Myths of Over-Population

BY R. J. RUSHDOONY

The belief in over-population is an ancient one. The leaders of the French Revolution were convinced that there were too many Frenchmen, and that an ideal France necessitated the elimination of many people. The myth of over-population did not originate with them. It is an ancient belief of statist man.

But ancient or modern, the myth has some basic premises.

First, there are for many persons always too many of “the wrong kind” of people; these may be blacks, whites, Asians, capitalists, Marxists, the lower class, the middle class, the upper class, and any number of other groups. These undesirable peoples are eliminated by a variety of techniques, from slave labor camps and mass murders, to a killing taxation.

During the student “revolution” of the 1960s, I spoke at many a hostile university campus on the myth of over-population. In “discussions,” as I was trying to leave the auditorium, often tempers flared and some students singled out certain “prolific” groups as needing elimination: blacks, whites, India’s untouchables, and so on.

Their premise, they held, was not racism but a sound sociological assessment!

Socialism and fascism, sooner or later, by their very nature depopulate. This is no less true of democratic forms of these evils. The State is used to give methodical form to discrimination.

Second, the believers in the myth of over-population hold to a strange view of limited resources. I recall in 1929 hearing in a science class the first of many expositions by “scientific minds” of the limited-resources means, in America, relative poverty, which exists whenever people are free to make money at their own rates. If the natural disparities of wealth are regarded as a public scandal, the government can award itself an open-ended mandate to attempt the impossible. The goal of victory will of course trump all concerns about budgetary constraints or property rights. “Victory” need not ever be defined, except as the hypothetical ab-
Our Tentative Economic Freedoms

From the President

BY LLEWELLYN H. ROCKWELL, JR.

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Despite vast U.S. government intervention into our economy, which Ludwig von Mises called "a method of bringing about socialism by successive measures," we are still relatively free. But our present system, as Mises also noted, is inherently unstable. It must always be moving either towards or away from omnipotent government. And the bipartisan case with which U.S. government spending and regulating keep growing demonstrates where we're moving, and why our remaining freedoms have an uncertain future.

Property

The institution of private property has been subverted, to the greatest extent, beginning with the income-tax amendment of 1913, which contains no legal barrier to the government's confiscating all American income. Only public opinion stands in the way.

The great paleo-libertarian* Frank Chodorov called the income-tax amendment the "Revolution of 1913" that undid the "Revolution of 1789." Said Chodorov: "No measure in the history of our country has caused a comparable disregard of principle in public affairs." And indeed the amendment undermines our property rights, as does the power of local governments to seize homes, businesses, and farms for nonpayment of property taxes.

Another culprit is the Federal Reserve System and its legal monopoly on counterfeiting. The Fed is empowered to inflate without limit, since the courts ignore the monetary clauses of the Constitution. When the Fed uses its inflationary power, it engages in mass thievery, which weakens private property and economic freedom. As Henry Hazlitt notes, "Inflation is an immoral act on the part of government."

Yet despite its immorality, the Fed enjoys prestige and economic legitimacy. Thanks to decades of disinformation, most people believe that central banking is a barrier to inflation. Of course, as Hazlitt says, despite government's attempt to portray inflation as "some evil visitation from without," it is "the result of deliberate government policy."

With the income tax and the Federal Reserve, the President and the Congress can seize enough of our money to finance socialized medicine, socialized day care, environmentalism, the drug war, or any other interventionist project.

So much for private property. But what about economic liberty?

Liberty

In America, no private enterprise is free from bureaucratic coercion. To a shocking extent, our regulatory masters exercise unchecked and autonomous power. Under existing law, no industry is safe from nationalization by presidential edict. No piece of land is immune from the government's power of eminent domain. The drug war and the RICO law have institutionalized the government's power to seize any property it deems ill-gotten, not only before conviction in a court of law but even before an indictment. Our right to work is merely contingent, subject to revocation by the legislature and the courts.

Under this sort of system, said Albert Jay Nock, "The individual has no rights that the State is bound to respect; no rights at all, in fact, except those which the State may choose to give him, subject to revocation at its own pleasure, with or without notice." This means that the "fundamental doctrine of the American Declaration of Independence, the doctrine underlying the Bill of Rights, is all moonshine."

Moreover, the government immunizes itself from responsibility for its failures. For example, the New Deal — and its counterparts since — have cre-

To a shocking extent, our regulatory masters exercise unchecked and autonomous power.

* I coined this word to describe we Old-Right libertarians who champion: a free market, a shackled State, an unshackled people, and traditional cultural and moral values.
Gas Decontrol: A Step Toward Freedom

By William Murchison

The toppling of natural gas controls took 35 years: from Dwight Eisenhower to George Bush, from “Your Hit Parade” to MTV. Should that depress us? Other economic imbecilities — rent control and minimum wage rates, for instance — stand fixed and seemingly immovable.

Why not congratulate ourselves heartily that at least one such piece of folly is finally kaput?

Price controls on gas sank from sight amid infinitely less tumult than experience would have led one to predict. On July 12, 1989, the House passed on a voice vote and sent to Bush’s desk a compromise bill fully decontrolling gas three and half years hence. The Senate had endorsed the bill just weeks earlier, also by voice vote. Bush signed the bill, amid minimal publicity. Natural gas, after January 1, 1993, may command whatever price a willing buyer and willing seller agree on. Everybody seems relieved.

During their long, deleterious career, natural gas price controls accomplished one thing at least. They proved anew the truth of Ludwig von Mises’s astringent pronouncement in Liberalism, a book now more than 60 years old. “Before the price controls were decreed,” wrote Mises, “the commodity was, in the opinion of the government, too expensive; now it disappears from the market altogether.... In this sense, one can say of the intervention of the authorities that it is futile and contrary to the purpose that it was intended to serve, and of the system of economic policy that attempts to operate by means of such acts of intervention that it is impracticable and unthinkable, that it contradicts economic logic.”

Logic never had anything to do with natural gas price controls; politics, a commodity of a very different sort, had everything to do with them.

It all started June 7, 1954, with the Supreme Court’s decision in Phillips Petroleum Co. v. Wisconsin. Phillips Petroleum had been selling natural gas to the city of Milwaukee for three cents per thousand cubic feet (mcf). When Phillips proposed raising the price by a whole penny, Milwaukee sued. The Supreme Court rejected Phillips’ arguments on grounds that the Congress, in the Natural Gas Act of 1938 regulating interstate pipelines, had meant for the federal government to control the wellhead price paid natural gas producers operating in interstate commerce. This, although the natural gas act stated its own inapplicability “to the production or gathering of natural gas”.

The Federal Power Commission (predecessor of the Federal Energy Regulatory Commission) sought to determine which prices were “fair,” and thus legal, and which were not. At first, the feds tried to calculate each producer’s “cost of service,” but this proved impossible, so individual cases were folded into area-wide hearings.

The consequences of all this mucking about with market prices were easily foreseeable and clearly foreseen. Demand for artificially cheap natural gas more than quadrupled from 1946 to 1970. Yet, in the same period, proven reserves of gas less than doubled.

An additional irony was at work here: while the interstate market hungered increasingly for gas, the intrastate market consumed its fill. Gas-producing states like Texas and Louisiana sensibly refused to control gas prices. What this said to gas producers was, don’t sell across state lines; sell at home. By 1976, 47% of all gas reserves had been committed to the intrastate market. This alone should have proved to the price-controllers their own obtusity, but as events would demonstrate, controllers are not easily dissuaded.

Soon after the Phillips decision, a concerted effort to abolish controls was launched by energy-state Congressmen. Hardly had the decontrol bill passed both houses of Congress, in 1957, than Sen. Francis Case of South Dakota publicly com-

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Ludwig von Mises published many books and articles in his long and productive life, each of them making important contributions to the theory and application of economic science. But there stands out among them four towering masterpieces, immortal monuments to the work of the greatest economist and scientist of human action of our century. The first three were _The Theory of Money and Credit_ (1912), _Socialism_ (1922), and _Human Action_ (1949).

But Mises’s fourth and last great work, _Theory and History_ (1957), has made remarkably little impact, and has rarely been cited even by the young economists of the recent Austrian revival. It remains by far the most neglected masterwork of Mises. And yet it provides the philosophical backdrop and elaboration of the philosophy underlying his stupendous treatise _Human Action_. _Theory and History_ is Mises’s great methodological work, explaining the basis of his approach to economics, and providing scintillating critiques of such fallacious alternatives as historicism, scientism, and Marxian dialectical materialism.

It is likely that the neglect of _Theory and History_ has to do with the content of its philosophical message; few economists are ready to adopt the characteristically Austrian method which Mises systematized and named “praxeology,” the logic of human action. At the heart of Mises and praxeology is the concept of methodological dualism, the crucial insight that human beings must be considered and analyzed in a way and with a methodology that differs radically from the analysis of stones, planets, atoms, or molecules. Why? Because, quite simply, it is the essence of human beings that they act, that they have goals and purposes, and that they try to achieve those goals. Stones, atoms, planets, have no goals or preferences; hence, they do not choose among alternative courses of action. Atoms and planets move, or are moved; they cannot choose, select paths of action, or change their minds. Men and women can and do.

Therefore, atoms and stones can be investigated and their paths plotted and predicted, at least in principle, to the minutest quantitative details. People cannot; every day, people learn, adopt new values and goals, and change their minds; people cannot be slotted and predicted as can objects without minds or without the capacity to learn and choose.

And now we can see why the economics profession has put up such massive resistance to the basic approach of Mises. For economics, like the other social sciences in our century, has embraced the myth of what Mises has properly and scornfully referred to as “scientism” — the idea that the only truly “scientific” approach to the study of man is to ape the approach of the physical sciences, in particular of its most prestigious branch, physics. It must not talk of changing one’s mind, because it must claim that events are predictable. (One reason orthodox economic theory has always had great difficulty with the crucial concept of the entrepreneur is that each entrepreneur is clearly and obviously unique; and neoclassical economics cannot handle individual uniqueness.)

By demolishing the attempted use of statistics to frame or test theory, Mises has been accused of being a pure theorist with no interest in or respect for history. On the contrary, and this is the central theme of _Theory and History_, it is the positivists and behaviorists who lack respect for the unique historical fact by trying to compress these complex historical events into the Procrustean mold of movements of atoms or planets.

The embarrassing fact that the forecasts of would-be economic soothsayers have always faced an abysmal record, especially the ones that pretend to quantitative precision, is met in mainstream economics by the determination to fine-tune the model once more and try again. It is above all Ludwig von Mises who recognizes the freedom, of mind and of choice, at the irreducible heart of the human condition, and who realizes therefore that the scientific urge to determinism and complete predictability is a search for the impossible — and is therefore profoundly unscientific.

Immersion in _Theory and History_ would help mainstream economists realize that true theory is not divorced from the world of real, acting man, and that one can abandon scientific myths while still using the apparatus of deductive theory.

Austrian economics will never enjoy a genuine renaissance until economists read and absorb the vital lessons of this unfortunately neglected work. Without praxeology, no economics can be truly Austrian or truly sound. (Editor’s note: this piece is adapted from Professor Rothbard’s introduction to _Theory and History_.)
For reasons revealing of the state of public morals, none of the news stories eulogizing the late Congressman Mickey Leland and his supposedly prodigious compassion mentioned how much of his own money he gave to starving people. This was no oversight. Compassion today is not measured by how much good one does with one’s own resources, but by how much one pledges of others’—especially the taxpayers.

On his death while visiting the wretches of Ethiopia, Rep. Leland has been nearly unanimously proclaimed the champion nonpareil of the poor, a “noble and caring crusader.” What did he do to earn this reputation? He sponsored bills to send at least $800 million in taxpayers’ money to sub-Saharan Africa, and he made several junkets to Africa to take the credit. He also consorted with the Marxist dictator of Ethiopia, Mengistu, about such matters as “famine-relief abuse” (the irony of which will become clear).

Is this humanitarianism or concern for starving people? It may seem a lack of manners to say this, but I doubt it. Leland’s was an easy, even phony, humanitarianism. At most, his activities fed a few people, temporarily, while, not accidentally, building a public career for himself. Had he been a true humanitarian he could have accomplished much more.

How so? He could have learned something about why the Ethiopians are in the miserable state they’re in. If Leland ever wondered about this, he probably fell back on the myth that the poverty of the “third world” is caused by the wealth of the West. Many people believe that; Leland was just a prominent representative of a common type. His callousness lay in his lack of passion for a real answer instead of a cliche.

Had he given the issue some thought, he might have discovered that the proper question is not “Why are these people poor?” but rather “Why is anyone rich?” Man was born in poverty; it needs no explanation because it is simply the absence of wealth. What needs to be explained is how anyone ever beat poverty and became prosperous. A certain logic is missing from the simple-minded argument that the rich got that way by robbing the poor.

We needn’t have expected Leland and his colleagues in Congress to discover the truth for themselves. It was readily available to the most casual investigator and has been available for many years.

In the 1830s two Englishmen understood it: standing grief-stricken at the grave of a child who had died of starvation, one of them, Richard Cobden, turned to his friend, John Bright, and said, “Come with me. There are in England women and children dying with hunger—hunger made by the laws. Come with me, and we will not rest until we repeal those laws.” In the next decade Cobden and Bright united the efforts of industrialists and laborers in a crusade to repeal the causes of starvation in England: the Corn Laws, which made grain imports artificially expensive. Their success brought a period of unprecedented prosperity to England.

Cobden and Bright understood the source of prosperity. Men begin with only their labor and nature-given materials. They have to apply their labor to rearrange the materials in order to produce things of value. That requires ingenuity. And ingenuity is clearly the more important of the two. In fact, it is ingenuity that turns nature-given materials into resources. It was ingenuity that turned worthless underground black gunk into valuable oil. It was ingenuity that turned sand into silicon. Nature, strictly speaking, does not provide resources; it provides materials. A resource is a product of man’s mind; a material stamped with man’s purpose.

As important as ingenuity is to the creation of wealth, it does not exist unconditionally. To think, to discover what they need and how to produce it, men must be free. They can’t create at the point of a gun.

When we apply these considerations to the poor areas of the world a clear picture emerges. What distinguishes these areas is not a lack of materials; it is not even harsh weather (there were worse droughts in other parts of Africa than the one in Ethiopia, yet no famine occurred). No; what distinguishes these areas is a lack of freedom. There is plenty of food in the world—American farmers are always complaining about low prices yet people are starving. The reason is that, collectivist, statist political systems stop people from producing and trading. In Ethiopia the Marxist dictator has deliberately kept traders from moving food to areas inhabited by separatist rebels. It is a man-made famine.

In other countries socialist and fascist regimes induce poverty and famine by discouraging farm production with price controls and marketing boards. Rather than let farmers respond to price incentives and reap profits, bureaucrats set artificially low food prices (to subsidize city-dwellers) and compel farmers to deal with marketing boards; selling on the black market is a capital crime in some countries. (By the way, these ideas are the product of Western neoclassical economists.)

As P. T. Bauer, the great...

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thesis. We were told that, by the time we finished our college education, the exhaustion of fuel supplies would turn-off power plants and leave us in darkness.

Our known oil reserves are far greater now than they were in 1929, and we have only penetrated the skin of the earth with our drills and instruments. The earth is a vast storehouse of resources we have barely used. Remember, before Columbus the Americas were "over-populated," and, in winter, some peoples regularly resorted to cannibalism in order to survive.

Our word "cannibal" was originally "caribal," because this practice was first encountered among the Carib Indians. (For calling attention to this fact, I was canceled by one university, and, at the university where I was speaking, I was told I would never speak there again. A graduate school professor told me that, given the record of Christian white men, no white had the right ever to say anything discreditable about another race!)

It is amazing how determined many people are to see this world as severely limited in its resources: minerals, oil, gas, air, ozone, everything is supposedly being exhausted by "rapacious" capitalistic man. The myth of over-population is a form of attack on the free market, even though no more lawless and evil use of men and materials exists than under socialism.

Third, the proponents of the myth have a static view of history. They assume that population will increase wildly, but the food supply will remain static. Yet as we've seen the population of the United States double, the number of farmers has decreased, and the food supply has increased dramatically. Many farmlands have returned to timberlands, because they are not needed.

Meanwhile, developments in weather control and desalinization promise to make desert controlling the 35-40% of the gas supply still under the federal thumb.

Decontrol bills were quietly introduced in both houses. Debate was generally even-tempered, non-rancorous. Invincible ignorance animated only a few opponents. Sen. Howard Metzenbaum of Ohio, arguing against reporting a "clean" decontrol bill, sniffed, "I will say it is a clean bill...clean out the consumers of their cash." The first few "pro-consumer" amendments Metzenbaum offered were so thoroughly drubbed that he shelved two dozen more he had prepared.

The final legislation ends all price controls by January 1, 1993. Gas not present yet, but it is a clean bill...clean out the consumers of their cash." The first few "pro-consumer" amendments Metzenbaum offered were so thoroughly drubbed that he shelved two dozen more he had prepared.

The final legislation ends all price controls by January 1, 1993. Gas not presently under contract is decontrolled immediately. It is the end of an era — concerning which I beg leave to conclude with a personal reflection.

The Dallas Morning News, where I once wrote editorials, levied fierce warfare against gas price controls from the beginning in 1954. If I have written one fervent blast at controls, I must have written 150. I look about — and we have won, and the joyous news is not easy to assimilate. At the thought that never again will I find occasion to wield the sword for gas decontrol, a nostalgic tear blurs my vision. Quickly I brush it away. Enough! One economic dragon slain, out of dozens, scores, hundreds still living.

Congress and the President, in decontrolling gas prices, have made us a little freer than we were. They have not made us a fraction so free as we need and deserve to be.
Conservative Doubts About the Drug War

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sence of a condition that is all too visibly present. (Or even invisibly present: the late Michael Harrington set the fashion of speaking of "invisible poverty," which, like the Emperor's Clothes, may only be discerned by those whose consciousness has been raised.)

As for the war on terrorism, nobody even knows how to commence it, unless by declaring Iran the embodiment of terrorism and dropping a few bombs.

Drugs are an even more elusive adversary. Most recreational drugs derive from plants that may be grown in endless remote expanses outside American jurisdiction and imported at countless points by various ingenious means. There is no single headquarters, hence no target for warfare. Only comprehensive control will do.

Or will it? Illicit drugs have proved uncontrollable even in our most intensely controlled domains: prisons. Which has provoked the observation that if America were turned into a totalitarian system, where the powers of the State were absolutely unlimited, the black market in drugs would still flourish.

Police-work always limps after energies that bound over laws. It takes several policemen to catch a single criminal, unless he operates from a stationary address. This ratio means that law and order always depend primarily on voluntary compliance, from law enforcement is futile. And the drug-selling and drug-consuming sectors of America are as fluid as they are enormous.

Like all soldiers, our drug warriors will naturally feel that they aren't getting enough support when they aren't winning. From their point of view, this is perfectly rational. Their unconditional assignment is to win, period. That's what war means. But the "war" isn't serious. It's rhetorical, a gesture of determination we don't really feel, though we feel we ought to feel it. The men who actually do the fighting, at great risk, are frustrated by the gulf between our professions of hatred for the enemy and our unwillingness to provide anything approaching the means needed for victory.

And at the drug Pentagon, the senior strategists will call, like generals, for more funding, more troops, more national will. Our drug czar, William Bennett, keeps proposing increasingly drastic measures, and it's predictable that he and his successors will continue egging us on with periodic reports of both the encouraging "headway" we are making on this or that front (casual drug use is down this year, for example) and horrifying iterations of the total dimensions of the problem.

Ah, the problem. In America every evil is a "problem," therefore soluble. But as James Burnham used to say, "When there's no solution, there's no problem." To be sure, individuals have drug problems. It's meaningless to speak of a national drug problem. What we have is a national complex of drug-related evils we're confusedly treating as a single entity.

The most salient of these evils is the violent crime associated with distributing drugs and paying for personal drug habits. The gang violence of Prohibition was comparatively sporadic; and today, though legal alcohol consumption generates more violence than legal drug use ever will (narcotics retard violent impulses), whiskey is distributed without incident. But the craving for drugs and drug profits, a double craving perversely sustained by law, results in millions of crimes against persons and property — daily killings in large cities, four million burglaries per year, for instance. This, at least, is a genuine problem, in the sense that it's susceptible of amelioration. Llewellyn Rockwell estimates that decriminalizing drugs would cut street crime 75%. If so, the debate should stop right there.

All this is not meant as an advertisement for drug use itself. Americans have legitimate worries about what decriminalizing drugs would mean. More drug consumption? Yes. Present laws do deter some people, a fraction of whom would acquire drug problems if the law stopped deterring them from use. Many others would sample drugs without becoming addicted or disabled. It's hardly conceivable, though, that drug abuse would produce anything approaching the hundreds of thousands of deaths now caused by alcoholism and tobacco use. Moreover, legalized drugs would certainly be less lethal than black market drugs, for the same reason that Jim Beam is safer than moonshine, as Mark Thornton of Auburn University has pointed out.

What about kids? Wouldn't decriminalizing drugs mean more young people with drug problems? Maybe not. The opposite might be true. If drugs were legal for adults but forbidden to minors (with tough penalties for selling or giving them to the underaged), the price of drugs would be too low to make the risk of breaking the law worthwhile. Age-stratified legalization might well segregate the very young from drugs in a way that the present black market does not.

Probable the deepest reservation most Americans feel against decriminalizing drugs stems from the identification of the moral with the legal. We feel that what is immoral ought to be illegal, and that what is legal...
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must be morally approved. But, after all, we managed to repeal Prohibition without making drunkenness an inalienable right. Drunk drivers go to jail; alcohol abuse can be grounds for dismissal and divorce. There lurks in each of us the irrational fantasy of America turning into a nation of stupified addicts. Few are old enough to remember when today’s controlled substances were uncontrolled, and nobody spoke of a national drug problem. Opium, cocaine, and other drugs, readily available, were sometimes abused, but were never associated, in the public mind, with violence. (It took the law to create that connection.)

Informal social sanctions, as developmental economist, has shown, the people of the impoverished countries are not fundamentally different from anyone else. They want material progress, and when left free they save, invest, and produce. Contrary to collectivist dogma, “third worlders” eagerly become capitalists when given the chance. (Bauer’s work, for example, Disent on Development is great reading.)

The problem in those countries is the malignant attitude toward the creation of wealth. This attitude is well summarized by Franz Fanon, a trendy socialist writer and psychoanalyst in Algeria: “The people come to understand that wealth is not the fruit of labor but the result of organized protected robbery. Rich people are no longer respectable people; they are nothing more than flesh-eating animals, jackals and vultures which wallow in the people’s blood.” Make that the reigning cultural belief of a country and famine and misery are guaranteed.

In light of all this, who is the real humanitarian? Is it Mickey Leland, whose views and policies were probably not far from Fanon’s? Or people like Ludwig von Mises and P. T. Bauer, who devoted their lives to investigating what makes prosperity possible?

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promote immorality; entrepreneurship is outlawed; and brute criminals run free.

But no one blames the bureaucrats. “Since the State creates all rights,” said Nock, “and since the only valid and authoritative ethics are State ethics, then by obvious inference the State can do no wrong.”

Despite the Constitution and the Declaration of Independence, let alone the traditions of Western civilization, the State does indeed view itself as the source of rights, only to be dribbled out if its subjects fulfill their alleged duties or responsibilities to society (by which is almost always meant the government).

Said the great conservative libertarian Frank S. Meyer, co-founder of National Review: the rights of human beings “are not the gift of some Leviathan” and the duties of human beings are not “tribute owed to Leviathan.”

Only when the rights of liberty and property are again recognized will our economic freedom be secure. That is why our energies must be focused not only on teaching economic truth, but also on fighting what Meyer called “the great enemy of our time, the Leviathan State.”

Ludwig von Mises Institute

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