
FUTURE OF FREEDOM

VOLUME 31 | NUMBER 4

APRIL 2020

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

— Benjamin R. Tucker

FUTURE OF FREEDOM

★★★

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

Believing in the power of ideas on liberty to shift the course of society toward freedom, our methodology is based on sharing sound principles of liberty with others.

- Our monthly journal, *Future of Freedom*, contains timeless and uncompromising essays on liberty. The price is \$25 for a one-year print subscription, \$15 for the email version.
- Our FFF Daily, which is free for the asking, provides hard-hitting commentary on current events.
- Our Libertarian Angle weekly Internet video show provides viewers with libertarian perspectives on the burning issues of the day.
- Our website, fff.org, contains all the articles and videos we have published since our inception in 1989.

The Foundation neither solicits nor accepts government grants. Our operations are funded primarily by donations from our supporters, which are invited in any amount.

★★★

© Copyright 2020. *The Future of Freedom Foundation. All rights reserved. Please send reprint requests to The Foundation.*

The Future of Freedom Foundation

11350 Random Hills Road

Suite 800

Fairfax, VA 22030

...

www.fff.org · fff@fff.org

...

703-934-6101

<i>Reform versus Liberty</i>	2
Jacob G. Hornberger	
<i>Impeachment Reminder of Our Toxic Foreign Aid</i>	10
James Bovard	
<i>Religion and Education in a Free Society</i>	16
Laurence M. Vance	
<i>Fifty Years of Statist Policies and Economic Fallacies</i>	25
Richard M. Ebeling	
<i>The Tortured Legacy of the Mexican-American War, Part 1</i>	34
Danny Sjursen	

Reform versus Liberty

by *Jacob G. Hornberger*



Americans alive today have grown up in what libertarians term a welfare-warfare state. It is a system in which the primary purpose of the federal government is to take care of people and keep them safe and secure. This type of governmental system is also sometimes referred to as a paternalistic state, given that the federal government essentially plays the role of a parent in relation to his children.

In a welfare state, the government forcibly takes money from people to whom it belongs and gives it to people to whom it does not belong. The idea is that when the government takes money from people who have it and gives it to those who need it, it reflects how good, caring, and compassionate

people are in society. This forcible seizure and redistribution of wealth is a variant of socialism.

The crown jewels of American socialism are Social Security and Medicare. But there are countless other programs in which the government seizes people's wealth and gives it to other people. Examples are farm subsidies, education grants, corporate bailouts, foreign aid, food stamps, and business subsidies.

Another feature of American socialism involves central planning. In this type of socialism the government centrally plans certain peaceful activities. Examples abound but among the most prominent are the Federal Reserve System, public (i.e., government) schooling, and immigration controls.

A third aspect of American socialism is that the government owns and operates businesses and enterprises within the economy. Examples are Amtrak, Radio Martí, and the Postal Service.

Another aspect of the paternalistic state is a centrally managed and government-regulated economy. Examples are minimum-wage laws, economic regulations, trade wars, immigration controls, interest-rate manipulations, the drug war, sanctions, embargoes, and a presidentially managed economy.

On the warfare-state side of things, most of today's Americans were born and raised under a national-security-state type of governmental structure. It consists of a vast and permanent military-intelligence establishment. This side of the federal government is empowered to wield and exercise omnipotent, non-reviewable, totalitarian-like powers, such as the power to conduct state-sponsored assassinations, establish massive secret surveillance schemes, and initiate coups, invasions, and occupations around the world. In the United States, the national-security part of the federal government consists of the Pentagon, the CIA, the NSA, and, to a certain extent, the FBI.

There are two important things to understand about the welfare-warfare-state system: One, it has destroyed the freedom of the American people. Two, it hasn't worked; instead, it has been characterized by crises, chaos, death, suffering, conflict, violence, and impoverishment.

Why is a welfare state destructive of freedom? Because it is based on the use of force. That's what taxation is — the forcible collection of money from people. The primary engine for this collection is the Internal Revenue Service, one of the

most tyrannical, oppressive, and feared agencies in U.S. history. If someone fails or refuses to pay his taxes, the IRS targets him with levies, liens, garnishments, and attachments, all without having to secure judicial approval. Federal officials will also target tax resisters with arrest, prosecution, incarceration, and fine. There is nothing voluntary about paying taxes.

**Taxation is the forcible collection
of money from people.**

Thus, the welfare state is ultimately based on forced charity, which, of course, is not charity at all. Genuine charity comes from the willing heart of the individual. That's what care and compassion are all about — the voluntary choice to help another person in need.

Suppose, for example, that John accosts Peter at an ATM. Holding a gun to Peter's head, John demands that he withdraw \$10,000 from his account. Peter complies and hands over the money. John takes the money to the poorest part of town and gives it all to the homeless and to people needing urgent medical treatment.

Is John a good and caring person for what he has done? His giving of the money to the needy sug-

gests that he might well be. But most people would agree that John is also a robber and should be arrested, prosecuted, and punished for his crime and made to repay the money he took from Peter.

Suppose John persuades Congress to impose a tax on Peter totaling \$10,000. Under compulsion, Peter pays the money to the U.S. Treasury, which then hands it over to the Social Security and Medicare agencies, which then give the money to seniors or helps them to pay for needed medical procedures.

A free society is one that has a free-market monetary system.

Is Peter now a good and caring person? Is John? How about the IRS agents? The members of Congress? The president? The bureaucrats working for the Social Security and Medicare departments? The U.S. Treasury?

The answer is: None of the above. What has happened here is no different from what happens when John robs Peter at the ATM. Force has been employed to take money from a person to whom it rightfully belongs to give it to another person.

Thus, there is no way that anyone can be considered to be genu-

inely free who lives in a welfare state. Freedom necessarily entails the right to keep everything you own and do whatever you want with it — save, spend, invest, donate, or hoard it.

Other forms of compulsion

Among the premier examples of central planning are the Federal Reserve, immigration controls, and public schooling, all of which are characterized by perpetual crises and chaos. Operating since 1913, the Fed destroyed the gold-coin, silver-coin standard established by the Constitution and which was the nation's official money for the 140 years of U.S. history after 1793. America's system of immigration controls centrally plans the movements of millions of people in a complex labor market and has produced a never-ending crisis that entails death and suffering, and a massive police state to enforce it. Public schooling is a classic socialist system, one that involves central planning, compulsory funding (i.e., taxation), compulsory attendance, and government schoolteachers, textbooks, and curricula.

There is no way to reconcile these socialist programs with a free society. A free society is one that has a free-market monetary system,

borders that are open to the free movements of goods, services, and people, and a free-market educational system in which there is a separation of school and state.

**Private ownership
of property is the bedrock of a
free society.**

Two other examples of a government-regulated society are the minimum wage and the drug war. The minimum wage interferes with the freedom of people to enter into agreements with respect to wages. It inevitably causes unemployment by setting the wage higher than what employers are willing and able to pay in the marketplace. The drug war punishes people for ingesting substances that have not been approved by the government.

In a genuinely free society, people are free to enter into any mutually agreeable wage relationships they desire. And they are free to ingest anything they want, no matter how harmful or destructive it might be.

Government-owned enterprises are also anathema to a free society. Private ownership of property is the bedrock of a free society. Socialist enterprises violate that principle and inevitably need subsidies,

which the government takes by force (i.e., taxation) from the citizenry.

The principle is the same with the national-security-state form of governmental structure. The Constitution called into existence a type of governmental system known as a limited-government republic. Under that type of governmental system, the powers of the government were extremely limited. The Framers understood that the main threat to freedom lies with one's own government. Thus, by restricting governmental powers, first with the Constitution and then later with the Bill of Rights, the goal was to protect the freedom of the American people from being destroyed by the federal government.

That concept of limited powers was tossed out the window when the federal government was converted to a national-security state after World War II. That was when a vast military establishment became a permanent part of American life. It was also when the CIA and the NSA came into existence. That's when the federal government acquired the powers of state-sponsored assassinations, coups, undeclared wars, massive secret surveillance, sanctions, and other totalitarian-like powers that are cus-

tomarily associated with dictatorial regimes.

As with the welfare state, there is no way to reconcile a national-security state with a free society. North Korea is a national-security state. So are Russia, China, Cuba, Egypt, Pakistan, and Saudi Arabia. And post-World War II United States.

What liberty looks like

It stands to reason that the only way to achieve freedom in America lies in dismantling all of those infringements on freedom.

That obviously is not an easy task. Once people become hooked on socialism, interventionism, regulation, militarism, and empire, it is extremely difficult to persuade them to kick the habit. Their fear of freedom becomes palpable in that they become convinced that freedom will mean that people will be dying in the streets; everyone will go on drugs; the entire world will immigrate to the United States to get on welfare; everyone will go uneducated; the rich will oppress the poor; and terrorists, Muslims, communists, Russians, and other scary creatures will come to get them. They want their government to watch over them from cradle to grave, taking care of them, watching over them, and keeping them safe

from the vicissitudes of life and the scary monsters roaming the world.

People want a government “safety net” in case they fall off the high wire of liberty. But what they don’t realize is that the safety net destroys their liberty. The problem is aggravated by the fact that many Americans honestly believe that all this welfarism and warfarism is freedom. The plight of such Americans can be summed up in the words of Johann Goethe: None are more hopelessly enslaved than those who falsely believe they are free.

Many Americans
honestly believe that all this
welfarism and warfarism
is freedom.

Therefore, achieving freedom entails showing people that they are not, in fact, free. It also entails identifying the infringements on freedom. Finally, it entails a dismantling of those infringements.

A critical mass

Is that an easy task? Of course not. It is an extremely difficult task. But it is not an impossible one, as even some libertarians have convinced themselves it is.

After all, consider the fact that 19th-century Americans lived un-

der a system without the following: income taxation and the IRS, Social Security, Medicare, Medicaid, welfare, SBA loans, corporate bailouts, a drug war, immigration controls, the Federal Reserve, fiat (i.e., paper) money, and public-schooling systems; the Pentagon, military-industrial complex, CIA, NSA, and FBI; foreign military bases, state-sponsored assassinations, torture, coups, and other parts of today's welfare-warfare-state way of life.

Once a critical mass is reached,
there will be a gigantic
transformation of American
society, one toward liberty.

That's not to say, of course, that 19th-century America was a libertarian paradise. It wasn't. There were slavery, land grants to the railroads, canal building, government-business partnerships or "crony capitalism," and other infringements on liberty.

But the fact is that 19th-century Americans proved to us that it is possible to achieve critically important aspects of liberty.

What is ultimately needed, therefore, is a critical mass of people in America who understand what genuine freedom is and for whom freedom is among their top

priorities. Once that critical mass is reached, there will be a gigantic transformation of American society, one toward liberty.

Unfortunately, there are libertarians who have given up any hope for a free society. They take the position that the welfare-warfare-state way of life has become too ingrained in Americans and has become a permanent feature of American life. They say that it's impossible to garner a critical mass of people who understand what freedom is and who consider it to be critically important.

Such libertarians say that it's time for libertarians to make peace with the loss of liberty in our nation and to come to accept it and embrace it. Such libertarians have, consequently, chosen to devote their lives to reforming, not dismantling, America's welfare-warfare-state programs.

This hopelessness is seen in what they say about Social Security. Rather than making the case for repeal, some libertarians have come up with reform plans that involve a mixture of socialism and economic fascism. Their plans enable young people to opt out of the government's Social Security program and force them to save money in a government-approved retirement ac-

count. But under such reform plans, they will also continue to be taxed to fund people's Social Security payments for the next 30-40 years, when the last Social Security recipient has died.

That means that under their reform plans, freedom is delayed by 30-40 years. It could even be longer because it is entirely conceivable that younger people, upon reaching retirement age, will say that they put their money into the Social Security "fund" and, therefore, that they have the right to get it back, just as their parents and grandparents did.

I personally have no interest in achieving liberty 30-40 years from now. I want freedom now, which necessarily entails a dismantling of all infringements on liberty, including socialist programs such as Social Security. As far as I'm concerned, if all that we libertarians accomplish is a reform of American socialism, we will have accomplished nothing when it comes to freedom. Oh sure, reform might (or might not) improve the lives of the serfs living on the welfare-warfare-state plantation, but it won't be freedom.

Imagine life in 1850 America. One group of libertarians says, "Slavery is here to stay. It's too deeply embedded in American life.

Americans are never going to give it up. It's in the Constitution. We don't want to tilt at windmills. We have to be credible and go for what's possible. We have to make peace with slavery and devote our lives to reforming it: fewer lashings, shorter work hours, better food and health care."

Undoubtedly, the slaves would be appreciative. But it wouldn't have been freedom, and the slaves would have known it. To achieve freedom, it was necessary to dismantle, not reform, the structure of slavery.

**To live lives of freedom means
that all infringements on liberty
must be dismantled.**

It's no different with the welfare-warfare-serfdom society under which we live. If we are to live lives of freedom before we pass from this earth, all infringements on liberty must necessarily be dismantled, not reformed.

Consider health care, which has been in perpetual crisis for decades. That's because of Medicare and Medicaid, two socialist programs that destroyed what was the finest health-care system in history. Libertarian reformers say we need to accept the permanent existence of health-care socialism and simply

try to reform it with, say, health-savings accounts.

That's not for me. I want freedom. That means dismantling, not reforming, Medicare and Medicaid and, in a larger sense, separating health care entirely from the state.

Drug laws. Libertarian reformers say legalize only marijuana, not other drugs. But that's not freedom. Freedom entails the right to ingest whatever you want, no matter how harmful or destructive.

Immigration controls. Libertarian reformers say that we just need to leave the entire socialist immigration system intact, along with the massive police state it has spawned in the American Southwest. They just want federal immigration planners to let in more immigrants. The operative word is "let." Freedom and "let" are opposites. Freedom entails the right to cross political borders without seeking a bureaucrat's permission.

The national-security state. Libertarian reformers want to reform the NSA and its surveillance schemes. They want to rein in the CIA. They want to reduce military spending. But they want to leave the entire national-security apparatus intact. But freedom and a national-security state are opposites.

Genuine freedom entails a dismantling of the national-security establishment and the restoration of a limited-government republic.

To reach the critical mass that is necessary for a transformation to a free society requires making the case for a free society. If all that people hear is the case for reform, they won't have any reason to think at the higher level of freedom. When they hear the case for liberty, they might still reject it. But it's also possible that many of them will decide to join up with us libertarians, bringing us ever closer to a society that rejects the morass of socialism, interventionism, regulation, militarism, and empire, and embrace a society based on liberty, peace, prosperity, and harmony with the people of the world.

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

NEXT MONTH:
"Socialism, American Style"
by Jacob G. Hornberger

Impeachment Reminder of Our Toxic Foreign Aid

by James Bovard



Foreign aid to Ukraine helped spur the Democrats' effort to impeach and remove President Trump earlier this year. Ukraine was supposed to be on the verge of great progress until Trump pulled the rug out from under the heroic salvation effort by U.S. government bureaucrats. Unfortunately, Congress has devoted a hundred times more attention to the timing of aid to Ukraine than to its effectiveness. And most of the media coverage pretended that U.S. handouts abroad are as generous and uplifting as congressmen claim.

U.S. foreign aid has long fueled the poxes it promised to eradicate — especially kleptocracy, or government by thieves. A 2002 *American Economic Review* analysis con-

cluded that “increases in [foreign] aid are associated with contemporaneous increases in corruption” and that “corruption is positively correlated with aid received from the United States.” Windfalls of foreign aid can make politicians more rapacious, which economists have dubbed the “voracity effect.”

Early in his presidency, George W. Bush promised to reform foreign aid, declaring, “I think it makes no sense to give aid money to countries that are corrupt.” Regardless, the Bush administration continued delivering billions of dollars in handouts to many of the world's most corrupt regimes.

Barack Obama proclaimed at the United Nations in 2010 that the U.S. government was “leading a global effort to combat corruption.” The *Los Angeles Times* noted that Obama's “aides said the United States in the past has often seemed to just throw money at problems,” while Secretary of State Hillary Clinton admitted that “a lot of these aid programs don't work” and lamented their “heartbreaking” failures. But Obama promised during his 2008 campaign to double foreign-aid spending, which obliterated efforts to reform failed programs. In 2011, congressional Republicans sought to restrict for-

oreign aid going to fraud-ridden foreign regimes. Secretary of State Clinton wailed that restricting handouts to nations that fail anti-corruption tests “has the potential to affect a staggering number of needy aid recipients.”

Regardless, the Obama administration continued pouring tens of billions of U.S. tax dollars into sinkholes such as Afghanistan, which even its president, Ashraf Ghani, admitted in 2016 was “one of the most corrupt countries on earth.” The governor of Kandahar denounced his own government officials and police officers as “looters and kidnapers.” John Sopko, the Special Inspector General for Afghan Reconstruction (SIGAR), declared that “U.S. policies and practices unintentionally aided and abetted corruption” in Afghanistan.

Since the end of the Soviet Union, the United States has provided more than \$6 billion in aid to Ukraine. At the House impeachment hearings late last year, a key anti-Trump witness was acting U.S. ambassador to Ukraine William B. Taylor Jr. The *Washington Post* hailed Taylor as someone who “spent much of the 1990s telling Ukrainian politicians that nothing was more critical to their long-term prosperity than rooting out corrup-

tion and bolstering the rule of law, in his role as the head of U.S. development assistance for post-Soviet countries.” A *New York Times* editorial lauded Taylor and State Department Deputy Assistant Secretary George Kent as witnesses who “came across not as angry Democrats or Deep State conspirators, but as men who have devoted their lives to serving their country.”

The Obama administration continued pouring tens of billions of U.S. tax dollars into sinkholes.

Their testimony spurred Eric Rubin, president of the American Foreign Service Association, to bewail that “this is the most fraught time and the most difficult time for our members” since Sen. Joe McCarthy’s accusations of communism in the 1950s. A *Washington Post* headline echoed him: “The diplomatic corps has been wounded. The State Department needs to heal.” But not nearly as much as the foreigners supposedly rescued by U.S. bureaucrats.

The *Wall Street Journal* reported on October 31 that the International Monetary Fund, which has provided more than \$20 billion in loans to Ukraine, “remains skeptical after a history of broken prom-

ises [from the Ukrainian government]. Kiev hasn't successfully completed any of a series of IMF bailout packages over the past two decades, with systemic corruption at the heart of much of that failure." The IMF concluded that Ukraine continued to be vexed by "shortcomings in the legal framework, pervasive corruption, and large parts of the economy dominated by inefficient state-owned enterprises or by oligarchs." That last item is damning for U.S. benevolent pretensions. If a former Soviet republic cannot even terminate its government-owned boondoggles, then why was the U.S. government bankrolling them? While many members of Congress could not find Ukraine on a map, far fewer could have offered any coherent explanation of what U.S. aid bought in Ukraine.

Foreign aid is virtue-signaling with other people's money.

Transparency International, which publishes an annual Corruption Perceptions Index, shows that corruption surged in Ukraine in the late 1990s (after the United States decided to rescue that country) and remains at abysmal levels. Ukraine now ranks in the bottom tier on the

list of most corrupt nations, with a worse rating than Egypt and Pakistan, two other major U.S. aid recipients notorious for corruption.

Actually, the best gauge of Ukrainian corruption is the near-total collapse of its citizens' trust in government or in their own future. Since 1991, the nation has lost almost 20 percent of its population as citizens flee abroad like passengers leaping off a sinking ship. But as long as Kiev was not completely depopulated, U.S. bureaucrats could continue claiming to be on the verge of achieving great things.

The House impeachment hearings and much of the media gushed over those career U.S. government officials despite their strikeouts. It was akin to a congressional committee's resurrecting Col. George Custer in 1877 and fawning as he offered personal insights in dealing with uprisings by Sioux Indians (while carefully avoiding awkward questions about the previous year at the Little Bighorn).

Foreign aid is virtue-signaling with other people's money. As long as the aid spawns press releases and photo opportunities for presidents and members of Congress and campaign donations from corporate and other beneficiaries, little else matters. Congress almost never

conducts thorough investigations into the failure of aid programs despite their legendary pratfalls. As the *Christian Science Monitor* noted in 2010, AID “created an atmosphere of frantic urgency about the ‘burn rate’ — a measure of how quickly money is spent. Emphasis gets put on spending fast to make room for the next batch from Congress.” Martine van Bijlert of the nonprofit Afghanistan Analysts Network commented, “As long as you spend money and you can provide a paper trail, that’s a job well done. It’s a perverse system, and there seems to be no intention to change it.” The “burn rate” fixation produced endless absurdities, including collapsing school buildings, impassable roads, failed electrification projects, and phantom health clinics. SIGAR’s John Sopko “found a USAID lessons-learned report from 1980s on Afghan reconstruction but nobody at AID had read it.”

Perverse incentives

“Fail and repeat” was also AID’s motto in Iraq. After the 2003 invasion, AID and the Pentagon paired up to spend \$60 billion to rebuild Iraq. As long as projects looked vaguely impressive at ribbon-cutting ceremonies, AID declared victory. Congressman Jason Chaffetz

(R-Utah), listed some of the agency’s farcical Iraq success claims at a 2011 hearing: “262,482 individuals reportedly benefited from medical supplies that were purchased to treat only 100 victims of a specific attack; 22 individuals attended a five-day mental-health course, yet 1.5 million were reported as beneficiaries; ... and 280,000 were reported as benefitting from \$14,246 spent to rehabilitate a morgue.” Ali Ghalib Baban, Iraq’s minister of planning, denied in 2009 that U.S. aid for relief and reconstruction had benefitted his country: “Maybe they spent it, but Iraq doesn’t feel it.” An analysis by the Center for Public Integrity noted that, according to top Iraqi officials, the biggest impact of U.S. aid was “more corruption and widespread money-laundering.”

The biggest impact of U.S. aid was “more corruption and widespread money-laundering.”

After driving around the world, investment guru Jim Rogers declared, “Most foreign aid winds up with outside consultants, the local military, corrupt bureaucrats, the new NGO [nongovernmental organizations] administrators, and Mercedes dealers.” Mercedes-Benz

automobiles became so popular among African government officials that a new Swahili word was coined: *wabenzi* — “men of the Mercedes-Benz.” After the Obama administration promised massive aid to Ukraine in 2014, Hunter Biden, the vice president’s son, jumped on the gravy train — as did legions of well-connected Washingtonians and other hustlers around the nation. Similar largesse ensures that there will never be a shortage of overpaid people and hired think tanks ready to write op-eds or letters to the editor of the *Washington Post* whooping up the moral greatness of foreign aid or some such hokum.

Foreign aid is more likely to produce kleptocracies.

Bribing foreign politicians to encourage honest government makes as much sense as distributing free condoms to encourage abstinence. Rather than encouraging good governance practices, foreign aid is more likely to produce kleptocracies. As a Brookings Institution analysis observed, “The history of U.S. assistance is littered with tales of corrupt foreign officials using aid to line their own pockets, support military buildups, and pur-

sue vanity projects.” Both U.S. politicians and U.S. bureaucrats are prone to want to continue the aid gravy train regardless of how foreign regimes waste the money or use it to repress their own citizens.

U.S. government leaders are far more concerned with buying influence than with safeguarding purity. Foreign aid is often little more than a bribe for a foreign regime to behave in ways that please the U.S. government. One large bribe naturally spawns hundreds or thousands of smaller bribes, and thereby corrupts an entire country. The impeachment of Trump was driven by the specific favor that Democrats claimed he had requested from the Ukrainian president, not from seeking favors per se.

When it comes to the failure of U.S. aid to Ukraine, almost all of Trump’s congressional critics are like the “dog that didn’t bark” in the Sherlock Holmes story. The real outrage is that Trump and prior presidents, with Congress cheering all the way, delivered so many U.S. tax dollars to Kiev that any reasonable person knew would be wasted.

Foreign aid will continue to be toxic as long as politicians continue to be politicians. There is no bureaucratic cure for the perverse incentives created by flooding foreign

nations with U.S. tax dollars. If Washington truly wants to curtail foreign corruption, ending U.S. government handouts aid is the best first step. Counting on foreign aid to reduce corruption is like expecting whiskey to cure alcoholism.

James Bovard is a policy advisor to The Future of Freedom Foundation and is the author of the ebook Freedom Frauds: Hard Lessons in

American Liberty, published by FFF, Public Policy Hooligan, Attention Deficit Democracy, and eight other books.

NEXT MONTH:
“REAL ID Act Ravages
Our Liberty”
by James Bovard

He who permits himself to tell a lie once, finds it much easier to do it a second and a third time, till at length it becomes habitual; he tells lies without attending to it, and truths without the world's believing him. This falsehood of the tongue leads to that of the heart, and in time depraves all its good dispositions.

— *Thomas Jefferson*

Religion and Education in a Free Society

by *Laurence M. Vance*



Montgomery County, Maryland, which lies just outside of Washington, D.C., is one of America's richest and most populous counties. It is also home to the largest school system in Maryland and fourteenth-largest in the United States. For the current school year (2019-2020), the Montgomery County Public Schools (MCPS) system has 208 schools, more than 165,000 students, more than 24,000 employees, more than 1,300 school buses, and an operating budget of \$2.6 billion. Students in the county hail from 157 countries and speak 150 languages. Certain events and controversies in the MCPS over the past seven or so years are the ideal vehicle for look-

ing at the subject of religion and education in a free society.

In 2013, the Maryland chapter of the Council on American-Islamic Relations (CAIR-MD) launched its "Equality for Eid" (E4E) campaign, which sought to persuade MCPS to close its schools for Muslim Eid holidays: Eid al-Fitr, the festival of breaking the fast, is a religious holiday marking the end of Ramadan; and Eid al-Adha, the festival of the sacrifice, is a Muslim holiday honoring the willingness of Abraham to sacrifice his son Isaac as commanded by God. (The dates vary each year according to the lunar Islamic calendar.)

In response, in 2014, Montgomery County's board of education voted 7 to 1 to eliminate references to religious holidays on the school calendar, beginning the following school year (2015-2016). Time off school around Christmas and Easter became "winter break" and "spring break." Jewish holidays Rosh Hashanah and Yom Kippur became simply days when there was "no school for students and teachers." Muslim leaders considered the decision a glaring mistake. "By stripping the names Christmas, Easter, Rosh Hashanah, and Yom Kippur, they have alienated other communities now, and we are no

closer to equality,” said Saqib Ali, co-chair of the E4E Coalition. “It’s a pretty drastic step, and they did it without any public notification.”

But in 2015, when making the calendar for the 2016-2017 school year, Montgomery County’s board of education voted 6-2 to make September 12, 2016 — the date of Eid al-Adha — a teacher professional day. (Eid al-Fitr fell on June 25, 2017 — after school was out for the summer.) Naturally, some conservative and Christian groups were unhappy with the school district’s ostensibly observing a Muslim holiday. Eid al-Adha does not fall during the school year again until 2025. However, the same is not true of Eid al-Fitr.

CAIR lauded the school board for making the Islamic holy day a day off for students.

Late last year, the Montgomery County school board adopted the school calendar for the 2020-2021 school year, which begins on August 31. It gives students a day off on Eid al-Fitr, which falls on May 13, 2021. Again, the day is designated as a teacher professional day. The *Washington Post* reported that leading up to the adoption of the calendar, “Muslim parents and students had pressed for the day off, citing the

holiday’s importance and issues of fairness.” “This is a big victory for our students,” said Samira Hussein, the other co-chair of the E4E Coalition. “They will feel accepted and acknowledged by their teachers, their board of education, their superintendent.” CAIR lauded the school board for making the Islamic holy day a day off for students. The school board’s actions show “a strong commitment to inclusivity, diversity, and equity.” The calendar also makes February 12, 2021 — Lunar New Year, celebrated by many Asian families — a teacher professional day. And again, some conservative and Christian groups objected to public schools’ being closed on Muslim holidays. But that’s not the only thing that they are upset about.

Court cases

In October last year, the U.S. Supreme Court declined to review the case of *Caleigh Wood, John Wood, and Melissa Wood v. Evelyn Arnold, Shannon Morris, and Board of Education of Charles County*. The U.S. Court of Appeals for the Fourth Circuit in Richmond, Virginia, had, on February 11, 2019, affirmed the judgment of the U.S. District Court of the District of Maryland for the defendants. As stated in the opinion of the Court of Appeals,

During the 2014-2015 school year, Wood was an eleventh-grade student at La Plata High School, a public high school in Charles County, Maryland. Arnold was La Plata's principal, and Morris was employed as one of the school's vice-principals.

Wood was required to take a world history course, which was part of the school's social studies curriculum.

The smallest unit of the world history course, encompassing five days, was entitled "The Muslim World." The unit was "designed to explore, among other things, formation of Middle Eastern empires including the basic concepts of the Islamic faith and how it along with politics, culture, economics, and geography contributed to the development of those empires."

Wood also was required to complete a worksheet summarizing the lesson on Islam. The worksheet addressed topics such as the growth and expansion of Islam, the "beliefs and practices" of Islam, and the links between Islam, Judaism, and Christianity. Part of the worksheet required the

students to "fill in the blanks" to complete certain information comprising the "Five Pillars" of Islam. Included in that assignment was the statement: "There is no god but Allah and Muhammad is the messenger of Allah," a portion of a declaration known as the shahada.

The student's father objected to the materials about Islam. He "asserted that Islam should not be taught in the public school," "demanded that his daughter be given alternative assignments," and "directed his daughter to refuse to complete any assignment associated with Islam on the ground that she was not required to "do anything that violated [her] Christian beliefs." He then sued the defendants, alleging that they violated the First Amendment's Establishment Clause by endorsing the Islamic religion and violated the Free Speech Clause by requiring her to complete the shahada assignment, thereby "depriv[ing] [her] of her right to be free from government-compelled speech."

The Thomas More Law Center (TMLC) represented Wood in the lawsuit. Richard Thompson, president and chief counsel of the TMLC, commented on the Supreme Court's refusal to hear the case thus:

I'm not aware of any public school which has forced a Muslim student to write the Lord's Prayer or John 3:16.

Yet, under the pretext of teaching history or social studies, public schools across America are promoting the religion of Islam in ways that would never be tolerated for Christianity or any other religion. It's disappointing that the Supreme Court did not take this opportunity to clarify the test which lower courts should use when ruling on establishment clause and free speech challenges to public school classes on religion.

Many public schools have become hotbeds of Islamic propaganda. Teaching Islam in schools has gone far beyond a basic history lesson. Prompted by zealous Islamic activism and emboldened by confusing court decisions, schools are now bending over backwards to promote Islam while at the same time denigrating Christianity.

In affirming the district court's judgment for the defendants, the Court of Appeals ruled that "the challenged coursework materials,

viewed in the context in which they were presented, did not violate Wood's First Amendment rights, because they did not impermissibly endorse any religion and did not compel Wood to profess any belief."

Religious conservatives are also disturbed about another religion case that the Supreme Court declined to hear. In 2018, the Fourth U.S. Court of Appeals reversed the decision of a federal district court dismissing a lawsuit filed against the Mercer County School System in West Virginia because it offered a "Bible in the Schools" program in fifteen elementary schools and three middle schools. The lawsuit was filed in 2017 on behalf of a Mercer County family by the Freedom from Religion Foundation (FFRF). "We don't send our children to public schools to get religious instruction; we send them to get educated," said Annie Laurie Gaylor, co-president of the FFRF. The lawsuit alleged that the "Bible in the Schools" program was "unconstitutional" because it endorsed "one religion," improperly entangled "public schools in religious affairs," and violated "the personal consciences of nonreligious and non-Christian parents and students." The Bible classes were not mandatory, funding for the teach-

ers came from private donations, and students who participated were required to submit a form signed by their parents. The plaintiffs maintain that their children risked “ostracism” from other students if they did not attend the Bible classes. The Court of Appeals’ reversal means that the parents of children in the school system have legal standing to challenge the Bible classes.

There are two cases concerning religion that the Supreme Court *did* decide to hear.

There are also two cases concerning religion that the Supreme Court *did* decide to hear: *Our Lady of Guadalupe v. Morrissey-Berru* and *St. James School v. Biel*. The plaintiffs in these cases were both teachers at Catholic schools in the Archdiocese of Los Angeles who were fired. A federal district court ruled for the schools in both cases. However, the U.S. Circuit Court of Appeals for the Ninth Circuit in San Francisco, California, reversed both decisions. At issue in the two cases is the scope of the “ministerial exception,” first recognized by the Supreme Court in a unanimous 2012 decision, which exempts religious employers from workplace bias claims when hiring and firing

certain workers. The district court ruled that the teachers were “ministers,” since their jobs involved “conveying the church’s message,” “praying” with students, and “including Catholic teachings” in lessons. The Court of Appeals ruled to the contrary, emphasizing that “the teachers did not hold leadership positions, present publicly as ministers, or possess theological training.” The Supreme Court will hear arguments in these two cases in late spring, with decisions to follow by June.

Questions

In light of all of the above, there are many questions that could be asked about religion and education. Should public schools suspend classes on Muslim religious holidays? Should public schools suspend classes on Christian holy days? Should public schools suspend classes on Jewish religious holidays? Should public schools suspend classes on the Lunar New Year holiday celebrated by Asian families? Should religious instruction be provided in public schools? Should there be Bible reading in public schools? Should there be prayer in public schools? Should the Ten Commandments be posted in public schools? Should the Bible be studied in public schools? Should

Christianity be promoted in public schools? Should Islam be denigrated in public schools? Should the history of Islam not be taught in public schools? Should creationism be taught in public schools? Should the teaching of evolution be prohibited in public schools? Should voluntary Bible classes be offered in public schools? Should private religious schools be eligible for government funding or voucher programs? Should private religious schools be exempt from religious discrimination lawsuits? Should the Christmas holiday period in public schools be called the winter break? Should Muslim girls in public schools be allowed to attend school while wearing a hijab? Should Jewish boys in public schools be allowed to attend school while wearing a yarmulke? Is the First Amendment's Establishment Clause violated if a public school "promotes" or "endorses" one religion over another?

There are, of course, many other questions that don't concern religion that could be asked specifically about public schools. Should students in public schools wear uniforms? Should students in public schools have to follow a dress code? Should students in public schools who claim to be transgender be able to use the restroom and locker room

of their choice? Should teachers in public schools be allowed to carry guns? Should public schools have metal detectors? Should public schools practice corporal punishment? Should public schools have to follow national standards? Should students be bused to public schools outside of their neighborhoods in order to achieve racial balance? Should public schools institute zero-tolerance policies when it comes to weapons or drugs? Should students in public schools be forbidden to have cell phones in the classroom? Should students in public schools be required to recite the Pledge of Allegiance? Should there be more technology in public-school classrooms? Should public schools allow access to students by military recruiters? Should sex education be taught in public schools? Should public schools promote abstinence education? Should public-school teachers have tenure? Should public-school teachers be unionized? Should public schools have year-round schooling? Should school health clinics provide contraception devices and abortion referrals? Should the government provide educational vouchers to low-income parents so their children can escape failing public schools and attend "the school of their choice"?

Education in a free society

In a free society, none of the above questions would ever be asked, and none of the above cases would ever be in the federal or state court systems. In a free society, there would be no controversies in public schools concerning the teaching, promoting, endorsing, or denigrating of religion in general or a particular religion. In a free society there would be no such thing as public schools, which, it should be remembered, are first and foremost government schools. In a free society, public education would not exist, because public schools maintain their existence by compulsion and coercion, that is, by mandatory-attendance laws and taxation. In a free society, it would be an illegitimate purpose of government to have anything to do with education, because it is not the purpose of government to provide educational services any more than it is the purpose of government to provide landscaping services, manicure and pedicure services, hair-styling services, pest-control services, or car-repair services. In a free society, parents would be solely responsible for the education of their children, including their children's religious education, just as parents are now responsible for their children's feed-

ing, clothing, lodging, training, health, recreation, transportation, and disciplining. In a free society, all education would be privately provided and privately funded. In a free society, not only would no American would be forced to pay for the education of his own children, no American would be forced to pay for the education of any other Americans or their children.

In a free society there would be no such thing as public schools.

In a free society — on the federal level — there would be no federal student loans, Pell grants, school breakfast or lunch programs, school-accreditation agencies, Head Start, Higher Education Act, Elementary and Secondary Education Act, Education for All Handicapped Children Act, government vouchers, special-education or bilingual-education or Title IX mandates, Common Core, research grants to colleges and universities, math and science initiatives, federal desegregation orders, federal busing mandates, No Child Left Behind Act, or Race to the Top funds, and no federal Department of Education.

The U.S. Constitution does not authorize the federal government to pass legislation regarding any of

those programs or to have anything to do with the education of anyone. An education at public expense is not a constitutional right. Furthermore, the federal government has no authority to subsidize, intervene, regulate, or interfere in any way with a state's public-school system.

An education at public expense is not a constitutional right.

In a free society — on the state level — there would be no public schools, public-school teachers, state colleges or universities, government-issued educational vouchers, teacher-education requirements, teacher licensing, teacher-certification standards, property taxes earmarked for public schools, truancy laws, truant officers, school boards, or state boards of regents, and no state departments of education. There would also be no regulation, monitoring, accreditation, or control by state or local governments of private schools, religious schools, non-traditional schools, or home schools. Charter schools, because they are still public schools, would not exist.

Now, although it is true that all state constitutions have provisions for the establishment and maintenance of a public-education system at the primary, secondary, and col-

lege levels, they do not ipso facto make education a legitimate purpose of government.

Religion and education

There are a number of things that we can conclude about religion and education in a free society.

In a free society, churches, denominations, synagogues, mosques, temples, religious organizations, nonprofit companies, for-profit companies, entrepreneurs — and even secular humanist, agnostic, and atheist groups — would be perfectly free to operate their own schools and teach whatever they wanted to teach about the merits and demerits of religion in general, the doctrine and practices of a particular religion, or the superiority of one religion to another.

In a free society, each individual school would decide whether the Ten Commandments or the text of some other religious document is to be posted; whether the Bible is to be read or studied in the classroom; whether the Bible is to be viewed as authoritative; what version of the Bible is to be used; whether prayers are to be said at graduation, before football games, or in the classroom; whether the Koran is to be studied; whether Christian, Muslim, Jewish, or any other religious holidays are

to be observed; whether evolution or creationism is to be taught in science classes; whether religious headgear, hairstyles, apparel, or jewelry is permitted; and whether sex education or abstinence education is taught.

In a free society, parents would be free to provide, or have a school provide, their children however much or however little religious instruction they choose. If parents don't like the religious instruction or lack of religious instruction at one school, they can enroll their children in another school. If parents don't like the way religion is presented or not presented at any school then they can hire a tutor to educate their children or teach their children themselves.

In a free society, any school could require adherence to any religious creed or confession and discriminate against any potential or actual student, teacher, administrator, or staff member who refuses to subscribe to a particular religious point of view.

In a free society, religious schools, just like all other schools, would have to be self-supporting. No government funding or vouch-

ers would be available. If government shouldn't fund public schools, then it is certainly shouldn't fund private schools. "School choice" would never mean giving parents the choice of where to spend other people's money for the education of their children.

In a free society, the educational possibilities are without limit, just as the controversies regarding religion and education are, *as far the law is concerned*, nonexistent.

Laurence M. Vance is a columnist and policy advisor for The Future of Freedom Foundation, an associated scholar of the Ludwig von Mises Institute, and a columnist, blogger, and book reviewer at LewRockwell.com. Send him email: lmvance@laurencemvance.com. Visit his website at: www.vancepublications.com.

NEXT MONTH:
"Democrats, Republicans, and
the Constitution"
by Laurence M. Vance

Fifty Years of Statist Policies and Economic Fallacies

.....
by Richard M. Ebeling



It is about fifty years since, as an undergraduate, I took my first economics classes in college. Virtually all my professors were adamant that unrestrained market capitalism was unworkable, and on the way out. Planning, many of them said, was the future for complex societies and economic development. Like “*deva vu*, all over again,” the same claims are being insisted upon a half-century later, with nothing seeming to have been learned from all that has happened since.

Back then, my Marxist and Keynesian professors said that market economies may have been sufficient in simpler, “horse-and-buggy” days of the past with rudimentary farming and small craftsmen and

proprietary businesses. That was a long-gone era, when people could be “rugged individualists”; but today’s society is too intricate with degrees of interdependence and mass production that cannot be trusted to selfish, *laissez-faire*, profit-oriented private enterprises and corporations.

There needed to be the “big picture,” and only government had that Olympian perspective representing the society as a whole to guide and direct all that goes on, so there will be no more Great Depressions. The dark decade of the 1930s had demonstrated the “failure of capitalism,” with all its instability and injustices. We can never go back to that, they said

Lyndon Johnson’s Great Society and Richard Nixon’s more of the same

That’s why “enlightened” government policies had to be introduced to regulate industry and redistribute wealth in the name of “social justice.” The 1960s had shown the way, with Lyndon Johnson’s Great Society programs, with their “wars” on poverty, illiteracy, racism, and a variety of other undesirable things.

If only Johnson had not done that “real war thing” in Southeast Asia! The Vietnam War so polar-

ized and divided the country that it opened the door for the election in 1968 of Richard Nixon.

I still recall watching the presidential election-night television coverage on NBC in November 1968, and seeing anchorman David Brinkley almost break down in tears and with a choking voice say, “The liberal hour is over!” By which he meant, of course, the New Deal “liberalism” of the interventionist-welfare state. If only it had been true!

Richard Nixon just did more of the same, with undesirable additions including the “war on drugs,” four more years of the Vietnam War with its extension into Cambodia, the introduction of a cabinet-level Department of Education, and imposing economy-wide wage and price controls. He also formally ended the U.S. dollar’s last legal links to the gold standard.

The 1970s: Soviet power and Keynesian chaos

In my first economics class, the 7th edition of Paul Samuelson’s widely used textbook was assigned. I still recall its chapter on comparative economic systems, in which a diagram extrapolated U.S. and Soviet Gross National Product out to the year 2000, with the projection that by the end of the 20th century

the Soviet economy was likely to have outpaced that of America. Socialist central planning would have shown its superiority even to the mixed economy of capitalism.

Milton Friedman and monetarism were treated as harebrained throwbacks.

The only macroeconomics back then was Keynesian, with supplementary readings on the reality of trade-offs between unemployment and inflation known as the Philips Curve. Milton Friedman and monetarism were treated as harebrained throwbacks to the discarded economics of the “laissez-faire” years of the Hoover administration that caused and worsened the Great Depression in the early 1930s. The right monetary and fiscal dials turned in just the right ways could keep inflation within “socially acceptable” bounds while maintaining full employment.

As for the Austrian economists, Ludwig von Mises was an “ancient” 19th-century crank and Friedrich A. Hayek was an out-of-step polemicist who made the absurd and extremist claim that socialism was inconsistent with freedom. Besides, what is more important — that some economic freedoms are re-

strained or that the poor are fed, clothed, and housed by government?

The 1970s soon shook the naïve Keynesian confidence in micro-managing the macroeconomy, as America entered the era of “stagflation,” the combination of rising price inflation and increasing unemployment. Here was a conundrum for which textbook Keynesianism had no answer. With Hayek winning the Nobel Prize in Economics in 1974, followed by Friedman in 1976, the Austrian theory of the business cycle was once more taken seriously, along with the monetarist emphasis that continuous price inflation is always and everywhere a monetary phenomenon.

The 1970s soon shook the naïve Keynesian confidence in micro-managing the macroeconomy.

Moreover, by the end of the 1980s, Paul Samuelson’s optimistic prediction of Soviet economic strength was shown to be a pipe dream built on false economic data made up by the central planners in Moscow and passively and gullibly accepted by many economists and foreign policymakers in the West. This forecasting fantasy disappeared when the Soviet Union dis-

appeared from the political map of the world at the end of 1991.

The 1980s: Reagan’s freedom rhetoric, but government still grows

With Ronald Reagan’s election as president of the United States in 1980, supported by Margaret Thatcher’s becoming the prime minister of the United Kingdom in 1979, the terms of the economic-policy debate dramatically changed. From the bully pulpit of the White House, Reagan’s rhetoric once again made respectable a belief in individual freedom, the case for freer markets, and the reasonableness of a smaller government under constitutional constraints.

The Democrats denigrated him as a jellybean-eating dunce, and the Progressives demonized him as the enemy of a decent and caring society. Moreover, he said that the Soviet Union was an “evil empire,” when “everyone knew” that a “democratic” socialism would be the essence of a humane society. He was throwing out the good socialist baby with the somewhat tainted communist bathwater. He was a crazy Hollywood has-been with his finger on the nuclear button.

In fact, little in the way of downsizing the scope of government changed over Reagan’s eight years

in the White House. The supply-side tax cuts he introduced did increase government revenues, but the expenditure side of the federal government experienced no noticeable reining in; spending just continued to grow even in the halloved “conservative” years of the Reagan presidency. In fact, throughout Reagan’s two terms in office government spending remained significantly above the 20 percent of Gross Domestic Product (GDP) that it had been earlier. Budget deficits during Reagan’s eight years were between 4 and 6 percent of GDP.

The 1990s: Slower spending and budget surpluses

The only major period of reduced federal spending as a percentage of GDP over the last fifty years came during Bill Clinton’s presidency in the 1990s, when the Republicans held both houses of Congress for six of his eight years in office; political horse-trading resulted in limited spending restraints with accompanying budget surpluses for four of those years. Government kept getting bigger, but at a slightly slower rate.

Horror of horrors, during Clinton’s time in the White House some policy pundits feared that a permanent era of budget surpluses might

have arrived. What if all the government’s debt was soon paid off? How would the Federal Reserve create money in the banking system, if there was no more federal debt for them to buy as the standard means for monetary expansion? Some macroeconomic economic-policy manipulators began having nightmares: how could they play their usual social-engineering games, if their federal debt toy disappeared?

The 2000s: Exploding government under Bush and Obama

But they had nothing to fear. The trend towards higher taxes collected and expenditures undertaken as percentages of GDP accelerated during the George W. Bush and Barack Obama administrations from 2001 to 2016, with trillion-dollar-a-year deficits during this period and the national debt’s growing from around \$5 trillion when Bush took office in 2001 to \$20 trillion when Obama left the White House. Now, under Donald Trump, \$1 trillion-a-year deficits are returning as far as the eye can see, with a total national debt currently at almost \$23.3 trillion.

Throughout these presidencies, the welfare state has remained with us, and grown. Today, the “entitlement” programs, including Social

Security and Medicare and related health-care programs, absorb half of all that the federal government spends, and will increase as percentages of both the federal budget and GDP under current legislation.

Neither has the regulatory state diminished during all these decades. One frequently referenced indicator of the scope of government regulation over business is the number of pages in the Federal Register, which lists all the regulatory rules and restrictions imposed on the U.S. private sector. During Reagan's last year in office in 1988, the Federal Register numbered 53,376 pages of government commands over private enterprise. In 2016, Barack Obama's last year in office, the pages totaled 97,110, for an almost 82 percent increase over nearly three decades.

Shackled markets have still generated amazing betterment.

It is very hard to think of the last fifty years as a dark and dreary period of unrestricted, anything goes, laissez-faire capitalism. It is far more amazing that, in spite of all the wealth produced by the private sector that has been siphoned off by the federal government (ignoring the matching amounts taken by local and state levels of government),

and all the burdensome chains of regulation, the existing market economy has still succeeded in dramatically improving the standards and quality of life in the United States.

"Entitlement" programs absorb half of all that the federal government spends.

It shows that any amount of market freedom can go a long way. And it suggests just how much better our quality of life might have been by now, if government had not taxed, spent, and regulated with the abandon that it has during these past fifty years.

When Progressives, or democratic socialists, or the leaders and spokesmen for the Democratic Party say that all the problems in America today are due to unbridled capitalism, they are the victims of their own rhetoric. A really free-market economy is something the people of the United States have not experienced for a very, very long time.

Old economic fallacies once more in new policy battles

Even so, voices on the Left are adamant that all our current difficulties are due to the extent to

which free markets are rampant in the land. For instance, British economist Diane Coyle, who is a professor of public policy at the University of Cambridge in Great Britain, published an article entitled “The End of the Free-Market Paradigm.”

All the economic evils we face, she writes, are due to the wrong-headed and misguided idea that individuals should be left on their own to pursue their own personal self-interest. The market paradigm, we are told, works on the false premise that people live atomistic existences free from social influences and pressures.

People are interconnected and interdependent in ways that markets just cannot cope with, and certainly not in our digitalized era of massive data on people and their preferences in an increasingly globalized setting, she insists. In her view, “Economic researchers must ditch their unscientific attachment to the assumption of isolated individuals transacting in free markets, and instead focus on the economy of the 2020s.”

Adam Smith understood “network effects.”

People are tied to and greatly influenced by “network effects,” which only government can successfully

regulate and direct in socially useful forms, says Coyle. What exactly is a network effect? Well, understanding it is as old as Adam Smith in his book *The Wealth of Nations*.

How specialized any one person can afford to be is dependent on the number of other participants in the network.

Early in the book, Smith has a famous chapter, “The Division of Labor Is Limited by the Extent of the Market.” People clearly benefit from specialization and the greater productivity and output that may be forthcoming from market participants’ focusing on producing what they are better at in comparison with their neighbors. But precisely because of the greater output that can be forthcoming, how specialized any one person can afford to be is dependent on the number of other participants in the network of division of labor to whom he may sell his product, and who, in turn, have sufficiently sizeable specialized products of their own to pay for what he has for sale.

Thus, the more a division of labor develops, the more it creates opportunities for people to become even more intensively and productively specialized than they were

before. By adding more people to the arena of specialized production in a system of division of labor, better and wider economic opportunities exist for all in that society.

Carl Menger on the origin of money and network effects

Another example of network effects is the emergence and evolution of money, a story that was effectively told by the founder of the Austrian school of economics, Carl Menger. People discover mutual gains from trade, but often barter transactions (the direct exchange of one good for another) get in the way of taking advantage of all such trades. Sam might want to buy Joe's product B, but Joe is not interested in buying what Sam has for sale in exchange, commodity A. Or they each might want what the other would be willing sell, but they cannot agree on terms of trade without physically cutting up one of the goods and damaging its usefulness.

Menger showed that Sam might first trade away his product A, for some of George's commodity C, not because Sam personally has any use for C, but because he is confident that he could offer it to Joe, who would be happy to sell Sam some of his good B, which is the one that Sam wanted to buy from the start.

In this case, commodity C has served as a medium of exchange to facilitate a mutually beneficial gain from trade.

Menger went on to explain that as such indirect opportunities for beneficial trade manifest themselves, people look around for some good (or goods) possessing qualities and characteristics most likely to be the ones that others would be interested in having when entering into a trade.

Commodity C has served as a medium of exchange to facilitate a mutually beneficial gain from trade.

Over time, the good (or small number of goods) possessing the particularly attractive qualities and characteristics would be used by more and more people in an increasing number of trades, such that over time it (or they) would spontaneously emerge as the money-good (or goods) used by a growing number of people in the market. Historically, gold and silver have been selected by market participants in this unplanned and evolutionary manner. Clearly, as a result, the opportunities for successful and productive interdependent production and trade are greatly enhanced.

Coyle's naïveté or ignorance of economic history and ideas

Both the development of a social system of division of labor and the emergence of a medium of exchange are market-based examples of positive network effects in society. Yet Coyle treats all this as if it's some great discovery never understood or appreciated before now, owing to the atomistic and self-interested conduct of people in profit-guided market settings.

Market competition needs to be viewed as a dynamic process.

It is embarrassing to think that a professor of economics at Cambridge University is so naïve or uninformed about the history of economic institutions and the ideas of earlier economists that she thinks this is all new with the arrival of social-media platforms and the collection of big data.

Or that earlier economists were somehow unaware of the social interdependencies and implications of such network effects because they never used that particular terminology to define or classify the logic and historical examples in their analyses.

The particular twist that Coyle seems to want to give to her refer-

ence to our increasingly digitalized world and the vast amount of data available through it is to claim that it should all now be viewed as a “public good.”

Public goods, it is argued, are goods it is impossible or very difficult to exclude someone from accessing and using even if they have not paid for them; and for which there is little or no (marginal) cost for allowing one more person to use it and no diminishment in its availability for others.

Our digitalized world is not a public good.

But that is really not true in the case of our greatly digitalized world. People can be excluded from accessing most social-media platforms, if the provider wants to do that. That many social-media and other platform providers offer their services at little or no price is due to the fact that they consider that more participants are better for selling advertising to third parties on their platforms, or collecting data about their customers that may be marketed in various ways.

Coyle is also concerned that there are only two or a few providers of such digitalized services, suggesting potentially anti-social monopoly problems. In this she suffers

from the mistaken practice of looking at competition and monopoly as a frozen picture at a moment in time.

The Austrian economists and others such as Joseph Schumpeter argued that market competition needs to be viewed as a dynamic process not only in time but through it. When looked at from a wider historical perspective it little matters that at any moment there are more or fewer rivals in the market. What matters is whether or not the market is open to new competitors and their innovative ideas and offerings, or is closed or restricted owing to government regulations and other barriers to shield the existing suppliers from potential rivals.

In other words, what we face in the types of arguments offered by Coyle are merely another “rerun” of the ones already made against free markets, individual choice, and the spontaneous developments arising from creative entrepreneurial competition that I heard half a century ago.

Even when such arguments are presented as new and relevant insights against the free market, they

are as stale and out-of-date as the ones offered those many decades ago. They contain nothing that had not been understood and refuted by market-oriented economists, beginning with Adam Smith.

They are just the latest attempt to justify further reducing the choices of consumers and producers in the existing market setting or replacing them with the paternalistic hand of those who presume to know better how the world should be allowed to work.

Richard M. Ebeling is the BB&T Distinguished Professor of Ethics and Free Enterprise Leadership at The Citadel. He was professor of Economics at Northwood University and at Hillsdale College and president of The Foundation for Economic Education, and served as vice president of academic affairs for FFF.

NEXT MONTH:
**“Liberal Democracy versus
Democratic Socialism versus
Social Democracy”**
by Richard M. Ebeling

The Tortured Legacy of the Mexican-American War, Part I

by Danny Sjursen



I had a horror of the Mexican War ... only I had not the moral courage enough to resign.

— Ulysses S. Grant (1879)

The phrase “regime change wars” has, of late, taken on profound meaning and stoked massive controversy. When either Donald Trump, or the current long-shot hopeful Rep. Tulsi Gabbard (D-Hawaii) calls for an end to such wars, the establishment Left and Right both attack the term as a “Russian,” or “Putin,” talking point. The contemporary polarization of the term is peculiar, given that historically regime-change wars are as American as apple pie. Still, one can understand the reluctance of today’s influential American-exceptional-

ism-crowd to repeat the phrase. After all, republics aren’t supposed to invade and conquer foreign states. Nevertheless, the inconvenient truth is that the United States did just that a little more than 60 years after the thirteen original colonies’ own successful rebellion against the British empire.

Seen in this context then, the 1846 U.S. invasion of Mexico — popularly, if misleadingly, dubbed the Mexican-American War — must rate as an acute pivot point in the young nation’s history. Sure, the colonists, and then the new U.S. republic, had long displaced and murdered various native Indian tribes. Still, the successful conquest and significant annexation of a Western nation-state — a fellow republic at that — constituted a no-turning-back moment for a self-declared “democratic beacon.” Yet today, for all that, precious few Americans know the slightest thing about that war — which had one of the highest casualty rates of any U.S. conflict — and its contours, causes, context, or conclusion. The basis for such ignorance is quite simple: the Mexican invasion, accurately chronicled, doesn’t mesh well with Americans’ pretensions or sense of their own history. Control of the past is a powerful tool, wielded for centuries

by governments deeply invested in perpetuating their unique founding narratives or myths.

The Mexican-American War, seen in the context of America's current contemporary never-ending wars in the Greater Middle East, is more relevant than ever. Constituting the first successful conquest of another country (Canada had been unsuccessfully invaded twice), the war in Mexico included the U.S. Army's first major amphibious operation, and its first experience with prolonged occupation duty. The war, like the 2003 invasion of Iraq, was also sold to a naïve public on demonstrably false pretexts. The blowback from that realization, along with the conflict's mounting casualties, coalesced into America's first-ever widespread anti-war movement.

What's more, since the peace terms wrangled from a newly installed, fledgling, Mexican government — at the point of the bayonet — included the annexation of California and other future southwest states, it was this war that finally fulfilled the American dream of Manifest Destiny and spread the United States, once and for all, "from sea to shining sea." In truth, there was nothing inevitable about a continent-spanning American re-

public. There were, at the time, so very many contingent options for the once-Atlantic-coast-based republic. However, by seizing and settling California — and within four decades "pacifying" the native lands between it and the Mississippi River — the stage was set for the overseas American empire, manifested first in the Philippines (1898), with the reverberations of which the world continues to reckon.

For many uniformed American soldiers, Mexico would prove their graveyard.

The modern U.S. military — particularly the regular army — was largely forged in Mexico. This was the first major war in which large numbers of soldiers were led by graduates of the U.S. Military Academy at West Point, which had opened its gates only in 1802. For many uniformed American soldiers, Mexico would prove their graveyard. Sixteen percent of the U.S. troopers deployed there died, most from disease. While Americans, historically, tend not to care greatly for enemy casualties, it remains relevant that Mexicans suffered far worse, with an estimated 25,000 dead, most of them civilians. The war also proved the baptism by

fire, a crucible, for many future Civil War generals (on both sides of that conflict) — among them Robert E. Lee, Thomas “Stonewall” Jackson, George McClellan, and William Tecumseh Sherman. Two Mexican-American War vets even won the presidency: one, a general, Zachary Taylor; the other, then just a lieutenant, Ulysses S. Grant.

Dissent among active soldiers was substantial, shocking even.

The war’s current and future generals, along with much of the military rank and file, often disagreed about the efficacy and morality of the war. A surprising number — including some of the more famous among them — vehemently opposed what they viewed as a “wicked” war. Dissent among active soldiers was substantial, shocking even. Though GI resistance in the Vietnam War still figures prominently in Americans’ collective memory, it was in Mexico that the army had its highest-ever desertion rate — around 8 percent. Hundreds of those deserters — mostly recent Irish Catholic immigrants — even joined the enemy. So sympathetic were they to the Mexican cause (and, perhaps, the common Catholic faith), that many fought bravely

for Mexico in an entire battalion named for Saint Patrick.

Like any history worth its salt, this is also the story of people, individuals with agency all their own, both famous and forgotten. It’s about doomed, yet courageous, Mexican troopers; frustrated American officers, lieutenants and generals alike; civilians caught in the crossfire; and their representatives in distant capitals. The Mexican-American War also helped define the careers of five American presidents — one former, John Quincy Adams; one contemporaneous, James K. Polk; and three future, Zachary Taylor, Abraham Lincoln, and Ulysses S. Grant. It also figured prominently in the career of a highly qualified, perennial politician who never reached the White House, Henry Clay. For Adams, the war represented a final service to his country, one of his best moments. For Polk, a true believer, it was his worst. For Taylor, his generalship rapidly propelled him to the presidency. As for Lincoln, opposition to the war eventually proved the springboard for an illustrious career. Grant, meanwhile, was forever tortured by his part in what he deemed an immoral war of aggression; it may have even informed his (flawed) “peace policy” toward the

Indians. And for Clay — who lost his favorite son in Mexico — challenging the war was perhaps his finest hour.

Finally, for the United States — to the extent that countries can be said to have a collective identity — the ill-fated, if ultimately successful, crusade in Mexico marked a final end to the republic's innocence. America was to be a continental power with global potential and pretensions. If the U.S. war effort was victorious in the short run, the resultant peace settlement poisoned the republic and contributed mightily to the outbreak of the bloody Civil War that broke out just thirteen short years after the Mexican surrender. The conflict of 1846-48 stripped away the hopeful veneer and demonstrated that the real division in America wasn't between the two major political parties — Whig and Democrat — but between regions, South and North, slave and free societies. In the war, then, it can be said that America did not strictly fight Mexico, but fought itself. We live with the consequences — of empire, race, and immigration — to this day.

The Alamo myth

Are you not large and unwieldy enough already? Have you not Indi-

ans enough to expel from the land of their fathers' sepulchre?

—John Quincy Adams,
during floor debate on Texas
Annexation (1836)

Remember the Alamo! The rallying cry still rolls off the American tongue with remarkable fluidity and ease. The facts, as told, are as simple as they are inspiring: fewer than two hundred Texan frontiersmen (most Anglo and some Mexican) waged a hopeless, yet profoundly courageous, battle to the death against some 5,000 Mexican regulars. Not a defender survived, but within months, a new Texan force — motivated by vengeance (and “democracy”) — surprised the Mexican army at San Jacinto and won freedom for Texas.

The power of Texan myth was driven home to me as an assistant history professor at West Point.

The story resonates, and why not? It contains all the key components of a classic Western morality play: long odds, martyrdom, and eventual redemption. The tale, at least, is beautifully pure. The actual context — not so much. The teaching of Texas history — almost alone among American states — is man-

datory curriculum in public schools from El Paso to Houston. The power of Texan myth was driven home to me as an assistant history professor at West Point, when I found that, besides the Civil War, no subject garnered more sensitivity and pushback from normally deferential cadets.

Those cadets, certainly most Texans, and really the vast majority of Americans, remain unprepared to read or hear the stark reality of the (1835-36) Texas Revolution: that the undoubtedly brave men inside the Alamo died, in large part, for the right to own slaves and (talk about a twist!) maintain a steady stream of illegal immigration into Mexico. What's more, the flood of (also illegal) American volunteers that aided the Anglo Texans had much in common with the Russian "volunteers" now fighting in Eastern Ukraine. Finally, the eventual — and at the time highly controversial — U.S. annexation of Texas in 1845 as the 28th state, was not only an illegal violation of Mexican sovereignty; it all but ensured the outbreak of an aggressive American war against its southwestern neighbor.

Americans, mostly from the Deep South, and many with slaves in tow, poured into Eastern Texas after 1821, at the invitation (origi-

nally) of the Mexican government. Drawn there by cheap land available for growing cotton, the Texians — as they then dubbed themselves — in a combination of chauvinistic and individualistic spirit never took seriously their promises to adhere to Mexican law and convert to Catholicism. Indeed, when Mexico, which had already abolished slavery, sought to curb further Anglo immigration, Americans ignored both strictures and rose in rebellion.

The centrality of the slavery question was made clear by a Texas newspaper.

The centrality of the slavery question was made clear by a Texas newspaper, which announced that Mexico must be fought because it was attempting "to give liberty to our slaves, and to make slaves of ourselves." Furthermore, while the battles of the Alamo and San Jacinto are imprinted on Texan and American memory, few remember that when — during the chaotic rebellion — black slaves attempted to seize their own freedom, they were brutally suppressed by white Texians. About one hundred were returned to their owners, some leaders were hanged, and others

were beaten nearly to death. Only the northeastern radical abolitionist papers in the United States, and the Mexican press, covered the story.

That the Texians prevailed was less of a long-shot than it appears. By 1830, Anglos outnumbered Mexican *tejanus* in the sparsely populated province by more than two to one. That disparity only widened in the intervening six years until, at the time of the Alamo battle, the ratio was ten to one. Even so, thousands more American Southerners were ready to pour in, and the Texians were fairly sure they could count on the beneficence and eventual support of the U.S. government. As the Mexican army retreated south from the rebellious province, many fugitive slaves and fearful Hispanics fled along with the defeated soldiers. Nevertheless, the government in Mexico City never conceded Texian independence, continued to claim the wayward region, and engaged in low-intensity warfare with what they saw as rebel forces along the contested border.

Feeling vulnerable, and full of mostly recent emigrants from the United States, the Texan republic almost immediately petitioned Washington for annexation, followed by statehood. While many

Americans, especially in the rural South and Midwest, expected and supported the immediate accession of Texas, it would take nearly a decade for that to occur. In Washington annexation was a dicey and polarizing issue. At the time, the two major parties — Whigs and Democrats — were somewhat geographically diverse. There were still northern and southern wings of each party. The northern factions of both Whigs and Democrats weren't enthusiastic about adding a huge southern state to the union and thereby upsetting the delicate regional slave/free balance. Furthermore, the establishment leadership in the two parties realized, prudently, that the absorption of Texas — still internationally recognized as Mexican soil — was essentially tantamount to a declaration of war.

The government in Mexico City never conceded Texian independence.

However, President John Tyler, an accidental executive who had succeeded William Henry Harrison after a fluke bout of pneumonia killed him just weeks into his presidency, was desperate. Though the bumbling Tyler was nominally a Whig like his former boss, his

Democrat-flavored states' rights policies had alienated his own party, specifically its elder statesman leader, Henry Clay. By 1844, now a president without a party, and seeking to win his own term, Tyler hoped that unilateral Texas annexation would play well with populist sentiment and prove his salvation. In February, the American representative he had sent to Texas exceeded even Tyler's already stretched intentions and, after secret negotiations, promised the new republic military and naval support immediately upon annexation. The signed document basically committed the U.S. military to war with Mexico.

Danny Sjursen is a retired U.S. Army officer and a contributor to the Future of Freedom Foundation. He served combat tours in Iraq and Afghanistan and later taught at West Point. He is the author of Ghostriders of Baghdad: Soldiers, Civilians, and the Myth of the Surge. Follow him on Twitter at @SkepticalVet.

NEXT MONTH:
“The Tortured Legacy of the Mexican-American War, Part 2”
by Daniel A. Sjursen

It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people.

— Adam Smith

SUPPORTING THE FUTURE OF FREEDOM FOUNDATION

Our work advancing freedom depends on the financial support we receive from people who share our commitment to the moral, philosophical, and economic principles of a free society. Since The Future of Freedom Foundation is a 501(c)(3) educational foundation, donations are tax-deductible.

.....

Donations can be made on our website

— www.fff.org/support —

or by calling us at 703-934-6101.

.....

Here are ways that you can support our work:

1. A donation, with check or credit card.
 2. A donation in any amount you choose by means of a recurring monthly charge to your credit card.
 3. A donation of stock, the full market value of the stock being tax-deductible.
 4. Naming The Future of Freedom Foundation as a beneficiary in your will or living trust, charitable gift annuity or trust, or life-insurance policy.
-

Over the years, planned giving has played an important role in sustaining our operations.

*Thank you for your support of our work
and your commitment to a free society!*



THE FUTURE
of
FREEDOM FOUNDATION

11350 Random Hills Road
Suite 800
Fairfax, VA 22030

★★★

www.fff.org

fff@fff.org

703-934-6101