

<http://reason.com/archives/2009/12/18/a-tale-of-two-libertarianisms>

A Tale of Two Libertarianisms

A new book of unpublished critiques by Murray Rothbard reveals a divide in the larger libertarian project

Brian Doherty | December 18, 2009

If Murray Rothbard—Austrian school economist, anarchist political philosopher, early American popular historian, and inveterate libertarian organizational gadfly—had never lived, the modern libertarian movement would have nowhere near its current size and influence.

He inspired and educated generations of young libertarian intellectuals and activists, from Leonard Liggio to Roy Childs to Randy Barnett. He helped form and shape the mission of such libertarian institutions as the Institute for Humane Studies, the Cato Institute, and the Ludwig Von Mises Institute. His unique combination of a Randian-Aristotelian natural rights ethic, Austrian economics, anarcho-capitalism (of which he was the ur-source, within the contemporary libertarian movement), fervent anti-interventionism, and a populist distrust of “power elites” both public and private injected modern libertarianism with the distinct flavor that separates it from other brands of small-government, free-market thought.

Let’s put it this way: When the likes of F.A. Hayek and Milton Friedman died, conservative flagship *National Review* could and did praise them pretty unreservedly. But when Rothbard died in 1995, his old pal William Buckley took pen in hand to piss on his grave. Rothbard, Buckley wrote, spent his life “huffing and puffing in the little cloister whose walls he labored so strenuously to contract, leaving him, in the end, not as the father of a swelling movement...but with about as many disciples as David Koresh had in his little redoubt in Waco. Yes, Murray Rothbard believed in freedom, and yes, David Koresh believed in God.”

Things look a little different now when it comes to Murray Rothbard’s influence, though it’s unlikely anyone at *National Review* will note it—except maybe in the context of an attack on Rep. Ron Paul (R-Texas). The rise of Paul and his loud and enthusiastic and young fan base, which Buckley could not have foreseen (I, who was writing an intellectual history of libertarianism from 1996-2006, also failed to see it coming), contradicts Buckley’s contention that Rothbard’s divisive radical intransigence doomed him to irrelevance.

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 President Lew Rockwell, who was a close partner of Rothbard's in the last decade of his life.

The Mises Institute has just issued an interesting (though regrettably brief, for this fan) collection of unpublished Rothbard writings. They are essays, letters, and memos written with a specific purpose—to advise various libertarian education and funding groups in the 1940s and '50s (mostly the Volker Fund, the most important supporter of libertarian intellectuals in the that era—they funded the academic berths of both Mises and Hayek, sponsored the conferences for which Milton Friedman's *Capitalism and Freedom* was largely written, and kept Rothbard alive with various grants and tasks) on whether specific works or authors were worthy of promotion as good libertarian education or propaganda (in the neutral sense). Because of this practical purpose, Rothbard's writing here highlights a still-important faultline in the larger libertarian project, both as an intellectual operation and a sales (of ideas) operation.

Rothbard vs. the Philosophers is about two-thirds Rothbard, and one-third an introductory essay by an Italian political scientist, Roberta Modugno. The essay derives so much from the Rothbard material that follows that it adds only a little to the value proposition of the book. Its contextualization of the mature Rothbard does make the book useful to more than just dedicated Rothbard fans and libertarian movement historians. (There is much, much more of this sort of Rothbard material in the Mises Institute's archives, and I hope this is only the beginning of issuing it.)

Rothbard is an intellectual with a mission. He learned much from Marx and various Marxist movements in terms of strategies for radical politico-economic change, and he agreed with Marx that while "philosophers have hitherto only interpreted the world in various ways, the point is to change it." (While talking about Rothbard with libertarians who don't cotton to him, which I did quite a bit of in my movement history research, I detect that they often think their preferred libertarian thinkers were more scientific-interpretive, while Rothbard was more propagandistic. Actually, all the major libertarian social thinkers had social and political change, not merely the objective search for truth, as their goal.)

Modugno's introductory essay does spell out the specifics of Rothbard's project in a way

that Rothbard himself often only implies in the writings collected here: that “the axiom of nonaggression” is “the true cornerstone of the Rothbardian system,” thus he “morally condemns all forms of statism.” States, after all, cannot function without first aggressing against someone, if only to get tax money to fund their activities.

Rothbard is very concerned—especially given the practical purpose of these writings—with what he sees as the efficacy of social and economic philosophers and thinkers in swaying the world toward the cause of total liberty. His critiques often have language along the lines of this comment on his beloved economist mentor Mises: “Mises’ utilitarian, relativist approach to ethics is not nearly enough to establish a full case for liberty.”

That spirit of seeking libertarian advantage dominates this book. Rothbard is the most entertaining of major libertarian thinkers; sharp, witty, mean, funny, and colloquial, and those virtues shine through these writings’ hortatory and practical purpose. His flayings of Leo Strauss and Karl Polanyi thus should not be approached as a nuanced and charitable philosopher-to-philosopher engagement.

Rothbard here is rather writing as an ideological polemicist about what thinkers are “good for the team,” and his critiques even beyond this book often had that spirit. This aspect of Rothbard is sometimes used to attack him as an unserious thinker, but it isn’t fair to the purpose of this sort of polemic. While, for example, he is not capturing the full nuances of Karl Polanyi’s history or analysis in his *The Great Transformation*, Rothbard is doing what he was asked to do—sniffing out a detectable set of beliefs about modern civilization, currency, and markets that make Polanyi an ineffective ally for radical libertarians.

Before Ayn Rand ever began influencing him, we find Rothbard providing a preliminary takedown of some of the common reasons Rand is thought “bad for the brand” of libertarianism. In a 1948 piece attacking an essay in praise of “rugged individualism,” Rothbard writes that “I consider it a tribute to the moral qualities of an individualist society that private charity and philanthropy helps the unfortunate people in our midst.”

And while praising Leo Strauss, generally credited as philosophical godfather to the neoconservatives for agreeing there are ethical absolutes discoverable by reason, Rothbard points out some amusing curiosities in Straussian thinking, mostly focusing on Strauss’ famous “esoteric” readings of the likes of Machiavelli and his numerological obsessions, which Rothbard finds “really so absurd as to be almost incredible” and “excruciatingly crackpot.”

The most interesting part of *Rothbard vs. the Philosophers*, and the most important to libertarian intellectual history, is the notorious memo where he advised the Volker Fund, before the book came out, that F.A. Hayek’s *The Constitution of Liberty* should not be supported, and should be strenuously attacked when it appears. (I heard more than one prominent libertarian thinker and activist refer to the memo as horrific or scandalous, and a massive black mark on Rothbard’s reputation that could not be washed away.)

Accidents of intellectual and institutional history, told at great length in my book *Radicals for Capitalism: A Freewheeling History of the American Libertarian Movement*, have

linked as “libertarian” a set of thinkers who are actually in deep opposition on important questions regarding the intellectual justification for political and ethical beliefs, and of the preferred role for government.

All of these thinkers were bound by opposition to the post-New Deal consensus; all had economic beliefs either largely or totally in opposition to the postwar economic planning and manipulation system known as Keynesianism; and all were linked in a community of affinity and intellectual engagement, through organizations ranging from the Mont Pelerin Society to the Volker Fund to the Foundation for Economic Education.

But as Rothbard makes abundantly clear here, very important differences exist between the fallibilistic, utilitarian, small-government thinking of Hayek (and Friedman, and to a great degree Mises) and the rights-based anarchism of Rothbard and many of his followers, both of which coexist uneasily under the label *libertarian*.

In words that he never made or intended to make public in his lifetime, Rothbard calls Hayek’s most monumental statement about liberty and the political order “surprisingly and distressingly, an extremely bad, and, I would even say, evil book.” The “evil” part comes from the blow he thinks it will strike the libertarian movement, with Hayek then and even more later seen as libertarianism’s most respectable and brilliant exponent.

Since Hayek supported political liberty only for instrumental reasons, and not nearly as far as the anarchist Rothbard, Rothbard felt Hayek’s position would create a rhetorical “Even Hayek admits...” problem for more radical libertarians (which has been true, to some extent.) Rothbard’s arguments against Hayek are not strictly pragmatic; he maintains that Hayek misunderstands the rational arguments for liberty and misstates the importance of rights arguments in classical liberal history. In a later, more conciliatory but still negative memo, Rothbard lists at many pages’ length the various concessions Hayek makes to state power that Rothbard thinks are unnecessary and rights-violating, from government subsidies for public goods to government enterprises competing in the market to compulsory unemployment and old age insurance to aid to the indigent.

The uneasy relationship between Rothbard and Hayek is echoed to this day, with such modern Hayekian libertarians as Virginia Postrel (former editor of *Reason* magazine) and Will Wilkinson lamenting the conflation of their thought with Rothbard-style beliefs. All sorts of intra-libertarian squabbles follow along the same rough lines of the no-compromise, anti-statist Rothbardians versus the more classical liberal, utilitarian, fallibilist, prudential Hayekians. The differences in ultimate political ends are often also reflected in differences in tone and willingness to engage—as opposed to rail against—the standard bastions of mainstream power and influence.

“Rothbard’s intention is to make his own argumentation in support of freedom more persuasive,” Modugno notes. Despite Rothbard’s dire warnings to the Volker Fund, Hayek’s work clearly *was* persuasive, and mostly about the things Rothbard would have liked him to be persuasive about. I don’t think many people are converted by Hayek *to* a belief in, say, some minimal income floor from anarchism. (And if so, that battle over a state that behaves in a properly Hayekian manner versus one that disappears entirely is

still one for the far future, and was of little relevance in the 1950s context in which Rothbard skewered Hayek.) In fact, Hayek is so associated with his beliefs in the failures of central planning, the powers of a free-market price system, and his demolition of “social justice” that many people familiar with him are surprised to find out that Hayek believes most of the bad things (from an anarcho-capitalist perspective) that Rothbard slams him for.

These intralibertarian oppositions are real, important, and continuing. Both Hayek and Rothbard (and those they’ve influenced and taught) are still changing minds. And though the general run of modern intellectuals have a hard time distinguishing them, both tendencies in libertarianism will continue to joust with each other as they joust with the world at large. (One of the reasons the rights versus outcomes distinction is hard for others contemplating libertarianism to see is that, for some very good reasons, both libertarian approaches tend to lead to the same beliefs about limiting state power.)

Hayek and Rothbard were both more than intellectuals; they were advocates. And while what they ultimately advocated was different, in the context of today’s world of improvident government growth and power grabs, the rest of the world isn’t so wrong in lumping them together for practical purposes. Both were great economic thinkers, and understood marginalism and the division of labor. In a world of different minds, in the social and intellectual change game, different sorts of arguments and different end points are going to work on different people and in different steps.

In the occasional schisms and discomforts between the approaches of, say, a Ron Paul and a Cato Institute, we see similar tensions that were already bubbling in the 1950s and are revealed in *Rothbard vs. the Philosophers* (although Rothbard’s full-on anarchism remains too radical even for most Paulites). If Hayek and Rothbard were (unbeknownst to Hayek) at war, it’s a war that both won, and neither won. (Libertarian publisher R.W. Bradford amusingly laid out the case that the Rothbard side lost in libertarian movement influence, back in 1988, but I think the revival of both Rand and the Mises Institute’s influence in the Paul scene belie this.) That both tendencies survive is all for the best both for libertarian ideas and for the general shape of human intellectual and political history.

Senior Editor Brian Doherty is author of This is Burning Man (BenBella), Radicals for Capitalism (PublicAffairs) and Gun Control on Trial (Cato Institute).