

Why Libertarians Should be Critical of War

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Author's note: The following is from a talk I gave at a Libertarian Party of California convention in Fresno on Jan. 28. Although it is 90-percent faithful to the talk, I rewrote it to reflect further thoughts I had after the speech.

As well as being a research fellow at the Hoover Institution, I'm an economics professor at the Naval Postgraduate School in Monterey. My students are military officers. After 15 years of teaching there, it occurred to me that I should actually think about what my students do – in other words, think about war. What wars should our government get into, what should U.S. foreign policy be, etc.?

I'm sure that many of you are familiar with the libertarian-designed "World's Smallest Political Quiz." Let me ask you a question: How many questions does that quiz have on foreign policy? [Someone in the audience answered, correctly, "Zero."] We libertarians have honed our principles and applied them to literally hundreds of domestic policy issues. We've done a great job. The depth of our understanding of how to apply our principles to these issues and of the importance of peace in the domestic realm is truly something for us to be proud of. But we haven't given nearly the same care to examining foreign policy.

Even our language reflects the relatively primitive state of libertarian thinking about war and foreign policy. I don't know many libertarians who, in talking about the 1993 Clinton tax increase, say, "We raised taxes." They're much more likely to say, "Clinton and Congress raised taxes." In other words, they put the responsibility on the people who acted. But I frequently run into libertarians who will say, without the slightest hint of irony, "We bombed Nagasaki" or "We went to war with Iraq." In other words, they switch from the clear, clean language of individualism that they use in discussing domestic policy to the dark, obfuscatory language of collectivism in discussing foreign policy.

But certain principles apply to government action, and those principles don't

become irrelevant in the government's dealings with the people of other countries. It's important, for example, that a government not kill innocent people, whether they are in the country that that government governs or in another country. I would say more, but I want to move on to other issues.

Let's look at the economics of foreign policy and analyze foreign policy the same way economists analyze domestic policy. Consider how we economists analyze price controls on gasoline. We point out that even if the governments that impose price controls on gasoline don't want to cause a shortage of gasoline, the result of a price control that is below the free-market price is a shortage that leads to lines for gasoline. In figuring out the effect of the price control, we don't look at the government officials' intentions – their intentions are irrelevant to understanding the effects of a price control. Indeed, so often do economists find that various policies cause negative unintended consequences that in my "Ten Pillars of Economic Wisdom" that I hand out to students the first day of class, pillar number six is "Every action has unintended consequences."

Similarly, in foreign policy, governments do things that have unintended consequences. Take the Middle East. Please. The takeover of the U.S. embassy in Tehran by a number of Iranians in November 1979 came as a total surprise to most Americans, including me. But that's because neither they nor I had paid much attention to what the U.S. government had been doing in that part of the world. Indeed, the U.S. president at the time, Jimmy Carter, actively discouraged Americans from thinking about past government policy toward Iran, referring to it as "ancient history." But the history wasn't ancient, unless Carter had a young child's view of time. In 1953, the CIA's Kermit Roosevelt and Norman Schwartzkopf Sr. helped overthrow the democratically elected leader of Iran, Mohammed Mossadegh. [See Sheldon Richman, "'Ancient History': U.S. Conduct in the Middle East Since World War II and the Folly Of Intervention," Cato Institute, August 1991.] Now, Mossadegh was no good guy: he had nationalized some oil companies. But does a government's theft of property justify its overthrow? While few Americans ever knew about the CIA's role in overthrowing a democratic government, many Iranians did, just as if an Iranian government agency had overthrown our government, many Americans would remember. So the takeover of the U.S. embassy was an

unintended consequence of the CIA's action in 1953.

That's not the end. Because of the U.S. government's upset at Iran, it allied more closely with Saddam Hussein. Saddam Hussein, incidentally, was part of two coups against Iraqi governments, and the U.S. government helped with both coups. Because Saddam Hussein made war on Iran, the U.S. government's enemy, the U.S. government helped him in his 1980s war against Iran. The unintended consequence – although maybe this was intended – was to make Saddam Hussein more of a power in the Middle East. Intended or not, it was a nasty consequence.

One can tell similar stories about many of the other major wars of the 20th century. President Woodrow Wilson inserted the U.S. government in World War I to, in his words, "make the world safe for democracy." The Germans contacted Wilson in early November 1918 to ask whether he really meant it when he listed his Fourteen Points. One of the most important was Wilson's point five, which assured, "A free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined." Wilson assured the German government that he did mean it. So the German government surrendered, even though, at the time, the Allies did not occupy a single square inch of German soil. But Wilson didn't keep his word, partly because he was only one of many players at the Versailles conference and partly because of his illness. Wilson was unable to hold off the vengeful Georges Clemenceau, the prime minister of France. The result was the punitive Versailles Treaty, which helped make Germany ripe for Hitler. So Hitler and the European part of World War II were an unintended consequence of Wilson's intervention in World War I. This was not a world safe for democracy.

Even if you want to have a U.S. government that goes around the world making countries free, as I believe George Bush and Donald Rumsfeld sincerely do want, wishing does not make it so. We have to ask whether the U.S. government is competent to do so. Why do some of us think that the U.S.

government would be particularly competent at figuring out, in a foreign government, which faction, often which tribe, to support? We don't hesitate to point out that government does a lousy job of running schools, providing health care, and providing housing to poor people. Why does it suddenly become competent when it tries to run things in a foreign country? Indeed, the odds are that it will be less competent because the people whose lives the government affects do not get to vote, and, therefore, the U.S. government doesn't face the same minimal democratic constraints in those countries that it faces here from us voters.

Finally, if we truly want liberty, we should notice the effect of war on liberty. As Robert Higgs points out in *Crisis and Leviathan*, every time the U.S. government has gotten into a war, it has taken on powers and reduced freedom, and when a war ends, not all of the powers end and not all of the freedom returns. Thus, for example, before the U.S. entered World War I, the top income tax rate was 15 percent. By 1918, the last year of the war, it had reached 77 percent. By the end of the 1920s, even after Treasury Secretary Andrew Mellon's cuts in tax rates, the top rate was 24 percent and it never went lower. Similarly, an early form of Prohibition started in World War I, paving the way for a more complete Prohibition in 1920. And although the idea of a national police force, with its ominous implications for liberty, was anathema to the Founding Fathers, one outgrowth of World War I was an increase in the size and duties of a national police force called the Federal Bureau of Investigation. For decades, it was run by a power-hungry man, J. Edgar Hoover, whom the *Wall Street Journal* recently attacked for running roughshod over people's civil liberties. Also during World War I, Wilson nationalized railroads, and when they were denationalized after the war, they never had the same freedom of action they had had before.

World War II gave us a top tax rate of 94 percent, and it wasn't until 1964 that the top rate fell to 70 percent. We also got income-tax withholding. Also, price controls were imposed nationally, and New York city's rent controls, imposed as a temporary measure, are still with us today, with all the destruction they have wrought. The current Bush war has also brought its share of freedom reduction, especially in the area of civil liberties, with the USA PATRIOT Act and NSA wiretaps of American citizens.

Those who advocate liberty must take a serious look at the wars the U.S. government gets into and should cast just as skeptical an eye on those wars as they do on other government interventions.