



## **Classical Liberalism Haunts Both Parties**

William Hawkins

March 31, 2017

The dismal legacy of classical liberalism continues to haunt both political parties and cripple the ability of Federal and local government to solve problems that menace the security and prosperity of the American people. Under the term libertarian, it is usually associated with the Republicans. The mainstream media likes to call these people "conservatives" when they want to slander the Right. The current example is found in stories about how the Freedom Caucus blocked the Obamacare "repeal and replace" legislation offered by Speaker Paul Ryan (R-WI) and backed by President Donald Trump. The reported leader of the obstructionists, whose handful of votes if added to that of the Democrats would have defeated the bill, was Rep. Jim Jordan (R-OH). Jordan cannot be truly called a "conservative" anymore than the name Freedom Caucus can be taken at face value. Everyone uses the word "freedom"; what matters is the context. Freedom to do what? That's the question whose answer makes all the difference.

On Feb. 15, Jordan was the featured speaker at the libertarian Cato Institute for the launch of "The Cato Handbook for Policymakers." Rep. Justin Amash (R-MI), another Freedom Caucus member, also participated. The handbook advocates the "legalization" of illegal aliens and expanded immigration across the board. It supports President Barack Obama's opening to the Castro regime in Cuba even though it admits, "it is unlikely to change the nature of the authoritarian regime" (but still, business should be allowed to invest in the island). It proposes Congressional restrictions on U.S. war-fighting strategies including time and geographical limits and prohibitions on the use of ground troops and drones (with "automatic funds cutoff for unauthorized wars"). It calls for a "move away from trying to preserve U.S. military primacy in East Asia and adopt a more restrained, modest strategy that does not seek to contain China. And it calls for "sustained engagement" with Iran instead of pressure to halt its aggression, and endorses President Obama's nuclear agreement. Its most radical proposal is to reduce the force levels of all branches of the armed services, including a cut of one-third in air wings while adopting "a grand strategy of restraint to guide military budget reductions."

Cato then carries its appeasement and disarmament program into domestic policy by advocating a halt to the "militarization" of local police and an end to the international war on drug trafficking even as the use of hard drugs has reached epidemic levels. In 2015, heroin deaths alone reached nearly 13,000, almost double the number of Americans who have died in over a decade of fighting in Iraq and Afghanistan combined.

Does the prominent involvement of Jordan and Amash with Cato imply that the Freedom Caucus will also oppose President Trump's efforts to strengthen border security and rebuild the military? Will they shift the House majority to the Left on a "bipartisan" basis?

Cato's support of absolute "free trade" confirms its embrace of classical liberalism in its most extreme form. Its handbook goes so far as to demand that policymakers "recognize and publicly acknowledge that greater access to imports-not greater access to export markets-is the primary conveyor of trade's benefits." This reflects the influence of transnational corporations who outsource production overseas (esp. to China, a practice Cato approves) to undermine the income of American workers. Exports support U.S. jobs and production capacity, boosting aggregate national income. Recent trade patterns show the loss of American economic activity as the country runs up ever higher foreign debts with goods deficits over \$700 billion per year (an amount larger than the budget deficit). No one has ever consumed their way to greatness; it's what you build that counts.

Policymakers are not supposed to worry about the impact of their actions on their own country, as "nationalism" is anathema to classical liberals. As The British Radical Richard Cobden claimed in the early 19th century, commerce was "the grand panacea" and that under its influence "the motive for large and mighty empires, for gigantic armies and great fleets would die away." A figure with a more recent negative impact on immature "conservative" thinking, Ludwig von Mises, proclaimed that "under free trade and free migration, no individual is concerned about the territorial size of his country." That doesn't leave much to "conserve", but then Mises' "individual" is not supposed to have any higher sense of loyalty.

Conservatives and Nationalists (who are finally coming back together into what historically has always been the strongest unified identity) understand the danger posed by libertarians in defense and foreign policy with their focus on open borders and disarmament. But this creed's role in left-wing domestic policy is becoming recognized as the cohesion of society has taken another plunge towards anarchy. Consider Chicago under Mayor Rahm Emanuel, who had been chief of staff to President Obama.

Chicago has become the murder capital of the country as anarchy spreads across the urban landscape. As the *Chicago Tribune* reported on March 28, "There were more than 760 homicides in Chicago last year, the most in 20 years. Homicides have jumped dramatically in the country's third-largest city and in some other cities over the last two years, breaking from America's decades-long decline in violent crime." Several times this many people have been wounded. Gang warfare is a central problem, and the gangs are linked to the drug trade which flows across America's unsecured borders. The liberal administration supports open borders by declaring the city to be a "welcoming" sanctuary for illegal aliens, meaning in practice, criminal aliens since that is the junction point between local and Federal law enforcement. The tens of thousands of Chicagoans who have had their lives ruined by drugs should be added to the list of violent victims of liberal ideology.

The declaration of "sanctuary" can be seen as part of a disarmament policy as well as an open borders policy. The national government is to be "disarmed" within the city limits. Meanwhile, the Chicago police are to be at least partially disarmed as well by rules of engagement and

deployment practices that let the gangs and pushers run wild (along with other criminal elements) in many troubled neighborhoods.

Completing the picture of a city gutted by classical liberal notions is the award of a major infrastructure program to a Chinese firm. The \$1.3 billion project is to replace half of the Chicago Transit Authority railcars. The Chinese state-owned corporation CRRC Qingdao Sifang, will do the work. The same firm is currently building cars for the Boston transit system; another den of liberalism. The cars will be "assembled" from imported Chinese-made parts in a facility on Chicago's Southside; but this work will only create 169 jobs according to the *Chicago Tribune*. That's about \$8 million dollars spent per American job gained. Of course, the real money is going to support large-scale employment in China where the actual production of the railcars will take place.

Mayor Emanuel said the deal was an example of the city using its purchasing power to create local employment. Yet, it has to go down as an example of very weak negotiating given how little the city got for its money. The Mayor has also expressed the hope that the Chinese firm will win more contracts across America, in the vain hope that a few more jobs might end up in Chicago---- but at what cost of American jobs elsewhere? Emanuel apparently aligns with Cato against "Buy America" policies.

Partisan politics don't tell the whole story even in this turbulent time. It's how people look at the world, and their country, that determines how they choose sides on the many grave issues that face us. The most profound breaks between contending visions regarding political economy were stated by Princeton's Robert Gilpin as nationalist, socialist and liberal. While there is a close association of the first two with the Republican and Democratic parties respectively, there are liberal elements in both parties. However, since the roots of classical liberalism are on the Left with its radical rejection of traditional society (dating back to the Enlightenment), the Right has to be on its guard about its alignments if its vision of a society enjoying security, prosperity, virtue and greatness is to prevail in policy.