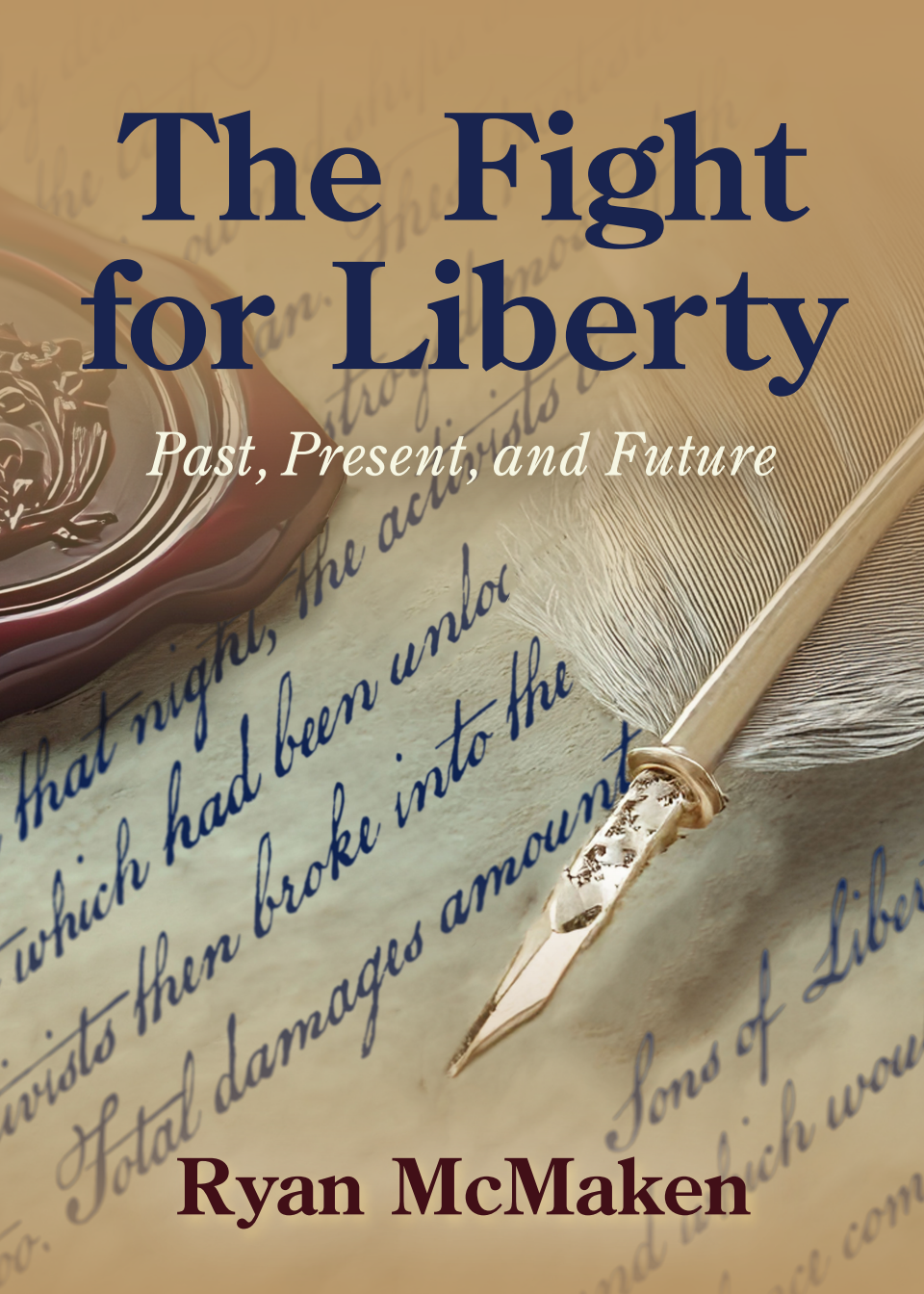
The Fight for Liberty

Past, Present, and Future



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The Fight for Liberty

Past, Present, and Future

The Fight over Economics Is a Fight over Culture

The Left long ago figured out how to get ordinary people interested in economic policy. The strategy is two pronged. The first part is to frame the problem as a moral problem. The second part is to make the fight over economic policy into a fight over something much bigger than economics: It's a fight between views of what it means to be a good person. The Left knows how to make the war over economics into a war over culture.

Yet when it comes to economic policy, some opponents of the Left's economic views—views which are, of course, very wrong—don't seem to understand the rules of the game. For example, a typical left-wing economic scheme might call for a higher minimum wage, declaring this policy to be a matter of simple decency, and by extension, the *moral* policy. In response to this, some defenders of laissez-faire and free markets often concentrate exclusively on bloodless clinical explanations of efficiency or incentives or demand curves. The element of moral righteousness is often omitted.

But given that most people want to do "the right thing," the debate often ends with a sizable portion of the public concluding that they'll side with doing the right thing, even if some arcane free market theory claims the right thing is "inefficient."

This isn't to say that economic theory is not important or necessary. It is very important, and we need institutions—like the Mises Institute—to hold the line on good theory. But that *by itself* is not enough. It is also important to appeal to the moral and cultural currents within a society. Otherwise, good theory will not gain wide traction.

Understanding Economics Is About Understanding Who Is Stealing from You

In the nineteenth-century United States, the party of free markets—which happened to be the Democratic Party—understood this well.[1] Politically, this liberal movement—what some call "classical liberalism"—was a force to be reckoned with and won many elections at all levels of government because it convincingly made the claim that *laissez-faire was the right thing to do*. Moreover, to fight for free markets was the right thing to do because to fight for *laissez-faire* meant to fight for the livelihood and well-being of one's community. Self-preservation required fighting the other side, which sought the destructive policies of high tariffs, inflationary currency, and special favors for politically powerful industries. The Democratic Party during the nineteenth century was well aware that politically connected financiers and imperialist politicians were more than happy to tax and regulate ordinary Americans into oblivion. Fighting them on the economic front was no mere intellectual exercise.

1 This is the Democratic Party *before* William Jennings Bryan took control of the party in 1896.

Explaining economic policy was a huge component of this fight. This was a period when ordinary Americans frequently argued over the gold standard, banking policy, and tariffs.

In his *History of Money and Banking in the United States* (2002), Murray Rothbard noted how this seems very odd to the modern American, who is accustomed to regarding economic policy as too complex to be of much interest to the average voter:

> One problem that strikes anyone interested in 19th-century political history is: How come the average person exhibited such great and intense interest in such arcane economic topics as banking, gold and silver, and tariffs? Thousands of half-literate people wrote embattled tracts on these topics, and voters were intensely interested. Attributing the answer to inflation or depression, to seemingly economic interests, as do Marxists and other economic determinists, simply won't do. The far greater depressions and inflations of the twentieth century have not educed nearly as much mass interest in economics as did the milder economic crises of the past century.

It was understood that explaining good economic theory is important because good theory shows how the other side is ripping you off.

The choice was stark. On the one side were the Republicans, dominated by the old-guard Anglo-Saxons, who favored high tariffs, alcohol prohibition, and federal regulations on the labor market in the form of immigration controls.

On the other side were the Democrats, favored by white Southerners suspicious of federal power and also by the Catholics, Lutherans (many of them immigrants), and moderate Presbyterians (like Grover Cleveland), who wanted lower taxes, freedom to drink

alcohol, and freedom to buy cheap foreign goods. The Democrats saw themselves as opposed to wealthy bankers and urban oligarchs who sought to expand their control over every village and town in America.

These arguments extended across all levels of government. The Democrats villainized the Republicans as puritanical control freaks seeking to close the taverns, destroy parochial schools, and raise taxes nationwide. The Republicans, for their part, argued that without high taxes and prohibition, the nation would be overrun by moral degenerates, Catholics, drunkards, and foreign goods.

These issues naturally extended to monetary policy as well. The Democrats wanted hard money, a gold standard, and limits on the ability of both bankers and government officials to inflate the money supply. The Republicans took the opposite view, supporting inflation and paper money.

These positions coalesced around a clear cultural divide, fashioned around divergences in views about religion, views about the morality of "demon rum," and views about urban life and big cities. Disputes over taxes or the gold standard were not arcane debates on economic policy. They were at the heart of each side's cultural identity.

So why was it so easy to get the public to debate the benefits of a gold standard even in ordinary taverns and living rooms? Rothbard concludes: "Each side infused its economic issues with a moral fervor and passion stemming from deeply held religious values."

Once we understand this, Rothbard notes, "the mystery of the passionate interest of Americans in economic issues in the epoch is solved."

So, it is not shocking to see that after Grover Cleveland won the presidency for the Democrats in 1892, his inauguration speech was filled with economic policy. In his speech, he denounced high tariffs and announced, "Nothing is more vital to our supremacy as a nation and to the beneficent purposes of our Government than a sound and stable currency." He insisted that sound economics must be considered because it is not possible to "defy with impunity the inexorable laws of finance and trade."

He advised his audience that the nation must refuse to subsidize industry and private businesses, and that "bounties and subsidies . . . burden the labor and thrift of a portion of our citizens to aid ill-advised or languishing enterprises in which they have no concern."

Cleveland pledged to cut back government welfare, which had been doled out in increasing amounts as pensions to veterans. For Cleveland, the good guys had won out over those who favored an economics of taxes and inflation. This was what his supporters wanted to hear.

The Decline of *Laissez-Faire* and Its Cultural Foundation

Ultimately, however, the Cleveland coalition failed. This was partly because the Democrats were wrongly blamed for the economic crisis of 1893, which destroyed the Democrats' power for years afterward. But the *laissez-faire* coalition also failed because it largely gave up on explaining economic policy and failed to show the relevance of *laissez-faire* to the larger battle over culture. The fight over central banking and sound money receded into the background and became almost exclusively an arcane debate over theory. The fight over taxation became less tied to any specific cultural or religious group. Thanks to an effective divide-and-conquer strategy

by the Republicans, party competition became less ideological and more pragmatic. The cultural and moral foundation of *laissez-faire* was never revived as part of an effective political coalition. Ultimately, the party of free markets lost to Progressivism, and its crony capitalist, corporatist vision for the economy triumphed.

The American Revolution Was a Culture War

Two hundred and fifty-two years ago, a group of American opponents of the Crown's tax policy donned disguises and set about methodically destroying a shipment of tea imported into Boston by the East India Company. The vandals trespassed on privately owned ships in Boston Harbor and threw the tea into the ocean. These protesters were thorough. Not content with having destroyed most of the company's imported tea that night, the activists later discovered another tea shipment which had been unloaded at a warehouse in Boston. The activists then broke into the warehouse and destroyed that tea, too. Total damages amounted to more than $1.5 million in today's dollars.

This was the work of the Sons of Liberty, a group led in part by Samuel Adams and which would become known for acts of resistance, arson, and violence committed against tax collectors and other agents of the Crown. Notably, however, as time went on, acts of resistance in America escalated, at first into widespread mob violence, and then into military action and guerrilla warfare.

Why did many Americans either engage in this behavior or support it? The simplistic answer has long been that the colonists were angry that they were subjected to "taxation without representation." This is the version of history often taught in grade school. The reality, of course, is that the conflict between the "patriots" and their former countrymen eventually became a deeply seated (and violent) culture war.

It Wasn't Just About Taxes

The taxation-without-representation argument endures, of course, because it is useful for the regime and its backers. Advocates for the political status quo insist there is no need for anything like the Boston Tea Party today because modern Americans enjoy representation in Congress. We are told that taxation and the regulatory state are all necessarily moral and legitimate because the voters are "represented." Even conservatives who claim to be for "small government" often oppose radical opposition to the regime—such as secession—on the grounds that political resistance movements are only acceptable when there is no political "representation." The implication is that since the United States holds elections every now and then, no political action outside of voting—and maybe a little sign waving—is allowed.

It's unlikely the Sons of Liberty would have bought this argument. The small number of millionaires who meet in Washington, DC, nowadays are hardly "representative" of the American public back home. The 1770s equivalent would have consisted of throwing the Americans a few bones in the form of a handful of votes in Parliament, with seats to be reliably held by a few wealthy colonists, far beyond the reach or influence of the average member of the Sons of Liberty.

But the attempt to frame the revolution as a conflict over taxes largely misses the point. Political representation was not the *real* issue. We know this because when the 1778 Carlyle Peace Commission offered representation in Parliament to the Continental Congress as part of a negotiated conclusion to the war, the offer was rejected.

The Revolution Was Partly a Culture War

By the late 1770s, the fervor behind the revolution had already gone far beyond mere complaints about taxation. This was just one issue among many. Rather, the revolution quickly became a culture war in which self-styled "Americans" were taking up arms against a foreign, immoral, and corrupt oppressor. Mere offers of "representation" were hardly sufficient, and it's unlikely *any* such offers were going to be enough after the events of 1775, when the British finally marched into Massachusetts and opened fire on American militiamen. After that, the war became, to use Rothbard's term, a "war of national liberation."

This ideological and psychological divide perhaps explains the ferocity with which the American revolutionaries resisted British rule.

The "Patriots" Initiated Real Violence—Against Innocents

For example, when we consider the many other protest actions by the Sons of Liberty in the lead-up to the revolution, many of them could easily be described as nondefensive acts of violence, intimidation, and destruction. Many tax collectors resigned from their offices in fear. Others, including citizens merely suspected of supporting the British, were tarred and feathered (i.e., tortured) by the protesters.

Known loyalists were routinely threatened with physical harm to themselves, their families, and their property. Many loyalists fled the colonies in fear for their lives, and after the closure of Boston Harbor, many fled to inner Boston seeking protection from the mobs. Loyalist homes were burned, and theft committed by members of the Sons of Liberty was routine (hundreds of pounds were

stolen from Governor Thomas Hutchinson's private home after it was ransacked by a mob of poor and working-class Bostonians). Caught up in all of this, it should be remembered, were the children and spouses of the guilty parties, who in many cases were just low-level bureaucrats.

In the southern theater of the war, for example, the British Army armed loyalist militias, who engaged in a scorched earth campaign against the rebels. They burned private homes to the ground, cut up and murdered pregnant women, displayed the severed heads of their victims, and employed other terrorist tactics.

The rebels responded in kind, attacking many who had no role in the attacks on patriot homes, including women, and torturing suspected Tories with beloved torture methods such as "spigoting," in which the victims are spun around and around on upward-pointing nails until they are well impaled.

This sort of thing cannot be explained by mere disagreement over taxation. Acts of violence like these represent a meaningful cultural and national divide.

How Big Is the Cultural Divide in America?

For now, the cultural divide in the United States today has yet to reach the proportions experienced during the revolution—or, for that matter, during the 1850s, in the lead-up to the American Civil War.[2]

2 The issue of slavery was a catalyst for a larger cultural divide between the slave states and the free states during the mid-nineteenth century. For many Northerners, slavery was just an example of the South's moral degeneracy. For Southerners, those who tolerated abolitionism were "atheists," "communists," and unpatriotic subversives of various types. The two sides began to see themselves as fundamentally incompatible, even beyond the slavery issue. Thus, Southern diarist Mary Boykin Chesnut was only exaggerating the true situation when she

But if hostilities reach this point, there will be little use in discussions over the size of the tax burden, mask mandates, or the nuances of abortion policy. The disdain felt by each side for the other side will be far beyond mere compromises over arcane matters of policy.

And just as discussions over taxation without representation miss the real currents underlying the American rebellion, any view of the current crisis that ignores the ongoing culture war will fail to identify the causes.

Yet the culture war has also likely progressed to the point where national unity is unlikely to be salvaged even by charismatic leaders and efforts at compromise. When it comes to culture, there is little room for compromise. It is increasingly apparent that the only peaceful solution lies in some form of radical decentralization, amounting to either secession or self-rule at the local level with only foreign policy as national policy. Had the British offered these terms in 1770, bloodshed would have likely been avoided. Americans must pursue similar solutions now before it is too late.

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simplified the mounting hostilities to a matter of a cultural divide: "We separated North from South because of an incompatibility of temper. We are divorced because we have hated each other so. If we could only separate, a 'separation a l'agreable,' as the French say it, and not have a horrid fight for divorce." After all, had Northerners viewed the secession as merely a disagreement over taxes or over slavery, it's unlikely nearly as many Northerners would have flocked to the US Army in the hope of invading the South and burning down Southern cities.

Both Theory and Praxis: Rothbard's Plan for *Laissez-Faire* Activism

The United States has not had a large, organized *laissez-faire* political movement since the 1890s, when the Democratic Party explicitly embraced an agenda of low taxes, restrained foreign policy, political decentralization, and opposition to a central bank. Certainly, since that time, *laissez-faire* factions have been part of various political coalitions and parties. The Old Right, for example, embraced *laissez-faire* both in foreign policy and in the movement's opposition to the New Deal. And the post–World War II era included *laissez-faire* activists within the conservative movement.

But the conservatives were led primarily by hard-core interventionists in foreign policy. For them, even domestic *laissez-faire* was a minor afterthought. After all, William F. Buckley, perhaps at the top of the movement's leadership, demanded that Americans be prepared to accept "for the duration" of the Cold War a "totalitarian bureaucracy within our shores."

Obviously any political movement dominated by such views could not embrace *laissez-faire* with sincerity. Thus, for more than a century now, the minority-bound parties of *laissez-faire* have asked themselves: How can an effective and growing movement be sustained?

The answer lies in a two-pronged approach: First, an intellectual and ideological battle must be waged to win over at least some key portions of the public. But once this has been done, others must also work to translate this intellectual foundation into practice.

Not surprisingly, Murray Rothbard had some ideas on this.

Rothbard on Strategy

Few *laissez-faire* advocates have given the problem more thought than Rothbard, who concerned himself not only with the problems of ideological coherence, but also with the problem of political organization. That is, he wondered if the *laissez-faire* advocate should focus primarily on spreading the ideology of *laissez-faire* and explaining why it is best or if he should focus on political activism and organization.

In "Concepts of the Role of Intellectuals in Social Change Toward *Laissez-Faire*," published in 1990 in the *Journal of Libertarian Studies*, Rothbard explains the first of these strategies, which he called "educationism," as follows: "Roughly: We have arrived at the truth, but most people are still deluded believers in error; therefore, we must educate these people—via lectures, discussions, books, pamphlets, newspapers, or whatever—until they become converted to the correct point of view. For a minority to become a majority, a process of persuasion and conversion must take place—in a word, education."

Some commentators have claimed that Rothbard condemned educationism, but this is not the case. Rothbard condemned only the idea that educationism is *sufficient in itself*, noting:

> To be sure, there is nothing wrong with this strategy so far as it goes. All new truths or creeds, be they scientific, artistic, religious, or political, *must proceed in roughly this way*: the new truth rippling out from the initial discoverers to disciples and protégés, to writers and journalists, to intellectuals and the lay public. *By itself*, however, pure educationism is a naive strategy because it avoids pondering some difficult problems, e.g., how are we to confront the problem of power? (emphasis added)

The Need to First Shape Public Opinion

It should be self-evident that a just and moral political regime can only exist in the long term if a sufficiently large number of people actually believe in ideas which support such a regime. Ludwig von Mises made this point on numerous occasions. In *Human Action*, he noted that no matter what political strategies are employed in choosing rulers or enacting policy, it is the ideological views of the public which ultimately decide the nature of the regime, and "if they prefer bad doctrines, nothing can prevent disaster."

We see today the outcome of decades of ideological drift toward the anticapitalist left. Although *laissez-faire* political factions exist, they cannot win national elections without pandering to the anti-capitalist views now endemic among the majority. There is not a sufficient foundation of *laissez-faire* public opinion to support a truly *laissez-faire* political movement. Nor would abolishing democracy solve the problem. Even in authoritarian regimes, ideological groups must still do battle for the minds of the ruling elite, and even nondemocratic regimes cannot sustain themselves in the long term if they are in conflict with the public's ideological views.

Translating Theory into Practice

But as Rothbard understood, even after a certain ideology manages to win over a nontrivial portion of the population, there still must be political activists to translate these views into practice.

That is, these activists must confront a number of difficult questions:

> Do we have to convert a large majority, a narrow one, or merely a critical mass of an articulate and dedicated minority? And if we perform such a conversion, what will happen to the State? Will it wither away (or wither to an ultraminimal nugget) by itself, automatically, as it were? And are there one or more groups that we should concentrate on in our agitation? Should we invest our necessarily scarce resources on one more likely group of converts rather than another? Should we be consistent and overt in our agitation, or should we practice the arts of deception until we are ready to strike? Are we most likely to make gains during one state of affairs in society rather than another? Will economic, military, or social crisis benefit our movement or hurt it? None of these problems is an easy one, and unfortunately the general run of laissez-faire thinkers and activists has devoted very little time to considering, let alone solving, them.

In "Concepts of the Role of Intellectuals in Social Change Toward *Laissez-Faire*" Rothbard attempts to make some headway in answering these questions. In the process, he discusses several different models for political action, including civil disobedience, "retreatism," and revolution from the top (i.e., converting the monarch). But Rothbard finds none of these to be likely candidates for success in light of modern political realities.

Laissez-Faire **Leninism**

Rather than endorse any of these models, Rothbard settles on a fourth option, which he calls "the cadre leading the mass." This method, Rothbard asserts, is exemplified in the methods employed by the British philosopher and activist James Mill. In the first half of the nineteenth century, Mill was successful as a member of the radical liberal movement which embraced both democracy and *laissez-faire*. As Rothbard explains, Mill would prove to be enormously

effective in converting key members of the British ruling class and in advancing the interests of his specific "cadre" of liberals:

> While as a high official of the East India Company, he could not run for Parliament himself, Mill was the unquestioned cadre leader of the small but important group of 10 to 20 Philosophic Radicals who enjoyed a brief moment in Parliament during the 1830s. Although the Radicals proclaimed themselves Benthamites, the aging Jeremy Bentham had little to do with the group. Most of the parliamentary Philosophic Radicals had been converted personally by Mill, beginning with David Ricardo over a decade earlier and including Mill's son, John Stuart, who after Mill's death in 1836 succeeded his father as Radical leader. James Mill had also converted the official leader of the Radicals in Parliament, the banker and historian of ancient Greece George Grote.

But Mill was not content merely to convert people to his cause intellectually. He demanded political action as well. In this way, Rothbard observes, Mill performed as something of a proto-Leninist:

> Charismatic, humorless, and didactic, Mill had all the strengths and weaknesses of the modern Leninist cadre type. The Millian circle also included a fiery cadre woman, Mrs. Harriet Lewin Grote (1792–1873), an imperious and assertive militant whose home became the salon and social center for the parliamentary Radicals. She was widely known as the "Queen of the Radicals," and it was of her that [Richard] Cobden wrote, "had she been a man, she would have been the leader of a party." . . . A typical testimony was that of William Ellis, a young friend of John's, who wrote in later years of his experience of James Mill: "He worked a complete change in me. He taught me how to think and what to live for."

This all came to fruition with the passage of the Reform Bill of 1832, which represented a *major* change in the British political system and a victory for the liberals: "With radical democracy and universal suffrage set as his long-term goal, Mill, in true Leninist fashion, was willing to settle for a far less but still substantially radical "transition demand" as a way station: the Reform Bill of 1832, which greatly widened the suffrage to the middle class. To Mill, extension of democracy was more important than *laissez faire*, since the latter was supposed to be a semiautomatic consequence of the truly fundamental process of dethroning the ruling class and substituting rule by all the people."

Unfortunately, the Millian Radicals' extreme focus on democracy was more than a little problematic. It ended up alienating the Radicals from the more mainstream—but also highly successful—*laissez-faire* liberals under Cobden and the Anti–Corn Law League. Moreover, in hindsight, it is clear that the Radicals' view of democracy as a political mechanism sure to secure *laissez-faire* was naïve.

Mill also employed dishonest means to destroy his enemies. Yet for Rothbard there was no doubting Mill's success as a "brilliant" tactician who excelled as a "unifier of theory and praxis" even when not employing his more morally dubious methods. He managed to form a critical core of sympathetic members within Parliament who were able to push new legislation as the larger Radical movement influenced the opinions of both ordinary people and intellectuals.

So how can the modern-day *laissez-faire* activist expand on Rothbard's methods? It would appear it is necessary to build up institutions that further both strategies.

The intellectual battle must be fought, and obviously, Rothbard was not opposed to employing intellectual means to spread good ideas and denounce harmful ideas. He did this for decades as a popular writer, as a scholar, and as the academic vice president of the Mises Institute, which is devoted to the educational side of *laissez-faire* activism. Without institutions like the Mises Institute to provide ideological moorings, any attempt at political activism ends up going intellectually adrift and being consumed by political processes and tactics devoted to no particular outcome.

At the same time, political activists must employ these intellectual resources in targeting political opinion so that it can become a foundation on which to build political networks, factions, and coalitions that can translate theory into practice. Rothbard was the rare person who, like Mill, devoted himself to *both* theory and praxis. Most ordinary people are likely to be engaged in either one or the other. Both are necessary, however, and neither is likely to achieve the desired ends on its own.

Why It's Not Enough to Hate the State

Throughout its history, liberalism—the ideology today called "classical liberalism" or "libertarianism"—has suffered from the impression that it is primarily *against* things. This is not entirely wrong. Liberalism coalesced as a recognizable ideology primarily in opposition to mercantilism and absolutism throughout Western Europe. Over time, this opposition extended to socialism, protectionism, imperialism, aggressive warfare, and slavery as well, and liberals have for centuries fought against a wide array of moral and economic evils that spread poverty, injustice, and misery.

Being "against" things, however, has never been sufficient in itself, and liberals have never contented themselves with being so. Liberalism, of

course, has long been closely associated with so-called bourgeois values, private property, local self-determination, and—in spite of claims to the contrary—religious institutions. Today, however, these institutions that have long undergirded liberalism and the free society are in an advanced state of decay. These are the institutions that have made society and civic life possible without state control.

The decline of these institutions did not happen by accident. The power of the modern state is the result of its long wars against independent churches, against family ties, and against local self-determination. The state has never suffered rivals, so any organization that competes for the "hearts and minds" of the population must be made impotent.

So, we find that the challenge at hand is greater than simply opposing the state. Rather, it is necessary to *build up*, *reinforce*, and *sustain* institutions that can offer *alternatives* to the state in terms of organizing and supporting human society.

After all, it is safe to say that most people we encounter today have become accustomed to looking to the state to meet an increasing array of needs and desires. These include pensions, healthcare, schooling, scientific research, and public safety, just to name just a few.

Thanks to the decline of the *family*, it is even possible now to imagine that for many millions of Americans, their most meaningful and enduring relationships are with government agencies.

In this environment, if we have any hope of supplanting state institutions with something better, there will need to be private

institutions that can be plausibly put forward as replacements for the state institutions that so many have come to think provide comfort, safety, and basic necessities.

Without these private institutions, liberalism's goal of providing a world of free, private, and prosperous institutions is much more difficult—or even impossible.

Societies Are Composed of Institutions

As libertarian historian Ralph Raico notes, liberals make a key distinction between the state and "society." Society is simply those institutions that are not the state. Or as the philosopher David Gordon puts it, "Liberals believe that the main institutions of society can function in entire independence of the state."

All these institutions outside the state are what we call "the private sector." We often just associate the phrase with commercial enterprises, but it is also proper to speak of churches, families, and any nonstate community organizations as the private sector.

The idea that the institutions of society, the private sector, can function without a state is an established historical fact. Since the beginnings of human civilization, even in the absence of states, people have built up institutions and relationships designed to provide order, security, and social safety nets. As described by Yale historian Paul Freedman, many societies have been held together by something other than "government in the sense that we understand it." Rather, societies can be held together by what Freedman calls "informal social networks and ties." These include "kinship, family, private vengeance, religion."

But we can also find more formal and more recent institutions designed specifically to provide services that had once been provided by states and empires.

The Role of the "Corporations"

During the Middle Ages, and until the age of absolutism, for example, Europeans, faced with weak and limited state institutions, created what scholars call "corporations." These were not the corporations we today associate with joint-stock companies. These organizations were, as economic historian Avner Greif explained in "Family Structure, Institutions, and Growth" (2006), "voluntary, interest-based, self-governed, and intentionally created permanent associations. In many cases, they were self-organized and not established by the state."

These included the church itself, but also monastic orders, universities, the Italian city-states, urban communes, militias, and merchant guilds. All actively sought to protect their own commercial interests in Europe's various legal institutions.

Moreover, whatever their provenance, these corporations tended to think of their own interests as distinct from the interests of the prince or civil power. The corporations thus acted as yet another institutional brake on state power. As Raico has shown, Europe's decentralized political power—and the accompanying protections for private property—grew out of a complex legal environment of contracts, rights, and other legal considerations forced upon princes and civil authorities by the demands of these corporate groups. Thus, Europe came to be home to political and legal philosophies respecting the idea of "mine and thine" rather than the idea that all belongs to the prince or the collective.

To quote Raico's "The Theory of Economic Development and the 'European Miracle'" (1994): "Princes often found their hands tied by the charters of rights . . . which [Princes] were forced to grant their subjects. In the end, even within the relatively small states of Europe, power was dispersed among estates, orders, chartered towns, religious communities, corps, universities, etc., each with its own guaranteed liberties."

Not surprisingly, the rise of the modern state is closely connected to the state's struggle against these institutions. As historian of the state Martin van Creveld showed in *The Rise and Decline of the State* (1999), in order to consolidate power, the state first had to gravely weaken or destroy the churches, the nobility, the towns, and the corporations. After all, these organizations *competed* with the state. They often provided economic safety nets of their own, and civil order through courts and local militias. They created a sense of community and social purpose apart from the idea of the nation or state. They provided key economic services, as in the case of the Hanseatic League, which offered safe trade routes and arbitration services for merchants.

These polycentric political systems were obstacles to the state's consolidation of power, and as economist Murray Rothbard has noted, the process of abolishing nonstate institutions accelerated during the early modern period. In France, the process was in full swing by the sixteenth century.

As Rothbard writes in *Economic Thought Before Adam Smith* (1995): "The sixteenth century French legalists [that is, those who served the absolutist king] systematically tore down the legal rights of all corporations or organizations which, in the Middle Ages, had stood between the individual and the state. There were

no longer any intermediary or feudal authorities. The king is absolute over these intermediaries, and makes or breaks them at will."

This process was necessary to eliminate pockets of independence and potential resistance to the state. In earlier times, the state had to gain buy-in from a variety of organizations that could offer real resistance to its rule. As Alexis de Tocqueville noted in his *Democracy in America* (1831): "Not a hundred years ago, amongst the greater part of European nations, numerous private persons and corporations were sufficiently independent to administer justice, to raise and maintain troops, to levy taxes, and frequently even to make or interpret the law."

This also essentially summarizes the centuries-long struggle between the state and the private sector: Whatever is private, separate, decentralized, or not under the control of the central state must be brought to heel.

Creating a Direct State-Citizen Relationship

Yet even after their medieval legal independence was abolished, churches, fraternal organizations, and families continued to be institutions critical to local solidarity, regional independence, and poverty relief.

Moreover, extended family enterprises made up a separate locus of power outside the state, and many of these families self-consciously sought to remain economically independent. Marxist historian Eric Hobsbawm's view of the "bourgeois family" is not exactly complimentary, but in *The Age of Capital, 1848–1875* (1975), he nonetheless captures some of the central role of the family in nineteenth-century society: "The 'family' was not merely

the basic social unit of bourgeois society but its basic unit of property and business enterprise."

But even this informal institutional competition with the state could not be tolerated. In the nineteenth century, the state's opposition to independent institutions was taken to the next level with the welfare state. This happened first in Germany, where a true bureaucratic welfare state was introduced for the first time by conservative nationalist Otto von Bismarck. As Raico reminds us, the welfare state was a deliberate effort by Bismarck to end the population's financial independence from the state.

Also, in "Bye-Bye Bismarck" (2003), economist Antony Mueller concludes that the welfare state established "a system of mutual obligation between the State and its citizens." This further solidified the idea that the state was to enjoy a *direct* relationship with individuals, unimpeded by local, cultural, or religious institutional obstacles. It was this political need to—as one of Bismarck's advisors said—"bind the people to the throne with chains of gratitude" that led to the introduction of the welfare state.

This also represented a powerful way of circumventing the family unit as an institutional buffer between the state and the individuals. Certainly, poverty relief had existed in the past. But it nearly always was administered at the household level. The state, prior to Bismarck's welfare state had not yet fully pierced the household family unit to deal directly with individuals.

Not surprisingly then, more than a century after Bismarck, the family as an institution has gone into steep decline, and unless it is again strengthened, will cease to provide any counterbalance or institutional resistance to state power.

Public Schools Versus Private Schools

Perhaps no institution has done more to directly engage individuals than the public schools.

The rise of the public schools and its replacement of private schooling and homeschooling has been one of the state's greatest achievements over the past century—great in the sense that it has done much to destroy the private sector.

Public education has long been geared toward promoting cultural uniformity, assimilation, and a progovernment ideology in students. Private schools, on the other hand, have often been founded specifically for the purpose of offering an *alternative* to the regime's schools. They have often focused on teaching a culture and curriculum different from that taught by the state. Often, these institutions either directly or indirectly encourage skepticism of the cultural and ideological norms pushed by public schools.

Needless to say, governments have never been enthusiastic about the existence of competing educational institutions.

The War Against Private Christian Schools

By the early twentieth century, American public education reflected a watered-down version of Protestant Christianity. But the religious elements existed largely to give a patina of religious morality to what was primarily ideological education. The most important role of the schools was to make students into good citizens of the American polity.

Private religious schools, however, didn't necessarily play this game. Both Lutheran and Catholic groups often placed more emphasis

on religious education, even while perpetuating the values of the immigrant groups who populated those schools. Lutheran schools often taught the German language and the Lutheran religion. Many saw this as coming at the expense of cultural assimilation and "loyalty" to American governments. Even worse were the Catholic schools, which taught religious and cultural views that were regarded by the Protestant majority as even more alien than those of the Lutherans.

Opposition to these schools was further increased by the jingoism of the First World War. So, it was not an accident that some of the greatest threats to private education arose during the 1920s.

In his book *Public vs. Private: The Early History of School Choice in America* (2018), Robert Gross provides a history of the period: "In the 1920s, conservative Protestants staged the most concerted campaigns since the origins of public school systems to prohibit private education. In more than a dozen states they tried but failed to prohibit attendance at private schools, while in Oregon they successfully enacted a law compelling students to attend public schools exclusively."

This law "compelled children ages eight to sixteen to attend public school. . . . Noncompliant parents faced heavy fines and imprisonment." The Oregon law, however, was not long for this world. It was struck down by the United States Supreme Court in 1925.

The arguments made by attorneys for the State of Oregon were the typical "do it for the children" claims. According to the state, parents simply couldn't be trusted to educate their children properly. More specifically, since today's schoolchildren are tomorrow's voters, the state argued, the state has an overriding *public* interest

in ensuring that the students receive a proper education. (What is proper, of course, is to be determined by the government.)

The answer, apparently, could be found in forcing parents to send their children to the presumably higher-quality and more competent government schools.

The Decline of the Family

The state's victory in making government institutions (i.e., schools) central to the lives of most children is also reflected in the institution that is supposed to be central to the lives of children: the family.

The trend of family decline has been clear for decades. In 1992, the sociologist David Popenoe published an exhaustive study on the state of families titled "American Family Decline, 1960–1990."

In his study, Popenoe acknowledges that many factors in the decline of the family predate the 1960s. These include rising divorce rates and falling fertility. Yet things did indeed accelerate from the 1960s to the 1990s. One key aspect of this is the falling fertility rate. In the late 1950s, the average American woman had 3.7 children over the course of her life. In 1990, Popenoe found, the average was 1.9. In 2023, it was under 1.8.

Whatever one might think about what is the "correct" number of children to have, Popenoe notes that the trend illustrates a falling interest in raising children. Survey data also backs this up, and as Popenoe puts it, we have witnessed "a dramatic, and probably historically unprecedented, decrease in positive feelings toward parenthood and motherhood."

The relevance of the falling fertility rate for our purposes is that it illustrates a declining interest in family life overall, which

translates into a lack of stability and duration of family life, as we see in other indicators such as divorce.

Indeed, in recent decades, we also continue to see a widespread retreat from marriage. Popenoe found that between 1960 and 1990, the proportion of women aged 20 to 24 who had never married more than doubled, from 28 percent to 63 percent; for women aged 25 to 29, the increase was even greater, from 11 percent to 31 percent.

These trends have only continued, albeit at less dramatic rates, in the 30 years since Popenoe's study. The trends illustrate that families are being deinstitutionalized in a variety of ways. That is, family life is shorter in duration, and generally involves less-stable relationships which are less central to people's lives.

Or as Popenoe puts it, "Family change is family decline." This is illustrated in a number of ways. Children are more likely to leave the home before age eighteen in nonintact families. This is especially true of young women. Marriage rates have gone into deep decline, and are now at the lowest levels they have ever been. Marriage has been replaced in many ways by cohabitation, but unmarried couples tend to report shorter relationships.

The number of married US adults has declined from 67 percent to 53 percent between 1990 and 2019.

We could name a variety of other statistics, and people may disagree over individual cases and various circumstances. But one conclusion is hard to dispute: These trends make it clear that the family is far less relevant and less important as a social institution than in the past. And, as such, it is ill-equipped to offer any sort

of meaningful resistance to the state's ongoing efforts to reduce all nonstate institutions to dust.

Popenoe sums up what it means to be institutionally strong. He writes, "In a strong group, the members are closely bound to the group and largely follow the group's norms and values. Families have clearly become weaker in this sense."

What is the reason for this? A lot of evidence suggests it is overwhelmingly an ideological issue. We hear much about how people can't afford to start a family. Yet marriage rates and fertility rates are now far below what they were during the Great Depression. And fertility rates are also lower now than what they were in 1942, when the world was caught up in one of history's most bloody and destructive wars.

It is thus difficult to take seriously any claims that, by some objective measure, the world is too unaffordable or too dangerous to justify marriage and family.

The more likely scenario is simply that people don't believe that marriage and childbearing are important. Robust historical analyses have shown this. For example, in "Fertility and Modernity," a 2022 study coauthored by Enrico Spolaore and Romain Wacziarg, the greatest determinant of fertility rates in Europe over a 140-year period was the diffusion of French antifertility ideologies.

Marriage and family decline because people don't *believe* they are important.

The Twilight of Nonstate Institutions

The decline of the family is just the latest evidence of enormous success of the state in neutralizing nonstate institutions. The traditional

institutional obstacles to state power are shadows of their former selves. Long gone are the independent communes, the free towns, the local militias, and the independent monasteries and churches. In more recent history, even fraternal organizations and local charities have become increasingly invisible, and ever more dependent on the central government's tax dollars. Religious observance is in deep decline. Religious institutions such as schools and parishes are consequently much reduced. Families are less cohesive and less permanent.

In contrast, the most enduring economic and institutional relationships many people have are with their national government. The vast majority of taxes are paid to central governments. Most healthcare and pension benefits come from national governments. States—not churches or prominent local families—now financially dominate universities, hospitals, and poverty relief.

This is all to the advantage of the state, since it means fewer individuals can rely on family or other local networks for economic or social security. It means fewer allegiances to any community except the vaguely defined and essentially imaginary national "community."

Individuals Are Not Enough

In response to all this, some might say, "Oh, we don't need any organizations or institutions. We only need rugged individualists!" It's a nice idea, but there is no evidence of this actually working all by itself as a counterweight to state power. Historically, liberals have long understood that opposition to state power cannot be effective if it comes merely from diffuse individuals who share no preexisting and enduring practical, religious, familial, or economic interests and feelings of common cause.

Rather, resistance to the state has tended to be centered around some cultural or local institutional loyalty. Historically this often took the form of local networks of families and their allies. In his *American Institutions and Their Influence* (1851), Tocqueville notes that these groups provide a ready nexus around which to organize opposition to government abuses. He writes: "As long as family feeling was kept alive, the antagonist of oppression was never alone; he looked about him, and found his clients, his hereditary friends, and his kinsfolk. If this support was wanting, he was sustained by his ancestors and animated by his posterity."

Without these, or similar institutions, Tocqueville concluded, political opposition to the state becomes ineffective. Specifically, without institutions through which to practically build resistance to state power, even antiregime ideology has no way of being brought into practice.

Tocqueville continues: "What strength can even public opinion have retained, when no twenty persons are connected by a common tie; when not a man, nor a family, nor chartered corporation, nor class, nor free institution, has the power of representing that opinion; and when every citizen—being equally weak, equally poor, and equally dependant—has only his personal impotence to oppose to the organized force of the government?"

The Franco-Swiss liberal Benjamin Constant came to similar conclusions, noting that local social institutions often provide a cultural counterbalance to state power through solidarity and organization. In his *On the Spirit of Conquest and Usurpation* (1813), Constant writes: "The interests and memories which are born of local customs contain a germ of resistance which authority suffers only with regret, and which it hastens to eradicate. With individuals

it has its way more easily; it rolls its enormous weight over them effortlessly, as over sand."

What Is to Be Done?

Thus, if we are to meaningfully oppose state power, it is necessary to encourage, grow, and sustain institutions and organizations over which states cannot so easily roll their enormous weight. When people support a local parish, raise a family, build a business, create mutual aid organizations, or foster local civic independence, they are doing work that is absolutely critical to fighting state power. While it is always good to speak ill of state power—and to oppose its countless violent and impoverishing grifts—this is not enough. We must also speak *well* of nonstate institutions and strengthen them in our daily work and daily lives.

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