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## The Rothbardian School

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Last December, Brian Doherty [wrote a column](#) for Reason in which he noted that there are two major schools of libertarianism that matter: The moderate Hayekian school pushed by the Cato Institute and the much more radical Rothbardian school pushed by Ron Paul and the Ludwig von Mises Institute.



While refraining from badmouthing the Hayekians, Doherty makes the case that Ron Paul's Rothbardian school is the driving force behind whatever libertarian mass movement exists today:

The Paul movement, the largest popular movement motivated by distinctly libertarian ideas about war, money, and the role of government we've seen in the postwar period, is far more Rothbardian than it is directly influenced by the beliefs or style of any of the other recognized intellectual leaders or influences on American libertarianism. The Paul crowd is the sort of mass anti-war, anti-state, anti-fiat money agitation that Rothbard dreamed about his whole activist life.

The Paulites stress Rothbard's key issues of war and money, with

that populist hint of what he called "power elite analysis" – and that the uncharitable call "conspiracy theories." Indeed, as I learned from my reporting on the movement during Paul's primary campaign, a majority of them are pretty much learning their libertarianism directly from Paul himself, and the Internet communities surrounding Paul. But Rothbard was a friend and influence on Paul, and central to the Paul Internet community is the very Rothbardian Mises Institute website and the personal site of Mises Institute Chairman Lew Rockwell, who was a close partner of Rothbard's in the last 13 years of his life.

For those of us who live and work outside academia and outside the beltway, these remarks about the mass movement are obviously true. To the extent that regular middle-class Americans have experience with libertarianism, it is with the Ron Paul/Rothbard school of thought. Ron Paul is a household name. No other libertarian comes even close in this level of fame, so his intellectual background matters.

And it is also impossible to discuss this branch of libertarianism without noting the central importance of the Austrian School of Economics. And here we find a very similar and parallel breakdown along the lines of libertarianism with a dividing line between the moderate Hayekian branch of Austrian Economics and the much more radical Rothbardian branch.

These branches stem from slightly different intellectual backgrounds.

Rothbard carried on the radically anti-interventionist economics of Ludwig von Mises who denied the value of government intervention in markets virtually 100 percent of the time. Rothbard takes this even further in his political economy, but for the educated layman, the economics of Mises and Rothbard will differ very little.

Hayek, on the other hand, was far more accepting of government interventions, even going so far as to speak well of tax-funded old-age pensions and government regulation of food production. Hayek was a great popularizer of many Austrian ideas, and he was the most famous critic of Keynes in his day, but his policy prescriptions are not what animate the reformers of today.

Note that I do not expel Hayek into the outer darkness for these sins, but it is nevertheless clear that this division between the Rothbardians and the Hayekians is one between radical reformers on the one hand, and those who are far more accommodating of the status quo on the other.

Given the rhetoric surrounding the libertarian mass movement today, however,



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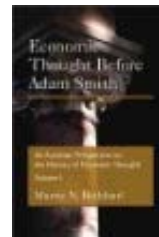


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it is clear that it is the Rothbardian branch and the Ron Paul movement that is the animating force behind the spread of the ideas of Austrian Economics.

So, I raised my eyebrows a bit when I read in the *Wall Street Journal* [recently](#) that a George Mason University economist was "emerging as the intellectual standard-bearer for the Austrian school of economics[.]"

The economist in question is Peter Boettke, who is no doubt a competent economist and a helpful opponent of the American mega-state. But given the intellectual pedigree of the most active and expansive branch of Austrian Economics in America right now, it is odd that the *Journal* would choose as the standard bearer of the movement an economist who is in many ways a Hayekian rather than a Rothbardian, and who has in recent years even attempted to [distance himself](#) from the phrase "Austrian Economics."



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As [Robert Wenzel](#) has pointed out:

It would probably be best to describe Pete as the standard-bearer of the Uptight Wing of the Austrian School of Economics. The Uptights tend to promote the work of Noble Prize winning economist Friedrich Hayek, over the work of the Austrian economists Ludwig von Mises and Murray Rothbard.

Discussing Hayek but ignoring Mises is something akin to discussing Scottie Pippen when talking about the championship years of the Chicago Bulls and not mentioning Michael Jordan. Nothing wrong with Pippen, but Jordan was "The Man."

Now, in defense of the *Wall Street Journal*, one could point out that the word "libertarian" appears nowhere in the article at all, and that this article could perhaps be read as a discussion about Austrian Economics within the academy that has little to do with the mass movement outside academia. After all, Ron Paul isn't an academic economist at all.

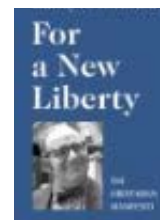
If it were true that the *Wall Street Journal* editors were approaching this topic in good faith, this would then prove that the *Wall Street Journal* is guilty of extremely poor journalism since the article completely ignores the intellectual and political context surrounding Austrian Economics right now. Indeed, if one wishes to be cinematic, one could imagine Boettke and the reporter sitting in the Economics Department lounge discussing the safe and moderate ideas of Hayek while a throng of students listens to Ron Paul denounce the Federal Reserve right outside the window on the quad.

So at the very least, the *Journal* is guilty of extremely

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uninformative and selective editing.

One could also read this article, however, as an attempt to cast the Rothbardian school as irrelevant while propping up the Hayekian school as the "respectable" kind of Austrian Economics. This would be perfectly in line with the *Wall Street Journal's* generally conservative slant, and the *Journal* has shown itself to be a friend to neither Ron Paul nor any other serious or trenchant critic of the current kleptocracy.



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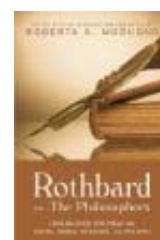
As Wenzel notes, the failure to mention Mises is odd at best. If there is a deliberate effort to obscure the importance of Mises or Rothbard, it is also certainly unlikely that a mere beat reporter sent to interview Boettke would insist on such a thing. Such a policy is far more likely to originate at the editorial level, where it can be absolutely guaranteed that a discussion of Austrian Economics will mention neither Mises nor Paul nor Rothbard nor anyone else who is presently central to the real-life political milieu surrounding the Austrian School today.

If this second option is indeed the case, it wouldn't even matter what Boettke said during his interview, and I seriously doubt Boettke went into this with a goal of making Rothbard or Ron Paul look bad. I've worked with the media long enough to know that Boettke could have gone on for 45 minutes to the *Wall Street Journal* about how he considers Rothbard to be his personal lord and savior, and the *Journal* still would have still expunged any mention of him or Mises.

So either the *Journal* is incompetent, or it has deliberately tried to disparage Ron Paul's Rothbard wing of the libertarian movement. I suspect the latter, although the former is always a possibility.

None of this should surprise anyone who is familiar with the debate between the Hayekian branch and the Rothbardian branch. Twenty-eight years ago, Lew Rockwell was told in no uncertain terms that his efforts would be sabotaged by the existing libertarian establishment if he tried to name his new institute after Ludwig von Mises who was labeled as "too radical." Rothbard's eventual inclusion in the effort only solidified the animosity toward what is now the Rothbard school.

So this latest controversy has roots that run deep, and the *Journal's* story has already reignited some animosity between the two branches. However, as someone who is not part of a libertarian think tank and who doesn't have time to have an opinion on every little intralibertarian debate, the first question that crosses my mind with controversies like this is: "Should I even care



[Rothbard vs the](#)

about this?"

The answer is yes and no. Given the *Journal's* target audience, this piece will have little effect on the mass movement that is libertarianism and which draws upon Rothbardian economics for its intellectual muscle. On the other hand, the *Journal* piece serves as a signal to its readers who crave respectability that the Hayekian school is the safer more relevant school of Austrian Economics. Those Rothbardians can be ignored. They're conspiracy theorists and fringe types, after all. Boettke himself hinted at this in a January 2010 [blog post](#).

The proper response here is to not excommunicate fellow travelers, of course, but to simply point out the truth that the driving force behind today's movement to finally rein in the power of our massively irresponsible, abusive and bankrupt government is the radical, consistent and principled legacy of Ludwig von Mises, Murray Rothbard and Ron Paul.

Respectability has its limits, and it is likely that there was never a successful libertarian movement led by the established and respectable members of society. The Cobdenites of the Anti-Corn Law League, the Jeffersonians, and the classical liberal reformers of every age know that if they wait for the approval of the respectable ones, they'll likely be waiting a very, very long time.

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*Ryan McMaken [[send him mail](#)] teaches political science in Colorado.*

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