
FUTURE OF FREEDOM

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The state is the great fictitious entity by which everyone seeks to live at the expense of everyone else.

— *Frédéric Bastiat*

FUTURE OF FREEDOM

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Restore Our Republic

by Jacob G. Hornberger



As predictable as thunder following lightning, former CIA director William Gates recently declared that Russia's invasion of Ukraine and China's increasing assertiveness demonstrate the need for the U.S. government to remain an ever-growing, more powerful national-security state. Gates's declaration appeared in an op-ed in the March 3, 2022, issue of the *Washington Post*. He also pointed to Iran and North Korea as subsidiary threats to U.S. "national security."

Gates has it all wrong. The worst mistake the American people have ever made was permitting their federal government to be converted to a national-security state. That mistake not only contributed to the destruction of the rights and liberties of the American people: It also

plunged our nation into an orgy of death and destruction in foreign countries as well as monetary and fiscal debauchery here at home.

Today, Americans would be best off ridding our nation of its national-security state and restoring our founding governmental system of a limited-government republic. For the first 150 years of our nation's history, the federal government's powers were limited to those enumerated in the Constitution. Thus, Americans lived under a government that lacked the constitutional authority to engage in such dark-side activities as assassination, kidnapping, coups, torture, indefinite detention, mass secret surveillance, invasions, wars of aggression, and undeclared wars.

That all changed after World War II, when U.S. officials decided to convert the federal government to a national-security state, a governmental system in which officials wield omnipotent, dark-side powers, such as the ones listed above. To put things into perspective, national-security states include North Korea, China, Russia, Egypt, and post-World War II United States.

It's important to note that the Constitution was not amended to provide for the monumental transformation to a national-security

state, but the Supreme Court, recognizing the overwhelming power of the military-intelligence establishment, knew that as a practical matter, it could never enforce constitutional restrictions against the Pentagon, the CIA, and the NSA, the three principal components of America's national-security establishment. Thus, practically from the start of the transformation, the Supreme Court simply acquiesced to the new order of things and passively agreed that all of those dark-side activities were fully supported by the Constitution.

The Cold War racket

There is an important characteristic of every national-security state: It needs big official enemies in order to scare the citizenry into supporting not only the existence of the national-security establishment but also the ever-increasing amounts of taxpayer-funded largesse flooding into the military-intelligence establishment.

In the early days of America's national-security state, the big official enemies that were used to scare people were "godless communism" and the Soviet Union, the principal member being Russia — yes, the same Russia that former CIA director Gates is today using as a justifi-

cation for the continued existence of the national-security state and the ever-increasing flood of taxpayer money into the coffers of the U.S. "defense" industry. Later on, Red China was made a scary bugaboo, too, but it never seemed as scary as the Soviet Union.

From the start of the transformation, the Supreme Court simply acquiesced to the new order of things.

The Cold War notion was that there was an international communist conspiracy based in Moscow whose aim was to take over the United States and the rest of the world. Given that this supposed conspiracy involved communist national-security states that wielded omnipotent powers, the argument was that to defeat the conspiracy, it was necessary for the United States to become a national-security state, too, which would enable federal officials to fight back with the same omnipotent, dark-side powers as the communist national-security states.

Thus, the so-called Cold War was born, an era of ever-increasing hostility toward Russia and the rest of the Soviet Union, China, North Korea, North Vietnam, Cuba, and

other communist or socialist nations, including nations that simply chose to remain neutral with respect to the Cold War. The mindset of the U.S. national-security establishment was that in the war against “godless communism,” there was no room for neutrality. A nation was either with us or against it.

The destruction of rights and liberties

Constitutional restrictions on government power were thrown out the window. The idea was that the Constitution was not a suicide pact. Following it meant doom through a communist takeover of the United States. Thus, the Supreme Court declined to enforce the Constitution’s declaration-of-war requirement on the U.S. wars in Korea and Vietnam. It also declined to interfere with the national-security establishment’s initiation of regime-change operations in foreign lands, including through assassination.

As the years passed, the amount of taxpayer-funded money flooding into the coffers of the national-security establishment grew exponentially. The Cold War and America’s burgeoning welfare state were producing an ever-growing orgy of federal spending, debt, and monetary debauchery.

Through it all, there was something important that most Americans failed to notice: The conversion to a national-security state destroyed their rights and liberties as a free people. Given the omnipotent power of a national-security state, including the now-legal powers of assassination, torture, indefinite detention, and mass surveillance against American citizens themselves, there was no way for Americans to legitimately consider themselves a free people. No one who lives in a national-security state, whether it’s Russia, China, North Korea, Egypt, Cuba, or the United States, can legitimately be considered a free people. Freedom necessarily requires a limited-government type of system, the type of system on which our nation was founded and which existed for some 150 years.

The amount of taxpayer-funded money flooding into the coffers of the national-security establishment grew exponentially.

Thus, notice the irony: Throughout the Cold War, the Soviet Union, China, North Korea, North Vietnam, and Cuba never took away any of the rights and liberties of the

American people. Americans lost their rights and liberties to their very own government, a government that scared them to death in what will go down in history as one of the biggest rackets ever — the racket of the Cold War.

JFK's vision for America

A short-lived watershed period came in the early 1960s. President John F. Kennedy had come into office as pretty much a standard Cold Warrior, buying into the notion that America was in grave risk of falling to the Red Menace. By 1962 and 1963, however, Kennedy had achieved a monumental “break-through,” which enabled him to recognize the Cold War for the racket it was. Deciding to take on the national-security establishment, Kennedy effectively declared an end to the Cold War racket and announced that America would henceforth live in peaceful and friendly coexistence with the Russians, the Soviets, the Chinese, and the rest of the communist world.

Needless to say, Kennedy's new vision for America did not sit well with the Pentagon, the CIA, and the NSA. They knew that Kennedy was almost certain to win the 1964 presidential election, which would mean that he would have five years

to implement his vision. They knew that if JFK's vision were to prevail, the justification for a national-security state would cease to exist.

Deciding to take on the national-security establishment, Kennedy effectively declared an end to the Cold War racket.

The war was on. Kennedy had already vowed to rip the CIA to shreds. And by the time the Cuban Missile Crisis was over, he held the entire military establishment in disdain. By the same token, the Pentagon and the CIA loathed JFK because he had, in their minds, displayed cowardice during the CIA's invasion of Cuba at the Bay of Pigs, had surrendered Cuba permanently to the Reds to resolve the Cuban Missile Crisis, and was now committing the cardinal sin of playing nice with Russia and the rest of the Soviet Union.

As I detail in my new book, *An Encounter with Evil: The Abraham Zapruder Story*, JFK's war with the national-security establishment came to an end on November 22, 1963, when the national-security establishment initiated one of its patented regime-change operations in Dallas, one that involved its dark-side power of assassination.

Since the new president, Lyndon Johnson, was on the same Cold War page as the national-security establishment, the racket was back on, with ever-increasing amounts of taxpayer-funded largesse flooding into the coffers of the “defense” industry, especially to fund LBJ’s war against the Reds in Vietnam.

The ostensible end of the Cold War

In the period from 1989 to 1991, the unexpected occurred. The Soviet Union unilaterally declared an end to the Cold War, withdrew its forces from East Germany and Eastern Europe, and dismantled. The U.S. national-security establishment’s Cold War racket was over, or at least it seemed. Russia wanted nothing more than to establish peaceful and friendly relations with the United States.

But the Pentagon, the CIA, and the NSA were not about to give up their omnipotent position with the federal government. They were not about to let Americans have their limited-government republic back.

That’s when they went into the Middle East and began killing, injuring, maiming, and destroying people on a continuous basis, knowing full well that ultimately the victims would retaliate with acts of terrorism. The killing spree be-

gan with the Gulf War, when U.S. officials turned on their old partner and ally, Iraqi dictator Saddam Hussein, and converted him into an official enemy, one that was used to scare the American people for the next ten years, during which U.S. officials imposed a brutal system of economic sanctions on the Iraqi people, which contributed to the deaths of hundreds of thousands of innocent Iraqi children. In 1995, U.S. ambassador to the United Nations Madeleine Albright declared that the deaths of half-a-million children from the sanctions were “worth it.” By “it” she meant regime-change efforts against Saddam Hussein.

The Pentagon, the CIA, and the NSA were not about to let Americans have their limited-government republic back.

It was at this point that it became clear that the conversion of the federal government had stultified the individual consciences of the American people. This was manifested by widespread indifference to the killings of all those innocent children. Americans simply didn’t care. There was virtually no condemnation or even mild criticism of Albright’s infamous state-

ment, which reflected the mindset of the entire national-security state bureaucracy.

Three high UN officials resigned their positions owing to what they called U.S. genocide involving those Iraqi children.

It should be pointed out, however, that this nationwide stultification of conscience didn't afflict everyone. An American man named Bert Sacks decided to intentionally violate the U.S. sanctions on Iraq by taking medicine and other supplies to the Iraqi people. U.S. officials fined him \$10,000 and hounded him for years trying to collect it, unsuccessfully. Moreover, three high UN officials, stricken by crises of conscience, resigned their positions owing to what they called U.S. genocide involving those Iraqi children. In what can only be called a banality of evil, U.S. bureaucrats ridiculed them.

The war on terrorism

Post-Cold War U.S. interventionism in the Middle East succeeded in producing some terrorist retaliation, but it simply wasn't enough to deeply scare the American people. There was, for example, the 1993 attack on the World Trade Center, the attack on the USS *Cole*,

and the attacks on U.S. embassies in East Africa.

But then came the 9/11 attacks, which succeeded in scaring Americans to death. Replacing the Cold War's "war on communism," the "war on terrorism" was now on. The continued existence of the national-security state was now assured, along with ever-increasing taxpayer funds flooding into the "defense" industry. What else could protect Americans from all those terrorists (or Muslims) around the world who just hated America for its "freedom and values."

The "war on terrorism" was used to justify the U.S. invasions of Afghanistan and Iraq, both of which were regime-change operations that succeeded in killing, maiming, injuring, torturing, or destroying untold numbers of people who had had no involvement in the 9/11 attacks. Throughout the many years of deadly and destructive mayhem, there was absolutely no sympathy among American statisticians for the Afghan people or the Iraqi people. In fact, it was the exact opposite: All the sympathy and support was given to the invaders, occupiers, and conquerors. One of the most popular mantras among American people became "Support the troops."

Thus, it's reasonable to ask whether the current outpouring of support among American statists for the Ukrainian people arises out of a genuine sense of conscience or instead is a direct result of indoctrination and propaganda by the U.S. national-security establishment. If it arises from a genuine act of conscience, then why is there not any condemnation or even mild criticism for all of the death, mayhem, and destruction that has been wreaked — and continues to be wreaked — on the people of Afghanistan and Iraq by the Pentagon and the CIA, including all the wedding parties that U.S. forces bombed during their wars. After all, no one can deny that what Russia is doing in Ukraine is no different from what the Pentagon and the CIA did in Afghanistan and Iraq.

The Cold War racket continues

Meanwhile, the Pentagon and the CIA were not ready to let go of their official Cold War enemies, China and Russia. Under President Trump, they launched a vicious trade war against China, with the aim of impoverishing the Chinese people. Even worse, they used NATO, which was nothing more than a Cold War dinosaur, to absorb former members of the War-

saw Pact. That enabled them to establish U.S. military bases, missiles, tanks, and other weaponry ever-closer to the Russian border.

No one can deny that what Russia is doing in Ukraine is no different from what the Pentagon and the CIA did in Afghanistan and Iraq.

Let's return for a moment to President Kennedy's term in office. After the disastrous Bay of Pigs invasion, the Pentagon and the CIA were pressuring Kennedy to initiate a full-scale military invasion of Cuba in order to remove Cuba's communist regime from power and replace it with another pro-U.S. dictatorship. The Joint Chiefs of Staff even unanimously proposed a false-flag operation to Kennedy named Operation Northwoods. Kennedy refused to succumb to the pressure.

But Castro knew what the Pentagon and the CIA were up to. The Soviet Union installed nuclear missiles in Cuba to deter an invasion or to provide the Cubans with the means to defend themselves in the event of an invasion. The Pentagon and the CIA were livid. If Kennedy had done what they had been pressuring him to do, the crisis would not have arisen. Throughout the

crisis, they were pressuring Kennedy to bomb and invade Cuba. Their position, which was shared by JFK, was that America should not have to live with nuclear missiles pointed at it from only 90 miles away.

Once the Pentagon and the CIA began using NATO to absorb Eastern European regimes, Russia repeatedly told U.S. officials that its position was the same as the U.S. position on Cuba: Russia would never permit U.S. missiles to be installed on Russia's borders.

The Pentagon and the CIA simply smiled. They knew that if they continued moving eastward and finally threatened to absorb Ukraine into NATO, Russia would be placed in the untenable position of choosing between two courses of action: (1) Peacefully permit U.S. military bases, missiles, tanks, and weaponry to be installed on Russia's border or (2) invade Ukraine in a regime-change operation to prevent that from happening.

Not surprisingly, Russia chose option (2). In other words, if NATO had been abolished at the end of the Cold War, or if the Pentagon and the CIA had guaranteed that Ukraine would not be absorbed into NATO, there would never have been a Russian invasion of Ukraine. All those dead people in Ukraine,

both Russian and Ukrainian, would be alive today but for the political gamesmanship of the Pentagon and the CIA.

Moreover, let's not forget something important: Any unexpected mishap between Russian and American forces in that part of the world could easily lead to all-out nuclear war. The Pentagon and the CIA have been willing to take that risk.

All those dead people in Ukraine, both Russian and Ukrainian, would be alive today but for the political gamesmanship of the Pentagon and the CIA.

And look at where we are now. As former CIA director Gates points out, we now have a perfect storm of big new and old official enemies that can keep the national-security state racket going indefinitely. Red China. Russia. Terrorism. Islam. North Korea. Cuba. Iran. Syria. Maybe even Vietnam again.

What we need in America today is a giant breakthrough among the American people, just like the one that President Kennedy experienced — one that entails a great awakening of consciousness and conscience — one that causes the American people to demand the

restoration of their limited-government republic and the dismantling of the national-security state. It's the only way to get our nation back on the road toward liberty, peace, prosperity, morality, and harmony with the people of the world.

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

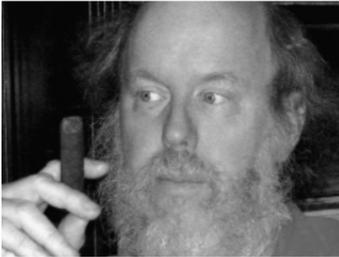
NEXT MONTH:
“The Stultification of
American Conscience”
by Jacob G. Hornberger

Once a government is committed to the principle of silencing the voice of opposition, it has only one way to go, and that is down the path of increasingly repressive measures, until it becomes a source of terror to all its citizens and creates a country where everyone lives in fear.

— Harry S. Truman

Federal Testing Debate Multiplied COVID Carnage

by James Bovard



On a bitter cold January afternoon, lines of people awaiting free COVID tests stretched around the block at a Rockville, Maryland, public library. Looking at the scene reminded me of seeing East Germans lined up in endless queues in the 1980s to receive their potato and sauerkraut rations. But few of the people docilely waiting in Rockville recognized that their plight was the latest in a long series of federal fiascos hatched by a federal agency headquartered a few miles away.

At the start of the COVID-19 pandemic in March 2020, President Donald Trump ludicrously proclaimed that “Anybody that wants a test can get a test.” That was baloney then, and, unfortunately, despite a

barrage of political promises in the meantime, it is still malarkey today.

Botched testing under Trump

The Centers for Disease Control utterly botched the initial testing regime, sending out bogus, contaminated tests to detect COVID to state and local health departments that gave false readings. Trump boasted that those tests were “perfect.” The Food and Drug Administration helped turn the coronavirus from a deadly peril into a national catastrophe. Long after foreign nations had been ravaged and many cases had been detected in America, the FDA continued blocking private testing and forcing the nation’s most innovative firms to submit to its command-and-control approach and satisfy irrelevant criteria to gain approval. As I warned in an April 2020 piece for the Mises Institute, “Many Americans could die in the coming weeks and months thanks to the FDA’s blockade on coronavirus testing. Should we consider those victims as martyrs for the principle of bureaucratic supremacy?” FDA commissioner Stephen Hahn shrugged off his agency’s disastrous policies in 2020: “There are always opportunities to learn from situations like this one.” As the *New York Times* reported late

last year, “The [CDC] distribution of faulty test kits, at a time when no other tests were authorized, set back health officials’ efforts to detect and track the virus.”

Democratic Party presidential candidate Joe Biden exploited those debacles to portray himself as St. George who would rescue the American people. In June 2020, Biden promised to set up a “Pandemic Testing Board” along the lines of President Franklin D. Roosevelt’s War Production Board. Biden hammered Trump’s perceived negligence on COVID and rallied voters by promising: “I will shut down the virus.” A Biden campaign plan promised “to massively surge a nationwide campaign and guarantee regular, reliable, and free access to testing.” Shortly before Election Day, Biden declared that America needed “faster, cheaper screening tests that you could take right at home or in school. Look, what we have right now isn’t anywhere near good enough.”

Biden’s empty promises

In his first week in office in January 2021, Biden created the COVID-19 Pandemic Testing Board. A few days later, Biden promised that congressional enactment of his American Rescue Plan

legislation would “ramp up testing.” In his televised speech on the first anniversary of COVID lockdowns on March 11, Biden promised, “We continue to work on making at-home testing available.” However, the following month, when a team of health-agency officials pushed the White House to “purchase millions of rapid [COVID] tests,” the administration rebuffed the proposal.

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In July, Biden promised, “We’re going to deploy things like testing to expand detection of the virus.” As the Delta variant spurred a COVID case surge, Biden promised in September that he was “taking steps to make testing more available, more affordable” so that “every American, no matter their income, can access free and convenient tests.”

The following month, top health experts from Harvard and private foundations pushed the Biden administration to purchase 700 million COVID test kits to distribute to Americans in December ahead of a winter surge. Biden denied last

month that he had rejected such a proposal, but *Vanity Fair* exposed the details of how his officials nixed the plan. A Biden administration official told the *Washington Post* that “White House health aides believed that once Americans were vaccinated, few would need testing.” The administration’s blunders were compounded because the CDC first ignored and then downplayed the surge in infections among fully vaccinated Americans.

The Biden team continued to offer wishful thinking in lieu of tests. At a White House briefing on December 7, Biden COVID Czar Jeff Zients proclaimed, “Everyone in America has access to free testing in an efficient and effective way, and we’ve developed multiple access points for free testing.” Almost two years into the pandemic, Zients sounded as deluded as Trump at the start of the COVID debacle.

Almost two years into the pandemic, Zients sounded as deluded as Trump at the start of the COVID debacle.

After chaos broke out in December with soaring infection rates and severe shortages of tests, Biden declared on January 4: “I know this remains frustrating — believe me,

it’s frustrating to me — but we’re making improvements [on testing].... Look, we have more capacity for in-person tests, and we should see waiting lines shorten and more appointments freed up.” Biden promised, “One, drugstores and online websites are restocking. Two, you know — well, actually, so the more tests are available, we’re going to continue to become available.” Biden boasted of requiring private insurance companies to reimburse people for the cost of at-home tests, but that is scant consolation to people who cannot find tests anywhere.

Biden took another victory lap when he announced that the Postal Service would deliver 500 million free COVID tests to Americans who requested them. But those tests arrived long after the omicron variant set records for infections and disrupted Americans’ lives. The postal rescue mission was vexed in many areas because the tests were ruined if exposed for more than a few hours to temperatures below freezing. Perhaps Biden should have ordered the National Weather Service to ensure warmer temps for COVID test deliveries? One cynic quipped on Facebook, “Of course, our efficient postal bureaucracy will promptly deliver these tests in time for your funeral.”

The failure of government testing

Since the start of the COVID pandemic, the federal government has relied on a command-and-control approach that minimizes private innovation and maximizes dependency on federal bureaucrats. As ProPublica reported, “Many companies with at-home tests have been stymied by an FDA review process that has flummoxed experts and even caused one agency reviewer to quit in frustration.” David Paltiel, a professor at the Yale School of Public Health, groused, “It’s an outrage that rapid tests aren’t dirt cheap and plentiful on grocery store shelves” — as they are in many European nations where private companies were not paralyzed by pointless bureaucratic edicts. Irene Bosch, an MIT scientist who developed a rapid COVID test in early 2020 that the FDA blocked, lamented, “You could have antigen [rapid] tests saving lives since the beginning of the pandemic. That’s the sad story.”

Scott Lincicome, a Duke Law School lecturer, recently noted in *Barron’s* that the latest “fix” is “actually the president’s sixth promise to subsidize and plan our way to testing abundance.” Germany permits sales of more than 60 rapid COVID tests, “including several made in the United States for export only.”

Germans can easily buy tests for a dollar while many Americans can’t find and purchase a test at any price. Instead of ample tests, “the Biden administration wasted 11 months and countless taxpayer dollars trying to boost domestic test production when what was most needed was to remove existing regulatory barriers and let the global economy do its thing,” Lincicome noted.

“What was most needed was to remove existing regulatory barriers and let the global economy do its thing.”

As ProPublica reported, the FDA has:

never been enthusiastic about letting people test themselves. In the 1980s, the FDA banned home tests for HIV on the grounds that people who tested positive might do harm to themselves if they did not receive simultaneous counseling. In the 2010s, the agency cracked down on home genetic testing kits, concerned that people might make rash medical decisions as a result.

David Kessler, who is Biden’s chief science officer for COVID re-

sponse, epitomized this mindset with his declaration in 1992 when he was FDA Commissioner: “If members of our society were empowered to make their own decisions ... then the whole rationale for the [FDA] would cease to exist.” Kessler derided “freedom of choice” as an illusion unless people are presented only with government-approved choices. Kessler pushed through “reforms” which increased FDA power over the medical industry and claimed that, as a result, the FDA was “a place where, once again, the good guys could win.” And how could Americans be sure that FDA enforcement agents were the good guys? Because they worked for the government.

Unfortunately, few Americans recognize FDA fingerprints on the COVID testing debacle.

Unfortunately, few Americans recognize FDA fingerprints on the COVID testing debacle. In Montgomery County, Maryland, home of the FDA, roughly 95 percent of adults in the county have already gotten at least one COVID vaccination. For residents of this liberal county, trusting government officials is the surest way to prove they “trust the science.” Few folks were

enraged by having to stand in line in the bitter cold for a long time with a bunch of potentially sick people in order to get a test that purportedly proves they are healthy enough to take a flight, return to school, or go to a doctor appointment.

Yet, Montgomery County Executive Marc Elrich claimed victory, issuing a declaration on February 10: “I am very proud of and pleased with our ability to be flexible and adaptable in our government and throughout our community. One such success over the last month has been the distribution of our [1.5 million] take-home rapid tests.” But the vast majority of those tests were distributed long after the surge of COVID cases from the omicron variant had peaked. Elrich’s boast was akin to a football player crowing about kicking a field goal a few hours after a football game ended.

Testing pratfalls were typical of the botched responses to the COVID pandemic. On his first full day in office, Biden released his National Strategy for the COVID-19 Response and Pandemic Preparedness. “Goal 1” was to “rebuild the trust of the American people” by promising transparency in federal health and scientific policy. That pledge was quickly discarded like a

forgotten campaign promise. Though a Biden memo promised to end “improper political interference in the work of federal scientists,” the Food and Drug Administration’s top vaccine experts resigned in protest last fall over White House pressure to rubber-stamp COVID booster shots for all adults. The FDA is seeking to delay fully disclosing Pfizer’s application for COVID vaccine approval for 75 years. The CDC covered up the vast majority of so-called “break-through” infections among fully vaccinated individuals, thereby enabling Biden to falsely claim last July that people who got vaxxed would not get COVID. On February 20, the *New York Times* reported that the CDC decided not to disclose its data on COVID vaccines and breakthrough infections, etc. because it feared the data “might be misinterpreted as the vaccines being ineffective.” What else is CDC hiding?

The COVID-19 pandemic obliterated the myth that politicians

spending more than a hundred billion dollars every year for science and public health would keep Americans safe. Unfortunately, there is no approved cure for blind faith in government. Federal health agencies have had more blunders than practically anyone expected during this pandemic. The least that Uncle Sam can do is get out of the way of private efforts to help Americans recognize the risks in their own lives.

James Bovard is a policy advisor to The Future of Freedom Foundation and 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:
“Supreme Court Tortures the Constitution Again”
by James Bovard

Conservatism, Libertarianism, and John Stuart Mill

by *Laurence M. Vance*



Although most conservatives of today seem to have forgotten him, conservatives of yesteryear honored and revered Russell Kirk (1918–1994). After receiving his bachelor’s degree from Michigan State College (now University), Kirk earned his master’s degree at Duke University and then his doctor of letters from the University of St. Andrews. Kirk was a prolific writer who wrote not only for conservative publications like *National Review* but also mainstream media like the *Los Angeles Times*. He was also the founding editor of two journals: *The University Bookman* and *Modern Age*, both of which are still published today.

The Russell Kirk Center for Cultural Renewal, based at Kirk’s ancestral home in Mecosta, Michigan, “aims to recover, conserve, and enliven those enduring norms and principles that Russell Kirk called the Permanent Things.” It is the work of the Kirk Center “to strengthen the Permanent Things, especially as they relate to America’s tradition of order, justice, and freedom.” According to the Kirk Center:

Russell Kirk authored thirty-two books on political theory, the history of ideas, education, cultural criticism, and supernatural tales. Both *Time* and *Newsweek* have described him as one of America’s leading thinkers, and the *New York Times* acknowledged the scale of his influence when it wrote that Kirk’s 1953 landmark book *The Conservative Mind* “gave American conservatives an identity and a genealogy and catalyzed the post-war movement.”

President Ronald Reagan conferred on Dr. Kirk the Presidential Citizens Medal in 1989.

Although Kirk often referred to (classical) liberalism in his most notable book, *The Conservative*

Mind, he never mentions libertarianism, even though the seventh edition was published in 1986. However, both before (“Libertarians: The Chirping Sectaries”) and after (“A Dispassionate Assessment of Libertarians”) this date, Kirk pointed out the “many and grave failings” of libertarianism. Unlike many libertarians and conservatives today, Kirk recognized that the two philosophies were not cousins or even compatible, even if he was given to overstatement. Said Kirk: “I venture to suggest that libertarianism, properly understood, is as alien to real American conservatives as is communism.”

“Libertarianism, properly understood, is as alien to real American conservatives as is communism.”

One of Kirk’s favorite bogeymen was John Stuart Mill, one of the key voices for the ideals of personal freedom and civil liberty in the nineteenth century. Kirk connected libertarians with Mill, but not in a good way:

The ruinous failing of the ideologues who call themselves libertarians is their fanatic attachment to a simple

solitary principle — that is, to the notion of personal freedom as the whole end of the civil social order, and indeed of human existence. The libertarians are oldfangled folk, in the sense that they live by certain abstractions of the nineteenth century. They carry to absurdity the doctrines of John Stuart Mill.

Since Mill, the libertarians have forgotten nothing and learned nothing. Mill dreaded, and they dread today, obedience to the dictates of custom.

What are these doctrines of John Stuart Mill that libertarians carry to absurdity? And what is wrong with obedience to the dictates of custom?

John Stuart Mill

John Stuart Mill (1806–1873) was many things: civil servant, member of Parliament, social philosopher, political economist, reformer, intellectual. He was also one of the most prolific writers in history. *The Collected Works of John Stuart Mill* published by the University of Toronto Press contains 33 volumes. Although Mill never attended school, he was given an extremely rigorous education from a

young age, thanks to his father, James Mill (1773–1836), a noted economist, political theorist, and philosopher. Mill was the quintessential child prodigy. He read Greek at age three, and by the age of eight, he had studied history, physics, astronomy, algebra, and began to study Latin. Then it was on to poetry, logic, and political economy. Mill, who was tutored by some of the brightest minds of his day, was charged with tutoring his younger siblings. At age seventeen, he began a 35-year career at the British East India Company, following in the footsteps of his father.

**The essence of
libertarianism is the
non-aggression principle.**

Mill was not a libertarian in the modern sense of the word. He was a utilitarian, a devotee of Jeremy Bentham (1748–1832). And as Austrian economist Richard Ebeling has pointed out about Mill, he “conceded to the government as necessary responsibilities far more powers of intervention into social and economic affairs than most modern classical liberals and libertarians consider justifiable.” Thus, Mill believed that government funding and providing of schools were de-

sirable in order to ensure the development of a literate, intelligent, and informed citizenry, although he opposed compulsory attendance and a government monopoly on education. In his *History of Economic Thought*, the late Austrian economist Murray Rothbard pointed out Mill’s contradictory nature: “Was Mill a laissez-faire liberal? A socialist? A romantic? A classicist? A civil libertarian? A believer in state-coerced morality? The answer is yes, every time. There is endless fodder for dispute because, in his long and prolific life, Mill was all of these and none, an ever-changing kaleidoscope of alteration, transformation and contradiction ... Mill made numerous concessions to socialism and apostatized from laissez-faire.”

Libertarianism

So, is Kirk correct in connecting libertarians with Mill? In one very important respect, absolutely. The essence of libertarianism is the non-aggression principle. As explained by Rothbard:

The fundamental axiom of libertarian theory is that no one may threaten or commit violence (“aggress”) against another man’s person or property. Violence may be em-

ployed only against the man who commits such violence; that is, only defensively against the aggressive violence of another. In short, no violence may be employed against a non-aggressor. Here is the fundamental rule from which can be deduced the entire corpus of libertarian theory.

The non-aggression principle is designed to prohibit someone from infringing upon the liberty of another. It is the core premise and linchpin of the philosophy of libertarianism. Aggression is the initiation of nonconsensual violence, the threat of nonconsensual violence, or fraud. The initiation of aggression against the person or property of others is always wrong. Force is justified only in defense or retaliation, but is neither essential nor required.

If one rejects the principle that the initiation of aggression against someone's person or property is always wrong, then there are only two alternatives:

- The initiation of aggression against person or property is never wrong.
- The initiation of aggression against person or property is sometimes wrong.

The first alternative leads to nihilism, and no civilized person would accept it. This leaves us with the second. The problem with this should be quite evident. When is it right or wrong to initiate aggression against person or property, and who makes the decision whether it is right or wrong? This is why most people would follow libertarians to a certain point. I am sure that even Russell Kirk would not personally assault someone for smoking pot, making moonshine, or selling cocaine.

The initiation of aggression against the person or property of others is always wrong.

Yet, many of these same people who might be open to following the non-aggression principle on a personal level have no problem supporting government aggression against certain actions that don't violate the personal or property rights of others. But if one rejects the principle that the initiation of aggression against someone's person or property by the government is always wrong, then once again there are only two alternatives:

- The initiation of aggression by government against person or property is never wrong.

- The initiation of aggression by government against person or property is sometimes wrong.

Unfortunately, most people would go with option two, and leave it up to the government to determine when is it right or wrong to initiate aggression against person or property.

On Liberty

Published in 1859, *On Liberty* is the best known and most important of Mill's political writings. Mill himself, according to the *History of Political Philosophy*, considered it "to be his most carefully composed work and the one which was most likely to be of enduring value." Wrote Mill:

The object of this essay is to assert one very simple principle, as entitled to govern absolutely the dealings of society with the individual in the way of compulsion and control, whether the means used be physical force in the form of legal penalties or the moral coercion of public opinion. That principle is that the sole end for which mankind are warranted, individually or

collectively, in interfering with the liberty of action of any of their number is self-protection. That the only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, either physical or moral is not sufficient warrant. He cannot rightfully be compelled to do or forbear because it will be better for him to do so, because it will make him happier, because, in the opinions of others, to do so would be wise, or even right. These are good reasons for remonstrating with him, or reasoning with him, or persuading him, or entreating him, but not for compelling him, or visiting him with any evil, in case he do otherwise. To justify that, the conduct from which it is desired to deter him must be calculated to produce evil to some one else. The only part of the conduct of any one, for which he is amenable to society, is that which concerns others. In the part which merely concerns himself, his independence is, of right, absolute. Over himself, over his

own body and mind, the individual is sovereign.

This, then, is the appropriate region of human liberty. It comprises, first, the inward domain of consciousness; demanding liberty of conscience, in the most comprehensive sense; liberty of thought and feeling; absolute freedom of opinion and sentiment on all subjects, practical or speculative, scientific, moral, or theological. The liberty of expressing and publishing opinions may seem to fall under a different principle, since it belongs to that part of the conduct of an individual which concerns other people; but, being almost of as much importance as the liberty of thought itself, and resting in great part on the same reasons, is practically inseparable from it. Secondly, the principle requires liberty of tastes and pursuits; of framing the plan of our life to suit our own character; of doing as we like, subject to such consequences as may follow: without impediment from our fellow-creatures, so long as what we do does not harm them, even though they should think our conduct foolish, perverse,

or wrong. Thirdly, from this liberty of each individual, follows the liberty, within the same limits, of combination among individuals; freedom to unite, for any purpose not involving harm to others: the persons combining being supposed to be of full age, and not forced or deceived.

No society in which these liberties are not, on the whole, respected is free, whatever may be its form of government; and none is completely free in which they do not exist absolute and unqualified. The only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it. Each is the proper guardian of his own health, whether bodily or mental and spiritual. Mankind are greater gainers by suffering each other to live as seems good to themselves, than by compelling each to live as seems good to the rest.

Mill disdained custom and tradition when they are followed without thinking:

Where, not the person's own character, but the traditions or customs of other people are the rule of conduct, there is wanting one of the principal ingredients of human happiness, and quite the chief ingredient of individual and social progress.

The despotism of custom is everywhere the standing hindrance to human advancement, being in unceasing antagonism to that disposition to aim at something better than customary, which is called, according to circumstances, the spirit of liberty, or that of progress or improvement.

Beneath the conservative façade of tradition and culture lies an authoritarian ideology.

It is no wonder that Kirk denigrated Mill. He believed, like the bulk of conservatives today, that people should be fined or imprisoned for engaging in private, peaceful, consensual behavior or peaceful activity that doesn't violate anyone's personal or property rights. He likewise believed that the government should keep people from harming themselves.

Conservatism

Aaron Ross Powell, director and editor of *Libertarianism.org*, has recently, and rightly, said about conservatism: "Conservatism, as a political ideology, seeks to maintain those social and economic patterns that conservatives prefer or believe are conducive to a good society. Thus, in contrast to libertarianism, political conservatism is not about identifying, cultivating, and maintaining those patterns of rules and institutions which maximize liberty. Instead, it is about maintaining social patterns which result in a society that aligns with the conservative's cultural values and personal tastes."

Beneath the conservative façade of tradition and culture lies an authoritarian ideology. It is the philosophy of state-coerced morality and virtue, as Rothbard recognized many years ago: "At the heart of the dispute between the traditionalists and the libertarians is the question of freedom and virtue: Should virtuous action (however we define it) be compelled, or should it be left up to the free and voluntary choice of the individual?"

To see the authoritarian nature of conservatism, just look at the issue of the drug war. Conservatism not only has no problem with the

government drug war, it encourages the government to arrest people for drug-related offenses, and then fine them, appropriate their property, or lock them in cages for possessing, consuming, buying, selling, manufacturing, smoking, distributing, transporting, cultivating, or “trafficking in” a substance the government doesn’t approve of. And then to make matters worse, conservatives preach federalism and limited government, but refuse to apply these principles to the drug war, even though the Constitution doesn’t authorize the federal government to spend one penny waging such a war, or have a drug czar, a Drug Enforcement Administration (DEA), or a Controlled Substances Act (CSA).

Conservatism not only has no problem with the government drug war, it encourages the government to arrest people.

It should also be said that there is nothing inherent in libertarianism that stands in opposition to custom or tradition — or religion, morality, decency, civility, community, Judeo-Christian ethics, or the common good. But just think what would still exist today if people throughout history never broke free

of the bonds of tradition: slavery, torture to obtain confessions, a united church and state, oppression of women, price controls.

Conclusion

Not all conservatives agreed with Russell Kirk’s blanket condemnation of John Stuart Mill. Frank Meyer, a conservative and colleague of William F. Buckley (1925–2008) whom Kirk called “an ideologue for liberty,” responded to an attack on Mill by Kirk in *National Review*:

It seems to me that Mr. Kirk attacks both Mill and the Victorian Age for those qualities from which we have the most to learn and which, despite all the shortcomings of the man and the age, we must cherish against the blank conformity and power idolatry of our day.

To attack Mill for his philosophical errors, even to stress the decisive effect which in his case those errors had at an important moment in the development of thought, is legitimate enough, and in fact of great value in clarifying some of the most confused issues of the day. To condemn him, however not as having unsound foundations for his de-

fense of liberty, but for that defense itself; to champion against him an antagonist as unsound as Mill philosophically, as utilitarian as Mill himself, one who can be caught blatantly attacking the ideal of the freedom of the person through glorification of the sword; to hold that the triumph of the mailed tyrannies of the twentieth century “refutes” and “dates” Mill’s ringing vindication of liberty; this, it seems to me, is to put forward the claims of power over spirit, blind force over right reason, matter over man, what is over what ought to be.

Conservatives would do well to take heed to the doctrines of John Stuart Mill.

Of more worth is one honest man to society and in the sight of God, than all the crowned ruffians that ever lived.

— Thomas Paine

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NEXT MONTH:
“**Libertarian Lessons from the Super Bowl**”
by Laurence M. Vance

In the Beginning: The Mont Pererlin Society, 1947

by *Richard M. Ebeling*



Seventy-five years ago, there occurred an important event in the post-World War II revival of free-market liberal ideas. Over the first ten days of April 1947, 39 people from Europe and the United States met in a hotel in Switzerland at a mountain place known as Mont Pelerin. They came together to discuss the future of economic, social, and political liberty in the face of the rise and growing influence of collectivist ideas, especially in the various forms of government central planning.

It was less than two years since the war had ended in Europe, leaving tens of millions of dead, wounded, and starving. Many parts of the continent were in ruins, including some of central Europe's most im-

portant and architecturally beautiful cities. Germany and Austria were under the four-power occupation of the United States, Great Britain, France, and the Soviet Union. The Cold War was already dividing Europe, with communist governments being imposed in eastern Europe wherever Stalin's Soviet armies had advanced in the conflict to defeat Nazi Germany.

In the Western European democracies, including Great Britain and France, the political presumptions and government policies all implied that the postwar world would be one of socialist planning, heavy regulation of whatever remained of private enterprise, and the redistributive welfare state. In the United States, by late 1946 practically all the wartime price and production controls over the American economy had been lifted. But the political arena was full of the increasingly triumphant Keynesian ideas of fiscal and monetary "activism." At the University of Chicago, a prominent political science professor, Charles E. Marriam, insisted that, "Planning is coming. Of this there can be no doubt. The only question is whether it will be democratic planning of a free society or totalitarian in character ... whether Fascist or Communist."

Two world wars undermined classical liberalism

The classical-liberal idea and ideal of strictly limited government with impartial rule of law, accompanied by clearly recognized and respected individual rights to life, liberty, and honestly acquired private property in an arena of peaceful and voluntary association and exchange, had been drastically weakened with the beginning of the First World War in the summer of 1914. Centralized social control, forms of detailed economic planning, and reduced personal freedom in the name of the war effort among all the belligerent nations, including the United States after America's entry into the war in April 1917, undermined the spirit and practice of individual liberty.

Economic planning invariably carried with it the danger of the loss of personal and social freedom.

This had only worsened in the years between the two world wars, with communism in Soviet Russia, fascism in Mussolini's Italy, National Socialism (Nazism) in Hitler's Germany, along with FDR's New Deal experiments in America with fascist-like planning and deficit-spend-

ing-funded "make-work" projects. The Second World War had only reinforced the trends in the collectivist direction. Total government planning accompanied total war.

F. A. Hayek and the first Mont Pelerin Society meeting

However, there continued to be a handful of determined and articulate voices for freedom and the free-enterprise system in Europe and the United States. One of the most successful was Austrian economist Friedrich A. Hayek, who was a professor at the London School of Economics and had attained international recognition with *The Road to Serfdom* (1944). It was written as a warning that economic planning, regardless of the well-intentioned motives of its proponents, invariably carried with it the danger of the loss of personal and social freedom due to the fact that, especially, comprehensive central planning required all of human life to be made subservient to "the Plan" in the attempt to bring "the Plan" to a successful conclusion. Thus, even a "democratic" socialism could and would lead society down a road to serfdom that ends with some form of a totalitarian state.

Having developed a wide network of like-minded friends and

acquaintances in Europe and America, both before and after the publication of *The Road to Serfdom*, Hayek went about arranging a conference with some of them. The culmination of his efforts was this first meeting of what became the Mont Pelerin Society in April 1947.

To mark the conference's 75th anniversary, the Hoover Institution has published *Mont Pelerin, 1947: Transcripts of the Founding Meeting of the Mont Pelerin Society*. The volume is edited by Bruce Caldwell, a professor at Duke University and one of the preeminent Hayek scholars, who serves as the editor of the multi-volume *Collected Works of F. A. Hayek*.

The culmination of Hayek's efforts was this first meeting of what became the Mont Pelerin Society.

Among the 39 participants at this first Mont Pelerin Society meeting were some of the leading figures at the time in the cause for personal and economic freedom. They included: F. A. Hayek, Ludwig von Mises, Wilhelm Röpke, William E. Rappard, Milton Friedman, George Stigler, Fritz Machlup, Frank H. Knight, Frank Graham, Lionel Robbins, Aaron Director, John Jewkes, John Davenport, Hen-

ry Hazlitt, Leonard E. Read, F. A. "Baldy" Harper, V. Orval Watts, Felix Morley, Michael Polanyi, Karl Popper, and Bertrand de Jouvenel.

All opposed socialism, but most were not for laissez-faire

Virtually all the attendees were deeply concerned about a postwar world in which government planning and political control would threaten to extinguish the autonomy and dignity of the individual. They also all shared an agreement about the vital importance of a decentralized and competitive price system for guiding the marketplace interactions of supply and demand. In their eyes, this made practically all of them intellectual heirs to the older classical liberalism of the nineteenth and early twentieth centuries. Most, however, were not proponents of that earlier, more laissez-faire classical liberalism. I am almost hesitant to express it in the following way, since it sounds so rhetorically exaggerated, but at one level the discussions, debates, and disagreements throughout many of the conference's 19 sessions over those ten days might easily be read as: Ludwig von Mises versus all the rest.

What unified a sizeable majority of the participants, and which clear-

ly emerged from the presentations and discussions at these sessions, was a general rejection of laissez-faire liberalism, the classical liberalism of, say, Frédéric Bastiat or Herbert Spencer or ... Ludwig von Mises. In their joint memoirs, *Two Lucky People* (1998), Milton and Rose Friedman, recount that at one of the sessions, Mises “stood up, announced to the assembly, ‘You’re all a bunch of socialists,’ and stomped out of the room.” It is clearly told by the Friedmans to demonstrate Mises’s presumed dogmatic intransigence and extreme presumption of what free-market liberalism can or should mean.

What unified a sizeable majority of the participants was a general rejection of laissez-faire liberalism.

Except for a few of the other American attendees, such as Leonard E. Read, Henry Hazlitt, or Baldy Harper, almost nary-a-one of the others, including Hayek, would have shared the view that liberalism meant, basically, laissez-faire — that is, a political and economic system under which government’s role would not extend much farther than protection of life, liberty, private property, and freedom of exchange.

Mises and the meaning of laissez-faire

It is true that in the detail of the law, the understanding and defining of such liberty are sometimes difficult matters of institutional implementation. Nonetheless, the paramount purpose of any organized social and political liberal order should be the recognition and protection of each individual’s right to freely live as he peacefully chooses, as long as he does not violate or infringe upon the equal rights of any other person. The social and psychological attitude of a free man in a free society was explained by Ludwig von Mises in his 1927 book on *Liberalism*:

A free man must be able to endure it when his fellow men act and live otherwise than he considers proper. He must free himself from the habit, just as soon as something does not please him, of calling for the police.

If one take Mises’s dictum seriously, it means that an individual may read, watch, consume, and act upon any desire he has or belief he holds, without molestation by either a fellow citizen or by the government, as long as his conduct is

peaceful and honest. He may enter into any association and exchange, based upon mutually agreed-upon terms with any and all others, as long as they are not based on fraud or force. And he may keep all that he has peacefully and honestly earned and spend it any way he considers beneficial to himself, without being taxed or regulated to fund activities or redistributions to others for which he does not give his voluntary consent. It is the philosophy on the basis of which Leonard E. Read once entitled one of his books, *Anything That's Peaceful* (1964).

The competitive order and government regulation

At the first and second sessions of the meeting, Hayek distinguished between “free enterprise” and a “competitive order.” While free enterprise is essential to a free society, he argued, it was only truly workable in an institutionally competitive system. While emphasizing that “monopoly” and other “imperfections” were often due to various types of government intervention, he argued government may also have to “intervene” to set rules concerning the size of corporate enterprises and the content of “freedom of contract.” Also, there was a “considerable number of services which

are needed” in modern society that only government could provide.

Hayek argued that free enterprise was only truly workable in an institutionally competitive system.

This was followed by a presentation by Aaron Director, who was Milton Friedman’s brother-in-law. “We must repair the damage caused by 19th-century liberalism in failing to define the scope of voluntary associations.” This did not simply mean determining more precisely the meaning of, say, a coerced act. “The excessive size” of corporations had to be regulated by government, with limits set on “the scope of corporate activity.”

Also, “A private enterprise cannot provide the appropriate amount of investment in human beings,” Director said. Government, clearly, needed to “invest” in educating and training people for employment opportunities. If this required significant increases in taxation, even if it reduced growth in output due to “the impairment of incentives,” well, Director said, “We should be prepared to pay the price.”

This was followed by an insightful presentation by Walter Eucken, a German market-oriented econo-

mist who remained in Germany during the war. He had forthrightly refused to collaborate with the Nazi regime. Eucken was one of those whose “clandestine” preservation of a liberal-market outlook served as the theoretical and policy basis for the German “economic miracle” in the years after the war.

Eucken explained the disaster created by government central planning under the Nazi regime and how it was being continued by the Allied powers in their occupation policies. Nonetheless, he insisted that while state intervention and control are always a danger to liberty and a functioning economy, “In the competitive order, the state is very interested in the order of the market, but the economic process is free.” In other words, markets and prices function, but within the regulatory and fiscal parameters that a right-thinking “liberal” government would consider necessary.

Mises under attack for opposing business regulation

The next session, on the theme of monopoly, became extremely heated. Ludwig von Mises’s name must have come up in untranscribed comments by some of the participants, because Mises responded by insisting that if there

are concerns about monopolies in society, its origin and persistence arises from government policies “fostering monopoly.” Frank Graham, a well-known economist who taught at Princeton University, replied that “Professor Mises is 100 percent wrong” on the monopoly and related questions. “I think if we carry out the [laissez-faire] suggestions of Professor Mises we shall be in the jungle. We are here to find the middle road between the jungle [of laissez-faire] and the jail [of a fully planned society].” The government had to have “the active role” of regulating the structure of markets, under the presumption that if companies are too big, they can “coerce” people in society.

Eucken explained the disaster created by government central planning under the Nazi regime.

This was followed by comments by Michael Polanyi, a prominent philosopher of science, who had strongly criticized Marxist and Soviet ideology in his various writings. He interjected, “Certain collective needs are satisfied by the state, and individuals have to pay. Are there any principles of the market by which principles of taxation are to be determined?”

Mises then said:

Should society be based on public ownership, or private? There is nothing between them which is possible for a permanent society. I am in favor of private enterprise. If consumers buy something, so that a firm increases in size, I don't want someone to come along and prevent them from enjoying the results from this.... There is only one privilege possessed by the corporation — the right of the creditors is limited. Corporations are at the root of a great deal of progress, so why should we be against them?... Taxes: In a capitalist country where state expenditures are low, it doesn't matter very much about the principles of taxation.

There was little agreement, other than on the general idea of reducing trade barriers.

Aaron Director stated, "Professor Mises seems to think that past [laissez-faire] rules are good rules. I should like to know, 'How far back?'"

Mises at another point in this session replies, "If it is true as has been suggested, that I am defending

the [laissez-faire] orthodoxy of the 18th century, then it is true that I am defending it against the [Mercantilist-regulatory] orthodoxy of the 17th century."

Disagreements over a European federation

Two sessions were devoted to the problems and possibilities of a European federation to remove economic tensions and minimize the likelihood of wars, especially in the face of Soviet expansionism in eastern Europe. There was little agreement, other than on the general idea of reducing trade barriers. Were member countries to retain their individual sovereignties? If national sovereignty was to be reduced, then, by how much? And what method would exist for federation-wide decision-making? French social philosopher Bertrand de Jouvenel expressed his "distrusted [of] political power."

Hayek said that a "Federation may be a practical solution in a liberal society, but once the liberal society has disappeared, I don't see how the thing is practicable at all unless as a movement towards liberalism again." Reinforcing an aspect of Hayek's remarks, Mises said that there was a, "Tendency in our age to overestimate [the] impor-

tance of offices and institutions, and to underestimate [the] importance of ideologies. If many people believe that wars can improve their position, an office in Geneva will not prevent wars.” In other words, a successful revival of liberal ideas was essential to removing barriers to trade and preventing wars.

Calls for government monetary and fiscal policies

Divisions existed on monetary and fiscal policy issues, as well. George Stigler began the discussion by saying that while the gold standard had been a tool to “combat major inflation” in their current postwar circumstances, “our problem is much more one of deflation, on which the gold standard has very little to say. Should we all agree that the first step should be to bring all money-making institutions under the control of the state?”

The debate became one of what rules should be followed by governments and their central banks in controlling, planning, and manipulating their monetary systems. Frank Graham even spoke of an “international monetary authority [that] would be able to issue [a] currency money. This system would seem to be an energizer of the economy, as well as a stabilizer.” Milton

Friedman spoke in favor of what is now his famous advocacy of monetary “rules” for controlling the money supply and government spending, rather than Keynesian-style discretion.

Wage policy and redistributive taxation

Concerning wage policies, the participants were divided between those who were convinced that trade union power was here to stay, with its non-market-based determination of wages kept in check by government intervention, and those interested in finding some way back to restore and maintain market-based wage flexibility to ensure full employment.

The debate became one of what rules should be followed by governments and their central banks.

On taxation and income distribution, Milton Friedman said that “no democratic society is going to tolerate people starving to death, if there is food with which to feed them.” Progressive income taxation had been found as one way to raise the needed government revenues, which helped reduce too great an income inequality.

Friedman then proposed his now equally famous “negative” income tax, that is, the poorer a person or a household, the greater the redistributive share someone would receive from the government. When asked who would decide how much of a “tolerable” minimum, Friedman answered, “The elected representatives of the people would decide.” There would be “costs” born by all in society in the form of “some fall in production.” When further asked if he was offering this as a policy proposal out of political expediency, Friedman replied, “No, merely as a policy which is in accordance with the liberal society.”

Friedman then proposed his now equally famous “negative” income tax.

Mises wondered that if this was to be taken as a premise of a “liberal” policy agenda, then why limit it to matters of wealth and poverty within richer, Western countries like the United States? Could not the citizens in far poorer countries around the world demand that global poverty also be alleviated through an international redistribution of income from the West to the rest? How open were the advocates of this policy to having it ex-

tended to the whole world? And on what premise could the richer countries refuse such an international welfare statism once the redistributive principle had been accepted?

Guaranteed incomes for special groups

When it came to farming and agricultural policy, several discussants strongly felt that government needed to offer and guarantee certain financial “floors” to the farming community due to the peculiarities of their corner of the market. Wilhelm Röpke added that government should also plan and determine the right size and mix of “town and country.” It would be desirable “to have [farming] units smaller than would otherwise be rational for normal business standards.... [The] liberal wants to do justice to the ‘social way of life’ of the farmer, without it becoming too ‘reactionary’ of a policy.” Indeed, Röpke said that government should make “the farmer largely independent of money income,” adding that, “I believe profoundly in peasant agriculture as an end,” clearly deserving of special government interventionist treatment.

Loren Miller, one of the American free-market think-tank partici-

pants responded to Röpke by asking, “How do you determine tolerable standards, and minimum standards?... And why shouldn’t everyone be insured against the vicissitudes of the market, if the farmers can be insured? What would be the sum of all the interventions which had been suggested during the conference? Wouldn’t that be a planned economy?”

“Would we want freedom above everything, if it meant freedom for us all to be miserable?”

Frank Graham’s response was to call Miller’s view “simplistic.” Did we really want to make liberalism our “unique aim?” “Would we want freedom above everything, if it meant freedom for us all to be miserable?” asked Graham. “Freedom isn’t the only value on which we lay importance. We are not ready to concede that all who are sub-marginal, on a free basis, should be allowed to die.”

Economist Karl Brandt insisted that it is “not the essence of a liberal economy to construct a 100 percent logical machine purely because the Nazis had a 100 percent logical machine.” In other words, a mixing of free-market and interventionist policies was desirable and neces-

sary. In the midst of all this, Lionel Robbins tried to calm the contentious waters by saying, “There is no need for the liberal economists to turn sulky, just because they don’t agree on the aims of government.”

Given the recent events in Ukraine, it is perhaps interesting to note that at one of the last sessions of the meeting, philosopher of science Karl Popper said in reference to the emerging Cold War tensions in Europe, “I’m quite sure that Russia understands only the language of threats.” Lionel Robbins added, “You only get further with the Russians if you treat them as though they are not human beings.” Michael Polanyi concurred by saying, “Professor Robbins has said what I was going to say, but he’s said it very much better.”

Wanting liberalism, but not Mises’s laissez-faire

Reading over what I have written, I fear that I have not given a sufficient appreciation of how much really all the participants rejected socialist central planning and spoke insistently on the core essentiality of a functioning and competitive market and price system. Or how very much they expressed their deep concern that with socialism or any widely implemented collectiv-

ist system, the hard-won liberal principles and practices of personal freedom, civil liberties, impartial rule of law, dignity for the unique person, and the vitality of an unplanned social order would be threatened and then lost.

But it is nonetheless the case that for the large majority of the attendees at the first Mont Pelerin Society meeting, the task was to find a way to make a relatively free and competitive market economy compatible with degrees and forms of government regulation and redistribution. In a real sense, the whole meeting was about if it was possible to introduce a limited and restrained interventionist state within a market economy without seriously undermining the ability of the market to effectively operate.

There was no presumption that the entire trend toward political paternalism had been a mistake to be reversed and removed. As Karl Popper inserted in a discussion at one of the other sessions devoted to the relationship between liberalism and religion, the “Economic liberalism of Mises is I think perhaps not quite enough.”

If we were to think of the debates as an ideological playing field, the goalpost at one end would be the totalitarian planned society. But

the goalpost at the other end was not the laissez-faire economy with a strictly limited minimalist state, as Mises advocated. No, instead, the goalpost was set at a market economy with a minimal or moderate interventionist welfare state interwoven into it.

**In this sense,
it did become Ludwig von Mises
versus all the rest.**

In this sense, it did become Ludwig von Mises versus all the rest, not because any of the other attendees desired or endorsed the socialist centrally planned society. It was because most of them wanted the “liberal” goalpost closer to the center of the ideological playing field rather than the laissez-faire goalpost proposed by that intransigent “old liberal,” Ludwig von Mises, who had the audacity to point out that their desired good society was one that accepted many of the anti-liberal premises of the socialist critics of the market economy.

The transcripts of the first meeting of the Mont Pelerin Society provide an extremely valuable and useful record for understanding the beginnings of the post-World War II movement to reestablish a meaningful market liberalism. But they

also show why the laissez-faire variation on the liberal theme never really had a chance, because except for a small handful like Ludwig von Mises, it had few champions, even in the market-oriented liberal camp.

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NEXT MONTH:
“The Centenary of
Ludwig von Mises’s Critique
of Socialism”
by Richard M. Ebeling

The right of a citizen to bear arms, in lawful defense of himself or the State, is absolute. He does not derive it from the State government. It is one of the “high powers” delegated directly to the citizen, and “is excepted out of the general powers of government.” A law cannot be passed to infringe upon or impair it, because it is above the law, and independent of the lawmaking power.

— Cockrum v. State, 24 Tex. 394 [1859]

Human Irrationality and Free Markets

by Antony Sammeroff



If everyone was irrational all of the time, we would be in big trouble. You'd never know when someone was suddenly going to swerve off the road for no apparent reason and drive into a building, or start babbling to you in tongues over the phone when all you wanted to do was order a pizza.

That being said, people are irrational enough of the time that behavioral economists never tire in telling us that they are not suitable for a market economy and need regulations to “nudge” them in the right direction. To illustrate the point, they use examples like: If you want to motivate someone to run, giving them \$105 at the top of the week and then fining them \$15 a day every day they don't run will be more successful than rewarding them with \$15 a day every day they

do run — even though these things essentially amount to the same thing. Since we are irrational, naturally, we need policymakers to save us from ourselves and make us do the right thing. (The irony of this position is that it presupposes that people are rational enough to respond to the incentives the behavioral economists want to mete out to them.) Meanwhile, entrepreneurs have been doing more to devise apps that interphase with human psychology and help them adopt better habits than governments ever have. After all, it was the market that gave us Fitbit, mindfulness apps, nicotine gum, calendar apps with built-in alarms to make sure we don't forget appointments, cruise control, and whatnot; the list goes on and is ever increasing.

For the main part, the market is what defends us against the consequences of the irrationality of others. For our purposes, I will define rational as: having and acting on beliefs that are in accordance with reality. (Let's avoid for now Descartes-like debates about what reality is or how we know we can know it.)

If someone was irrational at all times in all respects, they could not meet the demands of life or sustain themselves and, therefore, they would either be dead, under the

care of others, in a mental institution, or in prison. So, while no one is rational all the time, most people are at least rational enough of the time to exist within a society.

The great thing about the market is, as far as we are concerned, others need to be rational only on the basis with which we deal with them. My mechanic might be a raving lunatic who drives his wife up the wall (no pun intended) with his crazy theories about the flat earth and interdimensional big foot people when he is at home, but so long as he is rational when it comes to the operations of fixing my car, it need not be any concern of mine. The pizza delivery guy could have views on race that most people find abhorrent, and I would never even know so long as he delivered it on time! The architect hired to design a bridge for a new highway might be a fanatical communist who thinks all property should be publicly owned, but as long as he is rational enough to follow the laws of physics when it comes to the blueprints, the bridge won't be built upside down and will not collapse under the weight of the vehicles crossing over it. No one is remunerated in the market for doing irrational things, for example, bringing "Squid Waffles™" to market. No one is interested

in buying or eating Squid Waffles. Therefore, they don't exist.

Now, need I point out, that none of this is the case when it comes to the alternative to the market, which is the political process. All of a sudden — everyone's crazy, irrational views that were none of my business become very real problems to me, because they are going to enter the voting booth and try to model a society based on them. Someone might even lobby for a government subsidy to open up the first-ever Squid Waffles diner! Sound crazy? Well, how come the government both subsidizes and taxes tobacco at the same time? This is seemingly "irrational" from the perspective that they are two contradictory policies, but it makes sense when you understand that one lobbying block wants tobacco farmers to remain in business, and another wants people to smoke less.

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irrationality of others.**

While people's performance on the market is tied to their rationality (i.e., their ability to conform to reality) and therefore their ability to deliver the desired results, there is no such failsafe at the ballot box. In fact,

as the public-choice theorists have been pointing out to us, it's rational for voters to be ignorant about abstract topics like economics, political science, sociology, statecraft, and basically anything necessary to cast a good vote, because learning the facts is time consuming and costly with very few personal payoffs. (See, for example, Bryan Caplan's 2007 book *The Myth of the Rational Voter*.)

Typically, when you go into the world with irrational views that affect your day-to-day life, you will be met with negative consequences. If you have irrational views about eating, you will get sick; if you have irrational views about how to treat your spouse, you will have unpleasant arguments or even a divorce; if you have irrational views about how to run a business, you will soon go bankrupt. In other words, reality provides a corrective against irrational views, or at least tries to!

The dirty secret about government is that replacing the market with its "democratic" control — be it public institutions or regulations — ends up removing this corrective mechanism and encouraging irrational behavior. No one wants to suffer the negative consequences of their own irrational behavior, that is normal. Whether it be an illness resulting from not having taken

care of their health, or having a child they can't support, or setting up a business to sell a line of products for which there is no demand, that people should suffer is regrettable. But democracy is inherently a system where people can make bad decisions and then vote to disperse the negative consequences of those decisions to everyone else via the tax system.

Those people who conform to reality by building products and providing services that meet the real needs of other people will essentially be punished for good behavior when the tax man comes around to expropriate their gains to pay for rent seekers and vagrants. This creates a tendency toward more costly, irrational behavior and less beneficial, rational behavior in society relative to what there would be on a free market. Over the long term, everyone will be disadvantaged, including those who seemingly profit from exporting the negative economic consequences of their actions to the body politic, because the society they live in will be far less prosperous, and they too will be less well off.

Antony Sammeroff co-hosts the Scottish Liberty Podcast. His book Universal Basic Income — For and Against is available on Amazon.

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