

**THE
LIBERTARIAN
CHALLENGE**

A New Direction for America

By

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SPECIAL CONVENTION PREVIEW

Stew ENGEL
Pennsylvania

**THE LIBERTARIAN CHALLENGE:
A NEW DIRECTION FOR AMERICA**

To the delegates of the 1975 Libertarian Party Convention:

This pamphlet has been printed to give you a preview of a book that will be published in both hard-bound and paperback editions before the end of the year. **THE LIBERTARIAN CHALLENGE: A NEW DIRECTION FOR AMERICA** is designed for mass distribution — including newsstands across the country — and is directed to the intelligent layperson who is looking for a rational, viable alternative to the politically created mess that America is now in.

THE LIBERTARIAN CHALLENGE will fill an important gap in the literature of freedom. Until now we have suffered for the absence of a widely circulating book that not only delineates the important elements of our philosophy but also examines a comprehensive set of real world problems in the light of their libertarian solutions. It is an integral requirement in effecting the "second libertarian revolution" that we begin systematically answering those "yes — but what about . . . ?" questions that arise in the minds of those exposed to our hard core principles.

The unchecked, burgeoning growth of the State into our personal lives now tells us with finality that the time has come to cease "talking to ourselves," and begin exposing the public at large to the Libertarian Party. I have every confidence that this book will be an important ally in that task for libertarian activists everywhere.

This pamphlet includes the first two chapters of the book (although it is possible that some minor changes may yet be made). The remaining seven chapters are all near completion (some more than others — the conclusion, foreign policy and economics chapters are virtually done) and the entire manuscript is due at the publishers in early October.

I have been fortunate to receive the ready assistance of a number of fellow libertarians in the preparation of the manuscript and I am particularly grateful to Bill Evers, Manuel Klausner and Murray Rothbard for their counsel and guidance.

I hope you like what you find in this preview and I am eager to hear your comments.

Cordially,



Roger Lea MacBride

Outline of

THE LIBERTARIAN CHALLENGE

A New Direction for America

1. Preface

2. Introduction

3. Chapter I (completed)

4. Chapter II (completed)

5. Chapter III — America and the World

The interventionist foreign policy the American government has pursued increasingly since — roughly speaking — the days of McKinley and Theodore Roosevelt. Its failures outlined and analyzed, its cost to the world and to the United States discussed. A basis laid down for a truly international foreign policy: one of non-intervention, free trade and free travel between nations. Analysis of how the American state can be disengaged from its present policies without unnecessary harm to those who have relied on it over the years.

6. Chapter IV — The American Economy

How it has evolved over the last half century into a loose partnership of big business and government. At the same time attempts to manage the economy have led to a continuing inflation which is now at the verge of entering its final "Brazil-like" phase. Heavy taxation at all levels of government has distorted the economy and proved a near-intolerable burden on lower and middle income groups. A substantial reform and rethinking about the functions of government overdue. A program set forth for proceeding with all deliberate speed from the present interventionist-business-dominated economy to a free one.

7. Chapter V — Victimless Crimes

The extent to which legislated morality has become a disease of America. A discussion of the first century of this country's existence during which everyone was pretty much (although not entirely) free to conduct his private life as he wished. A discussion of the extent to which government prohibitions of persons from gambling, reading pornography, having sex relations with consenting adult partners, using drugs of various kinds, is destructive not only of the individual, but in a broad sense of the society in which he lives. The social cost of using the police power of the State to restrain persons from conducting private lives as they

wish so long as they do not impose by force or fraud upon others. A program for removing the State from these areas of human existence.

8. Chapter VI

A general catch-all chapter to discuss briefly numerous issues which are not touched on in the preceding three chapters about specifics. Here we'll discuss the reasons for and the proposals to accomplish such things as reforming the bankrupt social security system by transferring its functions to the private sector; removing government support for and direction of, agricultural production; the abolition of the Civil Aeronautics Board and the end of airline monopolies; the termination of the functions of the Federal Trade Commission and of the Federal Communications Commission; the liquidation of vast and purposeless federal land holdings in areas such as Alaska and Nevada; and so on.

9. Chapter VII — Conclusion

A summing up both of the philosophical mandates of the Libertarian approach, and an emphasis upon the *practicality* of our proposals. The LP as a major factor in the ultimate prospective success of the libertarian philosophy, its prospects and what the reader can do to help.

CHAPTER ONE

THE WIZARD IN WASHINGTON

The matter of greatest concern today to libertarians is the unchecked, malignant growth of government. In 1776, Americans, at great cost, denied old world Authority and began lives of freedom. Yet today power over our lives has been allowed to pass back from ourselves into the hands of government. Historically, this shift of power, from the individual to the State, has been a death sentence for every civilization before us.

What hope we have for averting the destruction of America lies in knowing the nature of our enemy: the Authority in Washington, D.C. is an imposter! Its activities are strikingly similar to the statecraft of the Hyksos in Egypt fifty centuries ago.

Tyranny is not what we bargained for! The founders thought they had fashioned a *new* form of government in this country, one reflecting the personal sovereignty of each individual in the United States and sharply limited in its reach. For a long time it seemed that the unique experiment had succeeded. Even into this century American citizens could go about conducting their business without hindrance, cross borders without passports, speak, dress, work, smoke, drink, skip school, maintain privacy, drive vehicles without licenses (much less seat belts), and dress down any officious constable who exceeded a very limited authority. The government had *no* power to tax incomes or estates nor could it steal a person's wealth with unredeemable paper money.

All this is gone, of course. The trouble is, there are any number of Americans who don't know it. They go on thinking the government is no worse than ever; too large and wasteful, perhaps, but still "ours" and still, on the whole, benign. They go on indulging its expensive bumbling and meddling as a parent indulges a child. They accept its claimed Authority with little grumbling. This passive attitude has been endlessly useful to Washington for expanding its power, picking our pockets and running our lives.

We can indulge them no more! The American superstate at Washington is an established fact. How it came to be has been well covered in many books. What is important *now*, both as a public concern and in our individual self-defense, is the need to recognize the government's destructive character and strip away its power to do harm.

The circumstances surrounding the origins of nearly every State in the world define their purposes to this day; they

"(Government in America) has taken on a vast mass of new duties and responsibilities; it has spread out its powers until they penetrate to every act of the citizen, however secret; it has begun to throw around its operations the high dignity and impeccability of a religion; its agents become a separate and superior caste, with authority to bind and loose, and their thumbs in every pot. But it still remains, as it was in the beginning, the common enemy of all well-disposed, industrious and decent men."

— Henry L. Mencken

"No man's life, liberty or property are safe while the legislature is in session."

— New York State Surrogate
Court Judge (Tucker 248,
1866)

originated in conquest, and have always existed for no other purpose than the economic exploitation of the vanquished by the victors. They started in the dusty past when some nameless raider first spared a victim in order to enslave him. As tribes conquered tribes to become nations, and as nations devoured nations to become empires, States became steadily more complex; but they never lost their character as an explicit instrument of exploitation. They existed, and exist today, as a mechanism for letting one group of people live off the toil of another. Nowadays we think of this as "redistribution of income." And that's the clue that now, after two centuries, the great experiment of Jefferson and Madison in creating something different has come to naught. Washington is like all the rest.

Washington is *not* touched by the supernatural. It is not a "metaphysical person" or a "transcendent being." It is not omnipotent, nor eternal, nor ordained by God. It's just people, quite like anyone else: no more wise or high-minded, nor more stupid and dishonest.

What these ordinary people do *as government*, however, sets them very much apart from the rest of humanity: They make wars: Vietnam, Korea. They systematically rob the rest of the country: taxes, inflation, — and do it wholesale. They manufacture and sell privilege: tariffs on shoes, leases on Washington-owned land. They make rules without end — OSHA, the Federal Trade Commission — compelling everyone to do this and never that; but they often ignore these rules themselves. There seems to be no activity too dishonest, unjust, vicious, fraudulent, stupid or criminal for many of them to pass up, as we have abundantly seen in recent years.

More ominous yet, the whole process of increasing Washington intervention is, like a drug habit, self-perpetuating and self-worsening. Each time it intervenes to deal with one problem, it breeds a new problem in some other, perhaps, unexpected, area.* (When somebody gets something for nothing, somebody else gets nothing for something.) Politicians, who know exactly

*For one example (among hundreds), consider minimum wage laws, which cause unemployment among marginal workers, notably young people, especially minorities. The first intervention, the minimum wage, does not of course create any new wealth to pay the workers with; so its effect is to redistribute the existing wage pool. Some workers get more, while some whose services are worth less to an employer than the legal minimum will find themselves out of a job, or unable to find a job. At this point the President and Congress suggest new interventions, such as job training for the workers they have cheated, or more police to deal with the idled and angry young people on the streets.

what is going on, then come forward to suggest further State interventions to deal with the new problems, and so on and on.

As de Lawd remarked in *The Green Pastures*, when you have passed a miracle, you have to pass another one to take care of it. In the process, for most of us the economic situation grows slowly but certainly worse, and our options fewer.

Washington's habit of shouldering every imaginable social and economic problem has cost us dearly. Unimaginable sums, literally trillions of dollars, have been confiscated and spent for social doctoring. Also, it is difficult to find any area of life that has not been made worse as a result. Greater than the waste of money is the price we have paid in freedom lost, dreams indefinitely delayed, opportunities missed, and the doom ordained for building our house upon the sands of false belief.

All we have to show for this heartbreaking mistake is more taxes, more bureaucrats and more problems. Blind to the exploitive character of Washington, you and I fall into the trap of supposing that it wants a "good society" the way we want a "good society." It does not; it wants power and more power. The politicians' adventures in social action are but a means to the historical end, a pretense for adding more layers of bureaucracy and taxes and power over us. Were they actually to succeed in winning the "war against poverty," for instance, it would put legions of poverty-fighting bureaucrats out of work. Example: In a typical federal anti-poverty program, over three-quarters of the funds go to pay federal salaries and administrative costs, while only the small balance gets to the intended beneficiaries, the politically-defined poor. The State would also lose control over its dependents — and freeing slaves has never been a popular pastime.

It is no coincidence that nearly all of the urging of Washington — and each state government — toward "social action" comes from the exploiters themselves — from politicians and their larcenous allies, the interest groups. They know perfectly well what they are doing. They expect, with ample reason, to redistribute some of our money to themselves. Open any newspaper any day and you can read two stories about the failure of some government social enterprise, and three stories about politicians asking for new powers to do even more for us.

Bureaucrats need never fear losing their jobs by solving social problems. Yet there is no way in the nature of things that they can do society any good. Even if they wanted to — and obviously there are very many who do — they would be thwarted by bedrock economic principles.

Washington is a police agency. Its power is police power.

and its primary functions are those that require the use of force and compulsion: national defense and protecting the individual's rights. Indeed, the *only tasks* it can perform competently are those requiring police methods.

But for practical reasons, the use of force and compulsion are completely unsuitable for social and economic purposes. Compulsion cannot grow our food nor build our houses. We wouldn't hire policemen to straighten our teeth or fix the television set. But the strange thing is, this is exactly what the politicians have increasingly done for sixty years and more. They've asked for more police headquarters to educate our children, to run the airlines and railroads, rebuild slums, manage television and radio communications, protect the environment, prevent discrimination, and to undertake countless other non-police chores they manifestly cannot do adequately, or at all.

"It is a curious anomaly," the great libertarian Albert J. Nock wrote in the 1930's, "State power has an unbroken record of inability to anything efficiently, economically, disinterestedly or honestly; yet when the slightest dissatisfaction arises over any exercises of social power, the aid of the agent least qualified to give aid is immediately called for." But by whom, and why? Certainly not by you and I any longer — we only want to make our own way unhindered and unaided.

The direct cost of State intervention is measurable in dollars and cents. According to the Tax Foundation, the current price of government at all levels is *\$7,792 per household per year*. Is it worth \$150 a week to you to be "governed"?

The indirect cost is undoubtedly greater, though it cannot be calculated in the same way. The progressive confiscations of wealth by Washington deter productivity: we lose what might have been. You and I lose new technology, new inventions, new medicines that may be a matter of life and death to us (the Food and Drug Administration, in its godlike wisdom, has slowed the introduction of new drugs to a trickle*). You and I lose job opportunities, freedom of action, chances of betterment. You and I lose our future, for in the end Washington tries to determine our very means of survival.

Any superstate such as Washington has become invariably

antisocial in character. Its interests are opposed to the interests of society in general. Rather than encourage the normal and healthy growth of social power, it, as President James Madison observed, has an innate "lust to expand" its power, with an appetite that grows with every bite. And it has at its disposal the force and compulsion to feed its lust for power by reducing the individual to economic dependence and thus domesticating him for its own purposes.

The question now is how far are we down "the well-traveled road to absolutism"? How much time do we have left to do something about it? Or to put it more bluntly, how much is there left to steal?

The answer is by no means comforting. Consider the following facts: Washington has increased *one-hundredfold* in size and power in just the last forty-five years; government at all levels continues to double every seven years, while the economic energy that sustains our lives grows much more slowly, doubling every thirty years. Washington and state government confiscations during this period have jumped from less than a tenth to nearly half your income, so that if you are an average person you pay more in taxes than you do for all the necessities of life put together — food, clothing, shelter, and medicine. More than all of that in *taxes!*

If present trends continue, the absorption of resources by Washington will cause complete national financial collapse *within ten years*. So implies the Nobel Prize winner of 1974, the economist, Friedrich von Hayek.

I remain optimistic that we can pull ourselves and our country out of this mess. I think so because America's circumstances are to some degree unique in history. In this country liberty got a head start on the State to an extent never before achieved. Though freedom wanes, its traditions are still ingrained in the American character. I think they will inspire the imagination of this generation. Americans have this — perhaps next to last — chance to recognize Washington for what it now is and strip it of its power to harm. Even those Americans who *are* the State may see the whole truth and abandon its cause in favor of old-fashioned American freedom. May a good job and a clear conscience await any bureaucrat who quits!

May you and I understand anew what it means to be free.

*To a tragically large loss of health and life in this country. For a definitive examination of the FDA see the work of Professor Samuel Peltzman, University of Chicago.

CHAPTER TWO

WHAT IS THAT GIANT FIGURE WITH SMOKE AND LOUD VOICE?

The elders of Israel came to Samuel and said unto him "Now make us a king to judge us like all the other nations."

And Samuel answered with the words of the Lord, saying "This will be the manner of the king that would reign over you:

He will take your sons, and appoint them for himself for his chariots and to be his horsemen. He will set them to reap his harvest, and to make his instruments of war. He will take your daughters to be cooks.

And he will take your fields and your vineyards, and give them to his servants. He will take a tenth of your produce and give it to his officers, and to his servants. He will take the tenth of your sheep: and ye shall be his servants.

And ye shall cry out in that day because of your king which ye shall have chosen."

This Biblical description of government's nature is the earliest, and one of the most incisive, I know of; and it raises a mystery still with us. Why is the state not recognized as a violent and demanding interloper in human affairs? Why would anyone willingly submit to its false Authority? Why do so many choose slavery over freedom?

The Israelites had lived and prospered for centuries without a State, but their freedom chafed them. When they asked Samuel for a king, he really laid it on the line: your king will take your lands, your children, your goods and your freedom, and ye shall cry out in that day . . . But he couldn't change their minds. They chose slavery.

Our findings about the State differ from Samuel's only in circumstances. For "king," we substitute President and Congress, Supreme Soviet, City Manager, Chairman of the Military Tribunal, State Governor, or any other "Authority." But today as always, the State remains an instrument of coercion, war, privilege and economic exploitation. Today as always it is unfailingly the destroyer of peoples who submit to its Authority. Yet people will not see it so. Nay, they say, we will have a king over us.

That calls for an explanation. Surely few government activities can be justified in terms of results. To conclude that it delivers the goods, on time and as promised, requires a pathological aversion to reality. It is a matter of everyday and notorious fact that politicians are a gamy breed whose promises are worthless and whose only competence is stealing, compelling, prohibiting, selling favors, and kissing babies; that passing laws and creating bureaus cannot feed the hungry or clothe the naked or add one iota to human happiness; that governments habitually engage in aggression, grand larceny, cheating, lying, counterfeiting, bullying, meddling and other pursuits immediately recognized, in the private sphere, as immoral. Why don't people compare political promises with government results?

Many gifted observers, not necessarily libertarians, have struggled to penetrate this mystery. Sigmund Freud, for instance, observed that governments have no disposition to suppress crime but only protect their own criminal monopoly. He also noted, with puzzlement, the striking difference between public and private morality.

Part of the reason people don't question the State can be resolved by grasping that from the beginning all States have been at pains to theologize themselves. They disguise their nature with rituals still reenacted daily. Indeed, the critical task of persuading you that their rule is needed has engaged the ingenuity of politicians for thousands of years. They have spun a fine web of majesty, mystery and magnificence to hide the facts.

It's true, an institution into which one was born and one's fathers were born does not invite reflective thought. When we think about government, if at all, we think about changing its form or administrators if it goes bad, but never question its nature and mission, nor its record in fulfilling its mission. The Authority of the State is never brought into question at the popular level.

And the ideas needed to see through government's disguises — the ideas of liberty — are a very recent development in human history. These concepts, largely American, are poorly understood in Europe and not understood at all in the rest of the world. There are indeed people alive today whose language has no word for "I" and who cannot, therefore, conceive of themselves as individuals.

These factors and others reinforce government "control." But the plain facts about it have been in sight all along, accessible to any open mind.

This blindness toward government thwarts our deepest human aspirations. Peace can never be realized while governments are free to make war. Justice is mocked when State power enforces one man's privilege over another. The ideal of brotherhood is unattainable so long as the government sets ruler against ruled,

exploiter against exploited. Nor can we better our material lot or attend to our spiritual development while the State can freely control and confiscate our labor.

Yet — as did the ancient Israelites — after a century and a half of liberty and magnificent creativity, Americans somehow have let themselves be shackled and harnessed for the care and feeding of politicians and the erection of granite monuments to futility.

Maybe some people don't see government as it is because they don't want to. They believe the State is what they want it to be — a godlike Authority, a last resort in all human difficulties. There is no rational reason for believing that a police officer is our best defender or that a judge offers true justice simply by virtue of living at taxpayer expense (indeed, there is every reason to believe the contrary). People in public office do not stop acting like people and become gods. And most Americans know that they don't. But because many Americans are unaware of their personal strength and worth they have been brought to accept propaganda to the contrary.

Washington (or any government) seeks to make itself a god-substitute, an idol. It cloaks itself in other worldliness. It brings forth a dazzling array of rituals, doctrines, protocols, monuments, flags, titles and other such theatrics to reinforce popular belief in its omnipotent character. Men may die but our works shall not die: the State is immortal! The State is all-powerful: we alone can protect you from your enemies! The State is all-wise: we alone can do justly for you! The State is all heart: write your social security office for details. You belong to us, who are above you. Obey! Obey!

What used to be tribute collected at spearpoint has become, with centuries of refinement, "fiscal policy." A "planned economy" means politicians do the planning. "Public property" means in the hands of politicians. "Monetary policy" means counterfeiting. A "strongly expansionary monetary policy" means a lot of counterfeiting. A "welfare state" means more welfare for the State. A "statesman" is a politician so smooth he can get away with it all. "Foreign powers" are rival gangs with whom "we" are either at war or in a state of negotiated peace, with the territories of each carefully — or for a purpose not-so-carefully — defined. "Taxation" is theft. Translating governmentese is very educational, and it's not hard once you get the hang of it. But for now, the point is that it's all part of the act.

Such vaudeville would not turn many heads without the modern invention of the idea that "we" constitute the government and that the government is responsive to "our" needs and exists with "our" consent. Those notions are inherently ridiculous. You can tell perfectly well whether or not you are a part of the government. If you have the power to tax, arrest, judge,

command, or live off your neighbor, you clearly are. Otherwise, you're not.

However — you have the "right to vote," the right to choose your rulers, as politicians never stop reminding you. Thus, it seems that you are sovereign, that your view is "represented." By this dodge, the question of rule itself is safely confused and submerged under the question of *who* shall rule. Your supposed "right to vote" offers a very limited option to choose your rulers, and even the option to try to become a ruler; but it never offers you the choice of *not being* ruled. It never offers the option of freedom. Politicians and their friends make all kinds of to-do about the "right to vote" and get extremely anxious when voters do not turn out for elections; but it is nothing. We are by nature free.

If a long and unvarying political experience does not convince you that the State is "the common enemy of all well-disposed, industrious and decent people" then we don't need more facts; we need a radically different way of looking at them. Example: The cancerous growth of government does great harm *to the individual*, because those who accept the Authority of the State need no longer accept their own responsibilities. Thus, acceptance brings a kind of immaturity, a cop-out from life itself. It degrades and dehumanizes. It leads one down the false trail of expecting a living from the world; and down this trail are all the excuses and complaints one can make about getting a bad lot in life, and none of the joys of facing life head-on. The statist attitude stunts the individual's energy and potential. How can you bring out all that's in you if you accept direction by others? If you let yourself become mentally and economically dependent on others?

It seems obvious to me that the mature mind is in harmony with liberty and the nature of things. The mature mind is experienced in the real ways of real people; it is patient, cooperative, tolerant of human weaknesses, aware of personal responsibilities, self-controlled, and too self-respecting to take unfair advantage or to infringe others' rights. When we are mature we respect diversity and do not try to impose our will on others, even for their own "good." We are not envious of another's material success, or anxious to cut him down to our size with "soak the rich" taxes or redistributionist schemes. We recognize that every individual is unique, and that what is good for one may not be good for another, and cannot possibly be good for the many. We understand that violence and compulsion are not only immoral but futile. Mature people get along harmoniously with one another because they are self-controlling and need no Authorities telling them what is right and wrong. They govern themselves. Unfortunately, people of this frame of mind have not taken up politics in this century.

The present state-infected political mind, on the other hand, exhibits all the qualities of immaturity. Reformers and politicians share with adolescents a self-consumed, zealous, ivory tower mentality with an insatiable appetite to "improve" other people's morals. The political mind is intolerant of diversity, ignorant of the real world, and "other-directed" — susceptible to any fads or fancies that happen along. Unable to better itself, unable to persuade by word or teach by example, it reaches ever for power to have its own way and to impose its own way on all. Unable to achieve success or earn an honest living, it slops at the public trough and glories in doing it. The political mind has no quibble about using force to mind other people's business, claim their property, or "engineer" their lives. Envious of those who are more successful in life, it would level them by compulsion to the lowest human denominator in the name of "equality." The demand for equality is never voiced by people who have made something of their own lives. It is, rather, the state-infected mentality that complains like a child, "Jimmy got a popsicle, how come I didn't?"

You will appreciate a good measure of America's current distress by observing the statist attitude at work. It afflicts business firms that seek State contracts, protective tariffs and other anti-competitive measures. It afflicts trade unionists who demand legal monopoly privileges, farmers who want tax subsidies for growing or not growing, and multitudes of citizens who clamor for welfare and other unearned benefits. It actually inspires ideologues and political theorists to fashion all sorts of reasons why life under our current Leader is just fine. It afflicts the professors and teachers and publicists who spread statist theories. It burns in reformers and idealists who yearn to do good and insist on doing it with money stolen from you. It consumes elitists who, convinced they are far superior to other people lust for power to rule.

From the time of the Declaration until as late as 1920, most Americans thought and acted very differently than they do now. As a rule they believed in their own self-authority, met their responsibilities, and maintained a healthy distrust of government. I'm certain it was chiefly this general distrust, and much less "the chains of the Constitution," (as Jefferson said) that kept the government's ambitions in check for a century and a half. Unfortunately this healthy distrust was swept away first by the Wilson and Hoover administrations, and finally by FDR's "New Deal." As a result, governments at all levels have reached for, and have received, Pharaoh-like powers. It is as if this country, converted to belief in State Authority, were rapidly lapsing into senility and second childhood. But since we've been without a meaningful political alternative in all those years, it's no wonder the dreamland of politics is taken seriously now.

The cure for the power of the State lies with you and I — not with "converting the masses." The masses are a fiction. You and I can understand our freedom. How to act upon that understanding is what we'll discuss next. But remember, there is a price to pay for freedom: it means accepting one's responsibilities in full. It means providing for oneself, without excuses, under economic conditions already soured by the State.