

THE MISES INSTITUTE, founded in 1982, is a teaching and research center for the study of Austrian economics, libertarian and classical liberal political theory, and peaceful international relations. In support of the school of thought represented by Ludwig von Mises, Murray N. Rothbard, Henry Hazlitt, and F.A. Hayek, we publish books and journals, sponsor student and professional conferences, and provide online education. Mises.org is a vast resource of free material for anyone in the world interested in these ideas. We seek a radical shift in the intellectual climate, away from statism and toward a private property order.

For more information, see mises.org, write us at info@mises.org, or phone us at 1.800.OF.MISES.

To become a Member, visit mises.org/membership.

MISES INSTITUTE

518 West Magnolia Avenue Auburn, Alabama 36832 mises.org

The Imposers and the Imposed Upon

I'd like to talk to you this afternoon about two classes of Americans, and it may not be the two classes you think of, but nonetheless, there are two distinct classes in America, and we have to break up, and we have to break up sooner rather than later.

A nation that believes in itself and its future, a nation that means to stress the sure feeling that its members are bound to one another not merely by accident of birth but also by the common possession of a culture that is valuable above all to each of them, would necessarily be able to remain unperturbed when it saw individual persons shift to other nations. A people conscious of its own worth would refrain from forcibly detaining those who wanted to move away and from forcibly incorporating into the national community those who were not joining it of their own free will. To let the attractive force of

Excerpt from a talk by the same name delivered at the Mises Institute's annual Supporters Summit, Jekyll Island, Georgia, October 9, 2020.

4 The Imposers and the Imposed Upon

its own culture prove itself in free competition with other peoples—that alone is worthy of a proud nation, that alone would be true national and cultural policy. The means of power and of political rule were in no way necessary for that.

Ludwig von Mises wrote this about a hundred years ago and it rings absolutely as true today as the day he wrote it and it's all about the idea of letting people go if they want to form a different political union or political entity. At the end he mentions true national and cultural policy. And so I would ask all of you today to consider: Is America a nation at this point? I would argue no. Is it even a country? Barely. Or is it, as Ilana Mercer calls it, Walmart with nukes? And that's what America feels like very much today. It feels like we're all living in one big federal subdivision, doesn't it?

Last night I mentioned that about a hundred years ago in the interwar period Mises wrote his great trilogy, three books, remarkable books: *Nation, State, and Economy* first, then *Socialism*, then *Liberalism*, all within a ten-year span. These three remarkable books basically laid out a blueprint for both organizing society in a prosperous and peaceful way and also a warning in *Socialism* about how to destroy it. Turns out it's a lot easier to destroy than build.

Mises lays out his conception of what a liberal nationhood might look like. It's rooted in property, of course, and rigorous self-determination at home, and what this means is that he's always stressing the right of secession, back then, for political, linguistic, ethnic, economic minorities. They always have the right to secede, and of course, coming out of the patchwork of the former Austro-Hungarian Empire and in Europe, he understood what it meant to be a linguistic minority in particular. So, for Mises, any kind of nation, any kind of real nationalism, liberal nationalism, requires *laissez-faire* at home, of course. It requires free trade with your neighbors, to avoid a tendency toward war and autarchy, and it requires a noninterventionist foreign policy to avoid war and empire.

When we think of these three books, we can only imagine what the West and what America might look like today if these books had been read and absorbed broadly at the time. If Western governments had been even somewhat reasonable, let's say over the past century, consuming, let's say, only 10 or 15 percent of private wealth in taxes, maintaining just somewhat reasonable currencies backed by gold, mostly staying out of education and banking and medicine, and most of all avoiding supernational wars and military entanglements. If governments had just been somewhat reasonable in the West, we might still live in a more gilded era, like Mises once enjoyed in Vienna, but with all the unimaginable benefits of our technology and material advances today.

The truth is that liberalism didn't hold and we have to be honest with ourselves about it. It didn't hold in the West, and it

never took root in the full Misesian sense anywhere, at least not for long, and that's why all of us are here today. If the world had listened to Mises even somewhat, if Western states had committed to the prescription of sound money, markets, peace, all of our libertarian anarcho-capitalist theory might have been completely unnecessary. We might be sitting here today just sort of grumbling about potholes and local property taxes and local schools. Instead, we're here talking about the state as an existential threat to civilization. So, two very different scenarios. But again, the world didn't listen to Mises; that's why it got Rothbard and Hoppe, by the way.

One of the great progressive achievements of the last hundred years, which goes almost totally unremarked today, goes to the title of my talk: the degree to which the Imposers, we can call them, have been able to portray themselves as the Imposed Upon. It's absolutely uncanny. We see it in every aspect of American society and every aspect of our politics today. We see it in the presidential election; we see it with the culture wars; we see it in academia in spades; we see it with Antifa in the streets. If we think about just the last hundred years since Mises wrote these three books—the past century in America—progressives of all stripes, of all political parties, I want to add, what have they given us? They've given us two world wars, quagmires in Korea and Vietnam, endless Middle East wars in Iraq, Afghanistan—Yemen maybe is coming soon, Iran, who

knows? They imposed these enormous welfare schemes that Amity Shlaes has written so much about in the form of the New Deal and Great Society programs, which have ruined how many untold lives. They created all these alphabet soup federal agencies and departments to spy on us, tax us infinitely, regulate every aspect of our lives. And they built the military-industrial complex and the state media complex and the state education complex. They legislated violations of basic human property rights, which would absolutely shock our great grandfathers if they were alive, all with the courts nodding along in their acquiescence. And to pay for it all, they gave us central banking—the Federal Reserve System hatched up, schemed right here on this island, in November of 1910. What do they, the Imposers, call this? They call it liberalism. If you oppose it, they call you a reactionary.

To be a libertarian today is to be a reactionary against the state degradations and depredations and impositions of the twentieth century. The political class, either the Imposers themselves or their agents, what has the political class gotten us? Well, they managed to ruin peace, they managed to ruin diplomacy, money, banking, education, medicine, not to mention, along the way, culture, civility, and goodwill. And if you oppose the Imposers and the elites, they call you a populist for it. So, call me a populist.

All of this, of course, flows from the Imposers, from their positive rights worldview which animates them. It animates everything they do and that's why they're able to scream at Rand Paul, for example, for denying them healthcare. Once you accept a positive rights view of the world, then anyone who doesn't go along with your program is taking from you, and this is how they see the world, the Imposers. If the twentieth century represents a triumph of liberalism, I'd hate to see illiberalism.

We all know what the Imposers have in store for us now in the fledgling twenty-first century. And I would add, as an aside, a good way to tell a Beltway person from a Rothbardian is to ask them the simple question of whether they consider the twentieth century in the West a triumph of liberalism or not. I think most Rothbardians would say it was not, and I think most Beltway types would say it was. They consider the twentieth century some sort of victory for liberalism.

So, what that got us, along with all of these other problems is, of course, a huge divide in society. What they've gotten us is an almost unbelievable and epic divide in society between the Imposers and the Imposed Upon. How divided are we and along what kind of lines?

This was a nice little vignette, which took place the other day on Twitter. We have Chris Hayes, from MSNBC, who says, Well, you know with covid, "the most responsible way to deal with all these people"—that sounds like Seinfeld, "those people"—"if we survive this, is some kind of truth and reconciliation commission." Wow, that sounds fun. I suspect many of us in the room would be candidates for that. I don't know if there's boxcars outside. So he represents the progressive left in America today. And then along comes our friend from the neoconservative right, the great Bill Kristol, with whom we've all had enough but we always get more. I mean, this guy does not go away. He's like when you take the fish oil capsule at seven in the morning, and then at noon, that's Bill Kristol. So, he says, "How about truth and no reconciliation?"

The degree of open contempt and hatred that these lunatics have for us has in part been exposed by Trump and Trumpism. And to that extent we owe Trump a degree of gratitude for letting us see them for what they truly are. I would ask either one of these gentlemen: If you truly believe, let's say, 40 percent of the United States is beyond redemption, irredeemable, what does that mean? What do you propose doing with them? Does that mean some sort of reeducation camp? Presumably it means that either you separate from them somehow or you vanquish them, and by vanquish, that could be economically, politically, or, in the horrific scenario which we've seen repeated throughout history, even physically.

The divide we have in this country today is not so simple as saying blue and red states or counties, Republicans and Democrats, or liberals and conservatives, or even by class.

It's a little more complicated than that. There's a company out there called Survey Monkey, which took in a lot of data after the 2016 election between Hillary Clinton and Donald Trump. There was a big *Washington Post* story using this, and they grouped it in a bunch of very interesting ways. I wonder how many people in this room were aware of some of these divides in American culture.

Sadly, there's a huge divide along racial lines in voting patterns. If only white people had voted in the 2016 election, Trump would have won forty-one states and if only nonwhite people had voted, Hillary Clinton would have won forty-seven states. I view this as basically a testament to the Democrat's ability to sell some kind of sick victimhood and dependency and to the Republican's failure to sell any sense of real ownership or opportunity or capitalism. But nonetheless, that's the divide. It's real.

How about union members? If only union member house-holds—in other words, a household with at least one union member—had voted, Hillary Clinton would have won forty states. And if no union members, Donald Trump would have won thirty-seven.

When we get into religion, things get even more stark. What about households that claim that the inhabitants are either atheists or no particular religion? Hillary Clinton would have won at least forty-six states, if only nonreligious people had

voted. How about if households which claim Protestant or Catholic membership would have been the sole voters? Trump would have won forty-five states. Evangelical voters only, Trump would have won forty-seven states. People who attend church weekly, Trump would have won forty-eight states. People who seldom or never attend church or synagogue, Hillary Clinton would have won forty-three states.

It strikes me as we go through some of these numbers that these divides are awfully hard to overcome politically. I'm not sure how you do that. How about unmarried people? Hillary Clinton would have won thirty-nine states if only unmarried people had voted. Trump would have won forty-three states if only married people had voted, another huge quiet cultural and political gap in this country.

You've heard a lot about urban versus rural voters; it's a motif which keeps coming up again and again. For purposes of the Survey Monkey data, an urban county is one with greater than 530 voters per square mile and a rural county is one with fewer than ninety voters per square mile. Again, only urban counties vote, Hillary Clinton wins forty states. Only rural voters vote, Donald Trump wins forty-seven states.

The last stat I'll throw out is gun-owning households. (I know that none of you own firearms, but there are people who do. They lock them up and just shoot deer with them. They don't have Uzis, or modified weapons....And I know there's no

weapons in this room today; I feel comfortable with that statement.) If only gun-owning households voted, Donald Trump wins forty-nine states. Guess which one he loses? The only one he loses is Bernie Sanders's Vermont, because I think up there you just have a gun anyway just because you're in Vermont but you vote for Bernie. So, if households with no firearms of any kind were the sole voters in America, Hillary Clinton also wins forty-nine states and guess which one she loses? West Virginia, another anomaly.

The point here is that these kinds of divides and problems cannot be neatly solved by politics, especially national politics, and if you think about them, they don't cleave neatly along geographic lines. This isn't the Mason-Dixon line. These kinds of divides exist in every state, they exist within counties. If you go to California, which we all think of as a deep blue state, then go twenty miles inland. You know what it is? It's Trump flags, it's country music, and it's Mexican rancheros. That's what it is. We don't have the Mason-Dixon line in America in 2020. And more importantly, what we have to understand is: even if you could win some national election, if you could somehow get 51 percent of the voters to vote for a candidate like a Rand Paul, it doesn't really matter, because hearts and minds haven't changed. Politically vanguished people never really go away. This is what we have to understand; this is why we have to break up.

A couple of years ago, Bloomberg did some polling in the former Soviet Union, now Russia. There are millions of Russians, especially elderly Russians, who still absolutely pine for the Soviet days when they knew what their job was, they didn't have to pay for their apartment, etc. Seventy percent of those people have overall a generally beneficial view about Stalin, in 2019. They view him as the great reformer who helped save their country from the Nazis, etc. In other words, despite all the historical examples that the twentieth century provided us, despite the fall and the collapse of the Soviet Union, despite all of the obvious benefits of capitalism, there is still a significant amount of nostalgia for the old system. Politically vanquished people don't just go away. And the Hillary Clinton people thought that the deplorables were going to do just that. They thought they were dying, they thought they were aging out, and they thought there were fewer of them than there were, and that's what happened in 2016 and that sent the entire country into basically some kind of psychosis. which we're still suffering under today.

I know the concept of decentralization is one that's obvious and clear to all of you. I know secession seems like a tough go, but I want to just throw out to you some happy facts, things that are happening slowly right under our noses, some very decentralist impulses which are at work. Of course, they have been absolutely intensified by the covid issue and by these terrible riots which have been roiling across the United

States this summer and now into the fall. As it turns out, all crises happen to be local. What do I mean by that?

One beautiful thing about covid is that it has done further damage to our sort of credulousness when it comes to so-called authorities. Neither the UN nor the World Health Organization nor our own CDC has been able to project any sort of authority whatsoever amongst people. They have been able to drive no consensus. As a result, we've had vastly different approaches to covid across international lines and even within our fifty states, and even within some areas within various cities.

No central authority was able to sort of seize it and boss everyone around and tell everyone what to do. Of course, outlets like the *New York Times* tried to do that, but that's just in the United States. It's been absolutely fascinating to watch how places like Singapore and Hong Kong and Sweden have been relatively open and places like the province in China where it happened were drastically locked down. Some places like San Francisco have been drastically locked down, so there've been different approaches in this decentralized effort. And none of this is because people woke up one day and said ideologically, Wow, maybe we should try a more decentralized approach. No, it's just what naturally happens in crises.

Even the vaunted Schengen Area Agreement in Europe, which allows free travel between the member countries, immediately

broke down. All of a sudden, a German is a German again and a Frenchman is a Frenchman, and you can't even drive across. I don't think that Americans can drive or fly into Canada right now, even as we speak, with the liberal—supposedly liberal—Trudeau administration up there.

It turns out that when it comes to a crisis, things really get local very, very quickly. No matter who you are, even if you're Bill Gates and you can buy ten vacation houses and go to New Zealand on your yacht, you have to be somewhere physically; you have to exist in an analog world, and that means you need calories, you need kilowatts of energy and air conditioning coming into your home or your abode, you might need some healthcare or some prescription drugs, and all of this becomes unavoidable in a crisis. You have to be somewhere. Even Jeff Bezos had a bunch of protestors surrounding his house, his swanky house in DC. Now I don't know if he happened to be there at the time, but the point is even Jeff Bezos could conceivably be contained in his home by a mob that you can't escape. This idea that we're now on this sort of new global happy plane is being sorely tested, I think, by covid. I think that the idea of political globalism the bad kind of globalism—is showing its strain. I think it's cracking very badly.

Let's talk about the great relocation that's happening in America, this incredible movement of people out of cities. What's

the charm of a New York, a Manhattan, or a Chicago without the restaurants, and the theaters, and the food, and the museums? High rent, high crime, no fun? We find that a lot of younger people are starting to rethink things. I think this form of de facto secession away from these big cities, which tend to be very, very left-wing in orientation, is a wonderful development to see, because some of that political power that the big cities tend to hold is going to be attenuated. Atlanta tends to control Georgia; Nashville increasingly controls Tennessee. We see this in a lot of states. Las Vegas controls Nevada. But if people start to move away from these big cities, then some of that political power similarly is going to go with them.

This decentralist impulse is really the untold story of the twenty-first century: we see it in companies in the way they organize and manage their teams. Now we see all kinds of teleworking (which I think is a mixed bag, but nonetheless it's happening, one way or another). Look at distribution systems, what used to be the old hub-and-spoke model of getting your products, like the JCPenney catalogue, or how you got a sweater forty years ago. We're now looking at companies like Amazon that have a very decentralized system of spider webs. The distribution of goods and services is becoming radically decentralized.

How do we obtain information? It wasn't that long ago, thirty years or so, you had to go to your local mall and they might

have Milton Friedman's *Free to Choose* or John Kenneth Galbraith's *Affluent Society*. They didn't have Rothbard. So, libraries and universities and professors were almost kind of like the new versions of monks. They were the literate ones, and you had to go to them to get information. But that's no longer the case. You have something in your pocket the size of a deck of cards that has basically all of human history on it. That's hugely decentralizing.

What we're seeing right now in the education revolution is just absolutely phenomenal. Even before covid came along we had Khan Academy and all kinds of new platforms springing up. We had the student loan debt crisis. We had parents questioning the value of sending their kids to school for \$40,000 a year so that they can get a degree which doesn't get them a job and then when they come home after those four years they hate your guts. It turns out that that's not such a good value proposition.

Money and banking itself is becoming increasingly decentralized. We have all kinds of payment gateways now. We have systems like PayPal, we have bitcoin, and so really it's just that top layer of banking that is happening at major banks.

All of these things are happy facts and we ought to be celebrating and thinking about them when we consider the political landscape. 18

I'm not so sure that what matters for our immediate future is whether Trump or Biden wins. We all know what Biden is and what he will do. We don't know what the hell Trump is or what he will do. That's what it means to be Trump. But nonetheless, I think some of these impulses which are happening are inexorable. I'm not sure that even a Kamala Harris or a Joe Biden can stop them. We ought to celebrate that.

What's interesting is that the one thing which still seems awfully centralized in our world is the political world. In other words, in all these other areas of life, all these things I've just been mentioning, decentralization is something that's happening naturally, it's happening by market force, it's happening inexorably, and it's happening by free choice of people. But the one area out of our lives where we still accept gross centralization, and all the inefficiencies it brings, is government.

Many things that used to be decided at the city level are now decided at the regional or the state level. Things that used to be decided at the state level, decided at the federal level—and then sometimes even at the international level. That's really the political story of the twentieth century, the centralization of politics at higher and higher levels, which is of course antidemocratic, even though all of these people are telling us about our sacred democracy. Every level of government that's further removed from you is attenuated by

definition, is less democratic, because your input and your consent, so-called, is less and less meaningful. But I wonder if there aren't even some hopeful signs when it comes to politics and the decentralization of political power.

At an event last fall in Vienna, Austria, Hans-Hermann Hoppe was on a panel, and one thing that struck me about what he said was, if you look at the nationalist impulses of the nineteenth and twentieth centuries, the patchwork of former Europe came together—if you think of Germany as all these principalities and regions, and Bavaria and Prussia, these areas came together. He said nationalism in the nineteenth and twentieth century was mostly a centralizing impulse. That's what nationalism meant. When it becomes belligerent and spills over its borders, you get aggressive, you get Nazi Germany. But he said in the twenty-first century, from his perspective, nationalist movements tend to be decentralist. In other words, they're moving away from this sort of global government model which we all thought was going to be our future in the late twentieth century.

Hoppe says, If we look at things like the Brexit vote, if we look at what's happening in countries like Poland and Hungary, if we look at Catalonia—the Catalonian secession movement in Barcelona in the Catalonian region of Spain—these tend to be breakaway decentralist secessionist movements. That's the difference between some of the national movements of today

versus yesteryear. And I think this is coming soon to a city near you in the United States.

This kind of talk is really becoming reality. Ryan McMaken, who is the editor of mises.org, just wrote an article about how even the mainstream publications now are talking quite openly and seriously about secession, and I think that's because on some level, nervously, they still think Trump could win. I think that's what's driving it.

There have been very serious people on both left and right, not wild-eved radicals like me, who have been talking about this for the last several years. Frank Buckley, a law professor at George Mason University—oh, we can't say that anymore, sorry; it's GMU. It turns out George Mason had a slave or two. Buckley wrote a very serious book about what secession might look like just a year ago. And this is a sober conservative guy. Similarly, Angelo Codevilla, who writes for the Claremont Institute, a retired political science professor at Boston University, wrote an article back in 2016 called "The Cold Civil War." You can find it at Claremont.org. Again, a very sober, serious conservative, the kind of guy who still uses the lexicon and things like statecraft; you know what I mean. And they're talking about this. Similarly, people at places on the left, at places like the New Republic and The Nation, are talking about this like never before. Gavin Newsom, governor of California, has applied the term *nation-state* to his own state.

What happens in the fall, in a month, if somehow, some way Trump manages to win this election—I don't know what that's going to look like. I think we are going to see, first of all, an outpouring of grief and psychosis and outright violence from a significant portion of the country that we're just not prepared for. But when that subsides, you're going to simply see blue state governors saying, No, we're walking away. The sanctuary-city talk will become more and more pronounced, and I think that'll be a beautiful and helpful thing for this country.

Now, the flip side—and when I say who wins, I should say who's actually installed in January; we don't know anything about these ballots and postal delivery carriers dropping them in sewers or whatever it might be. But whoever wins—if Joe Biden and Kamala Harris are installed—I think what you're going to see is nothing short of a new Reconstruction in America. I think you are going to see outright and open attempts, gleeful attempts in the media class to impose themselves on the red states and punish them. Not only for having the audacity to put Donald Trump in the White House instead of Hillary Clinton—who we all knew was going to win—but more importantly on a more macro level, for coming along and interrupting that arc of history that progressives believe in so deeply: that we're always improving and that we're always getting better, the past is always bad and retrograde. To have that upended by Trump is a sin which they still haven't gotten over.

22

If Biden and Kamala Harris win, the sales tax deduction for state taxes will be immediately reintroduced so that those blue states can start deducting things again. I think you'll see it in myriad ways. You will see sort of an outpouring, a collective outpouring from the Left that wants to use the state as sort of a laser focus, you know, to bludgeon us, the rest of us. And that, in turn, will cause the red state folks and the red state voters to be thinking very seriously about an exit strategy. I wish I could give you something more hopeful than that, because as I mentioned before, the problem here is that nothing goes along neat geographic lines. But the lines are there nonetheless, and we can't ignore them.

I'll close with this: Tom Woods, our friend who spoke earlier, he reminds us political arrangements exist to serve us, not the other way around. Who the hell said that we have to put up with all of this? Can we change ours without bloodshed? That's the question of the twenty-first century. I think the question of the twentieth century was socialism versus property. I think the question of the twenty-first century is centralized versus decentralized. So, in postpersuasion America, where we seem to live, it's not just a matter of intellectual error. There's more to it than that. It's not just about convincing academics and journalists and politicians that our cause is right and you should agree with us. Because it's also about self-interest and power. They don't see for themselves a path to greater self-interest and a path to greater power in the kind

of society which all of us in this room would prefer to live in, and they're not just going to let us have it without some effort on our part. And I hope very strongly that that path does not involve bloodshed.

There is reason for optimism: there is a decentralist impulse that is working its way across the world. It's coming to America, and I think that is where we have to put our hopes and our efforts.

MISESINSTITUTE

Ludwig von Mises Institute 518 W. Magnolia Ave. Auburn, Ala. 36832