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# Cato Policy Report

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## Government, War, and Libertarianism

BY JUSTIN LOGAN

Foreign policy has been a contentious issue for libertarians since September 11, 2001. There have been countless harangues in Washington bars and policy salons over the past five years about libertarianism and the Iraq War, and the topic has been so divisive for libertarians that even Rose and Milton Friedman disagreed. She was in favor and he against, with Rose noting later: “This is the first thing to come along in our lives, of the deep things, that we don’t agree on. We have disagreed on little things . . . but big issues, this is the first one!”

Why has the war—and post-9/11 foreign policy generally—been so controversial for libertarians? And now, more than six years after 9/11 and more than five years into the war in Iraq, what can libertarian insights tell us about how we got here and what to do next?

To try to answer these questions, we should begin with some libertarian starting points about government and then review the debate over the Iraq war and foreign policy more generally in the wake of 9/11.

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Nicole Kurokawa, manager of external relations, and Joey Coon, manager of student programs, promote the Cato Institute’s programs, including CatoCampus.org, at the Students for Liberty Conference held at Columbia University in February. Cato executive vice president David Boaz gave the opening keynote address. Vice President Tom Palmer and Senior Fellow Randy Barnett also spoke.

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Then we can consider where to go from here, and what a counterterrorism policy that paid heed to libertarian insights would look like.

## Government: Dangerous at Home, Beneficent Abroad?

Nation-states are self-interested collective organizations, both at home and abroad. As public choice economists tell us, the first interests the state looks after are the state's—not the people's. Quite often, the state's interests are served by war.

War historically has been the most effective generator of big government. As Bruce D. Porter observed in his book *War and the Rise of the State*, the nonmilitary sectors of the federal government grew at a faster pace during World War II than they did under the New Deal. War creates the perfect climate for the collectivist mentality, as well as ready-made occasions and arguments for expanding the power of the national state.

In the international arena, it is important to note that security—the first-order concern of any state—is ultimately contingent on a state's ability to defend itself. Decisions about national policies are based on how threatening a state views the international environment. Overall, security is scarce, and history tells us that states are competitive and leery of any state that grows too powerful and/or throws its weight around. The concentration of military power in the hands of one actor in the international system can cause fear, particularly if that state appears intent on overturning the existing balance. It was for that reason that Thomas Jefferson wrote in 1815 of his desire that nations “which are overgrown may not advance beyond safe measures of power, [and] that a salutary balance may be ever maintained among nations.”

In recent years the United States has upset the world's balance. Countries assess threats on the basis of capabilities and intentions, and the U.S. government at present appears to have enough of both to alarm other governments. Washington

spends roughly as much on its military as does the rest of the world combined, and political leaders in both parties argue that we need a military significantly bigger. At the same time, in addition to the attack on Iraq, American leaders have begun to openly discuss their intentions of unraveling the international order. During a June 2007 speech to the Economic Club of New York, Secretary of State Condoleezza Rice argued that “America has always been, and will always be, not a status quo power, but a revolutionary power.” Thus we should not be surprised when we encounter fear and distrust from Berlin to Beijing.

What is most peculiar about this state of affairs is that the United States sits unchallenged atop the international order, with an unparalleled ability to shape it and with any potential peer competitor several decades away. This state of affairs is hugely beneficial to us; imperfect though it is, the United States should be working to *preserve*, not overturn, the existing international order. But some observers, including a few libertarians, seem to have concluded that the threat from terrorism is so great that the United States must embark on radical social engineering projects abroad to combat it.

## What Changed after 9/11—and What Didn't

Despite the preeminent position of the United States in the international order, many American political leaders and thinkers—including some libertarians—embraced aggressively interventionist foreign policies after 9/11. The threat of international terrorism, primarily from al Qaeda, was broadened to include the nation-state of Iraq. President George W. Bush argued that an effective strategy for fighting terrorism must include regime change in Iraq in order to transform the social and political culture of the Middle East.

Most libertarians questioned those moves. Some embraced them.

Perhaps the most prominent libertarian to advance these ideas has been Randy Barnett, a nonresident senior fellow of the Cato Institute and professor of law at Georgetown University. Barnett published an op-ed in the *Wall Street Journal* in July 2007 criticizing noninterventionist libertarians for failing to understand that “libertarian first principles . . . tell us little about what constitutes appropriate and effective self-defense after an attack.” He argued that libertarians can and should think of the attack against Iraq as appropriate self-defense in response to 9/11. Further, he argued that libertarians should favor “a strategy of fomenting democratic regimes in the Middle East.”

Such radical government programs could only be endorsed by a libertarian *in extremis*. But there was never reason to believe Iraq was either responsible for 9/11 or plotting the next one. The Iraqi government was not involved in 9/11, and attacking it devoted scarce resources to the wrong target. The appropriate response to the newly prominent threat of nonstate terrorism was to concern ourselves more with nonstate terrorist groups, which do not have return addresses and frequently cannot be deterred. To lump in states—whose relations with each other were largely unchanged by 9/11—with such groups is to confuse different types of problems.

Barnett himself wrote in his 1998 book *The Structure of Liberty* that libertarian conceptions of self defense are limited to *imminent* attacks, a limitation that Barnett deemed “well-founded . . . because of the enormous knowledge problem that would be confronted if we were to permit self-defense actions prior to a threat becoming imminent.” Barnett warned readers further that “every erroneous and unjust use of violence threatens to induce resentment, bitterness and the desire on the part of those against whom violence is used to rectify this injustice by responding violently, thereby setting off a cascade of violence.”

One could apply those insights to the

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war in Iraq. The U.S. government attacked Saddam's regime in the absence of any imminent threat, and it seems that we indeed induced a significant amount of resentment, bitterness, and desire for vengeance by starting the war. (The debate over whether the intelligence supporting the case for war resulted from governmental incompetence or malfeasance—and neither explanation should confound a libertarian—is irrelevant.)

In his *Wall Street Journal* article, Barnett admits supporting the war even though he believed that it would go poorly. He concedes that “to a libertarian, any effort at nation building seems to be just another form of central planning which, however well-motivated, is fraught with unintended consequences and the danger of blowback” and that he is “disappointed, though hardly shocked, that the war was so badly executed.” A critic of the decision to go to war might then ask why one should support a war you expect to go badly. And given that the objective of the war was a massive social engineering project unprecedented in scope—the destruction and reformation of a regional order—how could libertarians have envisioned it going any other way than poorly?

Indeed, how is it simultaneously possible to oppose government involvement in education or health care on the grounds of the inherent lack of necessary knowledge, but believe that the federal government could invade Iraq and then unravel and reweave the fabric of a thousands-year-old society whose language we do not speak and whose tribal and confessional allegiances we do not understand? Following the insights of thinkers such as F. A. Hayek, libertarians are deeply skeptical that governments could collect and sort enough data to plan government health care or education effectively. Surely those difficulties are compounded when the goals are even more ambitious and the policies are conducted in foreign countries wracked by sectarian conflicts.

*The Atlantic's* Matthew Yglesias observed the debate among libertarians over the war and judged that “the notion that anything

even remotely resembling libertarianism could underwrite an effort to conscript huge quantities of resources from the American public and deploy them in an attempt to wholly remake the social and political order in a foreign country is too absurd to merit a rebuttal. . . . It's coercion, it's planning, it's every non-libertarian thing under the sun.”

The policies that libertarian hawks have supported have cost more than half a trillion dollars and four thousand American lives—greater than cost of the 9/11 attacks themselves. (Libertarians also should not ignore the violations of individual rights that occurred in the form of the hundred thousand or so Iraqis who perished as a result of our political science experiment in their country.) Government power, unchecked by prudence or other constraints, can do great harm not only to foreign targets, but also to the very citizens that the government is charged with protecting. To craft an effective response to the terrorist threat, it is necessary to dispassionately assess the nature and scope of the threat.

### Getting Threat Assessment and Response Right

The very real problem of terrorism can be handled without massive nation-building projects in the Middle East. In fact, the biggest successes in fighting terrorism since 9/11 have been achieved through cooperation with foreign intelligence services and police agencies. Precious few meaningful victories against terrorism, by contrast, can be ascribed to the government's tinkering with Iraq.

My colleague Benjamin Friedman observes that even in 2001, the flu killed more than 10 times as many Americans as did terrorism. Certainly past performance is no guarantee of future results, and one can conceive of improbable scenarios that would radically expand the destructive

capacity of terrorists (their acquisition of a nuclear weapon, say). But to date, the government's nation-building-as-counterterrorism approach has been more destructive and wasteful than terrorism itself and has done little to diminish the problem. In fact, there is ample evidence that terrorists realize that the best way to inflict harm on America is to trick us into responding in ways that harm ourselves.

Osama bin Laden boasted in 2004 that it is “easy for us to provoke and bait this administration.” Describing his desire to “bleed America to the point of bankruptcy,” bin Laden remarked, “All that we have to do is to send two mujahedeen to the furthest point east to raise a piece of cloth on which is written ‘al Qaeda,’ in order to make generals race there to cause America to suffer human, economic and political losses.”

Instead of allowing ourselves to be goaded into self-destructive responses, we should review our diagnosis, our prescription, and our prognosis. In pursuing an accurate diagnosis, we must confront a painful truth that study after study has revealed: U.S. foreign policy plays a significant role in public opinion in the Islamic world—and as a result, represents a big part of our terrorism problem. As a 2006 Government Accountability Office report noted, “U.S. foreign policy is the major root cause behind anti-American sentiments among Muslim populations and . . . this point needs to be better researched, absorbed, and acted upon by government officials.”

The Pentagon's Defense Science Board was less diplomatic, writing in 2004 that “Muslims do not hate our freedom, but rather, they hate our policies.” Bin Laden himself argued in 2004 that “contrary to what Bush says and claims—that we hate freedom—let him tell us then, why did we not attack Sweden?”

Of course, not every terrorist is motivated by rage at U.S. foreign policy. There are clearly a small number of terrorists who carry out murders for other reasons. It should go without saying that the only

viable policy approach toward committed terrorists—no matter their motivation—is to pursue them and capture or kill them in cooperation with foreign intelligence services and, in some cases, with the limited use of American military power. But our strategy should not be solely reactive. There are a vast number of people who may be receptive to bin Ladenism but aren't yet convinced they should join him. And by far the most effective recruiting tool in al Qaeda's arsenal is the notion—alarmingly widely accepted in the Muslim world—that America's actions prove we are out to destroy Islam.

Accordingly, to treat the problem we need to focus more on the question of how we can better affect the marginal terrorist recruit. What makes him or her more or less likely to join the cause? Wouldn't removing bin Laden's best recruiting tool be helpful? The other side of the coin is that al Qaeda's remarkable barbarity has been a public relations disaster in the Islamic world. Very few people—far fewer than support relatively liberal governance—express any desire to be governed by people like al Qaeda. Shibley Telhami, one of the leading pollsters of the Islamic world, testified to Congress in 2005 that al Qaeda's support in the Arab world stems disproportionately from its opposition to U.S. foreign policy. Of the Arabs in Telhami's poll expressing support for any of al Qaeda's aims, only 6 percent supported the group's objective of creating a Taliban-style state.

Al Qaeda can't sell an affirmative agenda; what it can sell is opposition to U.S. foreign policy. A smart approach to counterterrorism would recognize that fact and avoid providing bin Laden and his comrades with opportunities to pose as the defenders of Islam against a hostile, colossal, anti-Islam United States.

Now for the prognosis. It is time to take a deep breath and recognize the strength of our system. Liberal capitalism is the best means for organizing human activity. It provides for the most flourishing, it provides for the most technological innovation, and it has the strength to endure

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through time. During the Cold War, alarmists warned constantly about the durability of the Soviet system, insisting that it was, in many ways, stronger than our own. They were proved fantastically wrong when the sclerotic Soviet state collapsed in a shambles in 1991. To respond to the band of fanatics we face today with hysteria does not befit a great nation of our size and vitality.

Hollow though it was, Soviet communism was a far more dangerous force than Islamic terrorism. The system that withstood the challenge of communism can similarly survive the threat from Islamic terrorists. As mentioned above, the style of governance that al Qaeda and its affiliates can offer to Muslims around the world is exceedingly unpopular. Earlier in the Bush administration, citizens of Arab countries held surprisingly favorable views of American freedom and the American people, although those figures have declined substantially. What becomes clear from the data, however, is the overwhelmingly negative view of U.S. foreign policy in the Islamic world. Putting our best face forward and emphasizing the positive features

of the United States will go a long way to repairing our poor position in the world. As George F. Kennan wrote in his 1993 memoir, the United States must “never lose sight of the principle that the greatest service this country could render to the rest of the world would be to put its own house in order and to make of American civilization an example of decency, humanity and societal success from which others could derive whatever they might find useful to their own purposes.”

We have lost sight of this principle. But in the months and years to come, we should refocus and take solace in the fact that certain important and basic truths remain unchanged. Our system is strong; bin Laden's is weak. We are wealthy; al Qaeda is poor. We have greatly influenced the structure of the world order; they can only affect it by provoking reaction. The best thing to do now is to jealously guard our strength, not squander it; to keep and hold our quiet confidence, not panic; and to pursue this new breed of enemy with the prudence and wisdom of a mature nation.

The political scientist Hans Morgenthau wrote in *Politics among Nations* that “throughout the nation's history, the national destiny of the United States has been understood in antimilitaristic, libertarian terms.” This fact is linked to the rugged individualism of the American founding and the kernel of libertarianism that lies at the heart of the nation even today. Those who would jettison the anti-militarism would also jettison the libertarianism, compounding the tragedy.

Before his death in 2006, Milton Friedman lamented that his life's project of limiting government power was “being greatly threatened, unfortunately, by this notion that the U.S. has a mission to promote democracy around the world,” pointing out: “War is a friend of the state. . . . In time of war, government will take powers and do things that it would not ordinarily do.” It is for precisely that reason that libertarians, more than anyone, should not be friends of war. ■