and libertarian to evaluate the “justice” of what people have rightly earned in society. The problem is that in the “real world,” in the interventionist-welfare state, profits earned and incomes received are often a jumbled mix of markets and politics, though there are some sectors and industries and particular companies that may be said to predominantly receive their “income share” far more from the state than the private marketplace.

All of this creates a tendency to consider any source of income and

profits to be as legitimate as any other, and then simply distinguish between the rich and everyone else, with no thought of how the income has been earned. That easily leads to the typical attitude of Progressives and “democratic socialists,” and the like, that it does not matter how someone has earned his wealth and income, only that it is more than someone else’s.

### Bastiat’s “legalized plunder”

As a consequence, completely lost in all this is Frédéric Bastiat’s useful notion of “legalized plunder,” that is, income received through government spending and “entitlement” transfers that are taken from others without their consent through taxes having nothing to do with needed funds to protect people’s liberty.

That is what makes the loss of freedom and what it entails far more difficult for people to understand and appreciate in a “mixed economy” society with political democracy, than in a society with comprehensive socialist central planning in a totalitarian state.

People may end up taking many things for granted, even in a collectivist dictatorship in which the government controls and commands

everything. But it remains clearer what the problems are and who is causing them in the Total State. It is more of a challenge in our democratic interventionist-welfare states to see as clearly through the political and ideological fog.

But regardless of the difficulties, it is the task of friends of freedom to devise ways to get our fellow citizens to comprehend the nature and workings of the world they live in, before it incrementally develops into a far more centrally planned, all-controlling state, at which point reversing course can be politically more challenging and costly.

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**NEXT MONTH:**  
**“Defending the Foundations of Freedom for 30 Years”**  
*by Richard M. Ebeling*

# The Long Shadow of World War I and America's War on Dissent, Part I

by *Daniel A. Sjursen*



“War is the health of the state.” So said the eerily prescient and uncompromising anti-war radical Randolph Bourne in the very midst of what Europeans called the Great War, a nihilistic conflict that eventually consumed the lives of at least 9 million soldiers, including some 50,000 Americans. He meant, ultimately, that wars — especially foreign wars — inevitably increase the punitive and regulatory power of government. He opposed what Americans commonly term the First World War on those principled grounds. Though he’d soon die a premature death, Bourne had correctly predicted the violations of civil liberties, deceptive propagand-

da, suppression of immigrants, vigilantism, and press restriction that would result on the home front, even as tens of thousands of American boys were slaughtered in the trenches of France.

This, the war on the free press, free speech, and dissent more generally, is the true legacy of the American war in Europe (1917–18). More disturbing, in the wake of 9/11 and Washington’s two-decade-old wars for the Greater Middle East, the dark, twisted, underbelly of World War I’s legacy has again reared its ugly head. Bipartisan, interventionist presidential administrations — unilaterally tyrannical in foreign affairs — from George W. Bush to Barrack Obama to Donald Trump have sought mammoth expansions of executive power, suppressed civil liberties, trampled on the Constitution, and waged outright war on the press.

All this was done — in 1917 and today — in the name of “patriotism,” what Oscar Wilde (perhaps apocryphally) labeled the “virtue of the vicious.” World War I produced the repressive and now-infamous Espionage and Sedition Acts, along with brutal vigilante attacks on Germans and other immigrants. The 21st century’s endless wars have engendered the equally auto-

cratic USA PATRIOT Act, and their own reinvigorated brand of anti-immigrant and anti-Muslim abuses. It is for this reason that a brief reflection on America's troubled — and oft-forgotten — experience on the home front during the First World War is more relevant than ever.

### Rethinking American intervention in World War I

The truth about this particular war, at least of America's own late intervention, is that it was unnecessary. That is not, of course, how World War I is today collectively remembered, but it was a common — perhaps even majority — viewpoint in the interwar period of 1919–1940. The more common modern memory, of Uncle Sam rushing into the war at last to save the day, ensure victory, and thereby “save democracy,” was, in fact, carefully crafted in the aftermath of the Second World War when the United States decided, once and for all, to seek global imperium. No doubt, the Germans were no angels during the First World War. None of the belligerents was. All contestants (even little Belgium) were land-hungry belligerent states with sometimes large (and distant) overseas empires. If the great sin of Ger-

many was to violate Belgian neutrality (Britain's declared *casus belli* for war), it was instructive that nothing was said about Brussels's decades-long rape of the Congo, a campaign that bordered on the genocidal.

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The problem was, it turned out that Germany had been correct.

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Early in the war, there were, now famous, German attacks on U.S. ships that sometimes killed American citizens, and that had already whipped up anti-German rancor among some, but did not lead to outright war. They included the German submarine sinking of the famed British ocean liner *Lusitania*, which killed more than 100 Americans. Jumping to conclusions, as the former president was apt to, Theodore Roosevelt denounced the attack as “murder on the high seas.” The problem was, it turned out that Germany had been correct: the liner was carrying armaments in secret, including a total of 1,248 cases of 3-inch artillery shells and 4,927 boxes of rifle cartridges bound for the British Army. When he felt Woodrow Wilson protested too vehemently, Secretary of State William Jennings Bryan — an ardent opponent of intervention

— resigned in protest. “A Ship carrying contraband, should not rely on passengers to protect her from attack,” the outgoing secretary accurately noted regarding the *Lusitania*, adding that “it would be like putting women and children in front of an army.” Nonetheless, the biggest dove in the Wilson cabinet was gone and the path to war became that much more open.

Nevertheless, Germany did — by the winter of 1916-17 — declare unrestricted submarine warfare on U.S. merchant ships bound for the Allies, and even sent a telegram to Mexico that appeared to entice Mexico’s entry into the war on the Kaiser’s side in exchange for the reclamation of its lost provinces of Texas, New Mexico, and Arizona. These seemed, to many, to be unacceptable provocations that required war. But were they?

Germany had a point, after all. For years, as Washington pledged neutrality, it had floated massive banking loans to the Allies, traded almost exclusively with Allied states, and hardly raised a peep about Britain’s own violation of neutral trading rights through its starvation blockade of German ports. Feeling itself backed into a corner, squeezing the British economy seemed the only way to end the war on terms

favorable to Germany. While unrestricted warfare turned out to be a tactical blunder, it need not have prompted outright American military intervention. The United States might have insisted on true neutral trading rights whereby its merchant ships could pierce the blockade of Germany, and refused loans or arms deals of any kind to any belligerent power. True neutrality — in action — just might have averted war. It was not to be.

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**True neutrality — in action — just  
might have averted war.**

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It seems ironic that it was Woodrow Wilson — a self-described “Progressive” who had run just months earlier on the campaign slogan “He kept us out of war” — who asked Congress for a martial declaration against Germany on April 2, 1917. Wilson had always favored the British and French Allies over the Central Powers of Germany and Austria, but he had once seemed genuinely leery of the potential consequences of intervention. In 1914, he had said, “Every reform we have won will be lost if we go into this war.” He’d soon be proven correct.

Contrary to common — albeit now debunked, but still prevalent

— historical mythology, the pre-Great War United States was never a full-tilt isolationist state. Although since the War of 1812 at least, Washington had tended to avoid intervention in Europe’s endless conflicts, Uncle Sam had nevertheless expanded its own continental empire through aggressive conquests at the expense of Indians and the state of Mexico. Then, after 1898, the United States joined in the overseas imperial game, gobbling up Puerto Rico, the Philippines, and various other Pacific and Caribbean Islands in the wake of the one-sided, unnecessary Spanish-American War.

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**The U.S. government  
waged a veritable war on  
peaceful dissent.**

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Nevertheless, Washington’s early spring 1917 entrance into a catastrophic and epic European ground war was a profound departure from America’s past. The United States would have to raise armies exceeding even those of the Civil War and somehow deploy them to France. Intervention would also, inevitably, alter society. As the historian David M. Kennedy summarized, “The war temporarily required the United States ... to discipline and mobilize

its citizens in a manner from which history and geography had theretofore singularly spared them.” Only, as it turned out, those economic and social changes would prove far from temporary. Furthermore, as war always does, the war across the Atlantic eventually came home, affecting domestic politics, constitutionally protected civil liberties, and the very existence of the ostensible republic.

### Civil liberties in the First World War

“Woe be to the man or group of men that stand in our way.”

— President Wilson in a June 1917 warning to peace advocates

In this, one of the darker, if rarely remembered, phases of American history, the U.S. government waged a veritable war on peaceful dissent. Pacifism, skepticism, radicalism: seemingly overnight all three were officially or practically criminalized. In a familiar pattern in the suppression of civil liberties, the White House would raise the national-security alarm and request the power to curtail freedom and squash protest; then Congress would do the president’s bidding and pass repressive legislation forthwith; much later the courts tended to uphold the highly questionable laws.

War fever produced a vehement “patriotic” crusade against even the sentiment of peace or doubt. When, in the congressional debates that followed Wilson’s request for war, some representatives and senators questioned the case for intervention, they were regularly met with shouts of “Treason! Treason!” Earlier, in response to the Progressive senator Robert La Follette’s opposition to the arming of U.S. merchant ships, Teddy Roosevelt had quipped that the Wisconsin senator “has shown himself to be an unhung traitor, and if the war should come, he ought to be hung.” When even a still-popular, and ostensibly Progressive, former president used such provocative language, it proved unsurprising that thousands of private citizens would indeed inflict violence on their anti-war neighbors in 1917-18.

Had La Follette been so far off the mark in his criticism? Honest analysis proves otherwise. Prudently, if rarely among his contemporaries, the senator questioned the Manichean duality of Wilson’s official framing of the war as one between liberal Western states and autocratic Germanic states. After all, where did monarchical Tsarist Russia — a core member of the Allies — fit into that equation? And

what of the massive overseas imperialism of Britain and France, which dwarfed the German and Austrian empires? On April 4, 1917, during the congressional war debate, La Follette pointed out the contradictions then at work, as he asserted “[Wilson] says this is a war ... for democracy.... But the president has not suggested that we make our support of Britain conditional to her granting home rule to Ireland, Egypt, or India....” It was a fair point; indeed, World War I was a war between empires, not — as Wilson pretended — against empire.

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**World War I was a war between empires, not — as Wilson pretended — against empire.**

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The primary tool of oppression for the U.S. government was the Sedition Act, overwhelmingly passed into law on May 16, 1917. The impetus for the bill was Attorney General Thomas Gregory’s request for an amendment to the press-constricting Espionage Act, which would allow him to prosecute “disloyal utterances.” The result was a new law that prohibited “any disloyal, profane, scurrilous, or abusive language about the form of government ... or Constitution ... or flag of the United States, or the

uniform of the Army or Navy.” Beyond the law’s troubling, and obvious, attack on free expression, the very vagueness of the statute lent itself to abuse.

It was the fanatic Gregory who would wield this new tool of federal oppression. He performed his duties with glee, stating of war opponents, “May God have mercy on them, for they need expect none from an outraged people and an avenging government.” It didn’t take particularly violent or catalyzing speech to earn an arrest, conviction, and federal prison sentence. When a New Hampshire citizen cited his opinion that “this was a [banker J.P.] Morgan war and not a war of the people,” he received a three-year prison sentence.

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**Many languished in prison for years for the crime of war opposition, even criticism.**

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More famous, when the prominent Socialist leader Eugene V. Debs delivered an anti-war speech in Canton, Ohio — which focused mainly on the supposed ills of capitalism and hadn’t explicitly urged violation of conscription laws — he was arrested and earned a ten-year term in the federal penitentiary. Ultimately, the martyrdom of Debs partly back-

fired. Running, from federal prison, for the presidency in 1920, he earned nearly a million votes, the highest popular vote percentage by a Socialist in American history.

No court challenges of the deplorable Sedition Act bore fruit, and the law remained on the books until repealed in December 1920. By then the war was over, precedent was set, and damage was done. Many languished in prison for years for the crime of war opposition, even criticism. As historian David Kennedy concluded, “Commentators ever since have rightly viewed it as a landmark of repression in American history.... [It] reveals a great deal about the popular temper at the midpoint of American belligerency.” Indeed it was, and did.

That the Sedition Act needed to be used so broadly deflates the myth that Americans rushed en masse to recruiting stations and waged war with great enthusiasm. In reality, when the government called for one million military volunteers only 73,000 enlisted. Six weeks later the United States settled on conscription. Throughout the war 330,000 Americans were officially classified as war evaders and thousands of pacifists were detained in so-called Conscientious Objector Prison Camps.

One outgrowth of the government war on dissent — and the failed yet furious counteraction — was the formation of what later became the still-prominent (if controversial) American Civil Liberties Union (ACLU). The battles waged by the new organization and countless other grassroots protests against the war and liberty violations demonstrated the potential power, and vigorous persistence, of dissenters. The battle rages again today, as after 9/11 to be anti-war is to be brushed with the toxic brand of “Un-Americanism.”

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**NEXT MONTH:**  
“The Long Shadow of World War I and America's War on Dissent, Part 2”  
by *Daniel A. Sjursen*

*For all practical purposes, federalism in this country is a thing of the past.... The national government now has plenary governmental authority. That is to say, there is no area of governmental operations that cannot be rationalized as coming within the national sphere, whether by reason of the power over commerce or some other amorphous grant of authority.*

— *Philip Kurland*

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