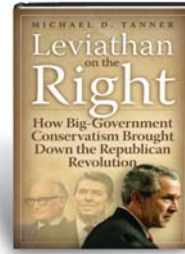




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The Roots of Modern Libertarian Ideas

BY BRIAN DOHERTY

The libertarian vision is in the Declaration of Independence: we are all created equal; no one ought to have any special rights and privileges in his social relations with other people. We have certain rights—to our life, to our freedom, to do what we please in order to find happiness. Government has just one purpose: to help us protect those rights. And if it doesn't, then we get to “alter or abolish it.”

It's hard to imagine a more libertarian document, but there it is: a sacred founding document of the United States of America. Libertarians may worry that the drafters of the Constitution compromised too much and ceded too much power to government, but they clearly understood that state power is forever trying to overwhelm political liberty and that they needed to be diligent in its defense. Despite some serious shortcomings, the modern American libertarian can feel real patriotic fervor when contemplating the founding of the United States.

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BRIAN DOHERTY is a senior editor at *Reason* and the author of *Radicals for Capitalism: A Freewheeling History of the Modern American Libertarian Movement*, just published by Public Affairs.

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A new Cato Institute book, *The Improving State of the World: Why We're Living Longer, Healthier, More Comfortable Lives on a Cleaner Planet*, was the cover story in a December issue of the *Spectator*, Britain's leading political and literary magazine. **MORE ON PAGE 3**

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Lessons about the benefits of liberty are embedded in American history, not merely American ideology; the Plymouth and Jamestown colonies suffered famines in their early days because of experiments in agricultural communism, which provided grim examples of the importance of private property and free trade. The failure to abolish slavery at the outset perpetuated injustice and even multiplied it. The failures to implement liberty are as instructive as the successes. The American past is complicated, and libertarianism's full realization is still a task for the future.

The Prehistory of Libertarianism

Of course, the idea of severe restrictions on the power and reach of government goes back long before the American experience. Libertarian-sounding rhetoric can be found in Confucius's disciple, Mencius, who wrote that "in a nation, the people are the most important, the state is next, and the ruler is the least important." And in the Western tradition, Judaism taught that the king ruled beneath God and was subject to His rules. A separate priestly caste meant that the king wasn't responsible for interpreting his own mandate. The heart of Judaism was the contract between Jehovah and the Jews—meaning that even God, the highest source of government, had obligations to His people, as long as they kept up their end of the bargain. In classical Greece, *Prometheus Bound* by Aeschylus (featuring Prometheus defying Zeus in the name of a justice higher than the gods), *Antigone* by Sophocles, and Euripides's attacks in various plays on slavery and the barbarity of war indicate a people who understood the distinction between what earthly, or even divine, authority commanded and what was right and just. A natural law and natural rights tradition that recognizes discoverable, rational standards for justice above and beyond the decisions of earthly governments runs throughout Western intellectual history and has strong libertarian implications.

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Libertarian ideas about human politics go back even to prehistory, to the creation of the state itself. Although theories of the origins of the state are merely implicit in most libertarian writers, the German anthropologist Franz Oppenheimer described its origin in *The State* as being in blood and conquest, the result of conquerors trying to live off others' efforts through taxation and the provision of "protection." Oppenheimer distinguished between the "political" means of acquiring wealth—taking it—and the "economic" means—production and exchange.

Reliance on the economic means to wealth is what has created not only the wealth but also the liberty we enjoy today. Libertarians see the promise of free exchange and call for limiting the use of the political means to wealth. The political means is especially dangerous when it masquerades as law. The 19th-century libertarian pamphleteer Frederic Bastiat in *The Law* complained of "the law perverted," of the law "not only turned from its proper purpose but made to follow an entirely different purpose. The law became the weapon of every kind of greed! Instead of checking crime, the law itself guilty of the evils it is supposed to punish!"

An American Radicalism

It was in America that the ideas and practices of liberty initially went furthest—and thus it is not surprising that the modern libertarian movement arose here. Libertarianism has its basis in economic, moral, and political theory, rooted in ideas about how workable order can arise uncoordinated by a single controlling mind, how and where it is proper for a human to use force against another, and the likely dire effects of concentrated, unchecked power. But the element that distinguishes libertar-

ianism's unique place in political thought is that it is *radical*, taking insights about order, justice, and the struggle between liberty and power further and deeper than most standard American liberals, patriots, or old-fashioned Jeffersonians.

But that radicalism is itself characteristically American. Americans were, first, Englishmen; and, as historian of the American Revolution Gordon Wood has pointed out, "no people in the history of the world had ever made so much of [liberty]. Unlike the poor enslaved French, the English in the 18th century had no standing army, no letters de cachet; they had their habeas corpus, their trials by jury, their freedom of speech and conscience, and their right to trade and travel; they were free from arbitrary arrests and punishments; their homes were their castles."

The progress of markets, wealth, and technology has mostly eliminated aspects of early American life that would strike us as tyrannous today: the sharp distinctions of rank; the religion-based busyboddiness in the towns; and the most prominent stains on American's libertarian heritage, the restricted legal status of blacks and women. (In the form of social pressure as opposed to strict state action, those problems have not entirely disappeared.)

Americans were Englishmen particularly jealous of their liberties, enflamed by pamphleteers such as John Trenchard and Thomas Gordon, of the famous *Cato's Letters* (after which the Cato Institute is named). The widely read Trenchard and Gordon believed in inherent natural human rights that no government may violate; government existed solely to defend citizens' persons or property. As one of their heroes, Algernon Sidney, a martyr to the tyranny of kings, said, free men always have the right to resist tyrannical government. Colonial American libertarian heroines such as Anne Hutchinson, who rebelled against Puritan rule as early as the 1630s, relied on the Western Christian tradition in arguing for human liberty untrammelled by

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restrictions from state or church and helped lay the ideological groundwork for the next century's radical revolution.

Thomas Paine knew that however much they invoked ancient English liberties, American revolutionaries were something new: “We see with other eyes; we hear with other ears; and think with other thoughts than those we formerly used.” American revolutionaries were, as the Declaration of Independence states, fighting not just for the historic rights of Englishmen but for the natural rights of all mankind. Americans had, too, a fresh vision of civic virtue. Virtue was no longer, as in classical times, based only in participation in affairs of state. The new virtue, as Gordon Wood put it, “flowed from the citizen's participation in society, not in government, which the liberal-minded increasingly saw as the principal source of the evils of the world.”

Commerce, that great emollient of social ills, that creator of wealth and happiness, was breaking free of the old contempt that dogged it. Americans were to enjoy a great commercial republic, a society steeped in libertarian principles.

Although the march of American history took the nation far from that original vision, great libertarian thinkers continued to dot American history through the 19th century. The intellectual and political movement for slavery's abolition was led by brave libertarian thinkers, most prominent Frederick Douglass and William Lloyd Garrison, who pointed out with uncompromising moral fervor, and in the face of actual physical danger, how American practice violated the libertarian promises of the Declaration. Another great abolitionist and individualist was the Massachusetts-born Lysander Spooner, who wrote impassioned and devastating polemics pointing out how government violated standard bourgeois virtues that Americans otherwise believed in, acting in essence like a gang of brigands and killers yet demanding respect and obedience.

Another 19th-century American liber-

tarian thinker, of great public renown in his time, was the Episcopal priest and Yale University sociologist William Graham Sumner. Sumner was a great anti-imperialist as well as an advocate of *laissez faire* and a celebrator of the spirit of enterprise who saw that the market order is so brain-bustingly complex that government attempts to manipulate it are apt to lead to unpredictable and very likely negative results.

Sumner celebrated “the forgotten man,” the independent middle-class producer who gets torn between the plutocrats who influence the powerful and the paupers who receive benefits from government reformers, yet has to pay for all the schemes designed to help them both. Sumner also rightly predicted that the 20th century, given the burgeoning combination of socialism and warmongering, would be “a frightful effusion of blood in revolution and war.” He opposed foreign interventionism and mordantly noted in his classic essay “The Conquest of the United States by Spain” that, while it may seem the United States won the Spanish-American War, in fact we allowed Spain's imperial system to conquer our Republic. “We have beaten Spain in a military conflict, but we are submitting to be conquered by her on the field of ideas and policies.”

Libertarianism in Europe

Modern libertarianism, though it flourished on American soil, is also a cosmopolitan philosophy, celebrating a world united by liberal ideas and free trade while still reveling in the panorama of freely embraced local peculiarity that only relatively free polities can provide.

Back in Europe, partly inspired by the Americans, partly inspiring them, a movement for liberty spread across the Continent. French economists, historians, and

sociologists in the early 19th century created a very libertarian class analysis. To those French *économistes*, the relevant class distinction was not between bourgeois and proletariat but between the productive and the predatory—with the productive being anyone working in the market and the predatory being the state and its agents and dependents who steal from the productive. Here we see the vital libertarian distinction between society and state, between the forces of productive human cooperation and those that prey on it.

Following in the French liberal tradition was the greatest libertarian publicist of the 19th century, Frederic Bastiat. This witty pamphleteer against protectionism followed closely the actions of Richard Cobden and John Bright, the English liberals who succeeded in overturning Britain's Corn Laws. Bastiat's writings were brought back into print regularly by libertarian institutions in the 20th century. The most popular book of libertarian economics in the 20th century, Henry Hazlitt's *Economics in One Lesson*, is a contemporary updating of Bastiat's approach of looking at the secondary and tertiary effects of government economic intervention, of looking beyond the apparent intended good.

Bastiat was a great epigrammist for freedom. “The State is the great fiction by which everybody tries to live at the expense of everyone else” is one classic. He mockingly argued that under protectionist logic France is better off if its exports sink at sea before they can be sold, and the profits used to buy imports that make the balance of trade “worse.” He composed the perfectly logical, on protectionist grounds, petition of the candlemakers against the sun, arguing that for the benefit of French industry it must bar this dastardly source of free, imported light. Bastiat celebrated the abundance markets create and mocked the blinkered small-mindedness of producer-centered economics, which makes human life less abundant. He showed how free markets achieve what the 19th-century social-

“We live in a world shaped by the beliefs of Marx’s political-economic enemies, the classical liberal precursors of modern libertarians.”

ists hoped to achieve through the state: more wealth and a better life for all.

The most radical of the 19th-century European liberal economists was Gustave de Molinari. Molinari was the first, apparently, to explain how the principles and practices of the free competitive market could apply to military defense, thus potentially kicking the props out from under any need for government. He was a follower of French liberal economists Bastiat and Charles Dunoyer and published a paper in the *Journal des Economistes* in 1849 that shocked even them by reasoning that if free competition works in other fields, we ought not assume beforehand that it could not work in defense.

As Molinari wrote in his 1849 book *Les Soirées de la Rue St. Lazare*, “Aren’t there men whose natural aptitudes render them specially fitted to be judges, policemen and soldiers? On the other side, haven’t the property owners a need to protection and justice? . . . If there are on the one side men fitted to attend to the need of society, and on the other side, men disposed to attend sacrifices upon themselves to obtain the satisfaction of that need, doesn’t . . . political economy . . . say if such a need exists it will be satisfied, and it will be better under a regime of full liberty than under any other?”

The German Wilhelm von Humboldt, relied on by John Stuart Mill in his more famous *On Liberty*, argued in his *The Sphere and Duties of Government* (1792) that government’s only proper function was the provision of security, and that social progress required that people be free to conduct cornucopian experiments in living from which we can learn the manifold possibilities and pleasures of human living.

Humboldt was possibly the first to summon certain arguments for liberty—for example, the almost metaphysical one, going beyond mere politics to the nature of what it means to be properly human. As historian of liberalism Ralph Raico put it, Humboldt explained it is “only when men are placed in a great variety of circum-

stances that those experiments can take place which expand the range of values with which the human race is familiar, and it is through expanding this range that increasingly better answers can be found to the question, ‘In exactly what ways are men to arrange their lives?’”

Herbert Spencer was the most influential in his own time of 19th-century European philosophical radicals. Spencer came from a humble Quaker background in England and, after an early career as a railroad draftsman, became a classically energetic Victorian intellectual, writing huge books summing up all his thoughts on various sciences, physical and moral. He was an early evolutionary theorist who invented the phrase “survival of the fittest”; he coined the term “law of equal freedom” to sum up the libertarian message that we had a right to all the freedoms that did not infringe on another’s freedom; and he was largely responsible for whatever laissez-faire sentiments existed in elite thinking in the late 19th century.

More than 350,000 copies of his works were sold in America from 1860 to 1903. The *Atlantic* in 1864 declared that “Spencer . . . represents the scientific spirit of the age” and that his ideas “will become the recognized basis of an improved society.” Spencer is perhaps best known in American legal-intellectual circles for Oliver Wendell Holmes’s summoning of him, in his dissent in the 1905 *Lochner* case (which overturned a maximum-working-hours law on principles of economic liberty that Holmes felt the Constitution did not protect), which declared that “the 14th Amendment is not an enactment of Mr. Herbert Spencer’s *Social Statics*.” More’s the pity, to the libertarian mind.

Those forebears helped inspire the 20th-century American journalists, novelists, economists, and philosophers who launched modern libertarianism, fighting rearguard actions against the Roosevelt New Deal revolution that cemented the 20th-century vision of American government as one of ever-growing and continuous extensions of state power in the names of order, welfare, and warfare. The likes of H. L. Mencken, Isabel Paterson, Rose Wilder Lane, and the immigrant Russian novelist Ayn Rand wrote and demonstrated how the power of the free individual, not state power, is what creates the wealth, ideas, and delights that make life worth living.

A World Shaped by Libertarianism

Although it remains easy for believers in untrammelled liberty to despair about the current American state’s enormous power to tax, control, and wage war, it is true that in some very important ways, just as the United States has become the world’s dominant nation, so have important aspects of the libertarian ideas at America’s root shaped the modern world. Those ideas have helped to create a world that enjoys widespread wealth and a glorious range of free choice, both here and abroad, that is well worth celebrating.

Although tens of millions were killed in the name of Karl Marx’s dream, we are not living in his world. We live, rather, in a world shaped by the beliefs of Marx’s political-economic enemies, the classical liberal precursors of modern libertarians, the thinkers who, in line with the principles of the American founding, believed that a harmony of interests is manifest in unrestricted markets, that free trade can prevent war and make us all richer, that decentralized private property ownership creates a spontaneous order of rich variety.

The ideas and implications of those forebears fed into a 20th-century tradition that attempted to revive, extend, and apply their

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raising the minimum wage. In “Has U.S. Income Equality *Really* Increased?” (Policy Analysis no. 586), Cato senior fellow Alan Reynolds argues that the problem with the federal income tax return data used to support those claims is that they’re not measuring what they claim to be measuring. Large changes in U.S. tax rules in recent decades raise the share of reported incomes at the top. As Reynolds explains, those changes make it meaningless to compare income data from the 1970s and 1980s with more recent data. He finds that the real story on inequality is not about a “new gilded age” but about misleading statistics.

Today’s Lesson: Social Division

In the 1800s Catholics and Protestants came to blows over which version of the Bible would be taught in public schools. And groups continue to use the public schools to try to force their moral agendas on other people today, as Neal McCluskey, policy analyst at the Center for Educational Freedom at Cato, demonstrates in “Why We Fight: Do Public Schools Cause Social Conflict?” (Policy Analysis no. 587). He uncovers 150 incidents of social conflict from the 2005–06 school year alone. A school district in Dover, Pennsylvania, required biology students to hear a dis-

claimer that evolution is just a theory. A student at a California high school was reprimanded for displaying an American flag from her back pocket. The Nebraska legislature split Omaha’s school district down racial lines. McCluskey uses those and many other examples to illustrate that clashes are inevitable in a system in which all Americans are required to support public schools, but only those with the most political power control them. As an alternative, McCluskey advocates empowering individual parents to select schools that share their moral values and educational goals.

TERRORISM *Continued from page 15*

and our system, but we should take care to protect ourselves by adopting failsafe mechanisms like the absence of a national identification card.

Finally, there is the individual insecurity that national ID and uniform ID systems bring us. And that is best exemplified by identity fraud.

One of the reasons why such fraud is so easily engaged in is the fact that a Social Security number is pretty much the only key that one needs to access people’s financial lives. Because the system is so simple and economically efficient, it is also efficient for criminals. They navigate the system easily and use the SSN, plus one or two other identifiers, to break into people’s financial lives.

All of us are used to securing our physical assets with six, eight, or ten different keys. Why on earth we would want to secure our intangible lives with one single key, I do not know. Many technologists, and of course governments, think that a single key is great. Single-key systems work very well for institutions, but they do not necessarily secure us.

As soon as you are willing to put your home, your office, your safe deposit box, your bike lock, your gym key, and your desk key all onto one and ask the government to issue that one key, you will be okay with the national ID. But until then, we need to think more in terms of diversifica-

tion of identification systems.

You cannot stop technology from advancing. There is no plausible “stop the world, I want to get off” argument. We all agree that the train tracks we are on now toward a national ID are the wrong tracks, and we are agreed on slowing or stopping that. But I make an argument in my book for switching us to another track, which is to foster a diverse, competitive identification system.

Right now, you can conceive of identification as an economic and social service. Telecommunications and credit reporting are both network services that are very valuable to society. They are also privately provided.

Identification and credentialing are a monopoly service provided by government. What you get when you have a monopoly provider, especially a government monopoly provider, is a far more expensive and poorer-quality product than you should get.

I think that is illustrated well by government-issued ID, which is essentially uniform. You cannot decide which identifiers you want to use. You cannot decide when you want to present your ID and to whom. There aren’t the diversity and competition that you get when you shop for something in the market. We need a competitive identification and credentialing market for many reasons, including protection of privacy and civil liberties.

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ideas about the blessings and fecundity of peace, liberty, tolerance, free markets, and free trade. That tradition has come to be known as *libertarianism*, and those who continue in this intellectual struggle for human betterment, while always alert to and embracing new ideas and applications, are entrenched in the long and vital tradition of political thought, and even political practice, in both American and European history. To the extent that our world has followed those traditions, it has prospered and been a world well worth living in. But power is always fighting back against liberty, and the libertarian’s task of explaining and advocating liberty’s benefits is eternal.

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