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# FUTURE OF FREEDOM

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*Good actions ennoble us, and we are the sons of  
our own deeds.*

— *Miguel de Cervantes*

# FUTURE OF FREEDOM

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# The Lies of the National-Security State

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by *Jacob G. Hornberger*



I recently came across a plaque with the heading “Died in Service to the Nation — Vietnam 1961-1975.” The plaque then listed several members of the U.S. Armed Forces who were killed in the Vietnam War.

The plaque demonstrates a central ill afflicting many Americans — an ill that can be described as living the “life of the lie.” Until a critical mass of Americans confront this phenomenon, recognize it, and correct it, our nation will continue to remain mired in tyranny and oppression all wrapped up in beautiful “national-security” language.

From 1961 to 1975, the Pentagon sent hundreds of thousands of American men to Vietnam. Their mission was to kill people. Ameri-

can soldiers ended up killing more than a million people. In the process, more than 58,000 American servicemen got killed, and many more were wounded.

The obvious question arises: How in the world can it be said that American servicemen who got killed in Vietnam were serving the nation?

For one thing, every U.S. soldier who got killed in Vietnam was there because the U.S. government ordered him to go there and to kill people. It is a virtual certainty that if American servicemen had not been ordered to go to Vietnam, no American would have been killed “serving the nation” in Vietnam.

It’s also worth noting that many of the American soldiers who were sent to Vietnam and who got killed were conscripted to serve in the U.S. armed forces. That is, they were effectively seized from their everyday lives, forced to become servants of the U.S. government, and then sent to Vietnam to kill or be killed.

It’s also worth noting that the people whom U.S. soldiers were charged with killing, namely North Vietnamese soldiers and Viet Cong, had never attacked the United States or even threatened to do so.

How did U.S. officials justify sending U.S. soldiers into Vietnam to

kill people? They maintained that there was an international communist conspiracy to take over the world, one that was based in Moscow, Russia, and whose tentacles extended to Red China, North Korea, North Vietnam, Eastern Europe, and Cuba. If the U.S. government didn't stop the Reds from taking over South Vietnam, U.S. officials maintained, the rest of the countries in Southeast Asia and then the rest of the world would begin falling like dominoes until the United States fell victim to the conspiracy.

### Separate things

It was a lie. In fact, Vietnam was nothing more than a civil war, one in which North Vietnam was forcibly attempting to unify the country. Moreover, when North Vietnam ended up actually winning the war in 1975, the rest of the world, including the United States, did not end up falling to the supposed international Red conspiracy like dominoes.

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**The government and the country are two separate and distinct entities.**

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Thus, why doesn't that plaque I saw simply read, "Died in Vietnam 1961–1975"? Or more accurately,

"Died in Service to the U.S. government — Vietnam 1961–1975"? Why does it instead say, "Died in Service to the Nation"?

One reason is that for U.S. officials, especially those in the national-security establishment — i.e., the Pentagon, the CIA, and the NSA — the government and the nation are one and the same thing.

In their minds whenever a U.S. soldier dies in combat, he is dying for his country no matter the circumstances surrounding the combat. Thus, if the United States were to initiate an unprovoked attack on another country, as it did in 2003 against Iraq, any U.S. soldier waging war against that country and getting killed there would be considered, automatically, to have been serving his country.

But that's just another lie. In actuality, the government and the country are two separate and distinct entities. This phenomenon is demonstrated by the U.S. Bill of Rights, which expressly protects the nation from the federal government. If the federal government and the nation were one and the same thing, the Bill of Rights would make no sense.

Such being the case, it is entirely possible for the government to engage in activity that is contrary to

the interests of the nation. If the Pentagon were to initiate the killing of peaceful U.S. citizens, as it did at Waco, Ruby Ridge, and Kent State, it could not legitimately be said that U.S. officials participating in those killings were serving their nation. Instead, they would be serving their government and attacking their nation.

That's what U.S. soldiers were doing in Vietnam — they were serving their government and, in the process, bringing inordinate harm to their nation. Of course, all of them were following orders issued by the Pentagon, but that doesn't change the nature of what they were actually doing — intervening with force in a land in which they had no legitimate justification for intervening.

### Illegal war

Another factor to consider is the mindset of the soldiers themselves as well as that of their wives, parents, siblings, and other family members. It is important to the national-security establishment that they be made to believe that their loved ones died for something meaningful — such as service to the nation — rather than something mundane and meaningless, such as intervening in a domestic conflict thousands of miles away.

We must also never forget that the U.S. intervention in Vietnam was illegal under our form of government. Under our system, the U.S. Constitution controls the actions of U.S. officials. The Constitution outlines what powers can be exercised and what powers are denied to U.S. officials.

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### The U.S. intervention in Vietnam was illegal under our form of government.

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The Framers understood that of all the powers delegated to government, the power to make war was among the most important because it inevitably entailed the potential destruction of the liberty and economic and financial well-being of the nation. The Framers also understood the tendency of rulers to embroil their nations in war.

Therefore, the Framers decided to separate the power to declare war from the power to wage war. They delegated the former to Congress and the latter to the president. Thus, while the president was authorized to wage war, he was prohibited from doing so without first securing an express declaration of war from Congress.

Congress never declared war on Vietnam, which means that no U.S.

soldier had any legal authority to serve in Vietnam or kill people there. Moreover, obedience to orders does not change that fundamental legal fact.

Thus, how can anyone claim that U.S. soldiers who died in Vietnam were serving their nation when, in fact, they were engaged in a purely illegal act, one in which they were obeying the orders issued by U.S. government officials? It's just a plain lie. Those soldiers were killing people unlawfully, and they died in the service of their government that was waging an illegal war, not their nation.

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**Johnson concocted a false story that North Vietnam forces had attacked U.S. gunships.**

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We also mustn't forget the lie that U.S. officials, especially those in the Pentagon, used to persuade Congress to enact the Gulf of Tonkin resolution, which, most definitely, was not a declaration of war. Knowing that Congress would not declare war on North Vietnam, as the Constitution required, Pentagon officials, in complicity with Lyndon Johnson, concocted a false story that North Vietnam forces had attacked U.S. gunships in North Vietnam's Gulf of Tonkin, where

they had been strategically placed in order to be "attacked." The idea was to use the false attack as a way to exclaim, "The United States has been attacked by the communists and so now we have the right to defend ourselves by sending U.S. combat forces into Vietnam to kill communists." How can soldiers who were killed in Vietnam be said to have been serving the nation when, in fact, they were there on the basis of an intentional lie issued by their own government officials?

The much bigger lie, however, was with respect to the supposed international communist conspiracy to take over the world, with its base in Moscow, Russia. That was a much bigger lie than the lies that surrounded the Vietnam War. And it is that bigger lie that fundamentally altered American life and, in fact, destroyed our rights, our liberties, and our well-being. It is that lie that needs to be confronted and dealt with if America is ever to regain its footing and get back on the right road.

**The main lie**

America was founded as a limited-government republic, one that had a relatively small army. The federal government's powers were extremely limited. That was by design.

But everything changed after World War II. The U.S. government was converted into what is known as a national-security state, a type of governmental structure that is opposite to a limited-government republic, especially with respect to the powers of the federal government. With the conversion to a national-security state came such omnipotent, totalitarian-like powers as kidnapping, torture, assassination, foreign coups, wars of aggression, support of dictatorial regimes, destruction of foreign democratic regimes, foreign wars, and military and paramilitary invasions of foreign countries.

None of those powers was part of America's limited-government republic. In fact, if the Constitutional Convention had proposed a federal government as a national-security state, there is no possibility whatsoever that the American people would have approved the Constitution. In that case, the United States would have continued operating under the Articles of Confederation, another type of governmental structure, one in which the federal government didn't even have the power to tax.

After the conversion, the American people were taught that nothing fundamental had changed. It

was just one more lie, one still believed by all too many Americans. To this day, many Americans continue to refer to the United States as a republic because that's what has been ingrained in them since the first grade. From the very beginning of the conversion to a national-security state in the latter half of the 1940s, U.S. officials have deemed it of the utmost importance that Americans continue believing that everything was still the same with the federal government in a fundamental sense.

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**The federal government,  
operating through the CIA,  
wielded the totalitarian-like  
power to murder people.**

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Yet the lie is easily recognizable to anyone who has the will to confront it. For example, the Fifth Amendment expressly prohibits the federal government from killing anyone without first following principles of due process of law, which involve, at a minimum, notice and hearing. Thus, operating in a limited-government republic, U.S. officials never engaged in peacetime assassinations. With the creation of the CIA in 1947, however, that situation changed radically, for the worse. Suddenly, the federal gov-

ernment, operating through the CIA, wielded the omnipotent, totalitarian-like power to murder people who were deemed to constitute a threat to national security, a two-word nebulous and meaningless term that nonetheless has become the most important term in the American political lexicon.

But everyone is supposed to act as though nothing has changed — that America is still a limited-government republic, one with limited powers. But the reality is that things did change at the most fundamental level. The federal government became one that now wielded many of the same omnipotent, totalitarian-like powers that were being wielded by communist nations that were part of the supposed worldwide communist conspiracy to take over the world.

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**The U.S. Supreme Court decided to defer to the national-security establishment on all matters relating to national security.**

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There is something else important to note about America's conversion to a national-security state: It was done without even the semblance of a constitutional amendment. That made the conversion illegal under our form of govern-

ment. Unfortunately, however, recognizing the vast and growing power of the Pentagon, the CIA, and the NSA within the federal governmental structure, the U.S. Supreme Court early on decided that discretion was the better part of valor and decided to defer to the national-security establishment on all matters relating to national security.

Another big lie — one that was used to justify America's conversion to a national-security state — was with respect to the supposed international communist conspiracy to take over the United States and the rest of the world. Every national-security state needs official enemies to justify its existence. Without official enemies that are said to threaten national security, people are likely to ask why they need a national-security state.

After World War II, the Soviet Union, which had served as America's wartime partner and ally and Hitler's enemy, filled the position as official enemy perfectly. The Soviet Reds, Americans were told, in combination with Red China and other communist nations, were committed to conquering the United States. Only by adopting a national-security state could America hope to save herself from a communist takeover. The dark irony, of course, was that

the Soviet Union and Red China were themselves national-security states. The implication was that when the Cold War ended, Americans could have their limited-government republic back.

### Maintaining power

In his Farewell Address in 1961, Dwight Eisenhower alluded to the fundamental change in America's federal governmental system when he stated that the "military-industrial complex" posed a grave threat to the liberties and democratic processes of the American people.

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**Kennedy had decided to withdraw all troops from Vietnam and to live in peaceful coexistence with the communist world.**

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More important though was John Kennedy's conclusion after the Cuban Missile Crisis that the Cold War was an unnecessary, dangerous, and destructive racket, one that he decided to bring to an end. By the time his life was ended, he had decided to withdraw all troops from Vietnam and to live in peaceful coexistence with the communist world. It was obviously a conclusion that ran deeply contrary to the mindset of the national-security establishment, whose existence would

have been threatened if Kennedy had not been killed.

When the Cold War ended in 1989, unfortunately the national-security establishment did not end. Instead, it searched abroad for new official enemies, finding one in global terrorism, which its own interventionist foreign policy provoked, and then later returning to Russia and China to refill roles as official enemies of the United States.

Meanwhile, the power and influence of the national-security establishment has grown infinitely greater since the Eisenhower-Kennedy years. No president since then has dared to question its existence, its ever-growing budgets, its overseas bases and interventions, or its vast power and dominion over the United States and the rest of the world. There are now a vast number of military veterans within the nation who instinctively support whatever the Pentagon and the CIA want. The CIA has devoted loyalists throughout the mainstream press who would never even think to question the federal government as a national-security state. And woe to any member of Congress who dares to challenge the existence and destructiveness of the Pentagon, the CIA, or the NSA or even just oppose military pork. His district will lose

military largess and he will be derided by the local press as being an “ineffective” congressman.

Having the American people adhere to the many lies that undergird the national-security state is essential to this entire sordid process, including the lie that American soldiers who died in Vietnam were serving the nation.

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

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**NEXT MONTH:**  
**“The VMI Controversy”**  
**by Jacob G. Hornberger**

*The time is now near at hand which must probably determine whether Americans are to be freemen or slaves; whether they are to have any property they can call their own; whether their houses and farms are to be pillaged and destroyed, and themselves consigned to a state of wretchedness from which no human efforts will deliver them. The fate of unborn millions will now depend, under God, on the courage and conduct of this army. Our cruel and unrelenting enemy leaves us only the choice of brave resistance, or the most abject submission. We have, therefore, to resolve to conquer or die.*

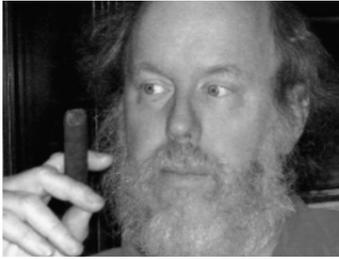
— George Washington

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# Congress Is Still Unfit to Govern

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by James Bovard



“In politics, stupidity is not a handicap,” Napoleon is reputed to have said more than two centuries ago. Boundless ignorance is also not a handicap, as Congress demonstrated last December by approving a 5593-page bill without reading it. Plenty of activists and editorial pages howled over the sloppy procedures propelling \$2.3 trillion in new federal spending.

James Madison warned in the *Federalist Papers* in 1788 that “it will be of little avail to the people, that the laws are made by men of their own choice, if the laws be so voluminous that they cannot be read, or so incoherent that they cannot be understood.” Madison referred to the peril of excessive legislation; he may have never imagined that Congress would routinely enact

thousand-page blockbusters without reading the text. But that is now standard procedure in Washington.

On the night of the day before Thanksgiving 1991, the House of Representatives approved a 1400-page highway bill — even though almost no member of the House had seen the bill and only one copy was available in the House chamber. Sen. David Boren (D-Okla.) observed at the time that congressional “bills are five times longer on the average than they were just as recently as 1970, with a far greater tendency to micromanage every area of government.” Conservatives were outraged, and a Republican Leadership Task Force proclaimed in 1993, “A bill that cannot survive a three-day scrutiny of its provisions is a bill that should not be enacted.”

When Bill Clinton railroaded a 972-page crime bill into law in 1994, Republicans saw the legislation only a few hours before the vote. That was irrelevant because Clinton proclaimed that it was “the will of God” that Congress speedily pass the bill. Clinton’s bill created dozens of new criminal offenses and opened a \$10 billion subsidy spigot for local and state prison building that sent America’s incarceration rate skyrocketing in the late 1990s and early 2000s.

## Willful ignorance

Republicans captured control of Congress in the 1994 elections. But that did not deter House Speaker Newt Gingrich and Clinton from jamming a 4000-page, 40-pound agreement down Congress's throat in 1998. No one had a chance to read the bill before voting. Legendary "King of Pork" Sen. Robert Byrd (D-W.Va.) declared, "Only God knows what's in this monstrosity."

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Shortly after the 9/11 attacks, the George W. Bush administration strong-armed the 342-page USA PATRIOT Act through Congress. Rep. Ron Paul (R-Tex.) complained that "the bill wasn't printed before the vote." Rep. John Conyers (D-Mich.), the top Democrat on the Judiciary Committee, declared, "We are now debating at this hour of night, with only two copies of the bill that we are being asked to vote on available to Members on this side of the aisle." Rep. John Dingell (D-Mich.), the longest-serving member of the House, said the process was "denigrating basic constitutional rights, and I find it to have been done in a sneaky, dishonest fashion."

Regardless of the legislative travesty, Bush and Barack Obama routinely invoked Congress's passage of the PATRIOT Act to justify their anti-terrorism policies.

During the George W. Bush era, legislative ignorance became a point of patriotic pride. Shortly before the 2006 congressional elections, Congress rushed to rubber-stamp a Bush administration barbaric interrogation wish-list part of the Military Commissions Act. The *Boston Globe* reported that "because of the Bush administration's restrictive policy on sharing classified information with Congress, very few of the people engaged in the debate will know what they're talking about." Fewer than 50 members of Congress knew what actual interrogation methods were being debated, according to the *Globe*. Sen. Jeff Sessions (R-Ala.), Trump's first attorney general, boasted, "I don't know what the CIA has been doing, nor should I know." Retroactively legalizing torture, as the bill did, was a non-issue on Capitol Hill. Legal analyst Dahlia Lithwick declared, "We've reached a defining moment in our democracy when our elected officials are celebrating their own blind ignorance as a means of keeping the rest of us blindly ignorant as well."

After the Democrats captured control of Congress in the 2006 elections, several members, including Sen. Barack Obama, endorsed requiring that any legislative proposal be available and online for at least 72 hours before Congress voted on it. But that provision was not included in the Honest Leadership and Open Government Act of 2007, which *Politico* hailed as “sweeping ethics reform legislation.” Nine years later, *Politico* derided that same law as “the lobbying reform that enriched Congress,” noting that it “created an entire class of professional influencers who operate in the shadows, out of the public eye and unaccountable.”

The Obama administration’s 2700-page Affordable Care Act was another unread Pandora’s box. The bill was almost 400,000 words long; within four years, the Obama administration would issue more than 10 million words of regulations to enforce it. This time Conyers scoffed at members of Congress who “get up and say, ‘Read the bill.’ What good is reading the bill if it’s a thousand pages and you don’t have two days and two lawyers to find out what it means after you read the bill?” Sen. Tom Carper (D-Del.) later explained, “I don’t expect to actually read the legislative lan-

guage, because reading the legislative language is among the more confusing things I’ve ever read in my life.” But not nearly as confusing as the blizzard of new mandates that private companies were forced to obey.

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**“Reading the legislative language is among the more confusing things I’ve ever read in my life.”**

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The law sparked widespread outrage, spurring many congressmen to cancel all public meetings with their constituents that summer. At a Montana forum in August 2010, a retired nurse asked Sen. Max Baucus (D-Mont.), who boasted that he wrote much of the Affordable Care Act, whether he read the health-care bill before it was passed. Baucus replied, “I don’t think you want me to waste my time to read every page of the health-care bill. You know why? It’s statutory language. We hire experts.”

In the 2010 congressional elections, Republicans campaigned on a “Pledge to America” to “ensure that bills are debated and discussed in the public square by publishing the text online for at least three days before coming up for a vote in the House of Representatives.” Republicans captured control of the House

but that didn't stop Republican congressional leaders a few months later from cutting a deal with Obama and rushing a 459-page budget deal through Congress, leaving members time neither to read nor to digest it before approving it.

### Doorstops

Three years later, in December 2014, Congress enacted a 1200-page, \$560 billion National Defense Authorization Act that was available to members only 36 hours prior to their vote. When asked whether members of Congress had read the bill, Rep. Jim Moran (D-Va.) replied, "Of course not. Are you kidding?" Moran explained that he felt no obligation to read the text because "I trust the leadership." Later that month, members of Congress heaved all their unfinished work into a 15-pound lump of paper which no one had time to comprehend before approving. The 1603-page blockbuster was a continuing resolution omnibus bill that was nicknamed "Cromnibus." House Speaker John Boehner scoffed at concerns about the process: "Understand, all these provisions in the bill have been worked out in a bicameral, bipartisan fashion or else they wouldn't be in the bill." And never before in American history

have problems resulted from the closed-door deals on Capitol Hill.

As I wrote for *USA Today* in 2014 ("Government by Cromnibus — Blind, Deaf, and Dumb"), "Ignorance of the law is an excuse only for the congressmen who voted for the law." There have been plenty of "scale-buster" pieces of legislation enacted without having been read since then, usually accompanied by sporadic media whining about the process. Most politicians' love of power will always exceed their intellectual curiosity.

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**Most politicians' love of power  
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intellectual curiosity.**

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"You can lead a man to Congress but you can't make him think," quipped Milton Berle in 1956. Or read. According to a 1977 survey of House members by the House Administration Committee, the average congressman spends only 11 minutes a day reading at work. That survey result was so embarrassing that it has not been repeated since then. Congress has its own legislative research agencies as well as instant access to more than 4000 reports regularly produced by other federal agencies. But former ten-term congressman Cliff Stearns

(R-Fla.) admitted that “a lot of the reports that have been mandated from these federal agencies are so overwhelming that I didn’t generally look at them.” Rather than reading the reports, one longtime congressional staffer told the *Washington Post* in 2014 that “we used them as doorstops.”

Legislative ignorance is treacherous in part because there is no Hippocratic Oath — “first, do no harm” — on Capitol Hill. Because politicians won an election, they often act entitled to dictate rules on anything and everything under the sun. The hefty omnibus bill that Congress passed late last year contains a blizzard of laws, penalties, and handouts that will take months to decipher. The media will be exposing horror stories from the bill long after congressional leaders finish their victory lap.

Congress would not be passing massive unread bills without a blind faith that government compulsion is inherently superior to what individual persons can do for themselves in daily life. Politicians assume their clueless decrees are better than decisions citizens make for themselves after gathering the best information they can find. Political action per se is presumptively redemptive for humanity — as ex-

emplified by one congressman’s appeal to vote for the 2014 omnibus bill without reading it: “Hold your nose and make this a better world.”

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**Politicians assume their clueless decrees are better than decisions citizens make for themselves.**

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But Congress in its routine operations is more slapdash than the vast majority of Americans in their daily lives. How many citizens routinely sign thousand-page contracts without reading them? Would anyone hire a lawyer who admitted he failed to examine settlement agreements he approved? Such an admission would spur a lawsuit for malpractice. But congressmen have legal immunity for anything they do on the floor of the House and Senate.

There is no prudent reason to expect fundamental change on Capitol Hill. Congress has always been fairly irresponsible, but the damage is vastly greater now. Instead of being a meddling distant uncle who ruins a family reunion once a year, Congress is a daily taskmaster with the authority to intervene in almost every aspect of Americans’ lives. Since we cannot expect members of Congress to behave more wisely or responsibly

in the future, how much power should they possess over other Americans? Fantasizing about reforms that could create wiser legislators simply paves the way to bigger boondoggles down the road.

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

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**NEXT MONTH:**

**“Will Treason Mania Destroy America?”**

*by James Bovard*

*In all the world's history, there is nothing to compare with the pledges of human rights and freedom that have been worked into our charter of government at the great moments of national history.... It is only at great moments that such advances are possible. Between such moments there is most likely to be, first, a contented coasting on a path made smooth by established rights; then forgetfulness of those rights; finally, a challenge of them fired by passions made dangerous by ignorance. That leads either to loss of liberty or to the restoration of freedom through the resurging spirit of the people.*

— Irving Brandt

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# The Conflict of the Ages

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by *Laurence M. Vance*



The year 2020 was a dreadful year as it relates to individual liberty, free association, commercial freedom, and private property, and 2021 isn't looking much better.

The main reason, of course, is not the coronavirus disease (COVID-19), but the government response to it. Volumes could be written about the government-mandated restrictions on peaceful activity that have been instituted during this manufactured crisis: curfews, lockdowns, stay-at-home orders, shelter-in-place orders; the closing of "unessential" businesses, public beaches, parks, swimming pools, basketball courts, and playgrounds; the canceling of concerts and sporting events; church closures, school closures, "social dis-

tancing," mask requirements, indoor dining bans, alcohol bans, and store and restaurant capacity limits. A skateboard park in Southern California was filled in with 37 tons of sand by city government workers after skateboarders refused to stop using it.

During the holiday season, the Centers for Disease Control and Prevention (CDC) issued "guidelines" for holiday celebrations and gatherings. Americans were told not to travel for Thanksgiving. However, many Americans apparently didn't get the memo. More than a million air travelers passed through TSA checkpoints on the Friday, Sunday, and Wednesday before Thanksgiving. The CDC then insisted that Americans stay home for Christmas. For those who made up their mind to travel anyway, the CDC recommended that they get tested for COVID-19 one to three days before travel and three to five days after travel.

Americans who didn't travel were told by the CDC not to get within six feet of anyone who didn't live with them, not to go out in public or be around people who didn't live with them without wearing a mask, not to have indoor gatherings, not to have long gatherings, not to have crowded gatherings, not

to hug, not to shake hands, not to take their mask off unless eating or drinking, not to shout, not to sing, not to play loud music, not to drink alcohol, not to invite anyone over who had contact with people outside of their household for fourteen days prior to their gathering, not to let pets interact with anyone from outside of the household, not to have potluck-style gatherings, not to have more than one person serve food, not to have sharable items such as salad dressings and condiments, and not to touch their mask, eyes, nose, or mouth. The problem with these “guidelines” is that many Americans took them as law.

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**Government restrictions on peaceful commercial or personal activity are nothing new.**

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In some states, the draconian CDC holiday guidelines were adopted with a vengeance by governors and mayors. In California, gatherings were restricted to no more than three households, had to be outside, had to have enough space so that everyone could stay six feet apart, had to use single-serve disposable containers, and were restricted to two hours. In Oregon, the governor ordered a “freeze” in response to a surge in “cases” of

COVID-19. No more than six people could gather in one home, and they could not represent more than two households. Church funeral services were limited to twenty-five people. Restaurants could offer only take-out. The city of Philadelphia banned all indoor dining at restaurants and indoor gatherings of any size, public or private, of people from different households.

Government restrictions on peaceful commercial or personal activity are nothing new.

Governments throughout history have attempted to prohibit peaceful activity, prevent peaceful activity from taking place, and prosecute people for engaging in peaceful activity. The conflict of the ages has always been individuals and businesses who want to do something and governments that tell them that they can't. That doesn't mean that people should be allowed to murder, rape, steal, or pillage without impunity. It doesn't mean that businesses should be allowed to cheat, abuse, threaten, or endanger their customers or employees without being held accountable for their actions. When I talk about governments' telling individuals and businesses that they cannot do something, I am referring only to private, consensual be-

havior or peaceful activity that doesn't violate the personal or property rights of anyone else. Every civilized society in history has, with the consent and demand of its citizens, limited the ability of individuals and businesses to violate people's right to be secure in their person or property.

### Historical examples

History is full of examples of governments' restricting peaceful personal activity by draconian laws. During the seventeenth century in England, as documented by B.S. Capp in *England's Culture Wars*, Puritan magistrates and ministers "drew up a harsh penal code against blasphemers, sexual offenders, and other deviants." They "enforced church attendance, suppressed unlawful sports and disorderly alehouses, whipped fornicators, ducked scolds, and fined blasphemers."

History is also full of examples of governments' restricting peaceful commercial activity by engaging in wage and price controls. As economist Robert Schuettinger has written,

From the earliest times, from the very inception of organized government, rulers and their officials have attempted,

with varying degrees of success, to "control" their economies. The notion that there is a "just" or "fair" price for a certain commodity, a price which can and ought to be enforced by government, is apparently coterminous with civilization. For the past forty-six centuries (at least) governments all over the world have tried to fix wages and prices from time to time. When their efforts failed, as they usually did, governments then put the blame on the wickedness and dishonesty of their subjects, rather than upon the ineffectiveness of the official policy. The same tendencies remain today.

Even in the United States, with its supposed free-market system, wage and price controls were instituted by the Nixon administration from August 1971 through April 1974.

The conclusion is inescapable: Government is the greatest aggressor against individual liberty, free association, commercial freedom, and private property. As former Foundation for Economic Education president Richard Ebeling has well said, "There has been no greater threat to life, liberty, and proper-

ty throughout the ages than government. Even the most violent and brutal private individuals have been able to inflict only a mere fraction of the harm and destruction that have been caused by the use of power by political authorities.” But it is not just back in ancient history or during modern health “emergencies” that government violates individual liberty, free association, commercial freedom, and private property. These violations occur on a regular basis even in America — “the land of the free” — and have been prevalent since long before the COVID-19 “pandemic.”

### Personal activity

*Travel restrictions.* It was only just a few years ago that the first commercial flight from the United States to Cuba in more than 55 years landed in Havana. But even now, there are still travel categories, travel restrictions, and spending limits that must be observed if an American wants to travel to Cuba. And travel to Cuba for tourist activities remains prohibited by federal law. In a free society, any American would have the right to travel to any country by any means for any reason for any period of time and spend any amount of his money while he is there.

*Occupational licensing.* States require their residents to get permission from their governments to open businesses, engage in commerce, work in certain occupations, have particular vocations, or provide services to willing customers. But why should Americans need permission from the government to work? Government licensing is just as illegitimate as government decrees ordering businesses to shut down. It is never the proper role of government to forbid people from exercising what should be their natural right to make a living. It is illegitimate for government to prevent people from freely contracting with other people to provide them services.

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**In a free society, any American would have the right to travel to any country by any means for any reason for any period of time.**

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*Drugs.* The federal government has waged war on drugs officially for fifty years and unofficially for many years before that. Under federal law, possession of marijuana is punishable by a maximum of one year in jail and a \$1,000 fine. It is even worse for hard drugs. Until recently, state laws were just as draconian. But even now, in states where

recreational marijuana has been legalized, there are still numerous restrictions on how much pot one can grow, buy, sell, or possess. And of course, hard drugs are still illegal. In a free society, there would be no laws at any level for government for any reason to regard the buying, selling, growing, processing, transporting, manufacturing, advertising, using, or possessing of any drug for any reason. It is not the proper role of government to prohibit, regulate, restrict, or otherwise control what a man desires to eat, drink, smoke, inject, absorb, snort, sniff, inhale, swallow, or otherwise ingest into his mouth, nose, veins, or lungs.

*Alcohol.* Alcohol is legal in most areas of the country; however, in some jurisdictions hard liquor is illegal because thirty-three states allow localities to prohibit its sale. And even in places where alcohol is legal, there are a myriad of restrictions that governments put on it. For example, why is the drinking age 21, when 18-, 19-, and 20-year-olds can vote, run for political office, join the military, be drafted into the military, sue and be sued, get married, engage in consensual sex with other adults, adopt children, and enter into legally binding contracts? In some states parents

can serve alcoholic beverages to their adult children who are not yet 21; in other states they are breaking the law. It is not the job of government to prohibit people from drinking alcoholic beverages or limiting their consumption. It would be up to parents, friends, family, religious organizations, temperance unions, social-welfare groups, and medical professionals to warn people about the dangers of alcohol abuse.

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**It is not the proper role of government to protect its citizens from bad habits.**

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*Smoking.* Just in time for Christmas, the San Francisco Board of Supervisors approved, by a vote of 10-1, a ban on smoking tobacco (but not marijuana) inside private dwellings in buildings with three or more units. Violators could have received fines of \$1,000 maximum for smoking a cigarette in their own apartment if the measure had withstood a required second vote. It didn't have a chance to. By a 6-5 vote, the proposal was sent back to committee. In some states, the minimum age to purchase tobacco products is 21 even though the age of majority is 18. But it is not the proper role of government to protect its citizens

from bad habits, unhealthy actions, addictive behavior. In a free society, any legal adult would be able to buy, sell, possess, or use any substance.

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**Why should the government be concerned with how people choose to spend or waste their money?**

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*Prostitution.* Every state has laws against willing adults' freely accepting money in exchange for sexual services, even if the services are performed on the private property of one of the participants. Yet, it is perfectly legal for people to be paid to have sex — in front of a director, camera, and crew, and then, after editing, production, and distribution, in front of hundreds, if not thousands, of strangers. In a free society, there would be no laws against paying for sex, or receiving money for it, because the government would not be concerned with any activity that takes place on private property between consenting adults that doesn't violate the rights of others. And why should it be illegal to charge for a service that one can legally give away for free?

*Ticket scalping.* In some states, someone who wants to resell a ticket to a concert or sporting event must be licensed, must pay a fee to

the government, may not sell tickets above face value without the event sponsor's permission, and may not resell tickets for more than a certain amount or percentage over face value. Talk about a crime in search of a victim! What could possibly be wrong with an exchange of tickets for cash between a willing buyer and a willing seller, as long as their activity does not violate the property rights of the owner of the ground where they make their exchange?

*Gambling.* Although the federal government has a number of laws that relate to gambling, it is the states that generally prohibit or regulate various forms of gambling. Although many states permit commercial casinos in some form (licensed and heavily regulated), private gambling is generally illegal in any form. In some states, hosting poker games or blackjack tournaments with friends in your home on a Saturday night can get you arrested if you break the state's rules and regulations. But why should the government be concerned with how people choose to spend or waste their money? And if gambling is so addictive, immoral, and financially ruinous that governments must prohibit or regulate it, then why do most states have lotteries and advertise them with slick

commercials to entice people to buy lottery tickets? In a free society, there would be no laws that regulated, restricted, or prohibited any form of gambling.

*Gun control.* Even though the Second Amendment says that “the right of the people to keep and bear Arms shall not be infringed,” the federal government requires background checks before a gun can be purchased, and bans certain types of guns, ammunition, and accessories. State governments have instituted waiting periods on gun purchases, limits on gun purchases, gun licensing, gun registration, and gun regulations. But guns don’t kill; people do. Every American has the natural right to possess any weapon on his own property or the property of anyone else who allows such weapons. There should be no gun-control laws whatsoever.

### Commercial activity

*Minimum wage.* The federal government has decreed that employers may not pay employees less than a minimum wage. Many states have instituted minimum wages higher than the federal minimum. But the minimum wage is an assault on freedom. It forbids employers to freely contract with employees. It prevents people from selling their

labor for whatever compensation they choose. The minimum wage is simply a government price control and has no place in a free society.

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**A minimum wage prevents people from selling their labor for whatever compensation they choose.**

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*Price gouging.* Every state has laws against price gouging; that is, every state fixes maximum prices that a business may charge its customers for commodities at certain times. But the ability of a business to raise or lower its prices on a particular good or on all the goods it sells is one of the essential marks that distinguish a free market from government central planning. Free and unfettered interaction between producers and consumers, buyers and sellers, and businesses and customers is always to be preferred to government intervention. Once it is accepted that the government has the authority, knowledge, and competence to establish arbitrary price ceilings during a “state of emergency,” no reasonable or logical argument can be made against the government’s setting prices during ordinary times.

*Interest rates.* Every state has laws that limit the rate of interest

that can be charged on loans. But that does violence to free exchange, free contract, and free markets. And just as the government should not interfere in any way with any transaction between a willing seller and a willing buyer, so the government should not interfere in any way with any agreement between a willing lender and a willing borrower.

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**It is not the job of government to regulate the days and hours that businesses desire to be open to the public.**

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*Blue laws.* Some states restrict the days and hours that businesses are allowed to open or sell certain products. In some states no alcohol may be sold on Sunday or on Christmas Day. In other states no alcohol may be sold until a certain time on Sunday. Bars are required to close at certain times in just about every city in the country. It is illegal for dealerships to sell cars on a Sunday in certain states. Some states restrict the kind of work that may be performed and the type of establishment that may open on certain holidays. It is not the job of government to regulate the days and hours that businesses desire to be open to the public. In a free soci-

ety, businesses alone determine the days and hours they will be open.

*Calorie restrictions.* About ten years ago, the city of San Francisco established nutritional guidelines that must be followed if companies want to use toys as a promotional tool. Children's meals — if promoted using toys — must contain no more than 600 calories, have less than 650 milligrams of salt, contain less than 10 percent fat, and have at least half a cup of fruit or three-quarters of a cup of vegetables. A few years later, New York City mayor Michael Bloomberg tried to ban the sale of sugary drinks that are more than 16 ounces, until a New York court ruled against the idea. But does the government know what's best for children or do parents know what's best? And if the government may regulate the size of your drink, then no reasonable or logical argument can be made against the government's regulating the size of your steaks, hamburgers, or portions of any food at a restaurant.

*Smoking.* Another way that governments seek to curb smoking is by prohibiting smoking in bars, restaurants, and entertainment venues by force of law instead of letting businesses decide for themselves whether smoking is permitted in their establishments.

*Alcohol.* There are seventeen “alcoholic beverage control” states where the state government controls the wholesaling, and often the retailing, of distilled spirits, and in some cases, beer and wine. In every state, no business may sell or serve alcoholic beverages without first getting a government license. In a free society, alcohol would not be treated as different from any other commodity and all liquor stores would be privately owned.

*Discrimination.* The federal and state governments all have laws that criminalize discrimination in employment, housing, and service provision. But since discrimination — against anyone, on any basis, and for any reason — is not aggression, force, coercion, threat, or violence, the government should never prohibit it, seek to prevent it, or punish anyone for doing it. To outlaw discrimination is to outlaw freedom of association, property rights, and freedom of thought.

The conflict of the ages has always been instituted by government. Its solution is a simple one: As long as people don't violate the personal or property rights of others, and as long as their actions are peaceful, their associations are voluntary, and their interactions are consensual — the government should just leave them alone.

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**NEXT MONTH:**  
**“Would the Republicans  
Have Saved Us?”**  
*by Laurence M. Vance*

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# Frank Knight and the Place of Principles in Economics and Politics

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by *Richard M. Ebeling*



**I**t is sometimes necessary to recall the old adage that the more things change, the more they stay the same. That never seems truer than when turning to the character and content of economic and social policy issues in modern America. Every time it seems that one of the collectivist confusions and fallacies has been once more shown to be wrong by argument and evidence, it rises up in some slightly new rhetorical dress.

We are likely to be faced with a lot of this from the new Joe Biden administration. Not that we did not have a goodly amount of it with the recently outgoing Donald Trump administration. Trump offered us a renewed hodge-podge of neo-mer-

cantilist domestic and international trade policies. Trade wars were good and “fun,” we were told, as U.S. supply chains with other countries around the world were disrupted and made costlier by import tariffs and other trade barriers placed in the way of freer exchange between American producers and consumers and the rest of the world.

Trump huffed and he puffed in attempts to bully U.S. private enterprises not to move production facilities overseas or to relocate them back in the states, or to pressure American businessmen to reopen or move domestic production to places around the country where he wanted them for political purposes.

## Not a dime's worth of difference and Trump's defeat

At the same time, Trump and most Republicans showed no intention of reducing or abolishing the entitlement programs of the interventionist-welfare state. Oh, they still used the anti-statist rhetoric sometimes on the campaign trails, but in the practical matters of the redistributive state, they demonstrated, as they have for decades, that there is not a dime's worth of difference between them and the Democrats on matters of social and economic liberty.

Three years ago, Trump told his cabinet executives during a budgetary meeting that the American people liked their Social Security and Medicare benefits, so his administration would give the people what they wanted. That way he could buy his way into a second term in the White House in 2020. He might have been right, if not for the coronavirus and the consequences of his own policies and those of the state governors in response to the fear-mongering that permeated the news, social media, and all the political outlets of information.

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**Unfortunately, the Biden administration offers no “truth and light” for friends of freedom.**

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Shutting down an entire country through lockdowns that stop production, throwing people into unemployment, and ruining retail businesses by ordering everyone to stay at home and not go shopping could do nothing but wreak havoc on the entire nation. Lies and misinformation about the nature and dangers from the virus, and bureaucratic central-planning snafus in restricting or hampering private-sector solutions to the need for medical equipment in hospitals and protective gear and products, were

additional layers of disaster and disruption.

Given how many people around the United States found Trump’s persona repugnant and repulsive, the economic chaos of 2020 tipped the balance to ensure his defeat to Joe Biden in the November election. Trump ended up a member of his own “loser” pigeonhole category. He may have labeled Biden, “Sleepy Joe,” but the election outcome made him, “Donald the Dumped Who Had a Great Fall.”

**Joe Biden and the push for a radical progressive agenda**

Unfortunately, the Biden administration offers no “truth and light” for friends of freedom. His agenda is merely to make believe that the last four years never happened and proceed with the plans and policies that were expanding the intrusion of government into American society during the preceding Obama years, during which Biden served as vice president.

We are seeing the electoral musical chairs of changing who sits in the positions of political power, privilege, and plunder, while leaving the essence of the system and the ideas behind it untouched and unchallenged. Politics in modern America remains grounded in the

four “C”s: command, control, compulsion, corruption, regardless of who wins elections every two, four, and six years.

*The Nation* magazine may be at the more radical end of the American “progressive” and “democratic” socialist movement today, but it serves, sometimes, as an indication of the direction that those on the Left wish to pursue in an America made to be on the “right side of history,” meaning more and more collectivist. For instance, for their January 4, 2021, online issue, the editors of *The Nation* called upon a number of “social justice” activists to lay out the plans of action that those with voices and influences in the Biden administration are expected to push during the first year of Biden’s term in office.

There is a demand for more direct, federal control in dealing with the coronavirus; but it seems that to successfully do so, the anti-pandemic central plan has to include “constraining corporate power, expanding Medicare coverage, and investing in robust clean energy infrastructure.” Who knew that to stop the spread of a virus and to distribute a vaccine, the government needs to command the retrofitting of buildings, bridges, and backyard BBQing to guarantee

“clean energy”? I did not know that refined oil in the underground tank below a gas station was a virus “super-spreader,” did you? You learn something new every day.

One of *The Nation* authors says that what America needs to protect the Earth is an Office of Climate Mobilization, modeled after the New Deal programs of Franklin D. Roosevelt in the 1930s, directing industry, job creation, and employment guarantees for a “clean” planet, fostering a sense that we are all in this together both within the United States and the rest of the world.

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**Politics in modern America  
remains grounded in the four  
“C”s: command, control,  
compulsion, corruption.**

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Income inequality, racial injustices, and social equity require the remaking of America with coerced redistributions and planning of virtually all corners of human relationships. What if the Biden administration does not fully endorse and implement this huge agenda for a far more totally collectivist, planned, and politically paternalistic society? One other contributor declares, “If Biden is not inclined to embrace our goals, well, then, let’s

go out and make him do it.” So, a Bidenian “moderate” collectivism will be forced to adapt a far more radical collectivism — with the implication of more threatening means to achieve utopia.

### Frank Knight on sound principles versus debasing expediency

This political dogmatic irrationality and danger to a free society is nothing new. Seventy years ago, in March 1951, the *American Economic Review* published the association presidential address that had been delivered the previous December 1950 by internationally renowned University of Chicago economist Frank H. Knight (1885–1972). Famous for his classic work, *Risk, Uncertainty, and Profit* (1921), Knight’s American Economic Association address was titled “The Rôle of Principles in Politics and Economics.” He explained the situation in matters of economic theory and policy in those years not long after the end of the Second World War:

I have been increasingly moved to wonder whether my job [as an economist] is a job or a racket.... The critics, aggressors, have more or less explicitly advocated the abolition of an economics of

principles and its replacement by almost anything, or everything else, other than principles if they can be found....

The latest “new economics” and in my opinion rather the worst, for fallacious doctrine and pernicious consequences, is that launched by the late John Maynard (Lord) Keynes, who for a decade succeeded in carrying economic thinking back to the dark age....

The same period of history has also seen a growing disregard for free economic institutions in public policy — increasing resort to legislative and bureaucratic interference and control, the growth of pressure groups employing both political and “direct” action, to get what they want, and with all this the debasement of the state itself, completely in much of the European world, from free forms to ruthless despotism.

Common-sense understanding and rational economic thinking all seemed to be out the window. Knight said that it had long been his habit to explain to his students the “sinister” significance of wrong-headed ideas about trade protec-

tionism or “the perpetual popular demand for making capital cheap by manufacturing money; and for creating a demand for labor by enforcing all sorts of inefficiency, waste and even destruction.”

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**“Economic principles are simply the more general implications of the single principle of freedom.”**

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For the most part, teaching the fallacies in these things was not difficult for others to follow, if people were willing to see it. Instead, he was finding far too many people accepting “new and depressing” examples of “arbitrary price-fixing.” It should be common sense, with a little bit of thinking, that fixing a price above or below its market level will, respectively, create wasteful surpluses or unnecessary shortages.

What had helped to foster such misunderstandings and confusions were attitudes and rationales insisting that the only “principle” worth following was that there are no principles worth knowing or following, other than the expediencies of the changing political moment. But if not fleeting expediencies, what principles should be followed, and particularly those that economics may offer as guides to government policy?

## The principles of and reasons for freedom

Knight argued, “Economic principles are simply the more general implications of the single principle of freedom, individual and social, i.e., free association in a certain sphere of activity.... The free association in question is exchange, in markets, an instrumentality necessary to specialized production, and distribution of the joint result.” He suggested that there were four general reasons for placing freedom and free association as the cornerstone principles of sound thinking on social and economic matters:

First, and most commonly cited, it is instrumental to the realization of other ends accepted as rightful. Modern thought locates value in the individual rather than making him an instrument to the purposes of the state and its ruler. And it is assumed that the normal adult person is ordinarily a better judge of his own interests, values, and well-being than any agent of society (bureaucrat) given authority over him is likely to be.

Second, freedom itself is a thing men want, and have a right to, even possibly at the

cost of a formally better management of one's affairs by an overlord of any kind; the normal person prefers within wide limits to "make his own mistakes." Third, it is a "value," a thing that the individual ought to want, even ought to have if he may not choose it, a part of the modern ideal of the dignity of the person.... Finally, a fourth, "pragmatic" reason, for extending the scope of freedom; policing is costly to the public authority and coercion itself needs to be economized....

Assuming that men have a right to want and strive to get whatever they do want, and to have the taste and "higher" values they do have, as long as their conduct does not infringe the equal rights of others, the business of the economics of principles, of utility, productivity, and price, is to explain that, and how, the organization through buying-and-selling enables everyone to do whatever he wants to do (whether rational or not, as judged by anyone else) is many times more effective than would be possible if each used his own means in a self-sufficient economic life.

Knight was confident that if, along with these principles, people could be persuasively taught that in a social setting of free and voluntary exchange, a person was not only effectively producing for and bettering himself, but was also indirectly producing for the needs and betterment of others, "it would surely put an end to all the insane or diabolical revolutionary propaganda and most of the stupid criticisms of the 'capitalist system' that menace our free institutions." After all, he also pointed out, "The much-abused 'profit-system' is of course merely a pattern of cooperation, on the terms most satisfactory to the parties concerned, or the only terms they can agree upon.... The only agreement called for in market relations is acceptance of the one essentially negative principle, that the units are not to prey upon one another through force or fraud."

### Not expecting too much from the state and fearing political power

The companion thought to all of this, Knight stated, is that people should be told, "don't expect too much of 'the state'; be very critical in appraising the prospects for good and for harm to result before calling on 'Leviathan' and giving him power." Once you give such political

control to those in positions of power in government, they will have to either use force to make others bend to their plans and restrictions, or attempt to “rule through our minds and wills” by manipulating and controlling information, knowledge, and interpretations of everything that might hinder or prevent the political powers-that-be from having their way with us. Control over the educational system, he pointed out, “is the first aim of the totalitarian.”

It should be noted that Knight was not a proponent of *laissez-faire*. In many ways, very much to the contrary. Indeed, arguments he made in the 1930s and 1940s for “exceptions” to unfettered free markets and their relative income outcomes, were consistent with the direction of much of the postwar interventionist-welfare state. He was a compulsive “contrarian” and would constantly look for things to disagree with both in economists who were more free-market than he, and in socialists, communists, fascists, and welfare statistes.

He wrote dozens of reviews and essays of other people’s works. He seemed to find it psychologically almost impossible to say he agreed with the arguments of others. He always insisted on differentiating

the intellectual products of his own mind from those of everyone else, even when the nuances between his and theirs seemed fairly thin.

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**Control over the educational system, Knight pointed out, “is the first aim of the totalitarian.”**

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But in the setting and circumstances of 1951, when the United States was embroiled in a “hot war” with Chairman Mao’s China in Korea; when half of Europe had fallen behind the Iron Curtain of Soviet control with Stalin as its dictator in Moscow; and with the demands for increasing commands, controls, and centralized planning in the United States by the “progressive” intellectuals and policy proponents of that time, Knight’s concern was for the preservation of the principles and practice of a fundamentally free-market-based society, regardless of “exceptions to the rule” that he might harbor in his own mind.

He did not hesitate to state what he considered to be the issues at stake: “The danger now, in the world and in the West, is that freedom will be thrown away, for a promise or hope of [social] justice, but with an actual result of neither justice nor freedom, and very likely the suicide of civilization in war without rules.

The world could be heading toward a new age of essentially religious wars, ideological wars,” the reason being that collectivist ideologies such as communism demand social justice “under absolute authority, ignoring freedom.”

In this setting, Knight feared that “people have too much faith in positive action, of the nature of passing laws and employing policemen.” For himself, “I mistrust reformers. When a man or group asks for power to do good, my impulse is to say, ‘Oh, who ever wanted power for any other reason? and what have they done when they got it?’”

### New collectivism of blended Marxism and Nazi-like racialism

I would suggest that we are in a similar situation and dilemma today. Today’s collectivism is a peculiar and perverse blend of Marxism and Nazi-like racialism, in which the traditional socialist “class conflict” analysis has been transformed into a race- and “gender”-based identity politics and cancel-culture ideology committed to undermining and overthrowing the vestiges of what remains of a free, liberal, and market-oriented society.

Offering false narratives about the nature of the capitalist system, misinterpreting the causes behind

the financial and housing crisis of 2008–2009, using the death of George Floyd while in police custody in May 2020, and conjuring up apocalyptic fantasies about the environmental end of the world, these new totalitarians are insisting that markets are socially oppressive and inescapably racist and sexist in their exploitation of all in the world outside of a narrow and privileged white male elite.

They advocate a centrally planned society to fight global warming; they insist on tribalization of human relationships based on race and “gender” quotas in all aspects of social interaction; they want a fascist-like command-and-control of all business and employment; and they demand the overthrow of virtually all the traditional ideas and ideas reflected in the Declaration of Independence and the U.S. Constitution.

A central aspect of claiming the desirability and workability of such a “brave new world” is the implied denial of all of what Frank Knight had laid out as the principles and practice behind the (classical) liberal system of personal freedom, economic liberty, and civil rights as understood in the American Bill of Rights.

Personal freedom, it is asserted, is merely the smoke screen for dis-

crimination and bigotry; economic liberty is the watchword for abuse of “people of color” and oppression of women and “alternative genders” by a handful of property- and wealth-owning white males; the Bill of Rights is a tool for protecting “hurtful” and “harmful” words and actions that reinforce the injustice of white male domination of society.

### The new dark age of anti-economic freedom

The laws of economics, starting with the idea and logic of individual choice and decision-making, to the interactive coordination of mutually dependent and supporting suppliers and demanders in a competitive market, to the incomes earned by serving others that enable the producer to be a consumer as well, have no place on that view, whether it be those older forms of collectivism when Knight wrote in 1951 or the newer ones threatening the remnants of a free society today.

What we are facing is our own version of a return to a “dark age” of backward thinking about economics, and freedom more generally, just as Knight warned in the context of the then-dominant Keynesian Revolution. Ignorant and irrational ideas abound about prices and competition and market harmonies are

once more everywhere, especially if you just listen carefully to the cases for a Green New Deal, a fascist-like notion of corporate social responsibility, or the aggressively pushed tribalism of race and “gender” group-based social justice.

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If there is to be a dignity for man, it requires a desire for and a reality of human liberty.

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One of the four principles of freedom that Knight said was uniquely essential to the Western idea and ideal of liberty was that freedom is something that the individual ought to want even when he does not seem to want it. If there is to be a dignity for man, it requires a desire for and a reality of human liberty, a social setting in which, precisely because people want their own freedom, they will honor and respect it in others. For without such reciprocity society becomes a slave state of rulers and ruled in which those controlled by others are treated as less than willing, thinking, valuing, and acting free human beings.

It becomes a central task for all those who cherish and value freedom to inform, reason with, and persuasively make the case to our fellow human beings that freedom

is a good in and of itself for each and every one of us, and that through the logic of the free marketplace it is also the means by which each of us benefits others in the peaceful and honest quest of improving his own life as he defines it.

This is not an impossible task. For untold centuries, the vast majority of human beings took it for granted that it was right, good, and necessary for a handful of others to rule over and command most things in their lives. Servitude and political paternalism were the “self-evident” way of life for humanity.

But over a few recent centuries, this all slowly was ended and was turned around. Slavery and servitude came to be seen as an “unnatural” way for a human being to live. The words in the American Declaration of Independence rang true for most people in Colonial America, for many in Great Britain, and for a growing number in Royal France because the notion of humanness, humanity, and the dignity of man had been nurtured with the revolutionary idea that the individual person was unique and rightly possessing rights that no one, even powerful kings, could take away. It changed the world.

The counterrevolutions of collectivism over the last 150 years, including our modern ones, have attempted to overthrow those victories and achievements and successes of liberty in practice. This counterrevolution can be repulsed and reversed. But it will require the type of defenses of the principle of freedom in politics and economics that Frank Knight called for and reasoned about seventy years ago. We must cultivate a new age of enlightened liberty so as not to fully sink into a new dark age of tyranny and despair.

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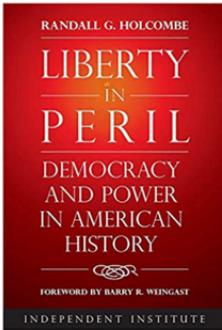
**NEXT MONTH:**  
**“Jacques Novicow, Sociologist of Peace and Freedom”**  
*by Richard M. Ebeling*

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# Liberty in Peril

by George Leef

*Liberty in Peril: Democracy and Power in American History* by Randall G. Holcombe, Independent Institute, 2019, 245 pages.



I finished reading Prof. Randall Holcombe's book *Liberty in Peril* during the 2020 election. I have yet to hear any candidate say the word "liberty" and would be shocked if I did.

We are bombarded with messages for candidates and messages merely imploring us to vote. Some Americans relish what they think they'll get as a result of the election; others dread what they fear will happen. In any case, we accept that, for all its flaws, democracy is the way the United States is supposed to work. We almost never think about whether the policies the can-

didates favor are consonant with the freedom Americans were supposed to have — freedom to live their lives as they choose.

In his book, Holcombe (professor of economics at Florida State) argues that democracy was not the way the country was supposed to work. Our founding philosophy was not that democracy should prevail, but instead that liberty should prevail — that the reason for government was to protect the individual's freedom, not to subject him to the will of the majority. Over time, the philosophy of liberty has been shoved aside and today democracy rules to the point where, as the author puts it, liberty has an almost quaint air about it.

As the book's subtitle suggests, this is a work of history, looking at the shift from the ideology of liberty to the ideology of democracy. Holcombe observes that there is a tension between the two. Under the ideology of liberty, the important question is how to put limits on government so that it can protect individual rights, while under the ideology of democracy, the question is who will hold power to do what the public wants. Where the former prevails, the people tend to have a healthy wariness about government and desire to keep it in

check; where the latter, the people eagerly listen to politicians who promise them benefits from the government.

### Unanimity

Holcombe begins his history not with the Constitution or even with the colonists, but with the Iroquois, the largest confederation of Indians that European settlers had to deal with. The Iroquois had an unwritten constitution and its key principle was unanimity. Colonists who became familiar with the Iroquois system commented on its “absolute notion of liberty.” The Iroquois had a “Great Council” composed of tribal chiefs, but it did not act like we expect legislatures to act — imposing decisions on the people.

Instead, the Great Council facilitated the building of consensus among the tribes. Questions were debated and then the chiefs would return to their tribes to assess the sense of their members. Not until a proposal (and I wish Holcombe had said what kinds of issues the Iroquois dealt with) was acceptable to all the tribes was it adopted. That “debate it until we have consensus” mode meant that little was done, but that was, to the Iroquois, preferable to forcing people to abide by rules they had not agreed to.

The British colonists found it frustrating to deal with the Iroquois because their representatives always said, “We must take this proposal back to our Great Council for consideration,” but they incorporated the unanimity principle into their own Albany Plan of Union, drafted in 1754. That Plan was never put into effect, but it called for unanimous consent among the colonies for any action to be taken. Consensus was required, not majority rule.

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The first government formed in the United States was the Articles of Confederation, adopted in 1781. Most historians brush right on past the Articles, but Holcombe thinks them worth analysis. Under the Articles, we had a unicameral legislature without any federal executive or judiciary. Proposed amendments required unanimous consent. The central government had little power, as you would expect from a people who had just waged a long war to be rid of a government with, most thought, too much power to violate individual liberties. The cen-

tral government could not levy taxes directly, but had to request funds from the states. Holcombe finds virtue in that arrangement, since each state could decide whether the expected benefit of turning funds over to the central government was worth giving up the best use of those funds within its own borders.

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**Holcombe finds that liberty was much more secure under the Articles of Confederation.**

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Life in the United States under the Articles was less than ideal, particularly in the way some states interfered with interstate commerce, but those problems might have been dealt with by amending them. Indeed, that was the very purpose of the convention called in 1787 that we call “the Constitutional Convention.” It was supposed to be a convention, however, for considering amendments to the Articles, and more than a few of the delegates objected to the way certain leaders decided to draft an entirely new plan of government instead.

For all the Constitution’s restrictions on federal authority and its famous “checks and balances,” Holcombe finds that liberty was much more secure under the Articles. That was especially so because the

federal government was no longer accountable to the states, but was a power center unto itself. Furthermore, consensus was diluted because the Constitution could be amended with only two-thirds of the states agreeing, rather than all. And most troubling of all, the powers given to the federal government were vaguely worded, such as to “regulate commerce” and “promote the general welfare.” While the drafters of the Constitution were fearful of democracy, they opened the door to its growth.

**Gaining ground**

In the decades prior to the Civil War, democracy slowly gained ground against liberty. An intriguing instance was the “reform” of the Post Office in 1851. Up until then, it had operated as a profitable public entity, charging differential rates. Under the new law, rates were made uniform, thus subsidizing postal customers in remote, western areas at the expense of those in the heavily populated east. The upshot was that the government was beginning to pick winners and losers through policy.

The Civil War (or the War Between the States, as Holcombe argues it’s more accurately called) vastly expanded the power of the

federal government and put the states in a subservient position. The promotion of the economic interests of some Americans at the expense of others became widespread and blatant. An egregious example was the way the lobbying group for Union veterans, the Grand Army of the Republic, managed to expand benefits dramatically, covering more and more soldiers and their families with increasingly large payments. An interesting historical note Holcombe includes is that President Grover Cleveland, who had been popular with the G.A.R. until 1887, lost its favor when he vetoed a bill that he thought went too far. A large reason for Cleveland's loss the following year to reliably pro-veteran Benjamin Harrison was that bit of fiscal responsibility.

Also in the decades after the Civil War, economic regulation meant to benefit some groups at the expense of others was common. The distinct but related Populist and Progressive movements drove the country further into democracy and away from the protection of liberty. For example, states were given the green light by the Supreme Court to interfere in private contracts by dictating prices grain-elevator owners could charge farmers. Government had turned from

protecting liberty to promoting the economic interests of politically influential groups. The same was true for regulation of railroad rates by the Interstate Commerce Commission. And the government also intervened in "the money issue" by first printing great quantities of paper money ("greenbacks") and later putting great quantities of silver into circulation at the behest of debtors who didn't want to repay their debts in gold that was appreciating in value.

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**Populist and Progressive movements drove the country further into democracy and away from the protection of liberty.**

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The First World War led to a burst of government activity that undercut liberty, including freedom of speech, but after the end of the war, there was a "return to normalcy" under Warren Harding and Calvin Coolidge. Even this period, however, was not one where liberty regained much lost ground. The War Finance Corporation, begun during the war, remained alive throughout the 1920s to make business and agricultural loans; the Inland Waterways Corporation was created to operate barges on the Mississippi River, and the Agricul-

tural Credits Act to lend money to farmers; and in 1924, the nation's first Immigration Act was passed, among other federal interventions having nothing to do with the protection of liberty. Moreover, during the 1920s, the government was very active in pursuing antitrust cases — attacking business operations simply because they were “too big” and supposedly threatened competition.

In short, the bad habit of extending the government's scope was not at all cured during the “Roaring 20s.”

And then it got much worse under Coolidge's successor, Herbert Hoover. Hoover, notes Holcombe, was a Progressive who thought that government authority should be exerted to improve the country and then, once the Depression began on his watch, to bring the country out of it. Most politicians in both parties favored federal policies meant to revive the economy, but they made things worse during Hoover's administration. When Franklin D. Roosevelt took over in 1933, his whirlwind of federal activism dramatically transformed the nation. Numerous boards, commissions, and agencies issued mandates and prohibitions. Liberties that Americans had always assumed were theirs, such as the freedom to set

their own prices or grow what they chose on their land, were abrogated.

For a while, the Supreme Court blocked some, although not all, of the government's authoritarian programs on constitutional grounds, but after Roosevelt's court-packing proposal in 1937, Chief Justice Charles Evans Hughes came around to the new “progressive” understanding of the government's proper role. Social Security is a good example. Nowhere in the Constitution is the government authorized to run a retirement program, but as Holcombe writes, “If the Constitution, thus interpreted, gives the federal government the power to run a compulsory retirement program, it is difficult to see any constitutional limits on the programs that the federal government is permitted to undertake.”

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After World War II, governmental power kept ratcheting up, more slowly under Republican presidents, rapidly under Democratic ones, especially Lyndon Johnson and Barack Obama.

There have always been people who prefer to get what they want

through predation rather than production, Holcombe observes. In our early history, the producers were protected by the law, but now the predators are fully in control, using the law as a sword to take from and control the producers.

In the end, Holcombe is deeply pessimistic. Liberty is certainly in peril — what's left of it. "A utilitarian undercurrent," he writes, "has arisen in the nation that is willing to weigh the costs of sacrificing a little more liberty in exchange for other goals. Liberty is not taken for granted; it is willingly sacrificed."

Can anything rekindle the love that Americans once had for liberty and reverse the upward ratchet of government control? Our author doesn't address that question, but I believe that our only hope is a revival of moral education in America, so that children are taught that it is just as wrong to get the government to use coercion, as it is for them to do so themselves.

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*A dictator may deem the conduct of the consumers rather foolish. Why should they be so crazy about individually fashioned clothes? He may be right from the point of view of his own value judgments. But the trouble is that valuation is personal, individual, and arbitrary. The democracy of the market consists in the fact that people themselves make their choices and that no dictator has the power to force them to submit to his value judgments.*

— Ludwig von Mises

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