

Mises Book Club

Sept-Oct 2023

For a New Liberty

DISCUSSION QUESTIONS

About

These questions are based on discussions of Murray Rothbard's *For a New Liberty: The Libertarian Manifesto* in the fall 2023 Mises Book Club. Many of the discussion questions begin with a quote from the reading. Page numbers refer to the Mises Institute's <u>second edition</u>.

Many of the questions are intended to get discussants to think critically about Rothbard's ideas, and as such, questions are from a "devil's advocate" position. I encourage leaders to guide the discussion accordingly, even if the leader is convinced of Rothbard's position.

Our book club lasted eight weeks, so we covered two chapters per one-hour discussion, with two exceptions. On the first week, we only discussed the first chapter ("The Libertarian Heritage"), and on the last week, we only discussed the last chapter ("A Strategy for Liberty").

–Jonathan Newman

Chapter 1: The Libertarian Heritage: The American Revolution and Classical Liberalism

- 1. Rothbard opens with optimism based on what was then a surge in interest in libertarianism, as evidenced by the successes of the Libertarian Party. Would Rothbard be as optimistic today? What other sources of optimism do we see today?
- 2. Page 2: "This radical libertarian movement, even though only partially successful in its birthplace, Great Britain, was still able to usher in the Industrial Revolution, thereby freeing industry and production from the strangling restrictions of State control and urban government-supported guilds." This is a different explanation for the Industrial Revolution than you hear from most other economists, who attribute it to technology (invention of the steam engine and other machines). Is Rothbard's claim compelling? Could the industrial revolution have happened without the libertarian ideological groundwork?
- 3. Pages 3-4: Why don't we fight "bitterly" against taxes anymore?

- 4. If the American founders could see the state of things today, what changes would they make to the Constitution or Bill of Rights?
- 5. Page 12: The text mentions that the mass of industrial wage workers, or the "proletariat," initially favored laissez-faire economics because it served their interests both as workers and consumers. Have the politics of the working class evolved since then?
- 6. Page 18: Should we be absolutists in strategy, or should we accept a step-by-step process of curtailing State violations of liberty? Are small victories worth it?

Chapter 2: Property and Exchange

- Page 27: "The libertarian creed rests upon one central axiom: that no man or group of men may aggress against the person or property of anyone else. This may be called the 'nonaggression axiom.'
 'Aggression' is defined as the initiation of the use or threat of physical violence against the person or property of anyone else. Aggression is therefore synonymous with invasion." Does this outline a full moral worldview? Is it just a starting point? Is it just a minimal way of describing justice based on natural rights?
- 2. Page 28: "In current terminology again, the libertarian position on property and economics would be called 'extreme right wing.' But the libertarian sees no inconsistency in being 'leftist' on some issues and 'rightist' on others. On the contrary, he sees his own position as virtually the only consistent one, consistent on behalf of the liberty of every individual." Are libertarians still consistent? What areas do you see libertarians faltering in consistency? Is consistency too much to ask in our current times?
- 3. Page 29: "The libertarian therefore considers one of his prime educational tasks is to spread the demystification and desanctification of the State among its hapless subjects." Are we doing this well today?
- 4. Page 38: Do statists/communists view Rothbard's alternatives as strawmen? Who is actually proposing that we own a fraction of everybody else? What is the purpose of Rothbard's argument here?

Chapter 3: The State

- 1. Page 55: "Moreover, in the system of criminal punishment in the libertarian world, the emphasis would never be, as it is now, on 'society's' jailing the criminal; the emphasis would necessarily be on compelling the criminal to make restitution to the victim of his crime. The present system, in which the victim is not recompensed but instead has to pay taxes to support the incarceration of his own attacker—would be evident nonsense in a world that focuses on the defense of property rights and therefore on the victim of crime." This is a substantial departure from our current "justice" system—what do you think about this?
- 2. Page 56: "The distinctive feature of libertarians is that they coolly and uncompromisingly apply the general moral law to people acting in their roles as members of the State apparatus. Libertarians make no exceptions." Page 57: "In fact, if you wish to know how libertarians regard the State and any of its acts, simply think of the State as a criminal band, and all of the libertarian attitudes will logically fall into place." Prompt discussants to evaluate this claim. If there is broad agreement, ask discussants to consider why nonlibertarians have a "blind spot" for the State.
- 3. Page 82: Rothbard discusses Professor Black's inability to see a way out of the State being its own judge. Is reform possible, or is the only way around this conundrum abolishing the State?

Chapter 4: The Problems

- 1. Review the problems Rothbard has chosen to discuss in this chapter. Has Rothbard cherry-picked these to help him make the case that the government is the root of all our problems? What are some that apply to us today? Is the government to blame?
- 2. Pages 89–90: Are taxes the price we pay to live in a civilized society? Are all taxes involuntary?
- 3. Page 90: Rothbard discusses big cities' fiscal crises. While spending is surely the main problem, city budget deficits could also be cured with

higher tax revenues. Does Rothbard's focus on the deficit as a problem contradict his earlier rejection of taxes?

4. Page 92: "Television consists of bland programs and distorted news." How is this the government's fault?

Chapter 5: Involuntary Servitude

- 1. Is this what you expected from this chapter? How does consistently applying the nonaggression principle lead Rothbard to unexpected and radical conclusions?
- 2. Page 99: How does Rothbard propose solving the conscription problem?
- 3. Solicit thoughts on taxes/courts/compulsory commitment as examples of involuntary servitude.

Chapter 6: Personal Liberty

- 1. Can you think of any exceptions to Rothbard's absolute statements about libel and slander?
- 2. Pages 118–19: "It is only the universal fact of government ownership and control of the streets that makes this problem insoluble and cloaks the true solution to it." What of recent climate protests in which highways are blocked? How should drivers respond? How should the police respond?
- 3. Page 121: "For both the libertarian and the believer in the American Constitution the government should withdraw completely from any role or interference in all media of expression." Is this a good rhetorical move, to appeal to the Constitution? Consider Rothbard's nuanced view of the US Constitution in pages 58–59.
- 4. Page 129: "Coercion deprives a man of the freedom to choose and, therefore, of the possibility of choosing morally." What do you make of this?

Chapter 7: Education

1. Consider the current debate over school choice. Do you agree with Rothbard about the drawbacks of vouchers? Is it ok to hold to vouchers/school choice as second best? 2. Do Rothbard's criticisms of trustee-led institutions apply to all nonprofits?

Chapter 8: Welfare and the Welfare State

- 1. Rothbard talks about the social stigma of going on welfare and how it has disappeared. What do you think is the cause of that disappearance? Would it be a good idea to bring that stigma back? If so, how?
- 2. Page 182: What can be done "to help the recipient become independent and productive as soon as possible?"
- 3. Page 191: "The easy availability of the welfare check obviously promotes present-mindedness, unwillingness to work, and irresponsibility among the recipients—thus perpetuating the vicious cycle of poverty-welfare." How does private charity avoid these problems?
- 4. Big picture: In an earlier chapter, Rothbard said that the best strategy for libertarians is to discuss the merits (or lack thereof) of government on principled grounds, not on consequentialist/utilitarian grounds. Yet, in this chapter, Rothbard seems to be discussing the negative consequences of welfare. Has Rothbard faltered, or is he adapting his strategy to the topic in a good way?
- 5. Page 210: "The one element that saves the present welfare system from being an utter disaster is precisely the red tape and the stigma involved in going on welfare." Are there any other ways we could say red tape and bureaucracy are counterintuitively beneficial?

Chapter 9: Inflation and the Business Cycle

1. Page 213: "The Keynesian view that there is something in the freemarket economy that makes it subject to swings of under- and overspending." What is the problem with this view? Assuming that it is not the right way to think about business cycles, what has led to this view? How can Austrians argue against it?

- 2. Page 213 footnote: "Keynesians are creators of 'macroeconomics." Is all macroeconomics bunk, or is there a particularly "Austrian way" of thinking about the economy as a whole?
- 3. Page 214: "This curious phenomenon of vaunting inflation occurring at the same time as a steep recession was simply not supposed to happen in the Keynesian view of the world." Explain this Phillipscurve framework for discussants and ask them to consider whether it is an accurate way to think about monetary policy tradeoffs.
- 4. Page 217: "The favorite explanation of inflation is that greedy businessmen persist in putting up prices in order to increase their profits." This explanation is still around today! What explains its permanence?

Chapter 10: The Public Sector I: Government in Business

- 1. Page 241: "So identified has the State become in the public mind with the provision of these services that an attack on State financing appears to many people as an attack on the service itself." This seems to happen very fast. How should we respond to those who ask, "Who would protect us from terrorism if we abolished the Department of Homeland Security and the Transportation Security Administration?" These agencies are relatively new yet many citizens already have this perspective.
- 2. Page 244: "In a government operation, in contrast, everything changes. Inherent in all government operation is a grave and fatal split between service and payment, between the providing of a service and the payment for receiving it." What about toll roads? Gas taxes that pay for road maintenance? Entrance fees to national parks?
- 3. Page 247: "The fact that the government corporation may raise bonds on the market still rests on the ultimate power of taxation to redeem these bonds." Should principled libertarians avoid buying government bonds?

Chapter 11: The Public Sector II: Streets and Roads

1. Pages 252–53: Rothbard employs some brilliant rhetoric: "Within their property, stores provide guards and watchmen; banks provide

guards; factories employ watchmen; shopping centers retain guards, etc. The libertarian society would simply extend this healthy and functioning system to the streets as well. It is scarcely accidental that there are far more assaults and muggings on the streets outside stores than in the stores themselves; this is because the stores are supplied with watchful private guards while on the streets we must all rely on the 'anarchy' of government police protection." How might this kind of argumentation be applied to other areas?

- 2. What do you make of Rothbard's discussion of the importance of the freedom to discriminate and the potential costs to the discriminator?
- 3. Page 257: "However, might not the traffic rules be 'chaotic' in a purely free society? Wouldn't some owners designate red for 'stop,' others green or blue, etc.? Wouldn't some roads be used on the right-hand side and others on the left? Such questions are absurd." Prompt discussants to offer examples (or counterexamples!) of standardization on the market.

Chapter 12: The Public Sector III: Police, Law, and the Courts

- 1. Rothbard explains that we should not get bogged down in how private enterprise would provide services historically provided by the State (shoe production, for example), but he then goes into just that for police and protection. How can we do the same for other issues? (Money? Defense? Mail? Taking care of the poor?)
- 2. Page 278: "The answer is that the merchants, in the Middle Ages and down to 1920, relied solely on ostracism and boycott by the other merchants in the area. In other words, should a merchant refuse to submit to arbitration or ignore a decision, the other merchants would publish this fact in the trade, and would refuse to deal with the recalcitrant merchant, bringing him quickly to heel." Would this work in our modern, global, internet-driven world? How could we ostracize a company that does business all over the world?
- 3. Page 281: "In the libertarian society, there would also have to be an agreed-upon cutoff point, and since there are only two parties to any crime or dispute—the plaintiff and the defendant—it seems most sensible for the legal code to declare that *a decision arrived at by any*

two courts shall be binding. This will cover the situation when both the plaintiff's and the defendant's courts come to the same decision, as well as the situation when an appeals court decides on a disagreement between the two original courts." Is this arbitrary? If so, how can we avoid such arbitrariness yet also avoid endless appeals?

Chapter 13: Conservation, Ecology, and Growth

- 1. Page 301: "The curious thing is that each of these complaints has been contradictory to one or more of their predecessors. But contradictory complaints by liberal intellectuals do not seem to faze them or serve to abate their petulance—even though it is often the very same intellectuals who are reversing themselves so rapidly. And these reversals seem to make no dent whatever in their self-righteousness or in the self-confidence of their position." Should we even try to point out contradictions and hypocrisy? It seems to never "make a dent." Does it convince onlookers?
- 2. Do we need to worry about excessive growth in population or in wealth? Do we need to worry about population decline or "secular stagnation"?
- 3. Pages 307–8: Ensure that discussants understand Rothbard's point about how the market prevents sudden and catastrophic depletion of resources. (Key quote: "But confident—and completely faulty predictions of exhaustion of raw materials have been made countless times in recent centuries. What the soothsayers have overlooked is the vital role that the free-market economic mechanism plays in conserving, and adding to, natural resources. Let us consider, for example, a typical copper mine. Why has copper ore not been exhausted long before now by the inexorable demands of our industrial civilization? Why is it that copper miners, once they have found and opened a vein of ore, do not mine all the copper immediately; why, instead, do they conserve the copper mine, add to it, and extract the copper gradually, from year to year? Because the mine owners realize that, for example, if they triple this year's production of copper they may indeed triple this year's income, but

they will also be depleting the mine, and therefore the future income they will be able to derive from it.")

Chapter 14: War and Foreign Policy

- 1. Page 330: "'Isolationism' has a right-wing sound; 'neutralism' and 'peaceful coexistence' sound leftish. But their essence is the same: opposition to war and political intervention between countries. This has been the position of antiwar forces for two centuries, whether they were the classical liberals of the eighteenth and nineteenth centuries, the 'leftists' of World War I and the Cold War, or the 'rightists' of World War II." How should we phrase our position, or position our phrase? What is the best way to make this case to the public?
- 2. Page 330: "In very few cases have these anti-interventionists favored literal 'isolation': what they have generally favored is political nonintervention in the affairs of other countries, coupled with economic and cultural internationalism in the sense of peaceful freedom of trade, investment, and interchange between the citizens of all countries." Consider Mises's position on peaceful cooperation in the division of labor as the opposite of war and violence. Is it true that if "goods do not cross borders, armies will"?
- 3. Pages 347–48: "War has always been the occasion of a great—and usually permanent—acceleration and intensification of State power over society. War is the great excuse for mobilizing all the energies and resources of the nation, in the name of patriotic rhetoric, under the aegis and dictation of the State apparatus. It is in war that the State really comes into its own: swelling in power, in number, in pride, in absolute dominion over the economy and the society. Society becomes a herd, seeking to kill its alleged enemies, rooting out and suppressing all dissent from the official war effort, happily betraying truth for the supposed public interest. Society becomes an armed camp, with the values and the morals—as the libertarian Albert Jay Nock once phrased it—of an 'army on the march.'" Where is the white pill? What would it take to unwind this?
- 4. Are certain forms of government less inclined to wage war?

Chapter 15: A Strategy for Liberty

- 1. Do libertarians "talk to ourselves" too much, or do they do too much activism? What is the right balance?
- 2. Page 378: "Who... will go to the barricades for a 2 percent tax reduction?" Should we not advocate for small decreases in taxes, just because they are small? What is Rothbard's answer to this?
- 3. Page 379: "In short, the libertarian must never advocate or prefer a gradual, as opposed to an immediate and rapid, approach to his goal." Are there any exceptions?
- 4. Page 380: "A utopian system is one that could not work even if everyone were persuaded to try to put it into practice." Do you like this definition? How is the libertarian perspective not utopian?
- 5. Page 381: "The idea of a strictly limited constitutional State was a noble experiment that failed, even under the most favorable and propitious circumstances." Why has it failed? Do you agree with Rothbard's diagnosis?
- 6. Page 382: Do libertarians argue for a "New Man" like socialists? Consider the importance Rothbard places on education and prevailing ideologies for the success of liberty.
- 7. Pages 390–91: "But the same media persons can be and are favorably disposed to a libertarian movement which wholeheartedly agrees with their instincts on peace and personal liberty." I think it is safe to say that the media has been lost. Are we in danger of losing other groups?
- 8. Page 393: "For I am convinced that the dark night of tyranny is ending, and that a new dawn of liberty is now at hand. . . . Truth will eventually win out." Are you as optimistic as Rothbard? In hindsight, was Rothbard overly optimistic?
- 9. Pages 400–401: How can Rothbard's view of crises be reconciled with the *Crisis and Leviathan* thesis? Are crises good for liberty or for the State, or both, in different ways?