

## America's Libertarians' Civil War Over Ukraine

By Eric Zuesse

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*On the one hand, [Andrei Illarionov of the Koch Brothers' libertarian Cato Institute says](#) that the first among "the crimes that have been committed or are being committed by the Kremlin — stealing Crimea" can be rectified only by rejecting "Russia's aggression in Crimea," which means to replace the current Russian government by "a free democratic state with the rule of law": i.e., overthrowing it in order to establish that very thing, "a free democratic state with the rule of law." He says that, "The issue of Crimea's jurisdiction is within the competence of only one subject of international law — the owner of that territory, namely Ukraine. Only this subject, and no one else, has necessary legal rights to change this territory's jurisdiction." And, since Ukraine did not sell Crimea to Russia, Russia "stole" it from Ukraine. He sees the issue of Crimea as being not an issue of people, but of land: the land-area of Crimea, which Russia "stole" from Ukraine — that Russia stole the land and everything in it and under it and on it, including its residents.*

According to Illarionov, Crimea's residents are simply human property there. They belong to Ukraine, no matter what they think. Illarionov's article doesn't even so much as discuss whether the 16 March 2014 popular vote of Crimeans in which 97% favored to rejoin Russia (which the Soviet dictator had donated from Russia, to Ukraine, in 1954, without even asking anyone in Crimea their opinion of the matter) reflected accurately the public sentiment among Crimeans ([it actually did](#)); that question is simply ignored; but Illarionov does say: "The fact that most of the peninsula's population are ethnic Russians does not matter either." In other words: the residents of Crimea should be entirely ignored — not only their opinions but the possible reasons for those opinions.

On the other hand, the libertarian Ron Paul ignores the entire question of what the "owner" of the land called Crimea is; and he focuses instead upon the freedom of its people. His concern is about persons, not at all about property. And so he refers to people, not to land. [He writes:](#)

"Last week two prominent Ukrainian opposition figures were gunned down in broad daylight. They join as many as ten others who have been killed or committed suicide under suspicious circumstances just this year. These individuals have one important thing in common: they were either part of or friendly with the Yanukovich government, which a US-backed coup overthrew last year. They include members of the Ukrainian parliament and former chief editors of major opposition newspapers.

“While some journalists here in the US have started to notice the strange series of opposition killings in Ukraine, the US government has yet to say a word.”

To call both of these viewpoints ‘libertarian’ is to use the very same label for diametrically opposite political positions, which is to nullify any meaning for that label, on that topic — which topic, in this instance, is whether rights inhere in people, or instead in property. That’s a fundamental difference.

So: Is libertarianism focused on persons, or on property?

In my latest book, [\*Feudalism, Fascism, Libertarianism and Economics\*](#), I track the origin of libertarianism; and, here is what I find in that regard: libertarianism goes back to physiocrats, who were personal heroes and inspirations to the supposed founder of classical economic theory, Adam Smith, and their publisher was:

“Pierre Samuel du Pont de Nemours, a proponent of the earliest version of classical economics, physiocracy, which said that society is held together by a ‘Natural Order’ (‘physio’=natural, ‘cracy’=rule), instead of by any ‘social contract’ (such as America’s Founders believed: they frequently cited the British King’s violation of the social contract as justifying their own Revolution; libertarianism is thus un-American, even anti-American, at its root). ...

“Du Pont published and popularized physiocrats’ works. One such work, which he published serially in 1769-70, was Turgot’s *Reflections on the Formation and Distribution of Wealth*. It listed several reasons for the concentration of wealth in a few, and said that, principally, ‘The difference of knowledge, of activity, and, above all, the thriftiness of some, contrasted with the laziness, inaction, and wastefulness of others, is a fourth source of inequality, and the most powerful one of all.’ Additional causes that he listed for inequality included inheritance from intelligent parents. Another leading physiocrat was Quesnay, who urged the king to model France upon the wise despotism of China. Quesnay’s *Le Despotisme de la Chine* said that, ‘The ownership of wealth is quite secure in China; we have previously seen that the right of property is extended to slaves or bonded domestics, and throughout the empire children inherit the wealth of their parents and of relatives according to the natural order.’”

The physiocrats created economics as the theory of property (and of the trading in property); but people were in it only to the extent that they were someone’s property — slaves. (Slaves in turn could own other property, but the ultimate owner of even that property was still their master, just as the ultimate owners of a corporation’s assets are its stockholders.) All rights, in their view, are property rights, of one form or another. Adam Smith, likewise, treated slaves as possessing worth only because they are the property of some master. This was the longstanding view of slaves, and (though economists try to ignore that lacuna in microeconomic theory) it is still present and important in economic theory today. (Economic theory is still pre-abolitionist. It was designed to be acceptable to slave-masters.)

Ron Paul is not an aristocrat, though with his son Rand Paul, he might have created a dynasty and be therefore a first-generation aristocrat, in the purely dynastic sense.

By contrast, the Koch brothers inherited millions of dollars, ownership of Koch Industries, which Fred Koch had established and which largely built Stalin's oil refineries, before Fred went on to co-found the rabidly anti-communist John Birch Society, along with Robert W. Welch Jr. (Welch's Candies), Robert W. Stoddard (Wyman-Gordon Mfg.), and Prof. Revilo P. Oliver. Furthermore (again quoting my book):

"The Birch Society's magazine, *American Opinion*, featured on its masthead an Editorial Advisory Committee that included both J. Howard Pew and Ludwig von Mises. The economic program of the Birch Society was strictly 'Austrian economics'."

That, too, connects today's libertarianism with that of its founders, ever since the time of Pierre Samuel du Pont de Nemours and consistently right through his heirs and their American Liberty League.

In the 1930s, the DuPont brothers, and Jasper Crane who married into the DuPont family, created the American Liberty League, which became the model for the Koch brothers' foundation in 1974 of the Cato Institute and later of the Kochs' Americans For Prosperity (AFP), which then subsequently [created the 'Tea Party' in 2002](#). So: Andrei Illarionov's view is rooted deeper in the history of libertarianism, and is also more strongly related to the money-base of the Republican Party, than is Ron Paul's.

The Kochs did not fund the political career of either Ron Paul or Rand Paul. However, the venture capitalist Peter Thiel, a [member of the Bilderberg Steering Committee](#), donated \$2.6 million to Ron Paul's 2012 campaign, which is probably the biggest donation to the campaign.

On 3 February 2015, Politico bannered, ["How Rand Paul bombed at Koch brothers gathering."](#) and reported that one attendee there said, "People didn't quite understand where he was coming from." Moreover: "The next day, when 100 donors participated in an informal straw poll conducted by veteran consultant Frank Luntz, Paul finished dead last. Rubio came in first, followed by Wisconsin Gov. Scott Walker."

These are among the indications that persuade me that, though the Pauls would obviously have liked to have gotten the aristocracy's support, they never really managed to. The Politico article even says that Rand Paul's casual manner and style of dress were turn-offs to the Koch brothers and their billionaire friends. However, the Kochs' friends are mainly from old-line Texas and Midwestern money, largely from energy and financial industries. By contrast, Ron Paul's chief backer, Peter Thiel, is a California technology entrepreneur, and co-founder of PayPal. He also is first-generation wealth, whereas the Kochs are second-generation wealth, and, really, third-generation wealth if the newspaper publisher who was Fred Koch's father Harry Koch is counted to have founded that dynasty.

Libertarianism is rooted in the aristocracy, and especially in inherited wealth. The Pauls, with their emphases upon "ending the Fed," and also opposing the military-industrial complex that supports every empire (and thus the national aristocracy), mix libertarianism with a populist tradition that is at the far-opposite end of the ideological spectrum, basically progressive, not at all conservative (of either the libertarian or any other variety).

Furthermore, Democratic Party aristocrats have been the major investors in the overthrow of Ukraine's government and the replacement of it by a rabidly anti-Russian racist-fascist or nazi government. So, at the national level, which is Congress and the President, the Democratic Party now supports the world's only [nazi](#) or [exterminationist fascist](#), regime, the people who were put into power by Barack Obama. For example, [George Soros](#) is much more actively involved with that venture than the Kochs have been. The American aristocracy is [virtually 100% united behind Ukraine's nazis](#), and against Russia. (Maybe they want to control Russia's oil and gas.)

Libertarians' civil war over Ukraine is a reflection of the difference between libertarianism's populist base or consumers (which the Pauls rely upon) versus libertarianism's elite source and manufacturerers (which produced and market the ideology, and so have actually created and politically exploited that base). It's like the difference between a manufacturer and a consumer. While the Pauls sell to the consumers, the Kochs have been the main manufacturers during the past forty years.

One of the aristocracy's Republican fronts, "The Foreign Policy Initiative," produced on 12 February 2015, an article ["The Libertarian Civil War Over Ukraine,"](#) which portrays Ron Paul as "regurgitating [Russian] propaganda" on Ukraine. It attacks Paul not from a libertarian perspective, but from a mainstream conservative, nationalist, one. To judge from the reader comments to it at the Democratic Party site [The Daily Beast](#), which is a liberal front for the aristocracy, that line of propaganda works at 'both' ends of American politics, perhaps because a 'Democratic' President happens to have [done the coup](#) and [installed](#) the [nazis](#) into power in Ukraine. There is [virtual unity](#) regarding the way that [American 'news' media](#) have been handling the issue of Ukraine. The only differences are in how the policy is being marketed. The Pauls are trying to sell a different policy on the entire Russia matter, but they don't control the 'news' media; and, so, theirs is only a niche market.