

# An American Classical Liberalism

by Llewellyn H. Rockwell, Jr.

Every four years, as the November presidential election draws near, I have the same daydream: that I don't know or care who the president of the United States is. More importantly, I don't need to know or care. I don't have to vote or even pay attention to debates. I can ignore all campaign commercials. There are no high stakes for my family or my country. My liberty and property are so secure that, frankly, it doesn't matter who wins. I don't even need to know his name.



In my daydream, the president is mostly a figurehead and a symbol, almost invisible to myself and my community. He has no public wealth at his disposal. He administers no regulatory departments. He cannot tax us, send our children into foreign wars, pass out welfare to the rich or the poor, appoint judges to take away our rights of self government, control a central bank that inflates the money supply and brings on the business cycle, or change the laws willy-nilly according to the special interests he likes or seeks to punish.

## The President's Job

His job is simply to oversee a tiny government with virtually no power except to arbitrate disputes among the states, which are the primary governmental units. He is head of state, though never head of government. His position, in fact, is one of constant subordination to the office holders around him and the thousands of statesmen on the state and local level. He adheres to a strict rule of law and is always aware that anytime he transgresses by trying to expand his power, he will be impeached as a criminal.

But impeachment is not likely, because the mere threat reminds him of his place. This president is also a man of outstanding character, well respected by the natural elites in society, a person whose integrity is trusted by all who know him, who represents the best of what an American is.

The president can be a wealthy heir, a successful businessmen, a highly educated intellectual, or a prominent farmer. Regardless, his powers are minimal. He has a tiny staff, which is mostly consumed with ceremonial matters like signing proclamations and scheduling meetings with visiting heads of state.

The presidency is not a position to be avidly sought but almost granted as honorary and temporary. To make sure that is the case, the person chosen as vice president is the president's chief political adversary. The vice president therefore serves as a constant reminder that the president is eminently replaceable. In this way, the vice presidential office is very powerful, not with regard to the people, but in keeping the executive in check.

But as for people like me who have concerns besides politics, it matters little who the president is. He doesn't affect my life one way or the other. Neither does anyone under his control. His authority is mainly social, and derived from how much the natural elites in

society respect him. This authority is lost as easily as it is gained, so it is unlikely to be abused.

This man is elected indirectly, with the electors chosen as the states direct, with only one proviso: no elector may be a federal official. In the states that choose their electors by majority vote, not every citizen or resident can participate. The people who do vote, a small percentage of the population, are those who have the best interests of society at heart. They are those who own property, who head households, and have been educated. These voters choose a man whose job it is to think only of the security, stability, and liberty of his country.

### The Invisible Government

For those who do not vote and do not care about politics, their liberty is secure. They have no access to special rights, yet their rights to person, property, and self government are never in doubt. For that reason and for all practical purposes, they can forget about the president and, for that matter, the rest of the federal government. It might as well not exist. People do not pay direct taxes to it. It doesn't tell them how to conduct their lives. It doesn't send them to foreign wars, regulate their schools, pay for their retirement, much less employ them to spy on their fellow citizens. The government is almost invisible.

The political controversies that involve me tend to be at the level of the city, town, or state. This is true for all issues, including taxes, education, crime, welfare, and even immigration. The only exception is the general defense of the nation, although the standing military is very small with large state-based militias in case of need. The president is commander-in-chief of the federal armed forces, but this is a minor position absent a congressional declaration of war. It requires no more than insuring the impenetrability of the borders by foreign attackers, a relatively easy task considering our geography and the ocean that separates us from the incessant feuding of the old world.

In my daydream, there are two types of representatives in Washington: members of the House of Representatives, a huge body of statesmen that grows larger as the population does, and a Senate elected by state legislatures. The House works to keep the federal Senate in check, and the Senate works to keep the executive in check.

Legislative power over the public is nearly nonexistent. Congressmen have little incentive to increase that power, because they themselves are real citizens. My House member lives within a square mile of my house. He is my neighbor and my friend. I do not know my federal senator, and do not need to, because he is responsible to the state legislators I do know.

Thus, in my daydream, there is virtually nothing at stake in this coming presidential election. No matter which way it goes, I retain my liberty and my property.

### Extreme Decentralization

The politics of this country is extremely decentralized, but the community is united by an economy that is perfectly free and a system of trading that allows people to voluntarily associate, innovate, save, and work based on mutual benefit. The economy is not controlled, hindered, or even influenced by any central command.

People are allowed to keep what they earn. The money they use to trade is solid, stable, and backed by gold. Capitalists can start and close businesses at will. Workers are free to take any job they want at any wage or any age. Businesses have only two goals: to serve the consumer and make a profit.

There are no labor controls, mandated benefits, payroll taxes, or other regulations. For this reason, everyone specializes in what he does best, and the peaceful exchanges of voluntary enterprise cause ever-widening waves of prosperity throughout the country.

What shape the economy takes--whether agricultural, industrial, or high-tech--is of no concern to the federal government. Trade is allowed to take place naturally and freely, and everyone understands that it should be managed by property holders, not office holders. The federal government couldn't impose internal taxes if it wanted to, much less taxes on income, and trade with foreign nations is rivalrous and free.

If by chance this system of liberty begins to break down, my own political community--the state in which I live--has an option: to separate from the federal government, form a new government, and join other states in this effort. The law of the land is widely understood as allowing secession. That was part of the guarantee required to make the federation possible to begin with. And from time to time, states threaten to secede, just as a way of showing the federal government who's boss.

This system reinforces the fact that the president is not the president of the American people, much less their commander in chief, but merely the president of the United States. He serves only with their permission and only as the largely symbolic head of this voluntary union of prior political communities. This president could never make light of the rights of the states, much less violate them in practice, because he would be betraying his oath of office and risk being tossed out on his ear.

In this society without central management, a vast network of private associations serves as the dominant social authority. Religious communities wield vast influence over public and private life, as do civic groups and community leaders of all sorts. They create a huge patchwork of associations and a true diversity in which every individual and group finds a place.

This combination of political decentralization, economic liberty, free trade, and self government creates, day by day, the most prosperous, diverse, peaceful, and just society the world has ever known.

## No Utopia

Is this a utopia? Actually, it is nothing more than the result of my initial premise: that the president of the United States is so restricted that it is not even important that I know who he is. This means a free society that is not managed by anyone but its members in their capacities as citizens, parents, workers, and entrepreneurs.

As you may have already assumed, my daydream is was what our system was designed to be in every detail. It was created by the U.S. Constitution, or, at least, the system that the vast majority of Americans believed they were getting with the U.S. Constitution. It was the world's great free republic, however unrecognizable it is today.

This was the country where people were to govern themselves and to plan their own economy, not have it planned by Washington, D.C. The president never concerned himself with the welfare of the American people because the federal government had no say over it. That was left to the people's political communities of choice.

Before the Constitution was ratified, there were some doubters called the anti-federalists. They were unhappy with any move away from the extreme decentralism of the Articles of Confederation. To placate their fears, and to ensure that the federal government was held in check, the framers further restricted its powers with the Bill of Rights. This list was not designed to restrict the rights of the states. It did not even apply to them. It confined to the ultimate extent what the central government could do to individuals and to their communities.

As Tocqueville observed about America even as late as the 1830s, "in some countries a power exists which, though it is in a degree foreign to the social body, directs it, and forces it to pursue a certain track. In others the ruling force is divided, being partly within and partly without the ranks of the people. But nothing of the kind is to be seen in the United States; there society governs itself for itself" and "scarcely an individual is to be met with who would venture to conceive or, still less, to express the idea" of any other system.

As for the presidency itself, Tocqueville wrote that, "the power of that office is temporary, limited, and subordinate" and "no candidate has as yet been able to arouse the dangerous enthusiasms or the passionate sympathies of the people in his favor, for the simple reason that when he is at the head of the government, he has but little power, little wealth, and little glory to share among his friends; and his influence in the state is too small for the success or the ruin of a faction to depend upon his elevation to power."

That America would never have tolerated such an atrocity as the Americans With Disabilities Act. Here is a law that governs the way every local public building in America must be structured. It holds a veto power over every employment decision in the country. It mandates that people take no account of other people's abilities in daily economic affairs. All of this is arbitrarily enforced by an army of permanent bureaucrats working with lawyers who get rich quick if they know how to manipulate the system.

The ADA is merely one example among tens of thousands that would have been considered appalling, and, indeed, unimaginable, by the framers. It's not because they didn't like handicapped people or thought that people should be discriminated for or against. It is because they held to a philosophy of government and public life that excluded even the possibility of such a law. That philosophy was called liberalism.

## **Liberalism**

In the 18th and 19th centuries, the term liberalism generally meant a philosophy of public life that affirmed the following principle: societies and all their component parts need no central management and control because societies generally manage themselves through the voluntary interaction of its members to their mutual benefit. Today we cannot call this philosophy liberalism because the term has been appropriated by the democratic totalitarians. In an attempt to recover this philosophy for our own time, we give it a new name, classical liberalism.

Classical liberalism means a society in which my daydream is a reality. We don't need to know the president's name. The outcome of elections is largely irrelevant, because society is

ruled by laws and not men. We don't fear the government because it takes nothing from us, gives nothing to us, and leaves us alone to shape our own lives, communities, and futures.

This vision of government and public life has been destroyed in our century and in almost every country in the world. In our case, the president of the U.S. is not only extremely powerful, especially given all the executive agencies he controls; he is probably the most powerful man on earth--excepting, of course, the chairman of the Federal Reserve Board.

There is a public myth in this country that the office of the presidency sanctifies the man. For all the browbeating that Richard Nixon took as president, and the humiliation of his resignation, the testimonials and tribute at his funeral spoke of a man who had ascended to godlike status, like some Roman emperor. Even with all of Clinton's troubles, I have no doubt that he would be treated the same way. This sanctification process applies even to cabinet appointees: Ron Brown, a corrupt fixer, ascended to godhood status despite the fact that his legal troubles were on their way to sweeping him to jail.

### **Anti-Government?**

Of course my comments might be denounced as anti-government. We are told on a daily basis that people who are anti-government are a public menace. But as Jefferson wrote in the Kentucky Resolutions, free government is founded in jealousy, and not in confidence. "In questions of power, then, let no more be heard about confidence in man, but bind him down from mischief with the chains of the Constitution." Or as Madison said in the Federalist, "All men having power ought to be distrusted to a certain degree." We can add that any government that employs three million people, most of them armed to the teeth, ought to be distrusted to an enormous degree. This is an attitude cultivated by the classical liberal mind, which puts a premium on the liberty of individuals and communities to control their own lives.

We could multiply the "anti-government" statements by the framers without end. For they spelled out their theory of public affairs, that of classical liberalism, because in the mid and late 18th century, it had come under fire by a new brand of absolutism, and Rousseau was its prophet. In his view, a democratic government embodied the general will of the people, this will was always right, and therefore government should have absolute, centralized power over a militarized and unified egalitarian nation-state.

This has been Rousseau's century. And with the help of the statist doctrines of Marx and Keynes, it has also been the bloodiest in human history. Their views of government are the very opposite of the classical liberal. They allege that society cannot run itself; instead the general will, the interests of the proletariat, or the economic plans of the people need to be organized and embodied in the nation and its head. This is a view of government that the framers rightly saw as despotic, and tried to prevent from taking root here.

Of course, they were not entirely successful. Two centuries of war, economic crisis, wrong-headed constitutional amendments, executive usurpation, congressional surrender, and judicial imperialism gave rise to a form of government that is the opposite of the framers' design, and the opposite of classical liberalism. The ability of the federal government, with the president as its head, to tax, regulate, control, and completely dominate national life is practically without limit today.

### **The Unliberal Present**

When the constitution was written, Washington, D.C., was a marshy cow pasture with a couple of buildings, and American society was the freest in the world. Today, the D.C. metropolitan area is the richest on the face of the earth because it is host to the biggest government in the world.

The U.S. government has more people, resources, and powers at its disposal than any other. It regulates more and in finer detail than any government on the planet. Its military empire is the largest and the most far-flung in the history of the world. Its annual tax take dwarfs the total output of, for example, the old Soviet Union.

As for the federal system, it is more a slogan than a reality. From time to time, we hear about returning power to the states or banning unfunded mandates. Bob Dole says he carries a copy of the tenth amendment in his pocket. But don't take this rhetoric too seriously. The states are virtual adjuncts of national power, by virtue of the mandates they are under, the bribes they accept, and the programs they run.

The individual, the family, and the community--the essential units of society in the pre-statist era--have been reduced to federal serfs, having only the freedoms the government allows them to have, but otherwise required to act as part of an overall national collectivist order. No major national political figure proposes to change that.

### **Public Dissatisfaction**

The reality, however, is that people are not satisfied with this arrangement. During the Cold War, the public was persuaded to hand over a surprising amount of their freedoms for the sake of the larger mission of rolling back communism. Before that, it was the Second World War, then the Depression, then the First World War. For only the second time in this century, we live in absence of any crisis the government can use to suppress the rights the framers intended to guarantee.

As a result, public opinion now overwhelmingly favors reductions in government power. Practically every politician in this country who wins an election has promised to do something about it. That goes for both major parties. This year, both Clinton and Dole will run on platforms that promise, in one way or another, to reduce the size and scope of federal power.

If we think back to November 1994, we heard some of the most radical anti-Washington rhetoric from politicians since 1776. Unlike the media, I found this to be a wonderful thing. The results, however, were less than impressive. Taxes and spending are higher since the Republicans took over. The foreign aid budget is up. The regulatory state is more invasive than ever. The centerpieces of the Republican legislative agenda--including the farm bill, the adoption bill, and the medical bill--expand, not shrink, government power.

There are many reasons for this, not the least of which is the duplicity of the Congressional leadership and the talents of their allies in the conservative press, who give them an ideological cover. Yet the freshmen themselves, whom the media describe as ideological firebrands, deserve some of the blame, for they lacked a consistent philosophical logic to oppose the monster they encountered.

Consider for example the issue of the balanced budget. Every politician claims to want one. The freshmen promised to vote for one. But they were immediately snookered by the

political class. When they wanted to cut taxes, the elites pounced on them and said that this would increase the deficit. Immediately, they were confronted with a problem: how to reconcile their fiscal conservatism with their desire for lower taxes?

This confusion results from intellectual error. The priority is to shrink government. That means taxes should be cut anywhere and everywhere. And well-schooled classical liberals know that governments can use the trick of balanced budgets to keep themselves large and growing. Higher taxes do not typically lessen the deficit, and even if they did, that is no way for men of honor to proceed. The federal budget is not a household's writ large. It is a giant redistribution racket.

This fact raises a central insight of the classical liberal intellectual tradition. Government has no power and no resources that it doesn't first take from the people. Unlike private enterprise, it cannot produce anything. Whatever it has, it must extract from private enterprise. Although this was understood well in the 18th century, and most of the 19th as well, it has been largely forgotten in our century of socialism and statism, of Nazism, Communism, New Dealism, welfarism, and total war.

### Lessons Learned

In the 21<sup>st</sup> Century, what lessons have we learned from the 20<sup>th</sup>? The most important refutation of socialism came from Ludwig von Mises in 1922. His treatise called Socialism converted good people away from bad doctrines, and was never refuted by any of the thousands of Marxists and statisticians who tackled it. For this book, he is now hailed as a prophet even by lifelong social democrats who spent years attacking and smearing him.

Much less well known is another treatise which appeared three years later. This was his great book Liberalism. Once having attacked all-out statism, he found it necessary to spell out the alternative. It was the first full-scale revival of the classical liberal program in many decades, this time from the leading political economist on the continent.

In his introduction, Mises noted that the 18th and 19th century version of liberalism had made a mistake. It had attempted to speak not only to the material world, but also to spiritual matters. Typically, the liberals had positioned themselves against the church, which had the unfortunate effect of influencing the church against the free market and free trade.

To try to avoid this polarizing effect, Mises makes clear that liberalism "is a doctrine directed entirely towards the conduct of men in this world. It has nothing else in view than the advancement of their outward, material welfare and does not concern itself with their inner, spiritual and metaphysical needs."

Of course men's lives concern more than eating and drinking and gaining material advancement. That is why liberalism does not pretend to be a full-blown theory of life. For that reason, it cannot be reproached by theologians and conservatives for being a purely secular ideology. It is secular only in the sense that it deals with matters appropriate to the political world, and no more. There is nothing in the liberalism of Mises to which any religious person should object, provided that he agrees that the material advancement of society is not morally objectionable.

Another change Mises made in traditional liberal doctrine was to link it directly with the capitalist economic order. Too often the older liberalism offered a magnificent defense of free speech and the free press, but neglected the all-important economic dimension.

Mises's direct linkage of liberalism and capitalism also helped divorce the liberal position from the fraudulent form that was emerging in Europe and America. This phony liberalism claimed that there was some way to favor both civil liberties and socialism, as the ACLU said then and now.

But as Mises argued, liberty is all of a piece. If the government is big and powerful enough to stamp out the freedom to trade, to inflate the money, or to fund massive public works, it is no large step to also controlling speech and press, and to engaging in military adventures abroad.

## Property

Thus Mises's most famous line from his book, the one that both alarmed and inspired intellectuals the world over: "The program of liberalism," if "condensed into a single word, would have to read: property." By property, Mises meant not only its private ownership at all levels of society, but also its control by those same owners.

With that one demand, that property and its control be kept in private hands, we can see how the state must necessarily be radically limited. If the government can only work with resources it takes from others, and if all resources are owned and controlled by private parties, the government is restricted.

If private property is secure, we can count on all other aspects of society to be free and prosperous. Society cannot manage itself unless its members own and control property; or, conversely, if property is in the hands of the state, it will manage society with the catastrophic results we know so well.

If property rights are strictly guarded, the state cannot take advantage of social crisis to seize power, as it has during wars, depressions, and natural disasters. The limits on government apply regardless. There are no exceptions. Thus a classical liberal society would not have built the TVA, it would not bail out Texas farmers in a drought, it would not send men on space missions, and it would not have taxed Americans six trillion dollars and poured it into a failed war on poverty.

## Freedom

The second pillar of the liberal society, Mises says, is freedom. This means that people are not slaves of each other or of the government, but are self owners who are at liberty to pursue their interests so long as they do not violate the property rights of others. Most importantly, all workers are free to work in the profession of their choice, establishing free contracts with employers or becoming employers themselves.

Combining liberty and property, people are able to exercise the all-important right of exclusion. I can keep you off my property. You can keep me off yours. You do not have to trade with me. I do not have to trade with you. This right of exclusion, along with the right to trade generally, is a key to social peace. If we cannot choose the form and manner of our associations, we are not free in any authentic sense.



The breakdown of the freedom of association, especially in the form of anti-discrimination law, is a main reason why social acrimony has so increased in our time. Although hardly ever questioned, anti-discrimination law cannot be reconciled with the classical liberal view of society. No association that is forced can ever be good for the parties involved or society at large.

Any discussion of this subject invariably raises the issue of equality. And here we find yet another improvement that Mises made over earlier models of liberalism. They were too much in love with the idea of equality, not only as a legal construct, but also in hoping and working for a society without classes, which is nonsensical.

As Mises said, "all human power would be insufficient to make men really equal. Men are and will always remain unequal." He argued that people cannot be given equal wealth or even equal opportunity to become wealthy. The best society can do for its members is to establish rules that apply across the board. These rules do not exempt anyone, including the rulers in government.

The very rich will always be with us, thank goodness, and so will the very poor. These concepts are bound up with particular societies and settings, of course, but from the standpoint of policy, they are best ignored. It is the job of charity, not government, to care for the poor, and to protect them from being drafted into demagogic political campaigns that threaten essential liberties.

Government in a liberal society does not protect individuals from themselves, strive for a particular distribution of wealth, promote any particular region or technology or group, or delineate the distinction between peaceful vices and virtues. The central government does not manage society or economy in any respect.

## Peace

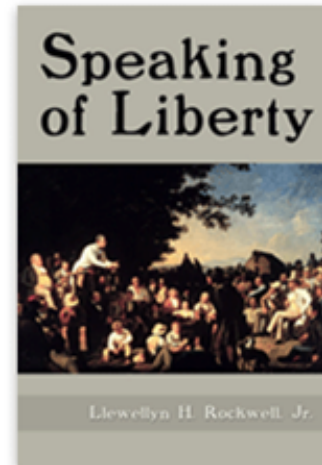
The third pillar of classical liberalism is peace. This means that there can be no love of war, and, when it occurs, it cannot be seen as heroic, but only as tragic for everyone. Yet we continue to hear how war is good for the economy, even though it always and everywhere misdirects resources and destroys them. Even the victor, Mises pointed out, loses. For "war," said Randolph Bourne, "is the health of the state."

So is empire. Americans opposed an alien Soviet presence in our hemisphere. Yet we never consider how people in Japan, to take just one example, may feel about large numbers of American troops in their country. By far the largest cause of crime in Okinawa and the rest of Japan is American troops. But do our troops and planes and ships and nuclear weapons "defend" Japan? From whom? No, we continue to occupy the country 51 years after the end of World War II for purposes of control.

If you want to discover the real character of a man, forget about what he says about himself, and look at his dealings with other people. The same is true of a government. We can forget its claims; simply look at how it treats others. The classical liberal state is one that protects the rights of its citizens to trade with foreign peoples. It does not pine for foreign conflicts of any kind. It does not, for example, demand that foreign countries buy the products of influential U.S. manufacturers, as Kodak is demanding, backed by U.S. military power, that Japan buy its film.

Neither does the truly liberal society send government aid to foreign countries, bribe or arrest or kill their rulers, tell other governments what kind of country they should have, or get involved in global schemes to impose welfare rights on the world. Yet these are all actions the U.S. has undertaken as normal policy since the 1930s. Our rulers seem to think that they must be bribing someone, bombing someone, or both. Otherwise we risk falling into the dreaded "isolationism."

Jonathan Kwitney illustrated American foreign policy this way: he asks us to imagine that every few months we take a walk down the block, knocking on every door. At one house, we announce to our neighbor, "I like you, I approve of you, here's \$1,000." At the next house, we do the same thing. But at the third house, we say, "I don't like you, I don't approve of you." Then we reach under our coat, pull out a sawed-off 12 gauge shotgun, and blow him and his family away.



So we go, down the block, every few months, handing out money to some people, death to others, and making our decisions based on the interests we have at the moment, with no clear rules.

My guess is that we would not be very popular. Think about that the next time you see some "anti-American" rally on television. These people might be receiving our foreign aid, but they might also think they could be the next Iraq, Haiti, Somalia, or Panama. For a classical liberal foreign policy is no foreign policy at all, except, as George Washington said, of commerce with all and belligerence toward none.

## Restoration

These three elements--property, freedom, and peace--are the basis of the liberal program. They are the core of a philosophy that can restore our lost prosperity and social stability. Yet I have only begun to scratch the surface of the liberal program. There is more to be said about monetary policy, about trade treaties, about social insurance schemes, and so much else. Yet if our political class could understand this core of freedom, property, and peace, we would be much better off, and I would feel more confident that the next class of freshmen we send to Washington would keep their eye on the prize, which is not redistribution or special rights, but liberty.

"Liberalism," Mises wrote, "seeks to give men only one thing, the peaceful, undisturbed development of material well-being for all, in order thereby to shield them from the external causes of pain and suffering as far as it lies within the power of social institutions to do so at all. To diminish suffering, to increase happiness: that is its aim."

Would classical liberalism work in our time? Think about the contentious issues in society today. Every one involves some area of life that is wrapped up in some form of government intervention. Today's conflicts revolve around the desire to grab hold of someone else's property using the political apparatus of compulsion that is the state. Would our society be more peaceful and prosperous if it followed the liberal program? The question answers itself.

Now back to my daydream. I don't know or care about presidential politics because they don't matter either way. My liberty and property are so secure that, frankly, it doesn't

matter who wins. But to arrive at this goal, none of us can eschew the political or intellectual battles of our time. Even once the classical liberal vision has been restored in this country, as I believe it can and will be, we cannot afford to rest.

Goethe's Prometheus cries:

*Do you fancy that I should hate life,  
Should flee to the wilderness,  
Because not all my budding dreams have blossomed?*

And Faust answers with his "last word of wisdom":

*No man deserves his freedom or his life  
Who does not daily win them anew.*

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