



YOUR KINDLE NOTES FOR:

Enemy of the State: The Life of Murray N. Rothbard

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As if to underscore Chodorov's point, which today seems prescient, Buckley joined the fray, declaring that yes, indeed, big government-"even with Truman at the helm of it all"-was inevitable and desirable until the final victory over the Kremlin.

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The occasion for this defense was noted in an essay by the phony "conservative" Peter Viereck, who held the unofficial post, during the fifties, of the Left's favorite rightist, on account of his thoroughly statist and fanatically Anglophilic views. Viereck's "The Revolt Against the Elite," published in 1955, was included in an anthology, *The Radical Right*, edited by Daniel Bell, in which the assembled intellectual giants of the New York Left diagnosed the growing movement against big government as symptomatic of "status resentment," paranoia, and a predilection for the psychopolitical pathology of fascism and Nazism.⁴

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Rothbard shows that all attempts to deny free will necessarily assume its existence. Scientism denies the existence of individual consciousness by borrowing analogies from biology and physics: man is either part of an organic whole, or a photon set on its predetermined orbit around another will-less subatomic particle. In both cases, the result is the obliteration of the acting, thinking, individual consciousness. In language clear as a freshly washed windowpane, Rothbard condenses complex concepts without losing clarity or color-and certainly without losing his sense of humor. Rothbard's rogues' gallery of false mechanical analogies is the author at his polemical best. The idea of man as some kind of servomechanism "reverses reality by attributing determinism to men and free will to physical particles." If human beings are just machines, then "who created man and for what purpose?-a rather embarrassing question for materialists to answer." On the concept of "social engineering," a conceit which is, today, in disrepute, but was once a popular leftist analogy, Rothbard quotes FDR advisor Rex Tugwell's "The Dreamer," an infamous ode to the New Deal:

I have gathered my tools and my charts My plans are finished and practical. I shall roll up my sleeves—make America over.⁷

"One wonders," adds Rothbard, "whether his admiring readers thought themselves to be among the directing engineers or among the raw material that would be 'made over.' ""

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Rothbard's discussion of the "organismic analogies of scientism" is illuminating, particularly his example of the case of international trade. He points out that, during the era of the gold standard, "how often did the cry go up that 'England' or 'France' or some other country was in mortal danger because 'it' was 'losing gold'?" In reality, individuals were "voluntarily shipping gold overseas and thus threatening the banks in those countries with the necessity of meeting obligations (to pay in gold) which they could not possibly fulfill. But the use of the organismic metaphor converted a grave problem of banking into a vague national crisis for which every citizen was somehow responsible."

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The logical consequence of this kind of rationalistic egalitarianism—"and unfortunately I am not exaggerating in the slightest—is that there is no such thing as a unique individual." For if all men, with no inherent differences due to genes or some other factor, are equally endowed with the capacity to reason, and "are only bundles of premises," then everyone would have the same bundle if they chose to be rational. "Therefore, according to Randianism, utopia would be a place where all men are identical, in their souls if not in their personal appearance." The implications of this in the realm of interpersonal relations were extrapolated by Rothbard with some pretty accurate results: "The logical conclusion is, for example, that there is no reason whatever why Ayn, for example, shouldn't sleep with Nathaniel Branden [her chief disciple]," or any of her disciples with any other, "since they all have the same premises, they are all the same people, or rather interchangeable parts of a machine." A few months after those words were written, Rand and Branden did indeed begin an affair, with the knowledge and consent of their respective spouses, based on just such wacky ideas about the relationship between romantic love and philosophical values.'

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In the case of the libertarian movement, however, such a seemingly nit-picking question looms large. This is due to their bias in favor of the "genius" theory of history,

which asserts that all of human civilization rests on the achievements of a Few Great Men, and if not for them we would all be squatting around a campfire. Combined with the modal libertarian's ignorance of history, and tendency to oversimplify in any case, this idea took shape in the Randian conviction that Ayn Rand had been the first to formulate a philosophy of rational individualism.

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According to Barbara Branden, Rand began writing Galt's speech sometime around the fall of 1954, the beginning of a torturously long and drawn out process. Sometime during the next three years, Rand completely reversed her position on free will. While it is clear that Rothbard and Rand had an extended and long-standing argument on the matter, with the former championing free will and the latter upholding determinism-or at least the idea that free will involved an insoluble contradiction-the particular circumstances surrounding Rand's reversal remain unknown.

Rothbard noted that "George Reisman commented, and I think most astutely, that Ayn's system is a perfect engine of complete totalitarianism, but that Ayn herself is a libertarian out of an irrational prejudice, and that fifty years from now some smart Randian disciple will see the implications and convert the thing into a horrible new Statist sect," and speculated that "life in a Randian Rationalist society would be a living hell."49 From the accounts of those ex-members who survived the experience, life in the Rand cult truly did replicate Hell in miniature.

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the successful radical movements," Rothbard writes, "it seems clear that what the libertarian movement should strive for is an integration of reason and emotion, of enthusiasm and a passion for justice that stem from a rational understanding of libertarian doctrine. On the other hand, reason without emotion tends to be dull, mechanical, uninspiring, boring. 1170

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Rand's standing as the original libertarian natural rights theorist seems dubious at best, especially in light of Rothbard's revelation that she had to be talked out of her support for the concept of "eminent domain," that is, government seizure of private land. In a discussion of influences on Rand's thought, including the authors Rose Wilder Lane and Isabel Paterson, Rothbard remarks that "the last person I know of to convert Ayn Rand to anything was Herb Cornuelle. Apparently he converted her to being against eminent domain. She apparently had been for it because it was in the Constitution."81 Ms. Branden's contention that

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Russian threat."83 They adopted a view of Stalin that many of the ex-leftists in the conservative movement no doubt found familiar: one that closely resembled Trotsky's in that it depicted Stalin as narrowly concerned with building socialism in one country, the Soviet Union, at the expense of the Communist principle of "proletarian internationalism," that is, the duty of exporting Red revolution to other countries. Stalin's successors had hewed to the same nationalist line, and, furthermore, due to their increasing economic weakness, had almost frantically tried to stop the military build-up and achieve disarmament through negotiation. The United States had always successfully resisted, and American peace activists were routinely dismissed and smeared by the Right as Communist dupes or worse. The works of D. F. Fleming, William Appleman Williams, and Gabriel Kolko, put the libertarian insight that the greatest threat to American liberty is in Washington, D.C., in a new light. Rothbard and Liggio now agreed that "there was no Russian 'threat' ":

The threat to the peace of the world, in Europe, in Asia, and throughout the globe was the United States Leviathan. For years, conservatives and libertarians had argued about the "external" (Russian) and "internal" (Washington) threats to individual liberty, with libertarians and isolationists focusing on the latter and conservatives on the former. But now we-Leonard and I-were truly liberated; the scales had fallen from our eyes, and we saw that the "external threat," too, emanated from Washington, D.C.84

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This revisionist view of the global conflict was complemented by a developing revisionist perspective on the domestic front. Both Rothbard and Liggio had always considered themselves extreme right-wingers, an allegiance that had, up until this point, seemed entirely natural. But the first advocates of laissez-faire were on the Left- the seventeenth- and eighteenth-century liberals who rose up against monarchy, theocracy, and war, and overthrew the old order. Socialism, in this new schema, was a confused middle-of-the-road doctrine between pure liberty, on the Left, and unmitigated statism, in the form of throne-and-altar conservatism, on the Right. From this new analysis, Rothbard drew three corollary conclusions, simultaneously puncturing three key misconceptions widely held on the Right:

1. The concept of libertarians and conservatives as "natural" allies was based on a myth. In the 1920s, libertarians Mencken and Nock, who battled Prohibition and exposed the lies of Versailles, were considered liberals. A decade passed, and these same oldstyle liberals were denounced as right-wing extremists for opposing the New Deal and FDR's road to war, and their allies were conservative businessmen, such as general Robert E. Wood, chief executive of Sears and Roebuck, who headed up the antiwar America First Committee. Rothbard's history lesson raised

the possibility of a future alliance with the Left. The important change in Rothbard's thinking was that such a decision was, in any case, a tactical question, and not a matter of high principle: with the destruction of the Volker Fund, the last of his emotional and organizational ties to the Right had been broken.

2. The right-wing fear of Marxian communism was, as Rothbard puts it, "inordinate." As a confused and contradictory system, which expected a dictatorship to cause "the withering away of the State," socialism could not last; as Mises had demonstrated, the socialist plan for the economy leads to its inevitable collapse. Since socialism would be discredited and dethroned "before too many years had elapsed," there was nothing to fear from the Left: the real enemy was Bill Buckley and his trigger-happy crew of vengeful ex-Communists whose blood-lust would not be satiated until they had fired the first shots of World War III.⁸⁵

3. The right-wing mythology that, before Franklin Delano Roosevelt, the United States was a free-market utopia, virtually devoid of government regulation, displayed a complete ignorance of history. Rothbard was at this point considering, if not actually writing, his pathbreaking contribution to economic history, *America's Great Depression*.¹¹⁶ Here he applies the Misesian theory of the business cycle—as originating in bank credit expansion and subsequent malinvestment—to the story of the Great Crash. Blasting the conservatives' revered image of Herbert Hoover as the ideological antipode to the hated FDR, Rothbard showed how Hoover's program of public works and welfarism paved the...

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Whereas the heroes of the New Right were such champions of anti-Communism as Chiang Kai Chek, Francisco Franco, and Korean strongman Syngman Rhee, Rothbard recalled a time when "the intellectual heroes of the old Right were such libertarians as John Locke, the Levellers, Jefferson, Paine, Thoreau, Cobden, Spencer, and Bastiat." While Buckley and his cabal of ex-Communists and right-wing Social Democrats were calling for a preemptive war of "liberation" against the Soviet Union, Rothbard remembered the Old Right of Garet Garrett, John T. Flynn, and that cantankerous old America Firster Louis Bromfield, a novelist and screenwriter whose advice on the Korean crisis was that the U.S. should "withdraw entirely from an area in which we have no right to be and leave the peoples of that area to work out their own problems."⁹⁶

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have properly denounced. And the New Left, in protesting against Reagan's proposal for charging [formerly free] tuition, has failed to understand that there is nothing progressive about forcing the taxpayers to pay for someone else's education. On the contrary, shifting the burden of payment to the student himself will give the student-

consumer far more power over their own education, and ultimately over their own fate."⁸

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He goes on to point out that "none of the territorial boundaries of the current governments of the world are God-ordained; they are all products of historical forces, most of which were unjust and coercive."

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The death of the old statist-oriented civil rights movement was prefigured in the assassination of Martin Luther King Jr. Rothbard deplored and condemned the assassination of King, "but no more and no less than I deplore and condemn the murder of any man," noting that stores were not closed for a week nor were ball games canceled when "the great black leader Malcom X" was killed by an assassin's bullet. Why all the brouhaha over King? Because he "was the major restraining force on the developing Negro revolution. All the more was this true because, in moments of crisis, he relaxed his absolute nonviolence to come out in favor of the use of violence by federal troops to put down Negro rioting." Riots erupted in Washington, D.C., in the wake of King's death, and "we were treated to the highly revealing picture of soldiers with machine guns on the White House steps. The veil, the mask, the illusion that the government rules by voluntary 'consent' of the public was, in those photographs, stripped away, and we saw clearly, some for the first time, that the government rules, in the last analysis, by the gun and the bayonet-and by these alone."²³

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Four years into the Johnson presidency, Rothbard summed up LBJ's reign not as liberalism betrayed but as liberalism fulfilled: "By launching imperial war against foreign countries, by expanding the power of the state over the economy and the society, by bringing ever greater military control of society, Lyndon Baines Johnson is only following in the footsteps of his-and the intellectuals'-beloved mentors, Roosevelt and Truman. No wonder Lyndon feels puzzled and betrayed by the rancor of the liberal intellectuals."²⁵

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Rizzo argued that the Marxist analysis of profits as an index of exploitation, while invalid as a critique of laissez faire, is indeed applicable to the corporate state, where

profits are, increasingly, an index of state privilege. The revisionist insights of Kolko and others into the role of big business as the chief instigator and architect of the regulatory state, married to a pure free-market perspective, opened up the possibility of a radical alternative to Marxism.

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In other words, he did it on impulse, not just for ideological reasons but "because [he] got mad."⁶⁵ It was the spirit of the times. Karl Hess and his radical Left-libertarian cohorts held that allegiance to libertarianism as a political ideology was not enough: one had to "live liberty." This meant rejecting not only state authority, but moral authority, and all social conventions. At a time when everyone was tuning in, turning on, and dropping out, this was not exactly an original position to take, but certainly it was popular at the time. Hess abandoned the central precept of libertarianism, private property rights, when he joined the New Left back in the sixties, and never really returned to it. While his position seemed to evolve, in a sense he failed to return to the movement he renounced for SDS and the Black Panthers, never disavowing the hostility to the free market revealed in *Dear America*. Even as he drew closer to the Libertarian Party near the end of his career, he did not stray very far from the utopian syndicalism of his SDS days. But his real loyalty was to the counterculture: for Karl Hess, the sixties never really ended.

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The Greenspan appointment had a special irony for Rothbard. Greenspan had been part of Ayn Rand's inner circle, thirty years earlier, and Rothbard had known him to be one of the most devout cadre of the Objectivist cult. While, in theory, the Objectivists were devoted to the gold standard, and while, in theory, Greenspan was opposed to the Fed's very existence, in practice, as Rothbard pointed out, he was a conservative Keynesian. While the *New York Times* and other establishment organs noted Greenspan's formal adherence to Randianism and *laissez-faire*, they correctly pointed out that, as the *Times* put it, this belief exists "only on a high philosophical plane." As a "laissez-faire pragmatist," Rothbard noted, Greenspan "is only in favor of the gold standard if all the conditions are right: if the budget is balanced, trade is free, inflation is licked, everyone has the right philosophy, etc." Since the likelihood of these things coming to pass simultaneously is almost nil, "never are one's 'high philosophical principles' applied to one's actions. It becomes almost piquant for the Establishment to have this man in its camp." According to Rothbard, "the establishment has good reason to sleep soundly with Greenspan at our monetary helm. And as icing on the cake, they know that Greenspan's 'philosophical' Randianism will undoubtedly fool many free-

market advocates into thinking that a champion of their cause now perches high in the seats of power." Behind Greenspan's reputation as a "student of Objectivism," his real allegiances were less "philosophical" and more down-to-earth; as a longtime member of the Trilateral Commission, and as a board member of J. P. Morgan & Co. and Morgan Guaranty Trust, here was a man the establishment could trust.;

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for their crimes. The question was: Who are the biggest enemies of liberty? "Basically," said Rothbard, "there have been two answers on the Right: (1) the unwashed masses, and (2) the power elites." Rothbard relates that "very early I concluded that the big danger is the elite, and not the masses," for, even granting the worst fears of conservatives who despise the "mass man," most of these average Joes just don't have time for political shenanigans. They have to work for a living, and spend most of their time and energy on the daily business of life, and their only interest in politics is sporadic. Those who have time for politics are the professionals: "the bureaucrats, politicians, and special interest groups dependent on political rule." Their livelihood depends on politics, and so they are active twenty-four hours a day.

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Kauder attributed the difference to the profound influence of religion: the scholastics were, of course, Catholics, and France, Italy, and Austria were Catholic countries. Furthermore, these economists influenced by Catholicism "emphasized consumption as the goal of production and consumer utility and enjoyment as, at least in moderation, valuable activities and goals. The British tradition, on the contrary, beginning with Smith himself, was Calvinist, and reflected the Calvinist insistence on hard work and labor toil as not only good but a great good in itself, whereas consumer enjoyment is at best a necessary evil, a mere requisite to labor and production."" Catholicism, distinguished by its relatively humanistic doctrines, translated into the idea that the goal of production is consumption, that consumption is not sinful, and life is to be enjoyed. Lodged in this mental context is the implication that economic values are subjective-since different things are enjoyed by different people. In the Protestant ethos, however, the doctrinal and emotional atmosphere is quite different, as is the resulting economic theory. To begin with, Protestantism was a rebellion against the alleged slackening of the true (original) spirit of Christ in His Church. Particularly galling to the rebels was the sophisticated economic analysis of the Spanish scholastics, who-by the mid to late Middle Ages-had swept away the medieval ban on charging interest for a loan ("usury") in all but the most formal sense. Second, the Calvinist emphasis on labor as a good in and of itself-toil to the glory of God-was

conducive to the labor theory of value, which imputed some inherent measure of worth to the products of man's labor. The economic implications of the Protestant-Catholic free will debate ought to be clear enough: if, as the original Calvinists asserted, man is predestined to walk a certain path, if the elect are chosen not by their acts but by the unknowable will of God, then surely the economic choices of such creatures are similarly predestined. Unlike the Catholic theorists of the natural law tradition, the Calvinist and Lutheran ideologues rejected reason as the framework of ethics, and instead insisted on divine revelation as the only path to truth. "If reason cannot be used to frame an ethic," writes Rothbard, "this means that Luther and Calvin had to, in essence, throw out natural law, and in doing so, they jettisoned the basic criteria developed over the centuries by which to criticize the despotic actions of the state." The stance of the Protestant sects, at least at first, was that "the powers that be are ordained by God, and that therefore the king, no matter how tyrannical, is divinely appointed and must always be obeyed. "I

The statist agenda of Protestantism coincided with the goals of "secularist apologists for an absolute state" and "these two seemingly contrasting groups were closer than merely having the same enemy. In many ways, they were twins and...

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Rothbard's critique of the Weberian thesis is that it ignores the real roots of capitalist development in the early Italian city-states, as well as in Antwerp and southern Germany. The Rothbardian thesis is precisely the opposite of Weber's. As Rothbard puts it in his discussion of the differences between the Calvinist and Catholic visions:

The focus, then, both in Catholic countries and in scholastic thought, became very different from that of Calvinism. The scholastic focus was on consumption, the consumer, as the goal of labor and production. Labor was not so much a good in itself as a means toward consumption on the market. The Aristotelian balance, or golden mean, was considered a requisite of the good life, a life leading to happiness in keeping with the nature of man.²²

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Here is the clincher that makes the case—a vivid and unforgettable example that brings home the centrality of culture and religion to the evolution of economic thought. Under the accumulated weight of evidence—and it is considerable—Rothbard shows that militant asceticism, from Plato's dictatorship of the philosopher-kings to the postmillennial pietism that energized the Progressive Era "reforms" of American capitalism, whenever and wherever it arises is inevitably a rationale for tyranny and

invariably an occasion for blood-letting on a massive scale. This is a major theme of the History of Economic Thought, which...

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In a spellbinding narrative tracing the origins of the Marxist conception of class, Rothbard identifies the original libertarian class analysis of French economists J. B. Say, Charles Comte, and Charles Dunoyer, as distorted and transmuted by the confused Comte de Saint-Simon. While the Comte-Dunoyer class analysis defined the two eternal antagonists as the state versus the people, the socialist and egalitarian Saint-Simonians substituted the employer-employee model. Once a fellow-traveler of the libertarian laissez faire radicals grouped around the French periodical *Le Censeur*, who hailed the rise of laissez faire and industrialism as two aspects of the same historical impulse, Saint-Simon broke with them to form his own sect. The Saint-Simonians, the first group to use the word "socialist," advocated a totalitarian state run by an alliance of technocrats and central bankers. Whereas Comte and Dunoyer had envisioned the end result of the new industrialism to be a stateless future in which "the government of men would be replaced by the administration of things," the Saint-Simonians dreamed of the day when this industrialism would be administered by the new elite at the head of the state: investment bankers, intellectuals, and engineers. The Saint-Simonian movement enjoyed a tremendous vogue in Europe, and, in an interesting bit of intellectual detective work, Rothbard shows how Marx undoubtedly was influenced by Saint-Simon. Yet Marx shifts back and forth between the Comte-Dunoyer and Saint-Simonian versions, much to the confusion of future historians, not to mention his followers.

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The crowning absurdity at the heart of the Marxist "laws of motion" is that these "laws" fail to answer the key question: *qui bono*? For if profits are continuously falling, and the system is also continuously grinding down the workers, then "who," asks Rothbard, "is benefitting in the distribution of the economic pie?" The Ricardians (the most consistent being Henry George and his followers) had the landlords to blame for the growing impoverishment of all other classes. The Marxists, trapped by the mechanics of their own system, had no one.

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