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Liberty is meaningless if it is only the liberty to agree with those in power.

— *Ludwig von Mises*

FUTURE OF FREEDOM

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Salvador Allende and the JFK Assassination, Part 1

by *Jacob G. Hornberger*



On September 11, 1973, Chilean Air Force Hawker Hunter jets attacked the National Palace in the nation's capital, Santiago. The planes fired missiles into the palace with the aim of assassinating the nation's democratically elected president, Salvador Allende, who, along with several of his supporters, was defending himself against the attacks on his life.

The attack on Allende has profound implications for the U.S. national-security establishment's assassination of President John F. Kennedy on November 22, 1963, some 10 years prior to the events in Chile.

In 1973, Chile had the same type of government that the United States had — a democratic political system and a national-security state form of

governmental structure, one characterized by a massive, permanent military-intelligence establishment. In Chile the intelligence-gathering part of the national-security establishment fell under direct military control. In the United States, while the military had its own intelligence-gathering section, control over intelligence gathering fell to the CIA and the NSA and, to a certain extent, the FBI.

Americans have long been taught that the federal government is divided into three branches: the executive, legislative, and judiciary. What about the Pentagon, the CIA, and the NSA, the three principal components of the national-security establishment? Americans have been taught that they are part of the executive branch of the federal government, falling under the control of the president in his role as commander in chief.

What Americans have not been taught, however, is that the United States was not always a national-security state. For the first 150 years or so of its existence, the federal government was a limited-government republic, which is the type of governmental structure that was called into existence by the Constitution.

During that initial 150 years, the federal government had a relatively

small, basic army, sufficiently large to quell attacks or resistance by hostile Indian tribes, but certainly not large enough to intervene in European or Asian affairs. During that period of time, there was no Pentagon, CIA, or NSA.

Our American ancestors bore a deep antipathy toward “standing armies.”

In fact, if the Constitutional Convention had proposed a Constitution that was calling into existence a national-security state, there is no possibility that the American people would have ever approved it, in which case the nation would simply have continued operating under the Articles of Confederation. That’s because our American ancestors at the time of the nation’s founding bore a deep antipathy toward national-security states and what was then known as “standing armies.”

Why the deep antipathy toward “standing armies”? Our ancestors were convinced that once a government has a massive, permanent military-intelligence force, it then becomes the most powerful part of the government. Even worse, they believed, on the basis of their knowledge of history, that that military-intelligence part of the gov-

ernment then becomes the biggest threat to the freedom and well-being of the citizenry, in large part because of its ability to impose a tyrannical system on the citizenry.

The concern that our American ancestors had regarding the possibility that the federal government could become tyrannical was reflected by their adoption of the Second Amendment, which protected the right of the people to keep and bear arms. Our ancestors understood, again on the basis of history as well as personal experience, that widespread gun ownership ensured that people would have at least a fighting chance against the military forces of their own government in the event the government became tyrannical.

The change

After World War II, things changed dramatically for the United States. The federal government was converted from a limited-government republic to a national-security-state form of governmental structure. That’s how Americans ended up with a vast, permanent military-intelligence establishment consisting of the Pentagon (whose construction actually began during the war), the CIA, and the NSA.

The difference was profound. While the federal government’s

powers had been few and limited during the time it was a limited-government republic, the powers wielded by the national-security establishment became omnipotent, so long as such powers related to some aspect of “national security,” a two-word term that grew to become the most important term in the American political lexicon, albeit one that no one has ever been able to define with any specificity.

The national-security establishment became, as a practical matter, the fourth branch of government.

Such omnipotent powers included assassination, which involved the ultimate power of killing people without first according them a trial. They also involved massive secret surveillance schemes, both on Americans and foreigners. They also entailed military invasions, coups, and other interventions into the affairs of other countries. They also involved the power of indefinite detention and torture without due process of law and trial by jury.

It goes without saying that the Constitution, which called the federal government into existence, did not delegate any of these extraordinary powers to the federal govern-

ment. In fact, the Bill of Rights expressly prohibits some of them. But once a government becomes a national-security state, those omnipotent powers come with it.

To get a sense of the nature of a national-security state and its powers, think of North Korea, China, Egypt, Cuba, Saudi Arabia, and Russia. They are all national-security states, just like post-World War II United States.

Under the federal system, the national-security establishment became, as a practical matter, the fourth branch of government. But there is something important to note: We are not dealing with four co-equal branches of government. Instead, we have an all-powerful national-security branch of government to which the other three inevitably defer, given the overwhelming power of the Pentagon, the CIA, and the NSA within the overall governmental structure.

Through the establishment of military projects and bases all over the nation, the Pentagon is able to control the actions of Congress. If any member of Congress balks at what the Pentagon wants, the Pentagon is able to threaten to close down military projects and bases within that congressman’s district, in which case the media will render

him an “ineffective” congressman. At the same time, Congress is filled with military veterans and former CIA officials, whose loyalty can always be counted upon.

New powers

Practically since the inception of the U.S. national-security state, the Supreme Court has deferred to the overwhelming power of the Pentagon, the CIA, and the NSA. For example, in most nations that have a “state secrets doctrine,” it has been enacted into law by the legislature. Not so in the United States. When the military asked the Supreme Court to establish such a doctrine within the context of a civil suit brought against the military, the Court dutifully agreed to do so. Even when it was discovered several years later that the military had intentionally defrauded the Court in that case, the Court continued preserving the state-secrets doctrine.

Consider the Korean and Vietnam wars. Neither one had a congressional declaration of war, as required by the Constitution. Deferring to the power of the military and the CIA, the Court made it clear that it would not enforce the Constitution by declaring the wars illegal under our form of government.

Or consider the power of assassination, which is primarily wielded by the CIA. Despite the fact that the Constitution does not delegate to the federal government the power to assassinate people and despite the fact that the Fifth Amendment expressly prohibits the federal government from killing people without due process of law, the Supreme Court has made it clear that it will not interfere with the power of the CIA or the Pentagon to assassinate people, including American citizens.

The Supreme Court has deferred to the overwhelming power of the Pentagon, the CIA, and the NSA.

Ordinarily, the executive branch, which is represented by the president, and the national-security branch are on the same page. When the president orders an invasion or an assassination or some secret surveillance, the Pentagon, the CIA, and the NSA are ordinarily going to follow his orders. That’s, in fact, one of the reasons why a national-security state is so dangerous to the liberty and well-being of the citizenry and why our ancestors were so fervently opposed to that type of governmental structure.

Coup

Consider, for example, what happened in Chile prior to 1973. Chile had one of the strongest democratic systems in Latin America. In the 1970 presidential election, a physician named Salvador Allende received a plurality of the votes. Under the Chilean constitution, that meant that the Chilean parliament would decide who would be the president.

At that point, President Richard Nixon and his national-security team went into action, determined to prevent Allende from assuming the presidency. That wasn't the first time that the U.S. government opposed Allende's ascension to the presidency. In the previous presidential race in 1964, Allende was running for president and the U.S. government became, in secret, an active participant in that election, spending millions of dollars in support of his opposition.

Nixon ordered the U.S. national-security establishment to come up with a plan to prevent Allende from becoming Chile's president. The plan involved a two-part process. The first process involved the payment of bribes to the members of Chile's parliament, with the aim that they would vote for the second-place finisher instead of Allende,

the first-place finisher. The second part involved a coup in which the Chilean national-security branch of the government would go to war against the executive branch of the government, with the aim of ousting Allende from power and imposing military rule.

Nixon ordered the U.S. national-security establishment to come up with a plan to prevent Allende from becoming Chile's president.

There was one big obstacle to a coup, however: The overall commander of the Chilean armed forces, a man named Gen. René Schneider, who was fiercely opposed to a military coup. Schneider's position was that the Chilean constitution did not provide for ousting a democratically elected president through a coup. Like the U.S. Constitution at the time, there were only two ways to oust a president from office: through the next election or through impeachment. With Schneider in charge of the Chilean armed forces, there was no way that the CIA was going to succeed in achieving a coup.

The CIA adopted an extraordinary plan, one that entailed the violent kidnapping of Schneider by armed Chilean thugs. The CIA con-

spiracy to kidnap Schneider originated in Virginia and Washington, D.C. The CIA hired kidnapers and secretly smuggled high-powered guns into the country to deliver to the kidnapers.

The CIA has always denied that the conspiracy involved killing Schneider, but the denials have to be false. Schneider's assassination had to have been built into the plan. After all, what else could they have done with him after he was kidnapped? The U.S. certainly couldn't have returned him because then he would resume his office as overall commander of the Chilean armed forces. To achieve its goal of a coup, the CIA had to be certain that Schneider was removed from the scene permanently.

On the day of the attempted kidnapping, which took place on the streets of Santiago, Schneider was armed and attempted to defend himself. The kidnapers shot him dead. Later it was discovered that the CIA had paid hush money to its kidnapers to keep them quiet about its involvement in the affair.

The Justice Department never brought the matter up before a federal grand jury, notwithstanding the fact that a felony had clearly been committed in Virginia and Washington, i.e., conspiracy to kid-

nap and murder a foreign national. Also, under what is called the felony-murder rule, the CIA was criminally responsible for Schneider's murder even if it had conspired only to kidnap him.

Even if the Justice Department had secured an indictment, however, it would have gone nowhere, as there is no doubt that the federal judiciary would have quickly dismissed it. In fact, when the Schneider family filed a civil lawsuit in U.S. District Court for the wrongful death of Schneider, their suit was summarily dismissed. Nothing, including an attempt to recover damages for the murder of an innocent man, would be permitted to interfere with whatever the CIA or the rest of the U.S. national-security branch of the federal government needed to do to protect "national security."

The CIA had paid hush money to its kidnapers to keep them quiet about its involvement.

The Schneider murder demonstrated the overwhelming power of the national-security branch of the federal government. From almost the very beginning of the U.S. national-security state after World War II, the U.S. Supreme Court and

the rest of the federal judiciary made it clear that the Pentagon, the CIA, and the NSA would effectively be immune from liability for anything done to protect “national security,” including assassinating anyone in order to protect “national security.”

It was a position that the Chilean courts took as well, once the Chilean national-security establishment had defeated Allende and assumed power in Chile. At that point, the courts went silent, passively deferring to the overwhelming power of the Chilean military regime.

Ironically, Schneider’s murder boomeranged for the CIA. The Chilean people and the Chilean parliament were so outraged over the crime that Allende was confirmed as president.

But U.S. officials did not stop. They continued doing everything they could to prevent Allende from serving out his term as president. And with Schneider now removed from the scene, the road was open to a military coup that would accomplish their goal.

Nixon and his national-security establishment spent the next three years doing everything they could to foment the coup against Allende, one that would finally leave him dead and that would bring the Chilean military to power. The CIA’s ef-

forts included the instigation of economic chaos within the country, so that people would welcome a coup. As Nixon had secretly put it to the CIA, “Make the economy scream!” That’s precisely what the CIA did. Its efforts included orchestrating a nationwide truckers strike that was designed to prevent food from being delivered to the Chilean people.

Why were U.S. officials so opposed to Allende’s serving as president of Chile? What would cause them to go to such extraordinary lengths, including bribery and, even worse, the intentional kidnapping and murder of an innocent man, to prevent a foreigner from becoming president of his country or from serving out his term in office? The answer to these questions has a direct bearing on the assassination of President John F. Kennedy.

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

NEXT MONTH:
“Salvador Allende and the JFK Assassination, Part 2”
by Jacob G. Hornberger

The Deadly Precedent of the Waco Whitewash

by James Bovard



The easiest way to achieve sainthood in Washington is to cover up a federal atrocity. Thus, it is no surprise that former senator John Danforth continues to be treated by the *Washington Post* as a visionary statesman. The *Post* showcased Danforth's attack on Donald Trump in October after Trump derided the Commission on Presidential Debates. Danforth, a permanent member of that commission, is one of the top five "useful idiots for Leviathan," according to the revised rankings after the death of John McCain.

In the 1990s, Danforth received plaudits for being a "moderate" Republican who supported gun control. But his true claim to establishment fame arose from his contortions to suppress the truth about

Waco. Danforth appointed himself as the nation's political faith healer after the biggest federal law-enforcement debacle in modern times.

On February 28, 1993, 70 federal Alcohol Tobacco and Firearms agents launched an attack on the home of the Branch Davidians near Waco, Texas. After the assault was rebuffed, the FBI arrived and, on April 19, 1993, sent in tanks that demolished much of the Davidians' home before a fire broke out. Eighty corpses of men, women, and children were discovered in the wreckage.

Almost nobody in Washington cared about the Texas carnage. Attorney General Janet Reno, who approved the deadly final assault, was labeled a "folk hero" by the *Los Angeles Times*, and the *Washington Post* declared that she had "superstar status." A few days after the fire, the opening of a Senate Appropriations Committee hearing had to be delayed so senators could have their pictures taken with Reno. In 1995, she testified to Congress and shrugged off the FBI's use of 54-ton tanks to assail the Davidians, declaring that the tanks were "not military weapons.... I mean, it was like a good rent-a-car." Media coverage of Reno's showdown with congressional Republicans ignored

her rent-a-tank absurdity, instead praising her toughness and demeanor.

Danforth ignored that the premise of the massive ATF attack was itself a complete fraud.

In 1999, news leaked out that the feds knowingly suppressed information about using pyrotechnics that might have started fires that killed scores of women and children. Reno personally selected Danforth, a golfing buddy of President Bill Clinton, to reinvestigate federal action at Waco. In July 2000, after he was rumored to be on the short list as George W. Bush's vice presidential pick, Danforth rushed out a preliminary report. Danforth's report was more pro-FBI than the FBI itself and revived discredited Bureau of Alcohol, Tobacco, and Firearms charges that the Justice Department had abandoned six years earlier.

No-knock assault

After the nation was struck by violent protests this summer after the death of George Floyd, it is worth looking back 20 years to see the system and excuses that were used to absolve law enforcement gone wild.

Danforth's report began by stating that Koresh and the Davidians "shot and killed four [ATF] agents" and "wounded 20 others." More than 70 agents rolled up to the Davidians' home in two cattle cars and jumped out shouting "Showtime!" The plan was for one group of agents to break through the front door while a second group took ladders and smashed through the windows on the second floor. The ATF never attempted to present the search warrant. Several ATF agents said that the feds shot first. Danforth made no attempt to determine which side shot first, stating that that was "a matter outside the scope of the Attorney General's Order to the Special Counsel." Regardless, since the Davidians had killed and wounded federal agents, they deserved whatever the feds subsequently did to them. Danforth tacitly accepted the notion that a massive federal no-knock assault was necessary to determine whether the Davidians had violated federal prohibitions on converting semi-automatic firearms into firing in fully automatic mode.

But Danforth ignored that the premise of the massive ATF attack was itself a complete fraud. Only nine days before the ATF attack, David Koresh had gone target

shooting with three undercover ATF agents (whom he recognized as G-men). Koresh “provided the ammunition and the agents handed him their guns,” noted former federal lawyer David Hardy, whose research exposed the ATF memo detailing the target practice six years after the raid. After the raid, the ATF insisted that Koresh never went outside the “compound” — and thus the agency needed to launch a full-scale attack to get him. But Koresh could easily have been arrested while target shooting. Danforth also ignored the evidence that ATF agents shot first as they assaulted the Davidians’ home.

Only nine days before the ATF attack, David Koresh had gone target shooting with three undercover ATF agents.

Danforth declared that one of the key topics for his investigation was “whether the military was wrongly used” in the assault on the Davidians’ home. Before the February 28 raid, ATF officials were told that it would be illegal for the U.S. military to assist them unless there was a “drug nexus” to the case. A few days later, the ATF notified military officials that — *voilà!* — they suspected the Davidians had a

methamphetamine lab in their basement. ATF agents had zero credible evidence but that didn’t matter. ATF agents then received training in close-quarters combat and called in military helicopters from the Texas National Guard to assist in the assault. (Surviving Davidians alleged that the helicopters fired into their home while ATF agents attacked the front of their building.)

Despite the massive assistance the ATF received, the drug charge vanished immediately after the raid, and federal prosecutors never raised the issue at the surviving Davidians’ 1994 trial. A 1996 congressional report concluded that the ATF’s actions during and after the raid made it “clear that the ATF believed that a methamphetamine lab did not exist.” The House report concluded that “the ATF intentionally misled Defense Department and military personnel” regarding the existence of the meth lab.

It didn’t matter. Instead, Danforth’s report noted that while “the Office of Special Counsel did not extensively investigate the basis for ATF’s assertion that there was a drug nexus ... there is some evidence prior to February 28, 1993, connecting ‘drug activity’ with the complex which could form the ba-

sis of a drug nexus.” Danforth’s investigation spent \$12 million, didn’t bother investigating whether or not there was any viable evidence of a meth lab, but dredged up the “could form the basis” hokum. This is the same type of flimsy “drug link” that has been used to justify thousands of no-knock raids in subsequent decades. Danforth’s ludicrous revival of the drug charge sufficed to whitewash the militarization of law enforcement.

This is the same type of flimsy “drug link” that has been used to justify thousands of no-knock raids in the subsequent decades.

Danforth’s report minimizes or comically misrepresents the amount of force the feds used against the Davidians. FBI agents repeatedly threw flash-bang grenades at Davidians who tried to leave the residence and may have thrown them inside the Davidians’ residence. When Sen. Charles Grassley (R-Iowa) asked Danforth about that at a hearing, Danforth replied that flash-bangs are “in the nature, as I understand it, of, you know, firecrackers. They make a flash and they make a bang. And they don’t cause injury, as a general rule.” A 2019 federal appeals court

decision noted that flash-bang grenades are “four times louder than a 12-gauge shotgun blast” with “a powerful enough concussive effect to break windows and put holes in walls.” Flash-bangs burn hotter than lava and have started more than a hundred fires across the nation.

Some of the section headings in Danforth’s report made Waco sound like a huge law-enforcement success — such as the description of the origins of the FBI tank–gas assault: “The FBI Develops a Tactical Solution to the Standoff.” Tell that to the Marines.

After the FBI had gassed the Davidians for more than four hours and exhausted almost its entire gas supply, FBI tank drivers were ordered to demolish the building, even though scores of women and children remained inside. In the next hour, tanks smashed into the residence eight times and collapsed at least one-quarter of the Davidians’ home. The *Dallas Morning News* summarized government documents on the tank assault: “Just before noon, [FBI on-scene commander Richard] Rogers ordered tanks in front to drive deep [into the building] toward the compound tower. At its base was a concrete room where officials believed

the ‘hostiles’ were hiding, records show.” As FBI Deputy Director Floyd Clarke admitted in 1995 congressional testimony that “the destruction of the building was part of the ultimate plan” to bring the siege to an end. Clarke admitted in 1995 congressional testimony that “the destruction of the building was part of the ultimate plan” to bring the siege to an end. FBI commanders, in a June 24, 1993, memo, recommended that the two agents in the tank who did the most to destroy the building receive the FBI Shield of Bravery; the memo stated, “At mid-morning ... [the two agents] were given the mission of slowly and methodically beginning dismantling ... the gymnasium.”

Despite all this evidence, Danforth concluded that FBI agents never intended to demolish the building. Ignoring the 1993 memo, Danforth accepted at face value the 1995 testimony of FBI on-scene commanders Jeffrey Jamar and Richard Rogers, who insisted that the tanks were not attempting to bring the building down. In the report’s jaw-dropping words, the Office of Special Counsel “is confident the quoted language [in the 1993 memo] is simply incorrect.”

Danforth was dismissive not only of written evidence but of con-

vincing visual evidence. *Waco: Rules of Engagement*, a movie that won an Emmy and was nominated for an Academy Award, shows lengthy footage of FBI tanks repeatedly and systematically demolishing much of the building. Harvard Prof. Alan Stone, one of the outside experts the Justice Department tapped in 1993 to examine the incident, concluded, “Some of the government’s actions may have killed people before the fire started. I cannot tell whether the tanks knocked down places where people were already. I don’t know if there were people in there crushed by the collapsing building [as a result of FBI tanks plowing into the structure] before the fire started.”

Danforth was dismissive not only of written evidence but of convincing visual evidence.

The FBI’s pyrotechnic devices were the hottest item in Danforth’s investigation. Reno had sworn to a congressional committee in 1995 that the FBI used no pyrotechnic devices at Waco. Yet Danforth told a Senate committee that “the use of the pyrotechnics, itself, under these circumstances was not a big thing.” Danforth also assured the senators, “I don’t think that there’s been any-

body that I know of connected with the government who has ever believed that the use of pyrotechnics, in this case, had anything to do with the fire.” And what was his proof? The FBI told him so. Regardless of how often the FBI changed its story, its latest version was sacrosanct.

Faith in government

Danforth’s report noted several cases where federal officials either made false statements or wrongfully withheld key evidence. None of that troubled Danforth. A *St. Louis Post-Dispatch* headline perfectly summarized his report: “Officials Had Nothing to Hide — But Hid Some Things Anyway.”

In the report’s preface, Danforth made bizarre excuses for lying federal officials: “In today’s world, it is perhaps understandable that government officials are reluctant to make full disclosures of information for fear that the result of candor will be personal or professional ruin. Any misstep yields howls of indignation, calls for resignations, and still more investigations.” Danforth vehemently opposed any prosecution of any federal official who misled investigators on Waco from 1993 onwards.

Even though numerous agency and congressional investigations

had found federal misconduct regarding Waco, Danforth lamented “a nearly universal readiness to believe that the government must have done something wrong. Breaking this vicious circle of distrust and re-crimination is essential if we are to rebuild the consent of the governed on which our system depends.” Danforth championed a “move along, nothing to see here” version of “consent of the governed” in which citizens are obliged to swallow unlimited federal malarkey.

Danforth opposed any prosecution of any federal official who misled investigators on Waco.

The lesson of Waco, according to Danforth, was that the burden is on “all of us” to “be more skeptical of those who make sensational accusations of evil acts by government.” Danforth declared that he hoped his report would “begin the process of restoring the faith of the people in their government and the faith of the government in the people.” Danforth believed government officials had been wrongfully victimized by public distrust. That phrase about “restoring ... the faith of the government in the people” should have been ridiculed from coast to coast.

Danforth masterminded the first investigation into a cover-up that justified the cover-up. That was not surprising, since his goal was not to determine what government did so much as to correct the public's bad attitude toward the use of tanks against civilians.

The Powers That Be hailed Danforth's report as the ultimate absolution on Waco. FBI Director Louis Freeh declared, "Seven years of absorbing unproven allegations and unfounded criticisms has [sic] levied a heavy burden on the agents who were at Waco and their families as well. This report brings great solace to them in that its findings reaffirm that which we have always believed — they did their best and for all the right reasons." Deputy Attorney General Eric Holder declared, "We join Senator Danforth in wishing that this report begins the process of restoring the faith of the people in their government." PBS NewsHour host Jim Lehrer gushed to Danforth on national television, "You did tremendous investigating."

Danforth talked as if blind trust in Washington is the key to "good government." Citizens provided almost boundless trust after the 9/11 attacks, and the result was a disastrous war in Iraq, a worldwide tor-

ture regime, and the National Security Agency's ravaging Americans' privacy. And the FBI agents that Danforth exonerated created an endless series of scandals, entrapments, and debacles, culminating (perhaps) in their effort to take down President Donald Trump.

In his *Washington Post* oped in October, Danforth wailed that Trump's accusing the Commission on Presidential Debates of favoritism "destroys public confidence in the most basic treasure of democracy, the conduct of fair elections" and "paves the way to violence in the streets." But for many Americans, "government under the law" is the basic treasure of democracy. And Danforth's yapping about the peril of "violence in the streets" rings hollow after he whitewashed a federal assault that left 80 people dead. Americans are sick and tired of the "move along, nothing to see here" version of democracy that Danforth offered.

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.

Non-Issues in the 2020 Election

by *Laurence M. Vance*



In one of his trenchant commentaries written about a month before the election, Future of Freedom Foundation president Jacob G. Hornberger asked the question, “Where Are Open Borders in the Presidential Race?” He then made these observations:

Unfortunately, but not surprisingly, immigration is not a big burning issue in the presidential race. There is a simple reason for that: Both Donald Trump and Joe Biden believe in America’s system of immigration controls. Their only difference between them is over the enforcement measures that come with that system.

Trump and his Republican cohorts love to proclaim their

support of “free enterprise” and “free markets.” Yet, free enterprise and free markets mean enterprise and markets that are free of government control and interference. A system of immigration controls is the opposite of free enterprise and free markets.

Biden and his Democrat cohorts love to proclaim how much they love the poor, needy, and disadvantaged. Yet, undocumented immigrants are among the poorest people in the world. They want to come to the U.S. to sustain and improve their lives by working for American employers who wish to hire them.

The fact is that Democrats love immigration controls as much as Republicans do.

Hornberger concluded, “Don’t hold your breath waiting for either Trump or Biden to endorse open borders. They, like their Republican and Democratic cohorts, are just too wedded to central planning and other aspects of socialism.” Even if one doesn’t share Hornberger’s enthusiasm for open borders, his conclusion about the similarities between the Republicans and Democrats can’t be denied.

But not only was immigration not a big issue in the 2020 election, there were a host of other important topics that were simply non-issues in the election.

The election

On the national level, which is what we are concerned about here, voters in the fifty states choose members of the House of Representatives by district for two-year terms, two senators for six-year terms, and, by means of the Electoral College, a president every four years. In the November election, all 435 seats in the House were up for grabs. However, in the Senate, senators are divided into three classes with staggered terms. Thus, only one-third of the Senate seats can normally be contested at any election. In addition to the 33 Senate seats decided in November, there were also two special Senate elections that took place to fill vacancies resulting from the death of John McCain of Arizona in 2018 and the resignation of Johnny Isakson of Georgia in 2019.

Some independent and third-party candidates ran for the House, the Senate (in Alaska, the Senate candidate was an Independent supported by the Democratic Party), and the presidency (there were ac-

tually 36 candidates); but as has been the case since 1856, the contests were basically between the Democrats and the Republicans. Since World War II, the only notable member of Congress elected not as a Democrat or Republican was the Independent, Bernie Sanders. That means that 471 (435+33+2+1) Democrats and Republicans faced off in the 2020 election (472 if you separate the president and vice president, which appear together on the ballot). But aside from the fitness of Biden and the character of Trump, what were the issues that divided the two parties?

On the surface, it seems as though the Democrats and Republicans couldn't be more different.

The parties

On the surface, it seems as though the Democrats and Republicans couldn't be more different. Most conservatives think that the Democratic Party is the party of a bigger, more expensive, more intrusive government that is focused on civil rights, social justice, gun control, and income inequality and is weak on national defense. On the other hand, conservatives generally believe that the Republican Party is

the party of the Constitution, limited government, federalism, individual freedom, private property, free markets, traditional values, free enterprise, and a strong national defense. Although the conservatives' perception of the Democratic Party is accurate, their view of the Republican Party couldn't be more wrong.

Here are some selections from the 2020 Democratic Party platform that give us a good indication of what Democrats stand for:

We must guarantee health care not as a privilege for some, but as a right for every single American. For a century, Democrats have fought to secure universal health care.

We must lead the world in taking on the climate crisis, not deny the science and accelerate the damage.

We must provide a world-class education in every ZIP code, to every child, because education is a critical public good.

Democrats believe in universal early childhood education, and affordable, high-quality child care.

Democrats will fight to raise wages for working people and improve job quality and

security, including by raising the federal minimum wage so it reaches \$15 an hour by 2026.

Democrats believe we need to be much more proactive and aggressive in rooting out discrimination in our employment system.

We will repair, modernize, and expand our highways, roads, bridges, and airports, including by installing 500,000 public charging stations for electric vehicles.

The conservatives' perception of the Republican Party couldn't be more wrong.

Democrats commit to providing Section 8 housing support for every eligible family, and will enact protections to keep landlords from discriminating against voucher recipients.

We will make sure the wealthy pay their fair share in taxes.

Democrats will increase funding for food assistance programs, including SNAP, WIC, and school meals.

We will enact policies to make Social Security more progressive, including increas-

ing benefits for all beneficiaries, meaningfully increasing minimum benefit payments, increasing benefits for long-duration beneficiaries, and protecting surviving spouses from benefit cuts.

We believe unequivocally, like the majority of Americans, that every woman should be able to access high-quality reproductive health care services, including safe and legal abortion. We will repeal the Title X domestic gag rule and restore federal funding for Planned Parenthood.

Echoing the 1994 Republican Contract with America, the Democratic Party proposed “a new social and economic contract with the American people” that affirms “housing is a right and not a privilege,” promises that “no one will be homeless or go hungry,” “raises wages and restores workers’ rights to organize, join a union, and collectively bargain,” and “supports working families and the middle class by securing equal pay for women and paid family leave for all.”

The Republican Party did not adopt a new platform in 2020. It instead chose to follow the same platform that it used in 2016. That plat-

form is heavy on principle, but light on specific proposals like those found in the Democratic platform. For example:

We reaffirm the Constitution’s fundamental principles: limited government, separation of powers, individual liberty, and the rule of law.

We affirm that all legislation, regulation, and official actions must conform to the Constitution’s original meaning as understood at the time the language was adopted.

We affirm — as did the Declaration of Independence: that all are created equal, endowed by their Creator with inalienable rights of life, liberty, and the pursuit of happiness.

In a free society, the primary role of government is to protect the God-given, inalienable rights of its citizens.

The Republican platform proposed to balance the budget, audit the Pentagon, ease the federal regulatory burden, establish a pro-growth tax code, and protect property rights, gun rights, and free speech. It criticized income redistribution, crony capitalism, corporate welfare, federal data collection,

poverty programs, national education standards, government surveillance, and federal student loans.

There are four things that show that Republicans are not as pro-life as they claim to be.

But to those who are willing to dig a little deeper, the Republican platform also shows that there are some cracks in the façade of the image of the Republican Party:

We oppose discrimination based on race, sex, religion, creed, disability, or national origin and support statutes to end such discrimination.

All options should be considered to preserve Social Security.

We intend to save Medicare by modernizing it, empowering its participants, and putting it on a secure financial footing. We will preserve the promise of Medicaid as well.

We believe that individuals with preexisting conditions who maintain continuous coverage should be protected from discrimination.

And of course, if one actually looks at the legislation that is passed

by Republicans in Congress and the programs that they reauthorize, it is evident that in all the things that the Republicans criticize in their platform they are just as guilty of as Democrats.

But, it is commonly said, Republicans are pro-life and Democrats are pro-choice. Indeed, the Republican Party platform does say,

Numerous studies have shown that abortion endangers the health and well-being of women, and we stand firmly against it.

The Democratic Party is extreme on abortion. Democrats' almost limitless support for abortion, and their strident opposition to even the most basic restrictions on abortion, put them dramatically out of step with the American people.

Surely the abortion issue distinguishes Republicans from Democrats?

There are four things that show that Republicans are not as pro-life as they claim to be. First of all, when the recently deceased Ruth Bader Ginsburg, a consistent supporter of abortion rights, was confirmed as a Supreme Court justice in 1993, only

three Senate Republicans voted against her confirmation. Second, the Supreme Court has been dominated by Republican appointments for half a century — since before the infamous *Roe v. Wade* decision in 1973 — and yet the decision has never been overturned. Third, five of the six justices on the Court in 1973 who were appointed by Republican presidents were in the majority in the 7–2 *Roe* decision which held that a woman’s right to an abortion fell within the right to privacy protected by the Fourteenth Amendment. And fourth, Planned Parenthood, the nation’s largest abortion provider, receives hundreds of millions of dollars in taxpayer funds every year — thanks to the Republicans in Congress. When Planned Parenthood left the federal Title X family planning program in August 2019, it did so voluntarily, not because the federal government forced it to.

The non-issues

Social Security. Both Democrats and Republicans want to save Social Security so that future generations of the elderly can be supported by the young. Both parties uphold the lie that Social Security recipients are “entitled” to benefits because they “earned” them by paying into

the system during their working years. Both parties believe that the government has the authority to manage a retirement and disability program and force Americans to “contribute” to it.

Health care. Although Republicans may rail against socialized medicine come election time, both Democrats and Republicans fully support socialized medicine through Medicare, Medicaid, and CHIP. Both parties believe in massive government intervention in the health-care and health-insurance industry. Both parties believe that some Americans should be forced to pay for the health care of other Americans.

Neither party believes
that all charity should be private
and voluntary.

The welfare state. Both Democrats and Republicans believe that the government should take money out of the pockets of Americans who “have” and redistribute it to other Americans who “have not” by means of WIC, TANF, Section 8 rent subsidies, SSI, food stamps, and the Low Income Home Energy Assistance Program. Neither party believes that the poor, the elderly, the hungry, the sick, the disabled,

and the disadvantaged can be taken care of under a free-enterprise system by individuals and organizations. Neither party believes that all charity should be private and voluntary.

The drug war. Although many Democrats now want marijuana to be legalized on the federal level, both Democrats and Republicans want to heavily tax and regulate marijuana in states where it has been legalized. And furthermore, both parties are firmly against the legalization of other drugs and fully support the federal war on drugs.

Gun control. Although Republicans talk about the Second Amendment, both parties believe that most federal gun laws, including the National Instant Criminal Background Check System (NICS), should be retained even though they infringe the right of the people to keep and bear arms.

Job training. Both Democrats and Republicans believe that the government should have job-training programs instead of their being privately run and funded.

Foreign aid. Both Democrats and Republicans believe that the government should take money out of the pockets of American taxpayers and put it in the hands of foreign governments and organizations in

the form of foreign aid. Neither party believes that the decision to give money to foreigners should be an individual one, and that no country should receive foreign aid from the U.S. government in any amount, at any time, for any reason.

**Neither party believes
that the decision to give money
to foreigners should be an
individual one.**

Taxes. Although they disagree on tax rates and the amount, nature, and recipients of tax deductions and credits, both Democrats and Republicans believe that the government is entitled to a portion of every American's income through taxation. Both parties accept a progressive income-tax system in which "the rich" pay their "fair share" of taxes by paying a higher percentage of their income to the government than "the poor" or by forgoing certain deductions, exemptions, and credits that the government grants to them. Both parties maintain that the government should have refundable tax credits so that "the poor" can get a refund of taxes that were never withheld from their paychecks.

The TSA. Both Democrats and Republicans believe that the federal

government should have a TSA to provide security for private businesses such as the airlines instead of there being security services provided by the airlines or sought on the free market.

Education. Both Democrats and Republicans think that the government should take money from some Americans to educate the children of other Americans in public schools or by means of educational vouchers. Neither party believes that education should be entirely left up to the states and that the federal government should have absolutely nothing to do with it.

Both Democrats and Republicans say that the United States should have an interventionist foreign policy.

The warfare state. Both Democrats and Republicans support huge military budgets, accept millions in donations from defense contractors, and have no problem with defense spending used for offense.

Federal grants. Although they may disagree on the amount, nature, and recipients of federal grants, both Democrats and Republicans have no philosophical objection to the government's taking money out of the pockets of

American taxpayers and using it to give out grants for scientific and medical research or art and culture. Neither party believes that all research, art, and culture should be privately funded and conducted.

Foreign policy. Both Democrats and Republicans say that the United States should have an interventionist foreign policy and police the world. Both parties are in favor of the United States' continuing its military alliances with many countries around the world and coming to their defense if deemed necessary.

The American empire. Although they may differ on troop levels and the countries involved, both Democrats and Republicans believe that the United States should maintain an empire of troops and bases around the world.

Farm subsidies. Both Democrats and Republicans think that agriculture should be treated different from all other industries. Both parties believe that farmers should be provided a safety net and subsidized with money taken from non-farmers. Neither party believes that if a farmer can't make a profit without government assistance, then he should sell his farm and find another line of work.

Unemployment benefits. Both Democrats and Republicans think

that the government should take money from those who work and transfer it to those who don't by means of unemployment benefits. Neither party believes that unemployment insurance should be private and that government has no business paying people for not working.

Space exploration. Both Democrats and Republicans believe that it is a legitimate purpose of government to fund and undertake space exploration and research instead of its all being privately funded and conducted.

Neither party believes in the absolute right of business owners to refuse service to anyone for any reason.

Minimum wage. Although they may disagree on the proper figure, both Democrats and Republicans say that it is legitimate for the government to establish a minimum wage and overtime-pay rules. Neither party believes that wages and benefits should be negotiated between employers and employees on an individual or group basis without any government involvement whatsoever.

Discrimination. Although they may differ on whether discrimina-

tion on the basis of sex should include discrimination on the basis of sexual orientation or “gender identity,” Democrats and Republicans are firmly committed to the federal government's having an Equal Employment Opportunity Commission (EEOC) and an assortment of anti-discrimination laws that violate the rights of private property, freedom of assembly, freedom of association, free enterprise, freedom of contract, and freedom of thought. Neither party believes in the absolute right of business owners to refuse service to anyone for any reason or property owners to refuse to sell, rent, or lease to anyone on any basis.

Organ sales. Both Democrats and Republicans oppose any American's having the individual freedom to sell — while alive or dead — one of his body organs to the highest bidder. Both parties oppose free enterprise in the sale of voluntarily offered body organs. Neither party believes that because your body is your own, you should be able to do whatever you want with all or part of it.

The role of government. Both Democrats and Republicans believe that the government should interfere with, regulate, or control peaceful activity and punish individuals

and businesses for engaging in entirely peaceful, voluntary, and consensual actions that do not aggress against the person or property of others. Neither party believes that the actions of the government should be strictly limited to reasonable defense, judicial, and policing activities. Both parties confirm what Voltaire said about government hundreds of years ago: “The art of government is to make two-thirds of a nation pay all it possibly can pay for the benefit of the other third.”

The Constitution. Although Republicans talk more about the Constitution, both Democrats and Republicans pay lip service to, and make a mockery of, the Constitution. How else do we account for the fact that the overwhelming majority of what the federal government does is not authorized by the Constitution?

So instead of making any of those things issues in the 2020 election, Democrats and Republicans squabbled over whether someone should be nominated to the Supreme Court so close to an election, whether science supports climate

change, whether Russia interfered in the last election, how many jobs each party would create, how best to reduce carbon emissions, whether the government should pay reparations to the descendants of slaves, and what the government should do about income inequality and the coronavirus.

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NEXT MONTH:
**“200th Anniversary of a
Great American Demolition
of Tyranny”**
by James Bovard
“Marijuana Wins”
by Laurence M. Vance

The Case for Freedom in Ludwig von Mises, F.A. Hayek, and Ayn Rand

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by Richard M. Ebeling



Three names are widely associated with the cause of human freedom and economic liberty in the twentieth century: Friedrich A. Hayek, Ludwig von Mises, and Ayn Rand. Indeed, it can be argued that Hayek's *Road to Serfdom* (1944) and *Constitution of Liberty* (1960), Mises's *Socialism* (1936) and *Human Action* (1949), and Rand's novels *The Fountainhead* (1943) and *Atlas Shrugged* (1957) did more to turn the intellectual tide of opinion away from collectivism in the second half of the twentieth century than any other works that reached out to the informed layman and general public.

The common historical contexts of their time

Hayek, Mises, and Rand each made his case for freedom and the political order that accompanies it in his own way. While Mises was born in 1881 and, therefore, was 18 years older than Hayek (who was born in 1899) and nearly a quarter of a century older than Rand (who was born in 1905), there were a number of historical experiences they shared and which clearly helped shape their ideas.

First, they came from a Europe that was deeply shaken by the catastrophic destruction and consequences of the First World War. Both Mises and Hayek experienced the trauma of military defeat while serving in the Austro-Hungarian army, as well as experiencing the economic hardships and the threat of socialist revolution in postwar Vienna. Rand lived through the Russian Revolution and Civil War, which ended with the triumph of Lenin's Bolsheviks and the imposition of a brutal and murderous communist regime; she also experienced "socialism-in-practice" as a student at the University of Petrograd (later Leningrad, now St. Petersburg) as the new Marxist order was being imposed on Russian society.

Second, they also experienced the harsh realities of hyperinflation. Rand witnessed the Bolsheviks' intentional destruction of the Russian currency during the Russian Civil War and Lenin's system of war communism, which was designed as a conscious attempt to bring about the abolition of the market economy and capitalist "wage slavery." In post-war Germany and Austria, Mises and Hayek watched the new socialist-leaning governments in Berlin and Vienna turn the handle of the monetary printing press to fund the welfare statist and interventionist expenditures for instituting their collectivist dreams. In the process, the middle classes of Germany and Austria were demolished, and the social fabric of German and Austrian society was radically undermined.

Mises, Hayek, and Rand also experienced the harsh realities of hyperinflation.

Third, Rand was fortunate enough to escape the living hell of socialism-in-practice in Soviet Russia by coming to America in the mid 1920s. But from her new vantage point, she was able to observe the rise and impact of American-style collectivism during the Great Depression and the coming of

Franklin Roosevelt's New Deal in the 1930s. In Europe, Mises and Hayek watched the rise of fascism in Italy in the 1920s and then the triumph of Hitler and National Socialism in Germany in 1933, the same year that Roosevelt's New Deal was implemented in the United States. For both Mises and Hayek, the Nazi variation on the collectivist theme not only showed it to be one of the deadliest forms that socialism could assume. It represented, as well, a dark and dangerous "revolt against reason" with the Nazi's call to the superiority of blood and force over the human mind and rational argumentation.

Their common premises on collectivism and the free society

What were among the premises that Mises, Hayek, and Rand shared in the context of the statist reality in which they had lived? First, the "nations," "races," "peoples" to which the totalitarian collectivists, respectively, appealed resulted in reminders from Mises, Hayek, and Rand to their readers that these are shorthand terms and do not exist separate or independent from the individual people who make them up.

Second, all three rejected positivism's denial of the human mind as something real, and as a source

for knowledge about man and his actions. Mises and Rand, especially, emphasized the importance of man's use of his reasoning ability to understand and master the world in which he lived. Mises and Rand considered the entire political trend of the twentieth century to be in the direction of a revolt against reason.

Only the market economy allows each individual the institutional means of being free from the power of the government.

Though sometimes classified as an anti-rationalist because of his emphasis on the limits of human reason in trying to design the institutions of society, Hayek went out of his way to insist that he was never challenging the centrality of man's reasoning and rational faculty, but, instead, criticizing the intellectual arrogance of the central planners who want to coercively remake the world.

Third, all three firmly believed that there was no societal arrangement conceivable for free men and human betterment other than free-market capitalism. Only a private-property order that respects and protects the right of the individual to his life, liberty, and honestly acquired possessions gives people

control over their own lives. Only the market economy allows each individual the institutional means to be free from the power of the government and its historical patterns of plunder and abuse.

And, finally, Mises, Hayek, and Rand all emphasized the importance of the intellectuals in society in influencing the tone and direction of political, economic, and social ideas and trends. These "second-hand" thinkers were the driving force behind the collectivist ideas that emerged in the nineteenth century and triumphed in the twentieth century. They were the molders of public opinion who have served as the propagandizers and rationalizers for the concentration of political power and the enslavement and death of hundreds of millions of people — people who were indoctrinated about the need for their selfless obedience and sacrifice to those in political power for a "greater good" in the name of some faraway utopia.

The consequentialist rationale for freedom

Where they differed was on the philosophical justification for the free society and the rights of individuals within the social order. Both Mises and Hayek were what

today might go under the term “rule utilitarian.” Any action, policy, or institution must be evaluated and judged on the basis of its “positive” or “negative” consequences for the achievement of human ends.

However, the benchmark for such evaluation and judgment is not the immediate positive or negative effects from any action or policy. It must, instead, be placed into a longer-run context of theoretical insight and historical experience to determine whether or not the policy or action and its effects are consistent with the sustainability of the overall institutional order that is judged to be most effective in furthering the long-run possible goals and purposes of the members of society, as a whole.

Thus, the rule utilitarian is concerned with the so-called moral hazard arising from an action or policy implemented. That is, will it create perverse incentives that lead members of society to act in ways inconsistent with the long-run betterment of their circumstances?

Ludwig von Mises's case for freedom and the market order

In Mises's system of thought, the guiding idea is human cooperation: how shall men best associate to achieve the goals and ends that

matter to each of them? The presumption is that individuals should be free and be protected and secure in their liberty to pursue the ends that matter to them and give meaning to their life.

In Mises's system of thought,
the guiding idea is human
cooperation.

The political-economic institutional setting that makes this possible, Mises spent his life demonstrating, is laissez-faire capitalism. Men cooperate through a system of mutually beneficial exchange in a social system of division of labor. Indeed, such cooperative specialization and trade was the logical explanation for the permanent network of human interaction that we call “society,” in Mises's view.

Private property in both consumer goods and the means of production not only creates incentives for productive and economizing uses of scarce resources by those who own them, it also provides the basis for a rational system of economic calculation. Through the network of market exchanges, individuals express their valuations for goods and their appraisements of the factors of production in terms of their value and usefulness in be-

ing applied to produce competing products.

The resulting emergent system of market prices enables all those participating in the exchange process to contribute their knowledge and information about what they value and consider best uses for the resources available. Market prices “objectify” information about all the subjective judgments of the members of society.

This became the basis of Mises’s critique of both socialism and the interventionist state. By abolishing private property and banishing the market-exchange process, and therefore preventing a free, competitive price system from emerging in the arenas of human association, socialist central planning does away with the essential and irreplaceable societal institutional prerequisites for rational coordination of the interdependent actions of all those in society.

In the interventionist state of government price controls, production regulations, and coerced redistributions of wealth, the market is not abolished as under comprehensive socialist planning. However, all the controls, regulations, and wealth transfers slowly undermine and finally prevent the market from doing its job. Under price controls,

for instance, prices no longer “tell the truth,” resulting in imbalances and distortions preventing the smooth and coordinative function of the market.

The choice, Mises insisted, was between the free market or government command.

The choice, Mises insisted, was between the free market or government command — between the freedom of choice and action by every individual member of society, or for all to be compelled to obey orders of the one or the few holding the reins (and whips) of political coercive power.

If men value having the freedom to live their own lives as they choose, and if they understand and wish to have an institutional arrangement through which their interdependent actions may be rationally arranged so that the goals and purposes each has might be satisfied as best as possible — then, there is no alternative to a politically unhampered free-market economy.

That, at the same time, largely defines the role of government in society. The task of the monopoly agency of force in any community should be limited to defining, enforcing, and respecting each indi-

vidual's right to his life, liberty, and honestly acquired property. Government's limited but essential role is the securing of the institutional order for the market to effectively function.

Hayek's case for freedom owing to man's ignorance

Hayek's defense of freedom and the market economy is also consequentialist. Its starting points are Mises's critique of socialism and that of Carl Menger (the founder of the Austrian school of economics), that much of what we call the "social order" is the cumulative result of multitudes of individual human actions and interactions, but not of any intentional human design.

Hayek's justification for the free society is the inherent and inescapable limits to man's knowledge to know how to design or consciously direct the development of society as a whole. Men pursue goals and implement plans to bring them about. However, the more complex the network of human relationships becomes through the development of the system of division of labor, the less feasible that any one man or group of men (no matter how wise and knowledgeable they may be) can know enough or fully understand all of the detailed workings of

the social and market order as a whole.

Hayek argued that many forms of social interaction are coordinated through institutions that at one level are unplanned and are part of a wider "spontaneous order." To a large extent, he explained, language, customs, traditions, rules of conduct, and exchange relationships have all evolved and developed without any conscious design guiding them. Yet without such unplanned rules and institutions, society would have found it impossible to progress beyond a rather primitive level.

In Hayek's view the unique characteristic of an advanced civilization is that no one mind (or group of minds) controls it.

Another way of expressing this is that in Hayek's view the unique characteristic of an advanced civilization is that no one mind (or group of minds) controls or directs it. The complexity of social and economic activity makes it impossible for any individual to master the information necessary to coordinate all the activities of all the members of the group. Neither will all the members continue to agree on the same values or have the same relative prefer-

ences; their actions and interests will become more diverse and pluralistic.

The benefits of the unplanned society and market prices

An advanced society, therefore, must always be a “planless” society. That is, a society in which no one overall plan is superimposed over the actions and plans of the individuals making up that society. Instead, civilization is by necessity a spontaneous order, in which the participants use their own special knowledge and pursue their own individually chosen plans without a higher will or mind guiding them in one direction or into a pre-designed pattern.

Hayek emphasized that the division of labor has a counterpart: the division of knowledge.

Hayek emphasized that the division of labor has a counterpart: the division of knowledge. Each individual comes to possess specialized and local knowledge in his corner of the division of labor that he alone may fully understand and appreciate how to use. Yet if all of these bits of specialized knowledge are to serve everyone in society, some

method must exist to coordinate the activities of all the interdependent participants in the market.

The market’s solution to this problem, Hayek argued, was the competitive price system. Prices not only serve as an incentive to stimulate work and effort, they also inform individuals about opportunities worth pursuing. He insisted that this demonstrated scientifically that socialism was impossible, because if it is logically and factually beyond the capability of a central planning agency to successfully integrate and coordinate the immense amount of knowledge that is absolutely essential to solve the economic problem of society, then the planned economy can never replace the market order without threatening the standard of living that comes only from a social order possessing the current level of complexity and adaptability to change.

Rand’s moral case for individual rights

Ayn Rand starts her analysis, if you will, at the other end. She asks, what is the nature of man; what is needed for his survival and betterment; what institutional arrangement can be shown to be most consistent with recognition of his nature and for him to develop the

potential that is within him? Thus, man is the end and the social and political order is the means for his successful existence.

Contrary to distorted interpretations, Rand never presumes that each man is an island unto himself.

Man's essential tool of survival and betterment is the use of his reason. Instinct and emotion are either inadequate or faulty means for the preservation or improvement of his life. Men must use their mind's cognitive and conceptual capabilities, or their lives may turn out to be "nasty, brutish, and short."

Each individual person, therefore, must have the freedom to apply his intellect in ways that he discovers and learns will most effectively further his life. If he is to survive and prosper, he must be at liberty to make his own decisions. Otherwise, he relies on fate and chance, or he abdicates his own judgment and places his life in the hands of another's knowledge and decisions.

Contrary to distorted interpretations, Rand never presumes that each man is an island unto himself. Man is a being who has the ability to learn from and take advantage of the knowledge, wisdom, and expe-

riences of others, both his contemporaries and those who have passed away but left a written record of their thoughts and deeds. But either the individual has the autonomy to decide whose knowledge, experience, and association to benefit from, given the goals and purposes he has set for himself, or he submits to the blind control of another.

The danger of those wanting to make you sacrifice for them

On what basis or rationale might an individual give up the direction of his life to another? It is here that Rand emphasizes the power and danger of ideas. Those who fear others or who want to plunder their fellow men as the means of their own livelihood try to propagandize and indoctrinate others in society. What do they try to persuade those others to believe? That they must sacrifice their lives for a "higher good" that the propagandizers and potential plunderers claim to understand in a way that the rest in society cannot rightly comprehend, owing to their misguided and narrow selfishness in pursuit of their "mere" individual ends and goals.

To use a Marxian phrase, collectivist intellectuals and plunderers use indoctrination to impose a false

consciousness on the productive members of society to convince them that their lives and the fruits of their labor must be given up for the common good and the general welfare of all. Whether it is called communism, socialism, fascism, Nazism, democracy, or interventionist-welfare statism, or any number of other labels, the man who should be free is made to accept his own partial or total enslavement to the will of another. And to the extent that this succeeds, the slave-masters obtain the “sanction of the victim” of those they have enslaved.

**If a man is to be free,
he must understand that he has a
right to be free.**

If a man is to be free, he must understand that he has a right to be free. That is, that he has a right to his own life, guided according to his own reason and judgment; that he should have the liberty to design and direct the ends that will give meaning and fulfillment to his own life. That he has a right to the fruits of his own labor, which are always and ultimately the fruit of his own mind’s creative potential. And that in pursuing the ends that he has chosen for his own life, he decides how and in what forms he shall

peacefully and voluntarily associate and collaborate with other men, who are recognized as having the same rights as himself to do the same.

This led Rand to argue, therefore, that the only moral and appropriate political and economic system consistent with such a view of man is *laissez-faire* capitalism. Every person should be viewed as an end in himself, not the means to others’ ends. Therefore, the goal of individual freedom is a reflection of what man requires for his life — its survival and betterment — through the use of his mind and his abilities as he sees fit. The political and social means to that end are, respectively, individual rights and human association based on voluntary exchange and not physical force — i.e., *laissez-faire* capitalism.

The political system of a capitalist society, therefore, logically and morally restricts the duties and responsibilities of government to the protection of each individual’s rights. Rand’s frequent insistence that there can be no compromise, that either the individual is free in all these matters or he is not, is derived from that starting premise of man’s having control over his own mind and own life.

The losing battle for freedom without a moral foundation

This is why freedom's cause continually seems to be losing in the battlefield of ideas. Why every apparent turn away from collectivism ends up being a temporary delay in what seems like an inevitable trend toward bigger and more intrusive government. As long as people can be persuaded that they are morally required to sacrifice themselves in some way for others, or that they have a right — an entitlement — to live at the expense of others, there will be no permanent and comprehensive turning away from that “road to serfdom.”

This is why the economist's argument for individual liberty and economic freedom — as brilliantly formulated by Mises and Hayek — needs the complementary and fundamental philosophical argument for individual rights derived from an understanding of the nature of

man. Otherwise, the cause of human freedom will not prevail in the long run. Appreciating the importance of such a philosophical foundation for the defense of man's rights explains the continuing relevance and significance of Ayn Rand's moral case for capitalism.

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:
“Moritz J. Bonn:
A Classical Liberal Voice
in a Collectivist World”
by Richard M. Ebeling

End Subway Socialism in New York City

by Gregory Bresiger



The misery will continue for New York subway riders, who don't understand how previous subway reforms have failed. State and city officials concede things will worsen.

"There is no question our subways are in crisis after decades of underinvestment and inaction," wrote New York City Comptroller Scott Stinger in a recent report.

"The Metropolitan Transportation Authority (MTA)," writes New York State Comptroller Thomas DiNapoli in a report last year, "is facing its greatest challenge in decades." Riders, he warned "are abandoning the system for other transportation alternatives."

And the problems will continue for years.

"Citing the MTA's low debt service coverage in the near term and its challenging funding issues, Standard & Poor's recently downgraded the MTA's credit rating, which could lead to higher borrowing costs. Debt service is already projected to increase by 26 percent over the next four years, reaching nearly \$3.3 billion by 2022," according to the DiNapoli report.

"Debt service," DiNapoli wrote, "has been growing rapidly since the early 2000s." Yet the red-ink woes of the government trains had been going on for many years before that.

Stringer, who is critical of the subways but against any privatization, says bad subway service hurts the area's economy. Losses range "from \$170 million to \$389 million" a year.

And that was before the coronavirus crisis. Yet no state or city official says anything about bringing the private sector back into the subways. Its first lines were built by private companies, made lots of money, and helped clear slums in lower Manhattan as people were able to move to better neighborhoods.

Yet the government-run subways, again on the verge of disaster, will follow the same solution even though it repeatedly failed over decades: More taxpayer money.

Here's what one subway historian wrote of the previous "give the subway more taxpayer money" plans: "If anything has emerged as a timeless and universal characterization of the New York Subway," writes historian Brian Cudahy, "it is the endless search for some future salvation, some not realized resolution of its difficulties and cure for its ills. Plans are made, programs developed, goals established. But they never quite live up to their initial expectations, and a new cycle must begin."

Cudahy, who was also a former federal transit official, is against privatization.

The MTA recently approved the biggest capital plan, in the agency's history; some \$51 billion. MTA Managing Director Ronnie Hakim, promised that "enhancements" to the system would "improve the riders' daily experience."

Dear riders, has your experience improved?

But most of this extra money, as the sad subway history repeats, will not be spent on better trains, but on servicing the huge amount of debt of the government agency running the system.

For instance, how many people know that three separate Second

Avenue Subway bond issues were approved over some 60 years — in the 1950s, 1960s, and recently under Gov. George Pataki — yet, in the case of the first two the money had to be spent on closing the subway deficit? As for the third bond issue, very little of the new line has been completed and who knows when this infamous Line — which was designed to replace the Second and Third Ave. els, which were taken down in the 1950s and 1960s — will ever be finished?

**Give more money to
this flawed system and ban the
private sector.**

Yet again the state agency that runs the subways, which in the 1960s replaced the city agency that made a mess of running them, says it is deep in the hole even with more money coming.

The MTA, which already in the midst of a new cash infusion, wants the federal government to provide billions more on top of that \$51 billion, with service deteriorating and MTA officials saying the red ink could possibly lead to something I can't recall ever threatened before in previous crises: Lines discontinued!

Yet our political and media elites today have the same answer as

70 years ago: Give more money to this flawed system and ban the private sector.

Actually, I would argue that, as with so many other failing government services in so much trouble, it is no longer a philosophical debate. Privatization is inevitable, given the messes created by decades of a government-run enterprise.

Privatization is verboten in New York's increasingly socialist economy.

Yet any privatization is verboten in New York's increasingly socialist economy. Our leaders push various price controls. They are hostile to the privatization of anything.

Impossibilities

In the subways their opposition is based on a historical myth: "Private subways, private transportation companies, can never make money."

I have been told this many times.

Is the private-transportation argument valid?

No.

The IRT was a private management company that had a subway-franchise contract with the city. It built the first subways, which were

considered "an engineering marvel" by Robert Caro in his biography of the controversial New York bureaucrat Robert Moses.

"So superbly engineered and maintained had the system previously been that it took years for the systematic neglect to take its toll," Caro wrote.

But in the last decade or so of the IRT, the company that built the first subways did lose money and wanted to sell to the city.

Why?

The IRT, in its nearly 37 years of existence, was never permitted to raise the fare above a nickel. That fare was quickly and frequently raised once the city, and later the state, took over the subways.

The use of price controls, along with punishing regulation, is the classic case of how socialism comes in the back door without anyone's mentioning the word "Marx."

However, the journalists and political elites in our city either don't know or want to hide some painful history about the subways. In the first 25 years or so of the IRT it made money — a lot of money. (By contrast, a government-run competing system, the IND, always lost money.)

Indeed, in the IRT's 1917 annual report, the transportation company

reported net income of \$23.2 million. That was an increase of about \$1.5 million over the previous year. The IRT was also a good investment. It paid about some \$7 million in dividends, according to the annual financial report dated June 30, 1917.

Profits and dividends through subway operations? Yes.

And even into the 1920s, when price controls and rising costs as a result of World War I squeezed profits, when the private operators sued to raise fares, the subways still made money.

But the IRT could see problems coming. World War I had driven up costs and the nickel fare was insufficient.

There was a time when the subways were great under a private management company.

In a U.S. Supreme Court decision of 1929, *Gilchrist v. IRT*, a decision that affirmed that the five-cent fare couldn't be raised to seven cents, court papers documented that the IRT was doing something that the government would never do: The IRT made money.

“For the current fiscal year ended June 30, 1928, the figures for the

first six months are available, and show a net surplus amounting to \$3,687,000, which exceeds the surplus for the corresponding six months of the fiscal year before by \$1,609,000.”

However, after the IRT was repeatedly blocked from raising fares, the price-controlled subways lost money in the 1930s. Soon, we were on the track of a perpetual government-run system: It meant then what it means today and will always mean: Lose a lot and provide rotten service.

But what if we continue down this same road of throwing more taxpayer geld down the sewer?

More cutbacks and fare and tax increases will come in the current system as riders continue to suffer.

Privatization is the only road back to the days when the subways were considered an engineering marvel. The subway system could and should be handed back over the private sector.

It doesn't have to be this way, a way in which people despair of having to ride this state-run nightmare. In fact, there was a time when the subways were great under a private management company. The people who run the city don't want people to ever know that. They don't want them to ever learn the true history

of markets, which consistently provide better services than the government. They will then want — perhaps even demand — a privately owned, privately run subway system.

Gregory Bresiger is an independent business reporter who worked for the New York Post for 18 years.

A “United States” was only possible if men could agree to disagree about a great many things. What was expedient for them is, however, an essential of liberty. Theoretically, it might be desirable for all men to agree on everything, though I doubt it. Practically, such agreement would only be possible if all individual wills were crushed and subjected to a single will. The effort to do this is always in the direction of the well traveled road to despotism. The alternatives are agreement to disagree or despotism.

— Clarence B. Carson

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