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The less government interferes with private pursuits, the better for general prosperity.

— *Martin Van Buren*

FUTURE OF FREEDOM

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James Woolsey's JFK Conspiracy Theory, Part 2

by *Jacob G. Hornberger*



After the deadly fiasco at Cuba's Bay of Pigs, where Cuban communist forces defeated a CIA-sponsored invasion of the island, things went from bad to worse with respect to the relationship between Kennedy and the U.S. national-security establishment.

Convinced that the United States could not survive with a communist outpost only 90 miles away from American shores, the military began pressing Kennedy to invade Cuba and forcibly remove the communist regime from power and replace it with a pro-U.S. regime. In March 1962, the Joint Chiefs of Staff unanimously recommended that Kennedy adopt a plan entitled Operation Northwoods, which entailed

terrorist attacks on American soil carried out by U.S. intelligence assets posing as Cuban communists. Kennedy could then tell the American people that Cuba had attacked the United States and that he had no choice but to retaliate with a regime-change invasion of the island.

Kennedy rejected Operation Northwoods. Seven months later, U.S. officials discovered that the Soviets were installing nuclear missiles in Cuba. One can imagine the Pentagon officials' reaction when they learned of those missiles. If Kennedy had adopted Operation Northwoods and had used it as a justification for invading Cuba, the Soviet missiles would never have been installed there in the first place. The Cuban Missile Crisis, the national-security establishment believed, was occurring because Kennedy had once again, in the wake of the Bay of Pigs invasion, shown weakness in the face of the communist threat in Cuba.

When Kennedy imposed a blockade on Cuba rather than order an air attack and invasion, Air Force Gen. Curtis LeMay reflected the disdain that U.S. military leaders had for Kennedy's ability to resolve the crisis when he stated to his commander in chief, "This is almost as bad as the appeasement at

Munich.... In other words, you're in a pretty bad fix at the present time.”

No doubt offended by a subordinate officer's speaking to him in that manner, Kennedy responded, “What did you say?”

LeMay doubled down, stating, “You're in a pretty bad fix.” While Kennedy would have been justified in firing LeMay at that moment, he instead laughingly said to him, “You're in there with me.”

Kennedy and Khrushchev resolved the crisis by Kennedy's agreeing that there would be no invasion of Cuba in return for the Soviet Union's agreement to remove its missiles. The military leadership was livid over Kennedy's peaceful resolution of the crisis. He had not only passed up a perfect justification for invading Cuba, he had effectively guaranteed the permanence of the communist regime in Cuba, a regime that, the U.S. national-security establishment steadfastly maintained, posed a permanent threat to the existence of the United States as a free country. LeMay called it “the greatest defeat in our history.”

Knowing how close the Soviets and the United States had come to nuclear war, Kennedy came to the realization that the Cold War was nothing but a deadly and destruc-

tive racket. On June 3, 1963, without consulting military or CIA leaders, Kennedy delivered his famous Peace Speech at American University in which he declared an end to the Cold War. He said that under his leadership, America would begin establishing a peaceful and friendly relationship with the Soviet Union and the communist world, notwithstanding their ideological differences.

Kennedy had thrown down the gauntlet.

He then entered into a nuclear test-ban treaty with the Soviets, over the vehement objections of the Pentagon and the CIA. He ordered the withdrawal of 1,000 troops from Vietnam and told close aides that he would remove them all after he won the 1964 presidential election. He even proposed a joint trip to the Moon, which would necessarily have meant sharing rocket technology with the Reds.

Kennedy had thrown down the gauntlet before the U.S. national-security establishment over the future direction of the United States. The Cold War was everything to the Pentagon and the CIA. In fact, the Cold War was the very reason that the U.S. government was converted

to a national-security state. In the eyes of the Pentagon and the CIA, Kennedy was subjecting the United States to Cold War defeat and a communist takeover of the country. Through his supposed naiveté, cowardice, weakness, and even treason, Kennedy had become a threat to national security.

In fact, Kennedy had become a much greater threat to national security than the president of Guatemala, Jacobo Arbenz, had ever been. In 1954, Arbenz, a self-described socialist, was thought to have close relations with the communist bloc. Viewing him as a grave threat to national security, the CIA had orchestrated a coup that installed a pro-U.S. right-wing military dictator in his stead.

Kennedy was siding with Martin Luther King Jr.

What made matters worse was that Kennedy was operating from within the United States as president. Moreover, he was siding with Third World independence movements, which the Pentagon and the CIA were convinced were communist-directed, before he even became president. At home, Kennedy was siding with Martin Luther King Jr. and the civil rights movement,

which were also considered to be communist-directed. Kennedy was also trying to get socialist programs like Medicare and Medicaid enacted into law.

Once Kennedy threw down the gauntlet and challenged both the Pentagon's and CIA's worldview and the justification for their existence, the war was on. In the eyes of the national-security establishment, if Kennedy won re-election in 1964, America was lost to communism. Since he stood a good chance of winning the 1964 presidential election, there was only one way to deal with this grave threat and save the country — by terminating him through an assassination. Kennedy's murder would elevate to the presidency Vice President Lyndon Johnson, who was on the same page as the Pentagon and the CIA with respect to the supposed worldwide communist conspiracy to take over the world.

By 1963, the CIA had been specializing in the art of assassination and cover-up for more than a decade. It developed a brilliantly cunning plan to orchestrate the assassination of Kennedy on grounds of protecting national security.

The plot called for framing a “communist.” Why a communist? Because everyone in America hated

and feared communists. If a “communist” killed the nation’s president, people would be less likely to challenge the official narrative for fear of being accused of being communist sympathizers. The strategy was especially effective for people on the Left, who deeply feared being smeared as communists or communist sympathizers. Many on the Left immediately accepted the official version of the assassination. Those who didn’t were, predictably, labeled communist sympathizers by the U.S. national-security establishment.

The better option was to frame a U.S. intelligence agent.

But it’s obviously difficult to frame a real communist because it’s difficult to arrange his movements and actions in such a way that he can be maneuvered into position for being framed. Thus, the better option was to frame a U.S. intelligence agent who had been trained to be a top-secret intelligence operative.

That’s where Lee Harvey Oswald enters the picture. He was a U.S. intelligence operative who was framed for the assassination. Or, as he put it after his arrest, he was a “patsy” in the operation.

Lee Harvey Oswald, intelligence operative

Early in the proceedings of the Warren Commission, the members of the Commission held a top-secret meeting to discuss a very disquieting piece of information they had received. The information was that Oswald, who was accused of being a lone-nut assassin of the president, had served as an intelligence asset for the U.S. government. Refusing to acknowledge the possibility that U.S. officials might lie about such a thing, the commission accepted the official denials of the information. That meeting and its discussions were classified top secret and everyone was admonished to never discuss the information.

As the evidence has surfaced over the decades, it has inexorably pointed to Oswald as a U.S. intelligence operative who was trained to be a communist infiltrator. After all, Oswald joined the Marines. Why would a communist join the Marines? Communists hate Marines, and vice versa. Marines kill communists. That’s what the Korean and Vietnam wars were all about.

Moreover, when Oswald returned from the Soviet Union, to which he had defected, U.S officials never laid a hand on him. There was no grand jury indictment, even

though he had promised to share top-secret information with the Soviets that he had acquired while in the Marines. Not even a grand-jury summons. No torture. No harassment. Does that make any sense? Look at how U.S. officials have treated Edward Snowden and Julian Assange. That's what we would expect them to have done with Oswald.

When Oswald was in the Marines, he was steeping himself so deeply in studying Marxism and learning Russian that his Marine buddies started calling him "Oswaldovitch." Would the U.S. Marines really permit a genuine communist to continue serving within their midst? Not a chance. A genuine communist would have been run out on a rail, if not worse.

The official narrative has never been able to come up with an adequate motive for Oswald. The best they have come up with is that Oswald was a little man who wanted to become a big man by killing a big man. But that motive is problematic, given that Oswald denied he did it. If he was trying to become a big man by killing a big man, wouldn't he have admitted doing it?

Moreover, why would a genuine communist want to kill Kennedy, given that he was now reaching out

to the communist world in a spirit of peace and friendship? The people with the real motive would be those who objected to what Kennedy was doing.

Shutting down the investigation

The regime-change plotters knew that since this was to be an assassination of a U.S. president, all stops would be lifted in investigating the crime. Thus, they needed a way to shut down the investigation immediately.

Right after the assassination, the treating physicians at Parkland Hospital announced that Kennedy had been killed by shots fired from the front. That was reflected by the massive exit-sized bullet wound in the back of the president's head and the small entry wound in this throat.

But Oswald was in the rear of the president. The question naturally arises: Why frame a guy who is supposed to be firing from the rear by having shooters fire from the front? The answer to that question demonstrates the sheer ingenuity of the plot because it ensured an immediate shut-down of the investigation, which could have led to the national-security establishment.

Here is the situation: You have an accused shooter from the rear

who is easily labeled a communist. But there are also shooters from the front, as reflected by the statements of the treating physicians as well as by statements from dozens of people in Dealey Plaza, where the president was shot in Dallas.

Who were those shooters in the front? People would naturally assume, incorrectly, that they were communist colleagues, specifically from the Soviet Union and Cuba. That was what Oswald's supposed trip to Mexico City was all about — to ensure that he met with Soviet and Cuban officials in their embassies shortly before the assassination.

So what did all this mean on the very day of the assassination? It meant war — war with the Soviet Union, a war that was narrowly averted just the year before during the Cuban Missile Crisis.

But not just any war; it meant nuclear war. There was really no way to avoid it, especially once the American people discovered that the Soviet and Cuban communists had supposedly killed their president. They would have demanded retaliation, which inevitably would have led to all-out nuclear war.

That was the excuse for immediately shutting down the investigation — to avoid nuclear war with the Soviet Union, one that would result

in the deaths of hundreds of millions of people, including Americans.

If someone asked Johnson why he was letting the Soviet Union and Cuba off the hook, he had the perfect answer: It was the CIA under those Kennedy brothers who started the assassination game by repeatedly trying to assassinate Cuban leader Fidel Castro. How could Johnson in good conscience launch a retaliatory strike that would lead to a war that would kill hundreds of millions of people worldwide knowing that it was the CIA, not the communists, who had started the assassination war?

Why would a genuine communist want to kill Kennedy?

Three days after the assassination, U.S. Deputy Attorney General Nicholas Katzenbach sent a memo to Bill Moyers, who was working for the Johnson White House, stating, “The public must be satisfied that Oswald was the assassin; that he did not have confederates who are still at large; and that evidence was such that he would have been convicted at trial.” How could he know that after just three days? There can be only one reasonable explanation for Katzenbach's memo: the false World War III cover story.

That was the point of having shots fired from the front while Oswald was positioned in the rear — to falsely make it appear that the Soviet Union, Cuba, and Oswald had worked together to kill the president. In that way, the prospect of nuclear war could then be used to secure a quick shutdown of the investigation. Officials would settle on Oswald, who was quickly killed and silenced, as the sole shooter. Securing a quick shutdown of the investigation by having shooters firing from the front, who would be falsely assumed to be agents of the Soviet Union and Cuba, was the ingenious part of the plot to assassinate Kennedy.

Johnson asked Wade whether he was trying to start World War III.

In fact, when the Dallas police charged Oswald with the crime as part of an international communist conspiracy, Johnson immediately contacted Dallas District Attorney Henry Wade and insisted that he remove the conspiracy charge against Oswald. He asked Wade whether he was trying to start World War III. Wade acceded to the request. It wasn't the only time that Johnson used the World War III cover. He also used it on Earl Warren and

Richard Russell as a way to persuade them to join what became known as the Warren Commission. He told them that they had a moral duty to serve on the commission to help avoid World War III, a commission that would settle on pinning the crime on Oswald.

The autopsy

It was undoubtedly what national-security operatives told the autopsy physicians to induce them to conduct a fraudulent autopsy on the very evening of the assassination. They were ordered to perform an autopsy that disguised the fact that shots had been fired from the front. That's where the plan for a fraudulent autopsy comes into play, a plan that was launched back at Parkland Hospital, when a team of Secret Service agents, operating on orders, forcibly prevented the Dallas County medical examiner from conducting the autopsy, as required by state law. Brandishing guns and implicitly threatening the use of deadly force on Parkland Hospital medical personnel, the Secret Service team forced their way out of Parkland with Kennedy's body and then dutifully delivered it to Lyndon Johnson at Dallas Love Field, after which he flew it to Maryland and put it in the hands of the military.

Thus, when Woolsey poses his conspiracy theory that Oswald and the Soviets conspired to kill Kennedy, the dark irony is that the false scenario had been built into the plan to assassinate Kennedy as a way to shut down the investigation.

Over the years, it has been said that if the Pentagon and the CIA had killed Kennedy, someone would have talked by now. But when it comes to murder, people don't generally talk — ever, especially since there is no statute of limitations for murder. After all, everyone agrees that a man named Johnny Roselli, who was the mafia liaison to the CIA for the assassination partnership, was murdered, but no one has talked about that either.

But the fact is that as much as the national-security establishment tried to keep a cap of secrecy on the cover-up, they failed: people did talk about it. Although they labeled the autopsy a classified operation and made people sign secrecy oaths, which succeeded in keeping matters secret for many years, ultimately their wall of secrecy surrounding the autopsy was pierced, especially during the years of the Assassination Records Review Boards in the 1990s.

The fraudulent nature of the autopsy, as detailed in my two books

The Kennedy Autopsy and *The Kennedy Autopsy 2*, and especially in the five-volume book, *Inside the Assassination Records Review Board*, by Douglas Horne, who served on the ARRB staff, have blown the cover off the assassination itself. The reason, as I stated previously in this essay, is that there is no innocent explanation for a fraudulent autopsy. There is but one reasonable explanation for the fraudulent autopsy that was carried out on the body of John Kennedy on the evening of his assassination — to ensure the national-security establishment's cover-up of its assassination.

To gain a deeper grasp into the devolving nature of the relationship between Kennedy and the national-security establishment, I recommend reading the following: An article in *The Atlantic* magazine entitled "JFK vs. the Military," by Robert Dallek, which can be found online; and FFF's book *JFK's War with the National Security Establishment: Why Kennedy Was Assassinated*, by Douglas Horne.

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

Biden's Rescue Act Targets Americans' Freedoms

by James Bovard



Since the 1800s, surly Americans have derided politicians for spending tax dollars “like drunken sailors.” Until recently, that was considered a grave character fault. But Joe Biden’s American Rescue Plan Act shows that inebriated spending is now the path to national salvation.

It was a common saying in America in the 1930s that “we cannot squander our way to prosperity.” But that was before the latest “best and brightest” crop took the helm of the federal government.

The Rescue Act is based on blind faith in government spending — the revival of the “Magic Bean School of Political Economy.” When he signed the bill on March 12, Biden declared, “We have to spend

this money to make sure we have economic growth, unrelated to how much it’s going to help people.” The act’s \$1.9 trillion price tag is proof of its beneficence. Biden boasted that he would be sending federal “stimulus” checks to more than 100 million Americans in the following 10 days. The White House called the bill “the most progressive piece of legislation in history.”

The biggest fear in Washington is that federal agencies will not be able to throw tax dollars at citizens, businesses, and local and state governments quickly enough. The *Washington Post* frets that “the sheer volume of new programs threatens to swamp federal agencies.” This is the sixth federal COVID bailout since last spring, and “a slew of other efforts to help struggling businesses ... have been trapped in the federal bureaucracy.”

The purpose of this Rescue Act is to rescue faith in Big Government. In his televised address, Biden declared that in order to “beat this virus,” Americans must “put trust and faith in our government to fulfill its most important function, which is protecting the American people.... We need to remember the government isn’t some foreign force in a distant capital. No, it’s us. All of us. We, the people.”

At the time of Biden’s speech, the U.S. Capitol was surrounded by high fences topped with razor wire. Thousands of National Guard troops prowled the grounds of the Capitol and elsewhere in the District of Columbia to deter any unpleasantness from uppity citizens. Luckily, most of the Washington media continued to vouch that the political class was dutifully serving Americans behind closed doors.

Oversight

Biden promised “fastidious oversight to make sure there’s no waste or fraud” in the multi-trillion-dollar bonanza. But politicians define “waste” differently than taxpayers define the term. Any handout that produces political gratitude is a fruitful investment according to Washington scoring. Sen. Ron Wyden (D-Ore.), promised, “We’re going to be watchdogging this every single step of the way.” However, the attendance by senators at congressional oversight hearings is on par with attendance at baseball games during COVID lockdowns. Most members of Congress will pay little attention to the details of the law as long as their constituents get deluged with free money.

The Biden bill includes barrels of new handouts that Congress

rushed into law without careful examination. When federal benefits exceed what someone could earn on the job, they can become a penalty fee on work. University of Chicago economist Casey Mulligan estimated that the extra unemployment payments and other benefits in the Biden bill could result in employing eight million fewer Americans later this year. But collateral damage doesn’t matter as long as politicians get campaign contributions and applause for programs that wreak economic havoc with perverse incentives.

Politicians define “waste” differently than taxpayers define the term.

The Biden administration is bringing the same solution to America that previously failed in Afghanistan. After Barack Obama decided to “surge” U.S. troops into Afghanistan, the *Christian Science Monitor* noted in 2010, the U.S. Agency for International Development (USAID) “created an atmosphere of frantic urgency about the ‘burn rate’ — a measure of how quickly money is spent. Emphasis gets put on spending fast to make room for the next batch from Congress.” One Kabul-based analyst

employee lamented, “As long as you spend money and you can provide a paper trail, that’s a job well done. It’s a perverse system.” The *Washington Post* noted in 2019, “Many aid workers blamed Congress for what they saw as a mindless rush to spend.” John Sopko, the Special Inspector General for Afghanistan Reconstruction (SIGAR), lambasted a system where it seemed that “only those who can shove the money out the door or meet the required ‘burn rate’ are to be promoted and rewarded.” The “burn rate” produced endless absurdities in Afghanistan, including collapsing schools, impassable roads, failed electrification projects, and a nonexistent health clinic.

In his televised address on March 11, Biden promised, “I’m using every power I have as the president of the United States to put us on a war footing.” But who was Biden going to war against?

Alas, Americans’ rights and liberties could be in the cross-hairs of the latest attempt by the U.S. government to buy submission. Shortly after the United States invaded Iraq in 2003, pallets stacked high with newly printed \$100 bills were flown into Baghdad. U.S. military officers handed bundles of cash to local residents to buy influence and un-

dermine resistance to the U.S. occupation. The “Money as a Weapon System” (MAAWS) program scattered \$10 billion with little or no oversight. The handouts were valuable for “demonstrating positive intent or goodwill” and helped “gain access or influence,” according to a 2012 Pentagon analysis. Such payments came in especially handy after U.S. troops inadvertently killed children or sheep. MAAWS subsidized Bush administration boasting about Iraq and, later on, Obama administration boasting about Afghanistan.

Can politicians convert the big checks they send voters into a blank check for additional power?

Presidents and members of Congress are not formally carrying out a counterinsurgency campaign against the American people. But politicians of both parties have long relied on MAAWS to buy votes or buttress their power. Last year, Donald Trump made sure that the federal COVID checks Americans received had his signature. Democrats took control of the U.S. Senate, thanks to Biden’s promise that voters would receive \$2,000 federal checks if Democrats won the January runoff elections in Georgia.

Can politicians convert the big checks they send voters into a blank check for additional power for themselves? Biden recently told congressional Democrats that “Americans are in lockstep on each major element” of his rescue act. Concerned observers are still waiting for Biden to reveal where he will order Americans to march.

Disruptions

As the feds launched the deluge of new handouts, Biden declared, “We have to continue to build confidence in the American people that their government can function for them and deliver.” But neither Biden nor other Democratic politicians nor their media allies will admit that the COVID “relief” payments are a response to the horrendous damage previously inflicted by politicians.

Heavy-handed government decrees were more effective at wrecking lives than at vanquishing a virus.

After the COVID-19 pandemic began, politicians tightened tourniquets that were supposed to vanquish the virus by cutting off the economy’s blood supply. Governors in state after state effectively placed hundreds of millions of citizens un-

der house arrest — dictates that former Attorney General Bill Barr aptly compared to “the greatest intrusion on civil liberties” since the end of slavery. New York’s governor, Andrew Cuomo, set the standard when he effectively declared that he was entitled to inflict any burden on his state’s residents to “save just one life.”

But heavy-handed government decrees were more effective at wrecking lives than at vanquishing a virus. More than 10 million jobs were destroyed. Almost 40 percent of households earning less than \$40,000 per year have someone who lost his job in recent months, according to the Federal Reserve. Prohibiting people from living normal lives resulted in surging rates of suicide, drug abuse, and depression. The Disaster Distress Helpline, a federal crisis hotline, received almost 900 percent more phone calls compared with the prior year. A California health organization recently estimated that 75,000 Americans could die from “despair” as a result of the pandemic, unemployment, and government restrictions. Maybe the shutdown champions will solve that problem by making antidepressants mandatory for all citizens?

One of the greatest continuing disruptions of the pandemic is the

continued shutdown of government schools. During his presidential campaign, Biden promised to deluge schools with enough federal aid that they could reopen safely within 100 days. That 100 days came and went, and many of the nation's largest school systems remain padlocked despite evidence that they could safely reopen. Teachers' unions feel that their members are entitled to full pay and zero risk, and the Biden administration is kowtowing to one of its largest political supporters. While many parents who depended on government schools are seeing their kids fall far behind academically, many private schools have reopened with little or no problem. The exodus from government schools is one of the bright spots from the pandemic.

Addicting citizens to government handouts could be the easiest way to breed mass docility.

Addicting citizens to government handouts could be the easiest way to breed mass docility and enable politicians to stretch their power. The bigger the government becomes, the more votes it can buy. At some point, soaring government spending and the taxation to finance handouts becomes a Damocles

sword over the entire political system. As economist Warren Nutter warned, "The more that government takes, the less likely that democracy will survive."

Politicians cannot undermine self-reliance without subverting self-government. Thomas Jefferson warned, "Dependence ... prepares fit tools for the designs of [political] ambition." Plutarch observed of the dying days of the Roman Republic: "The people were at that time extremely corrupted by the gifts of those who sought office, and most made a constant trade of selling their voices." Montesquieu wrote: "It is impossible to make great largesses to the people without great extortion: and to compass this, the state must be subverted. The greater the advantages they seem to derive from their liberty [of voting], the nearer they approach towards the critical moment of losing it." As economist Friedrich Hayek noted, "The conception that government should be guided by majority opinion makes sense only if that opinion is independent of government."

Anything that encourages people to view politicians as saviors imperils freedom. The more people there are who depend on Washington, the more difficult it becomes to leash politicians. But the profusion

of handouts will enable politicians to yank in the reins on average citizens. The Supreme Court ruled in 1942, “It is hardly lack of due process for the government to regulate that which it subsidizes.” Government controls have followed a short step behind the subsidies; as a result, more and more activities in our society and economy are now dependent on political approval. Subsidies inherently represent a transfer of sovereignty and power from private citizens to politicians and bureaucrats.

Biden may be confident that deluging Americans with government checks can put the federal government back on a pedestal. But as a top U.S. government official lamented regarding Afghanistan, “We had no legitimacy if we weren’t flooding the area with cash.” At some point, the federal government’s ability to carpet bomb citi-

zens with free money will fizzle out. In the meantime, the biggest mistake Americans could make is to permit politicians to absolve themselves by giving away more of other people’s money.

James Bovard is a policy advisor to The Future of Freedom Foundation and is the author of the ebook Freedom Frauds: Hard Lessons in American Liberty, published by FFF, Public Policy Hooligan, Attention Deficit Democracy, and eight other books.

NEXT MONTH:
“Healthcare Whack-A-Mole”
by Jacob G. Hornberger
“Ambrose Bierce’s
Pro-Freedom Cynicism”
by James Bovard

The Seven Deadly Sins of Government

by Laurence M. Vance



What do King Solomon, Pope Gregory I (Gregory the Great), Dante Alighieri, and Mohandas Gandhi have to do with modern governments? Nothing, really, except that their emphasis on seven deadly evils provides us with the perfect pattern to categorize the deadly sins of government.

“These six things doth the LORD hate: yea, seven are an abomination unto him,” said King Solomon in the Proverbs: “A proud look, a lying tongue, and hands that shed innocent blood, an heart that deviseth wicked imaginations, feet that be swift in running to mischief, a false witness that speaketh lies, and he that soweth discord among brethren” (Proverbs 6:16-19).

Pope Gregory I (540–604) took a list of eight sins from the writings of St. John Cassian (360–435) and condensed and arranged them into what has become known as the seven deadly sins: pride, greed, lust, envy, gluttony, wrath, and sloth.

Dante Alighieri (1265–1321), in his great Italian literary work, the *Divine Comedy*, popularized the seven deadly sins in the second part of his work titled simply *Purgatory*. After his tour of Hell, Dante was taken to an island wherein was a mountain with seven terraces corresponding to the seven deadly sins.

Mohandas Gandhi (1869–1948), the Indian advocate for non-violence and resistance to British colonial rule, said that there were seven things that will destroy us: Wealth Without Work, Pleasure Without Conscience, Knowledge Without Character, Commerce Without Morality, Science Without Humanity, Religion Without Sacrifice, and Politics Without Principle.

Killing, stealing, coercing, violating personal liberty and property rights, and committing all manner of sins is bad enough when individuals do it, but with the resources and power that government has, the effects of those things are greatly magnified, to the detriment of those who don't obey. Since I can't im-

prove on this statement of economist Richard Ebeling on government, I won't even try: "There has been no greater threat to life, liberty, and property 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."

**In the twentieth century,
governments mastered the art of
efficient mass killing.**

What follows, then — with apologies to Solomon, Gregory, Dante, and Gandhi — are the seven deadly sins of government.

Wage war

If there is one thing that governments do, it is wage war. This has been true throughout history: the Persian Wars, the Punic Wars, the Gallic Wars, the Hundred Years' War, the Thirty Years' War, the Seven Years' War, the War of the Spanish Succession, the Napoleonic Wars, the French conquest of Algeria, the Crimean War, the Sino-Japanese War, the Balkan Wars, the Mexican War, the Spanish-American War, World War I, World War II, the Korean War, the Vietnam War, the

First Gulf War, the War in Iraq, the War in Afghanistan, and numerous civil wars, revolutions, rebellions, conflicts, insurgencies, and wars of independence.

Writing in 1968, the historian and philosopher Will Durant, (1885–1981), in his book *The Lessons of History*, remarked that "in the last 3,421 years of recorded history only 268 have seen no war." But the bloodiest century was not somewhere in the distant past between groups of ignorant barbarians blindly following their kings engaged in territorial squabbles. The bloodiest century was the twentieth century. In the twentieth century, governments mastered the art of efficient mass killing. In World War I, during the Battle of the Somme, British casualties numbered more than 57,000 *on the first day*. During the Battle of Verdun throughout 1916, more than 430,000 Germans were killed or wounded and approximately 550,000 French. In World War II — the "good war" — more than 60 million people were killed, give or take a few million, and a majority of them were civilians.

The U.S. government is no different from any other government in history. The United States has never gone a decade without war,

and the only time it went five years without war was during the Great Depression. Most of the military operations launched since World War II have been launched by the United States. American military spending dwarfs the rest of the world put together.

Confiscate wealth

Although all taxation is government theft, the income tax is particularly onerous. As Old Right stalwart Frank Chodorov explained in his classic book, *The Income Tax: Root of All Evil* (1954), the income tax means that the state says to its citizens,

Your earnings are not exclusively your own; we have a claim on them, and our claim precedes yours; we will allow you to keep some of it, because we recognize your need, not your right; but whatever we grant you for yourself is for us to decide.

The amount of your earnings that you may retain for yourself is determined by the needs of government, and you have nothing to say about it.

And because of our Marxist progressive tax code, some Americans

have an income tax rate as high as 37 percent.

Although all taxation is government theft, the income tax is particularly onerous.

But Americans are actually quadruple-taxed. In addition to paying income taxes, everyone who works pays a Social Security tax of 6.2 percent on the first \$142,800 of income — the same income on which he already pays federal income tax. And if he makes too much money, 85 percent of his Social Security benefits can be taxed. Then there is the 1.45 percent Medicare tax that all workers pay on every dollar of income — the same income on which they already pay federal income tax and Social Security tax. And there is an additional Medicare tax of .9 percent that applies to income exceeding \$200,000 (\$250,000 for married filing jointly). And finally, there is a tax on earned income in all but eleven states — the same income on which is paid federal income tax, Social Security tax, and Medicare tax.

Tax Freedom Day is the day calculated by the Tax Foundation “when the nation as a whole has earned enough money to pay its to-

tal tax bill for the year.” That day does not generally come until 100 days into the year or later. In 2019, Americans paid “\$3.4 trillion in federal taxes and \$1.8 trillion in state and local taxes, for a total bill of over \$5.2 trillion, or 29 percent of the nation’s income.” Americans collectively spent “more on taxes in 2019” than “on food, clothing, and housing combined.”

Redistribute income

According to the late economist Walter Williams of George Mason University, “Tragically, two-thirds to three-quarters of the federal budget can be described as Congress taking the rightful earnings of one American to give to another American — using one American to serve another. Such acts include farm subsidies, business bailouts, Social Security, Medicare, Medicaid, food stamps, welfare, and many other programs.”

**Americans collectively spent
“more on taxes in 2019” than
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combined.”**

Americans often refer to European countries as socialistic or welfare states — and they are — but the United States is not far behind. The

U.S. government has about 80 means-tested welfare programs that provide cash, food, subsidies, and a variety of social services to poor, disabled, and lower-income Americans on the basis of the beneficiary’s income or assets.

The Temporary Assistance to Needy Families (TANF) program pays cash directly to welfare recipients to spend as they please. States receive block grants from the federal government to design and operate TANF programs. The Supplemental Security Income (SSI) program gives cash assistance to people who are disabled, aged, or both, and who have low income and few assets. Refundable tax credits give some people refunds of money that they never paid in. The majority of American poor families with children receive some form of cash assistance from the government.

The most common welfare program is the Supplemental Nutrition Assistance Program (SNAP), which used to be known as food stamps. Recipients of food-stamp benefits receive a deposit on an EBT card each month that can be used only for prepackaged food items. About 13 percent of the population are on food stamps. Other means-tested welfare programs include the Low Income Home Energy Assistance

Program (LIHEAP); the Children's Health Insurance Program (CHIP); Women, Infants, and Children (WIC); Head Start; Healthy Start; the National School Lunch Program (NSLP); the School Breakfast Program (SBP); subsidized low-income phone service; and federal rental assistance through the Section 8 Housing Choice Voucher program.

Some welfare programs aren't means-tested at all, such as Unemployment Compensation, which provides benefits to those who become unemployed through no fault of their own who meet certain eligibility requirements. Other welfare programs are not generally recognized as such — such as Medicare and Social Security — because they are said to be funded by payroll taxes.

Monopolize education

In his book *The Problem with Socialism* (2016), economist Thomas J. DiLorenzo begins his chapter on education thus:

Imagine that the grocery industry was organized in the following way: every residence is assigned by the government to the nearest neighborhood grocery store where it must

purchase its groceries. There are heavy penalties for anyone caught shopping at an alternative grocery store. All groceries are paid for with an annual lump-sum tax collected by the local government. Anyone can then walk into her assigned grocery store and pick up whatever she wants, and local governments boast about their “free public groceries.”

Other welfare programs are not generally recognized as such — such as Medicare and Social Security.

He continues his analogy:

It is possible to shop elsewhere, but one must then pay twice — once with the grocery tax, and then a second time by paying cash for the alternative groceries.

All employees of the grocery store are paid the same according to whichever seniority group they belong to.

It is almost impossible to fire a grocery store employee for any reason except criminality.

Grocery store employees who are grossly incompetent

and negligent are routinely promoted.

If the grocery stores are so badly run that food rots on the shelves and their spending exceeds their budgets, or if the grocery workers go on strike, the grocery tax is simply increased.

This is exactly the nature of the public school system in the United States (and most of the world) that is operated, controlled, and funded by government.

Compulsory-attendance laws ensure that students fill the classrooms.

Compulsory-attendance laws ensure that students fill the classrooms to be indoctrinated with the latest government propaganda. School-district taxes ensure that only those with the financial means to pay for private education on top of public education are able to bypass the system. The ubiquity of public schools with their extracurricular activities ensures that parents take the easy way out and leave the responsibility of educating their children to the state — even though they take responsibility for their children’s medical care, clothing,

food and drink, housing, religious training, transportation, and recreation. Federal grants, loans, and accreditation ensure that higher education is controlled by the federal government, even at private colleges and universities.

Criminalize vice

The 19th-century classical-liberal political philosopher Lysander Spooner, (1808–1887), in his classic essay, “Vices Are Not Crimes: A Vindication of Moral Liberty” (1875), eloquently contrasted vice and crime:

Vices are those acts by which a man harms himself or his property.

Crimes are those acts by which one man harms the person or property of another.

Vices are simply the errors which a man makes in his search after his own happiness. Unlike crimes, they imply no malice toward others, and no interference with their persons or property...

Unless this clear distinction between vices and crimes be made and recognized by the laws, there can be on earth no such thing as individual right, liberty, or property; no

such things as the right of one man to the control of his own person and property, and the corresponding and coequal rights of another man to the control of his own person and property.

Yet governments throughout history and the world over have regularly punished people for engaging in entirely peaceful, private, voluntary, and consensual activities that do not harm nonparticipants or aggress against the person or property of others. Taking illegal drugs, prostituting one's body, and gambling away one's money are the top three things that come to mind, but it goes much deeper than that.

Governments have decided which dangerous, unjust, and unethical actions should be made illegal.

Governments have invented nebulous crimes against nature, decency, society, humanity, civilization, religion, the greater good, the public interest, and the state. Governments have criminalized having bad habits, performing immoral actions, exercising poor judgment, partaking of unhealthy substances, acting irresponsibly, engaging

in risky behavior, participating in dangerous activities, committing sin, harming oneself, practicing addictive conduct, and doing something financially ruinous. And governments have arbitrarily decided which dangerous, unjust, immoral, and unethical actions should be made illegal.

Control prices

Prices are independent of labor, expenses, cost, value, and risk. As economist Donald Boudreaux of George Mason University has explained, prices “(1) reflect underlying realities and, in doing so, (2) inform producers and consumers about how best to coordinate their actions with each other, and (3) give incentives to countless producers and consumers to adjust their actions to each other in coordinating ways.” Although philosophers and theologians in medieval times debated the concept of the just price, governments have always — in the name of serving the public interest, protecting consumers, fighting income inequality, “leveling the playing field,” defending the economically disadvantaged, helping the poor, trying to keep people out of poverty, and preventing people from being taken advantage of — forcibly intervened in the free mar-

ket to prevent prices from being not just too high, excessive, unconscionable, exorbitant, or prohibitive, but too low, unfair, unjust, or unreasonable.

U.S. federal and state governments are no exception.

Sugar price floors are a sweet deal for U.S. sugar growers and processors, but they keep the price of sugar for food producers and consumers artificially high. Predatory-pricing laws make it illegal to set one's prices too low in order to eliminate competition and monopolize the market — the goal of every business. The most prevalent form of price floors is minimum-wage laws.

**There is no area of
American life that government
does not regulate.**

Rent-control laws function as price ceilings. Even though they reduce the quality and quantity of rental units, governments either totally or partially freeze rents or regulate or limit rent increases. Other price ceilings set by government include price-gouging laws, ticket-scalping laws, and usury laws. Price-gouging laws are based on the idea that there is a just price for every good and service, and even more so during bad weather or

some government-declared state of emergency. They criminalize merely charging market prices for goods that are in high demand and short supply. Ticket-scalping laws make it illegal to sell tickets on the secondary market for more than their face value. They prevent middlemen and entrepreneurs from performing a valuable service. Instead of allowing a willing lender and a willing borrower to freely agree on the interest rate of a loan, usury laws protect people who are credit risks from “predatory lenders” who charge what the government sees as too high an interest rate.

Regulate everything

There is no area of American life that government does not regulate. The federal government reads our email, listens to our phone conversations, tracks our bank deposits and withdrawals, limits the size of toothpaste tubes on airplanes to 3.4 ounces, regulates the size of the holes in our Swiss cheese, and limits the amount of water that is allowed to flow through shower heads and that toilets are allowed to flush. As Charlotte Twilight wrote almost twenty years ago in *Dependent on D.C.: The Rise of Federal Control over the Lives of Ordinary Americans*,

Growing federal power — driven by legislation, validated by Supreme Court decisions, and accelerated by presidential ambition — has eroded the rule of law in our nation, leaving almost no activity that the central government cannot at its discretion, regulate, manipulate, or prohibit. A constitutional counterrevolution has occurred in America — one so profound that few today can imagine Americans free of dependence on government.

And this was all before the “pandemic.”

Most Americans don't realize that a myriad of draconian regulations have existed for many years.

Americans in many states are still burdened with draconian regulations regarding mask wearing, “social distancing,” and capacity limitations stemming from the “pandemic” from governments at all levels. But what most Americans don't realize is that a myriad of draconian regulations have existed for many years in “the land of the free.”

Because of occupational licens-

ing, some Americans must get permission from the government to open a business, engage in commerce, work in certain occupations, have a particular vocation, or provide a service to willing customers. Manufacturers must comply with labeling laws on everything from mattresses to stuffed animals. Most employers with at least 15 employees must comply with anti-discrimination laws enforced by the Equal Employment Opportunity Commission (EEOC) that forbid employers from discriminating in hiring, firing, or giving promotions on the basis of race, religion, age, sex, national origin, disability, sexual orientation, or gender identity. Public-accommodations laws, even though they infringe on property rights, freedom of association, and freedom of contract, mandate that businesses serve anyone and everyone.

Businesses must also comply with environmental regulations, safety regulations, antitrust regulations, advertising regulations, licensing, and permits. The Obama-care employer mandate dictates that all employers with 50 full-time or full-time-equivalent employees or more must offer them “affordable” health insurance that provides “minimum value” or pay an annual tax penalty of \$2,000 per employee.

Conclusion

So then, if government shouldn't wage war, confiscate wealth, redistribute income, monopolize education, criminalize vice, control prices, and regulate everything, then what should it do? The answer is: as little as possible.

In a free society, the functions of government — in whatever form it might exist — would be strictly limited to prosecuting those who initiate violence against, commit fraud against, or violate the personal or property rights of others and exacting restitution from them. As libertarian theorist Doug Casey has explained,

Since government is institutionalized coercion — a very dangerous thing — it should do nothing but protect people in its bailiwick from physical coercion. What does that imply? It implies a police force to protect you from coercion within its boundaries, an army to protect you from coercion

from outsiders, and a court system to allow you to adjudicate disputes without resorting to coercion.

In a free society, the government simply leaves those alone who don't threaten force or initiate violence against the person or property of others.

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NEXT MONTH:
**“Should There Be
Equal Pay for Equal Work?”**
by Laurence M. Vance

Edwin Cannan: An Economist Who Protested against Big Government

.....
by *Richard M. Ebeling*



One hundred years ago, the countries of Europe were trying to recover from the consequences of the First World War. It was not only the cost in human life (estimated to be more than 20 million people) and the military expenditures of nearly \$5 trillion in today's dollars. It was the political and ideological legacies of the war, as well.

The relatively classical liberal institutions that had generally prevailed in many of the Western nations before the war had been weakened by the wave of wartime controls and central planning introduced by the belligerent governments. Socialists were calling for the end to capitalism and its perma-

nent replacement with government peacetime central planning. Others called for a new “social liberalism” of extensive and intrusive government interventions and welfare state redistributions.

Few were the voices still emphasizing the importance of a free-market order and the value of personal liberty from overbearing government. One of those voices was the British economist Edwin Cannan (1861–1935), who taught at the London School of Economics from 1895 to 1926 and continued to lecture and publish until his death in the mid 1930s. He influenced an entire new generation of British economists to be critical of any unreflective advocacy of socialism, nationalism, and interventionism. While not an advocate of *laissez faire*, he strongly emphasized the importance and superiority of the competitive free market, and he drew attention to the power of markets to bring about a global system of peace and prosperity.

A master of the history of economic ideas

Cannan was a master of the history of economic thought. His two major works, *A History of the Theories of Production and Distribution in English Political Economy from*

1776 to 1848 and *A Review of Economic Theory*, have long been considered penetrating critical studies of the “classical” labor theory of value and its implications, from Adam Smith through John Stuart Mill. His 1904 edition of Adam Smith’s *Wealth of Nations*, with detailed annotated footnotes and references, has long been considered to be an outstanding version of that work for the interested and scholarly reader. It is still widely used today.

**The proper role of the economist
is to tell the truth about how
markets work.**

Most of Cannan’s analysis of the classical economists in those works focused on questions of “pure theory” concerning the value and role of labor, land, and capital in the economy. He insisted that whatever may be the shortcomings in their writings, the classical economists offered a penetrating analysis of the dynamic and competitive workings of the market system that served well in the nineteenth century. They helped to bring about invaluable political changes with the end to many domestic government interventions and the victory of the free-trade movement in place of the

long-prevailing forms of trade protectionism.

If politicians often criticized the classical economists and some of those who came after them for not showing how government controls and regulations could be practicable and effective, Cannan insisted that: “The truth is in reality that the economist refuses to take a side when both sides are wrong, and declines to say Yes or No to a question when both the affirmative and the negative answer would make him admit what he knows to be untrue.” In other words, the proper role of the economist is to tell the truth about how markets work and not to serve as rationalizer and apologist for the purposes of those in political power.

Teaching the “miracle” of the market

What stands out in Edwin Cannan’s writings is a simplicity and clarity in explaining the “miracle” of the market in a world-encompassing division of labor that connects multitudes of people for mutual improvement and peaceful cultural gains. His style, therefore, makes his volume, *Wealth*, for instance, an entertaining pleasure to read as he takes the reader through the various facets of the working and elements of the market order.

While he did not presume to assign to the state only a minimalist place in society, he emphasized the power and productivity of free and creative initiative and incentive that comes only when people have a wide latitude of economic liberty.

The case for free markets should be judged on its own logical and historical grounds.

He warned against some of those who called for laissez faire, not because the case for free markets did not have a reasonable rationale, but because too often, “To the practical men, the precept ‘Laissez-faire,’ never really meant ‘Leave everything alone’ ... but simply ‘Leave alone certain things which I think ought to be left alone.’” That is, some said, let’s have economic liberty when I want it, and some government intervention when I’ll benefit from it. The case for free markets should not be judged by the inconsistencies and hypocrisies of some, but it should be judged on its own logical and historical grounds.

Protesting against planning and inflation

Cannan was also an early contributor to applying the logic of marginal analysis to the theory of

money in his books — *Money: Its Connection to Rising and Falling Prices and Modern Currency and the Regulation of Its Value* — and especially in his article, “The Application of the Theoretical Apparatus of Supply and Demand to Units of Currency” in the *Economic Journal*.

He was scathing in his criticisms of the British government in going off the gold standard during the First World War. Rather than telling people the truth about what the actual financial cost was to fund the war by simply taxing the citizenry the full amount needed for military expenditures, it was so much easier to resort to the monetary printing press.

To issue more paper currency is an easier expedient for securing increased spending power than borrowing and very much quicker than taxation.... But no less important, it is supposed that if money incomes increase, the people will be less discontented with a diminished amount of material well-being which seems to them to come from high prices, than they would be with that diminished amount of material well-being if it seemed to come from diminu-

tion of spendable money income.

Cannan considered it his duty to challenge the growing collectivist delusions creeping into the public mind.

Indeed, throughout the war years of 1914 to 1918, Cannan wrote articles, delivered talks, and submitted letters to the editor deploring government planning of production, controls over prices and wages, restrictions on personal freedom, and budget deficits covered by what he once referred to as a “diarrhea” of British pound notes created by the Bank of England to finance war expenditures and the resulting price inflation. Many of his writings from this period were collected in a volume titled *An Economist’s Protest*. In the preface, he said, “What should I answer if anyone had the impertinence to ask me, ‘What did you do in the Great War?’ ... The best answer I can think of is ‘I protested’.... The greater part of my effort was directed to combating some extraordinary delusions which took possession of the minds of the people and their governors.”

Cannan also had a biting wit, as was shown in a 1925 review that he

wrote of *The State Theory of Money*, by the German professor George Knapp. In it he amusingly hammers away at the ignorance, errors, and logical absurdities of the author in thinking that anything a government declares to be money will be passively accepted by the citizens and that regardless of the quantity of such a paper money created by that government, the political authority may arbitrarily set its value at any level and market buyers and sellers will just accept and use it on that basis. Or as Cannan says, “This book may fairly claim to be the most obsolete work ever published by a scientific association during the lifetime of its author.”

Emphasizing the prosperity and peace from the free market

Before the war, Cannan had already considered it his duty as an economist and a citizen of a free country to challenge the growing collectivist delusions creeping into the public mind. One of my favorites of his many works is a collection of essays published in 1912, *The Economic Outlook*. In a presidential address delivered before the British Association in 1902 entitled “The Practical Utility of Economic Science,” Cannan said that the first and most important lesson a pro-

fessor can give “is to try to open the eyes of his pupils to the wonderful way in which people of the whole civilized world now cooperate in the production of wealth.”

He will ask them to consider the daily feeding of London. There are, he will point out, six millions of people in and about London, so closely packed together that they cannot grow anything for their own consumption, and yet every morning their food arrives with un-failing regularity, so that all but an infinitesimal fraction of them would be extremely surprised if they did not find their breakfast ready to hand.

Government interventions wastefully misdirect the use of scarce resources.

All of this comes about through the incentives and opportunities of free-market exchange in a system of division of labor that covers the world, with each participant guided by his own self-interest and the hope of personal gain in this global arena of voluntary association. Or as he expressed it in another place, “Modern civilization, nearly all civilization, is based on the principle

of making things pleasant for those who please the market and unpleasant for those who fail to do so, and whatever defects this principle may have, it is better than none.”

Among the benefits from a knowledge of economics, Cannan stated, is that the unfettered market creates the profit opportunities and incentives to produce those things wanted more urgently by the consumers and to offer them for sale. Government subsidies and other types of interventions, on the other hand, only wastefully misdirect the use of the scarce resources on which all of our well-being is dependent.

Likewise, an understanding of the basic principles and insights of economics “has great practical utility in promoting peace and goodwill between classes and nations.” How very important it is to appreciate that all of humanity benefits from the peaceful processes of specialization and division of labor, so all may benefit from the productive possibilities of their fellow human beings through the processes of market exchange. “What jealousies, heart-burnings, and unfounded terrors leading to hatred would be extinguished if only these elementary facts were generally understood,” he said.

Socialism and nationalism reduce wealth and create conflict.

Another essay in the same volume is “The Incompatibility of Socialism and Nationalism.” The idea here was to bring out the fact that socialists talked about betterment for all humanity, but the world is divided up into nation-states. In a global free-market order, economic cosmopolitanism prevails, in that human association and production and exchange are private matters of the citizens of the world. Political borders do not prevent a global cooperative integration of the economic activities of everyone anywhere in the world.

Socialism within nation-states means national central planning.

But socialism within nation-states means national central planning. Each socialist government would claim control and use over the resources and labor force under its own political jurisdiction. The only goods and resources allowed to be traded between national socialist regimes would be those that the respective national central planners were willing to part with or accept as part of their respective central plans. The worldwide gains from international specialization

and trade that are taken for granted under private enterprise in a global free market would be lost, since the only allowed transactions would be those agreed to by the socialist governments of each country.

That would also mean that if the government of one socialist nation wanted and could not get the resources or finished goods that were available in a different socialist country, the only recourse would be to go to war or permanently be less well off than wanted by the authorities in the frustrated centrally planned nation. Thus, looking over mankind as a whole, a world of national socialist regimes would mean either accepting reduced standards of living or constantly facing the threat of international conflicts leading to warfare, with one socialist state trying to gain the collectivized property of another socialist country.

Explaining economic complexity in understandable terms

The great power of economic ideas in clarifying the nature, logic, and working of the market order within which we all live and benefit can get lost within the economics profession. Cannan lamented, with an overdevelopment and excessive reliance on narrow technical tools

of economic analysis that obscure the real-world application of economic reasoning, in his presidential address before the Royal Economic Society, “The Need for Simpler Economics,” published in the *Economic Journal*.

Common-sense truths of economics “are not expressed in plain language understood by the people.”

He said that too often the simple and common-sense truths of economics “are not expressed in plain language understood by the people,” but, instead, they “have been treated as a classroom plaything to be illustrated by lines and curves on a blackboard, which like the stone and wooden idols of the more degraded religions, come to be revered for themselves rather than for the things they were originally intended only to represent.”

Cannan bemoaned the economic stupidity of too many in society who considered the exporting of goods a good thing in protecting domestic employments, while considering imports a bad thing that benefits only the foreign sellers. Here, too, a clear and convincing presentation of basic economic truths needed to be offered:

What is required is a much more simple, vigorous, and convincing exposition of the fact that employment is only a means to the attainment of an end, which is the acquisition of goods and services, and that we trade with foreigners, as we trade with those whom we serve and those who serve us at home, not to give ourselves employment, but in order to get the things and services we want more easily — cheaper, if you like — than if we produced them for ourselves.

Why members of the voting public failed to fully understand such basic economic truths rested not only on the citizens’ “feeble mind, but in large measure on the unnecessarily complicated expositions offered by the economists.” They should not shun developing ways of making such things clear and intelligible by, instead, trying “to find peace and contentment in neat equations and elegant equilibria.”

Say’s law and free markets for full employment

Cannan was a strong and articulate defender of Say’s law of mar-

kets, and that if idle resources and unemployed workers widely exist in society it is not because of a deficiency in “aggregate demand,” but because of wrong (or disequilibrium) pricing of goods and factors of production. His analysis of the problem of economy-wide unemployment is found in his 1932 presidential address, “The Demand for Labor,” before the Royal Economic Society, published in the *Economic Journal*, and reprinted in his collection of essays *Economic Scars* under the changed title of “Not Enough Work for All.” He proves it is never the case for labor and other factors of production to be unemployed when they are rightly priced in the market.

There is always work to be done, since the wants and desires of human beings are never completely fulfilled, since the achievement of some goals soon sets men’s mind moving in new directions, and shifting any point of satiation further out to new points of a never-reachable horizon of human well-being.

If we start with Robinson Crusoe alone on his island, it is clear that his labor, time, and efforts are never redundant, with plenty of work to still attend to, if not in one direction than in another to satisfy his own wants. It is no different

when Friday comes along on his island. Crusoe may now be able to get some things from Friday that he cannot produce at all for himself or not as cheaply in terms of his own labor, time, and resource use as he can get them from his new companion. By devoting more of his own efforts to make things he can do better or less expensively than Friday, he can offer them in trade.

**The wants and desires
of human beings are never
completely fulfilled.**

The same applies within the greater complexity of a modern, money-using economy, in which many people offer their labor services to employers who pay them salaries for work that the entrepreneur directs into lines of production he believes will result in the manufacture of products that can be profitably sold to consumers. If demands shift or supplies change, some workers may have to change what they do, and where they do it, and possibly at a lower wage than they previously earned. But if the needed adjustments are made in terms of work and wages, everyone wanting employment may successfully find it with no idle hands left unemployed.

Cannan delivered this address during the depth of the Great Depression, when it seemed that there were plenty of hands looking for employment but too little demand for all those wanting employment. But even in a situation like that in the early 1930s, Cannan insisted, “General unemployment appears when asking too much is a general phenomenon...” And if employment was to be restored, “Money-wages and salaries should be allowed to be reduced without resistance,” if employers are to once again find it profitable to increase hiring. In other words, a competitive market needed to determine prices and wages to successfully restore full employment.

Cannan also pointed out the perverse effects from unemployment insurance.

Cannan also pointed out the perverse effects from unemployment insurance in creating disincentives for the unemployed to search for new and available employments by reducing the cost of being out of work, an argument that he offered in his article “The Post-War Unemployment Problem” in the *Economic Journal*.

Cannan as influential teacher for economic liberalism

Finally, one of his students and later colleagues at the London School of Economics, the monetary theorist Theodore E. Gregory (1890–1970), recalled Cannan, the man and the teacher, in a recollection shortly after Cannan’s death, in his article “Edwin Cannan: A Personal Impression” in *Economica*,

I first heard Edwin Cannan lecture in the Autumn term of 1910.... Cannan was then already nearly fifty.... My main recollection, since I have lost what must have been exceedingly bad notes, is that of a small stocky man with a black beard, a habit of propping up a leg upon the large chair which stood upon the platform, a very difficult delivery and a habit of looking over our heads into a distant corner of the room, so that much of what he said was altogether missed by us, in both senses of the word....

However that may be, by the end of the two years we were all — specialists and non-specialists alike — sworn disciples.... I doubt if any teacher of the last few decades

has performed a greater service than did Cannan in all the years that he was at the [London] School [of Economics] in “debunking” vague language and vaguer ideas by his use of the Socratic method. The question was put without the slightest arrogance of voice or manner: we felt we were being “put through it” because we were young and ignorant: indeed, I doubt whether any great scholar has ever shown himself more willing and eager to encourage the slightest sign of originality on the part of his students.

Austrian economist Friedrich A. Hayek once praised Cannan’s writings in his article “The Transmission of the Ideals of Economic Freedom,” because of their pointed “simplicity, clarity and sound common sense [which] make them models for the treatment of economic problems, and even some that were written before 1914 are still astonishingly topical.” Because of his writings and his influence on that generation of British econo-

mists at the London School of Economics, he helped to create an “important center of the new [classical] liberalism” in the English-speaking world.

That is what makes reading and learning from an economic “protester” such as Edwin Cannan as relevant and useful today in the cause of economic liberty as when he first wrote his books and articles, and influenced that earlier generation.

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NEXT MONTH:
**“Modern Collectivist Trends
and How to Resist It”**
by Richard M. Ebeling

Frank Chodorov's Peaceful, Persistent Revolution, Part I

by Wendy McElroy



It is easy to imagine the libertarian icon Murray Rothbard (1926–1995) modeling himself on his mentor, the Old Right icon Frank A. Chodorov (1887–1966), in the same manner as Chodorov undoubtedly looked to his mentor, Albert Jay Nock (1870–1945). As a young grad student Rothbard stumbled across Chodorov's pamphlet *Taxation Is Robbery*. His reaction: "I shall never forget the profound thrill — a thrill of intellectual liberation — that ran through me." As a voice of the Old Right, Chodorov advocated the free market, individual rights, free trade, isolationism, and a perpetual skepticism toward the state. He and Rothbard were a perfect fit.

In a 1967 tribute to the recently deceased Chodorov, Rothbard de-

scribed their subsequent meeting at a cocktail party where the intelligentsia of the American right wing engaged in "windy rhetoric" about the free market. Meanwhile, "on the back stairs they dicker[ed] with the brokers of Big Government for an increase in their subsidies and privileges." Chodorov "stood out like a blaze of radiant light." He was "the only person alive ... amidst the whole gaggle of one-dimensional and identical men around him. There he stood, his tie askew, his balding head disheveled, the ashes from his beloved pipe flying all around, his intelligent and merry eyes twinkling as he scored some outrageous, logical, and beautifully penetrating point to some clod who couldn't tell the difference between the host of cardboard 'individualists' and this one genuine article."

Sans the pipe, that could describe Rothbard and his intellectual blaze of light. Through a fusion of Austrian economics, Old Right foreign policy, the radicalism of 19th-century individualist anarchism, and natural-law theory, Rothbard forged a path to modern libertarianism in the 1960s. In this achievement, few influences were as important as Chodorov.

Who was he? Fishel Chodorowski was born to Russian Jewish

immigrants in the Lower West Side of New York City. As a young man, the anti-statism of anarchism intrigued Chodorov, but he stumbled over the collective mentality of left-anarchism, which was his exposure to the tradition. He gravitated instead toward Georgism — the political philosophy of Henry George — to which Nock also adhered. George is sometimes viewed as a heretic within libertarianism because he advocated a “Single Tax” on land. He believed the mere act of owning or claiming land rendered no productive service and that one man’s claim was as valid as another’s. Otherwise, George was a staunch advocate of traditional capitalism. In adopting the Single Tax position, however, Chodorov argued for enforcement on a municipal level because centralizing it could strengthen the state at the expense of the individual.

Chodorov’s many articles eloquently argued against war and the resulting statism.

In 1937, at the age of 50, Chodorov became the director of the Henry George School of Social Science. In the same year, he and Nock revived Nock’s then-defunct 1920s periodical, *The Freeman*, un-

der the school’s aegis. Thus began Chodorov’s remarkable career as a publisher of periodicals and an active contributor to them. His many articles in *The Freeman* eloquently argued against war and the resulting statism that he believed was the greatest threat to freedom and human happiness. Arguably, he became the most effective voice of isolationism.

Chodorov is often remembered for his hardcore advocacy of the free market and his vigorous criticism of Franklin Roosevelt’s “New Deal.” But he should be remembered most for two positions about which he was passionate: his opposition to America’s entry into World War II and his early rejection of Joseph McCarthy’s Red Scare.

Chodorov, anti-war crusader

Every day we must repeat to ourselves as a liturgy, the truth that war is caused by the conditions that bring about poverty; that no war is justified; that no war benefits the people; that war is an instrument whereby the haves increase their hold on the have-nots; that war destroys liberty.

— Frank Chodorov
“When War Comes”

Ralph Raico — a member of Rothbard’s inner circle and a histo-

rian specializing in the two world wars — called Chodorov “the last of the Old Right greats.” Raico was referring specifically to Chodorov’s foreign-policy stance of “isolationism.”

In chapter 11 of his last book — *Out of Step: The Autobiography of an Individualist* (1962) — Chodorov explained the term. “Isolationism has been turned (by our politicians, our bureaucracy, and their henchmen, the professorial idealists) into a bad word.” It had been twisted to mean Americans should ignore the broader world. Quite the opposite was true. “Long before interventionism became a fixed policy of the government, American students went to Europe to complete their education and immigrants introduced their exotic foods to the American table. But these were voluntary adoptions....”

The key word for Chodorov was “voluntary.” Embracing different cultures was part of the American character, and isolationism did not mean America should become provincial. It meant America should not impose its policies or self-interest on other nations, especially not through military force. Nor did America accept such impositions from other nations. This was a moral principle for Chodorov, but it was

also a realization of human nature. “Isolationism is inherent in the human makeup,” he explained. “It is in the nature of the human being to be interested first in himself and secondly in his neighbors.” If one neighbor should not trespass on the property of another or make threats rather than requests, then neither should nations. That was the core of the political isolationism, which Chodorov distinguished from the economic.

Isolationism meant America should not impose its policies or self-interest on other nations.

Economic isolationism made Chodorov distance himself slightly from America First — an isolationist organization that sought to avoid American involvement in World War II. Chodorov wrote, “One flaw in the America First program was a tendency toward protectionism; the anti-involvement became identified with ‘Buy American’ slogans and with high tariffs — that is, with economic, rather than political, isolationism.” Free and unfettered trade, not protectionism, was true economic isolationism.

Interventionism is the mirror image; it occurs whenever one nation uses political interference, tax

money, or military might to secure a political or financial benefit from a second. Interventionism is interference with the domestic affairs of another nation through force or bribery.

**John Quincy Adams declared
“[America] is the champion and
vindicator only of her own.”**

In 1933, the interventionist Roosevelt assumed leadership of a nation with a strong tradition of isolationism. In his 1796 Farewell Address, George Washington had warned that a nation “prompted by ill will and resentment sometimes impels to war the government contrary to the best calculations of policy. The government sometimes ... adopts through passion, what reason would reject; at other times it makes the animosity of the nation subservient to projects of hostility instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty, of nations has been the victim.” Washington believed that official attachments with or animosity toward other nations would lead to foreign-policy blunders and damage freedom. In 1821, Secretary of State John Quincy Adams famously declared, “[America]

goes not abroad, in search of monsters to destroy. She is the well-wisher to the freedom and independence of all. She is the champion and vindicator only of her own.”

Roosevelt also inherited a competing tradition of interventionism, however. He economically intervened immediately on entering the White House by prohibiting the private ownership of gold. And then there was his New Deal for America. This Deal consisted of a series of economic programs, public works, drastic financial reforms, and labor regulations revolving around the three “Rs”: Relief, Reform, and Recovery. It constituted the greatest rise of statism and violation of economic freedom that peacetime America had ever experienced.

Roosevelt also wanted to politically intervene during World War II. America was no stranger to war. From the American Revolution to World War I, it had fought in no fewer than six wars. But World War I (1914–1918) had left many Americans weary of conflict and disillusioned with European politics. After the war ended, an enthusiastic Woodrow Wilson had tried to “sell” the United States on membership in the League of Nations (1920) — the first worldwide intergovernmental

organization. He met such stiff resistance from the American public and isolationists within Congress that the United States did not officially join. Roosevelt's desire for America to enter World War II faced the same obstacles; he was able to enter it only after a direct military attack on American soil — the bombing of Pearl Harbor.

Chodorov spoke out loudly against the economic interventionism of the New Deal and the political interventionism of entering the war. In 1942, he was forced to resign as director of the Henry George School because of his anti-war views. He later admitted to being so distraught that he might have committed suicide if not for the comforting presence of Nock. Instead, Chodorov poured his anti-war passion into a new periodical, *analysis* (sic), a four-page monthly broadsheet of which Chodorov was the

owner, publisher, editor, distributor, and the source of most material. Rothbard considered *analysis* (1944–1951) to be one of the best “little magazines” ever published in America. Certainly, it was the publication of which Chodorov was most proud, calling *analysis* “the most gratifying venture of my life.”

Wendy McElroy is an author for The Future of Freedom Foundation, a fellow of the Independent Institute, and the author of The Reasonable Woman: A Guide to Intellectual Survival (Prometheus Books, 1998).

NEXT MONTH:
“Frank Chodorov's Peaceful,
Persistent Revolution, Part 2”
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