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THE SIREN SONG OF THE STATE

Robert Higgs

Robert Higgs is Senior Fellow in Political Economy for the Independent Institute and editor of The Independent Review. He is the 2007 recipient of the Mises Institute's Gary G. Schlarbaum Prize for Lifetime Achievement in the Cause of Liberty. This is a condensed version of his lecture at the award event (rhiggs@independent.org).

The state is the most destructive institution human beings have ever devised—a fire that, at best, can be controlled for only a short time before it o’erleaps its improvised confinements and spreads its flames far and wide.

Whatever promotes the growth of the state also weakens the capacity of individuals in civil society to fend off the state’s depredations and therefore augments the public’s multifaceted victimization at the hands of state functionaries. Nothing promotes the growth of the state as much as national emergency—war and other crises comparable to war in the seriousness of the threats they pose.

States, by their very nature, are perpetually at war—not always against foreign foes, of course, but always against their own subjects. The state’s most fundamental purpose, the activity without which it cannot even exist, is robbery. The state gains its very sustenance from robbery, which it pretties up ideologically by giving it a different name (*taxation*) and by striving to sanctify its intrinsic crime as permissible and socially necessary. State propaganda, statist ideologies, and long-established routine combine to convince many people that they have a legitimate obligation, even a moral duty to pay taxes to the state that rules their society.

They fall into such erroneous moral reasoning because they are told incessantly that the tribute they fork over is actually a kind of price paid for essential services received, and that in the case of certain services, such as protection from foreign and domestic aggressors against their rights to life, liberty, and property, only the government can provide the service effectively. They are not permitted to test this claim by resorting to competing suppliers of law, order, and security, however, because the government enforces a monopoly over the production and distribution of its alleged “services” and brings violence to bear against would-be competitors. In so doing, it reveals the fraud at the heart of its impudent claims and gives sufficient proof that it is not a genuine protector, but a mere protection racket.

All governments are, as they must be, oligarchies: only a relatively small number of people have substantial effective discretion to make critical decisions about how →

the state's power will be brought to bear. Beyond the oligarchy itself and the police and military forces that compose its Praetorian Guard, somewhat larger groups constitute a supporting coalition. These groups provide important financial and other support to the oligarchs and look to them for compensating rewards—legal privileges, subsidies, jobs, exclusive franchises and licenses, transfers of financial income and wealth, goods and services in kind, and other booty—channeled to them at the expense of the mass of the people. Thus, the political class in general—that is, the oligarchs, the Praetorian Guards, and the supporting coalition—uses government power (which means ultimately the police and the armed forces) to exploit everyone outside this class by wielding or threatening to wield violence against all who fail to pay the tribute the oligarchs demand or to obey the rules they dictate.

Democratic political forms and rituals, such as elections and formal administrative proceedings, disguise this class exploitation and trick the masses into the false belief that the government's operation yields them net benefits. In the most extreme form of misapprehension, the people at large become convinced that, owing to democracy, they themselves "are the government."

Individual passages back and forth across the boundary between the political class and the exploited class testify, however, to nothing more than the system's cunningly contrived flexibility and openness. Although the system is inherently exploitative and cannot exist in any

other form, it allows some leeway at the margins in the determination of which specific individuals will be the shafters and which the shaftees. At the top, a modest degree of "circulation of elites" within the oligarchy also serves to mask the political system's essential character.

It is a sound interpretive rule, however, that anything that cannot be accomplished except with the aid of threats or the actual exercise of violence against unoffending persons cannot be beneficial to one and all. The mass belief in the general beneficence of democracy represents a kind of Stockholm syndrome writ large. Yet, no matter how widely this syndrome may extend, it cannot alter the basic fact that owing to the operation of government as we know it—that is, government without genuine, express, individual consent—a minority lives on balance at the expense of the rest, and the rest therefore lose on balance in the process, while the oligarchs (elected or not, it scarcely matters) preside over the enormous web of criminal organizations we know as the state.

Notwithstanding the ideological enchantment with which official high priests and statist intellectuals have beguiled the plundered class, many members of this class retain a capacity to recognize at least some of their losses, and hence they sometimes resist further incursions on their rights by publicly expressing their grievances, by supporting political challengers who promise to lighten their burdens, by fleeing the country, and, most important, by evading or avoiding taxes and by violating legal prohibitions and regulatory restraints on

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their actions, as in the so-called underground economy, or “black market.”

These various forms of resistance together compose a force that opposes the government’s constant pressure to expand its domination. These two forces, working one against the other, establish a locus of “equilibrium,” a boundary between the set of rights the government has overridden or seized and the set of rights the plundered class has somehow managed to retain, whether by formal constitutional constraints or by everyday tax evasion, black-market transactions, and other defensive violations of the government’s oppressive rules.

Politics in the largest sense can be viewed as the struggle to push this boundary one way or the other. For members of the political class, the crucial question is always: how can we push out the frontier, how can we augment the government’s dominion and plunder, with net gain to ourselves, the exploiters who live not by honest production and voluntary exchange, but by fleecing those who do so?

National emergency—war or a similarly menacing crisis—answers the political class’s crucial question more effectively than anything else, because such a crisis has a uniquely effective capacity to dissipate the forces that otherwise would obstruct or oppose the government’s expansion.

Virtually any war will serve, at least for a while, because in modern nation-states the outbreak of war invariably leads the masses to “rally ‘round the flag,” regardless of their previous ideological stance in relation to the government.

In searching for the cause of this tremendous, rationally unjustified “rallying ‘round the flag,” we do not have far to go. Such public reactions are always driven by a combination of fear, ignorance, and uncertainty against a background of intense jingoistic nationalism, a popular culture predisposed toward violence, and a general inability

to distinguish between the state and the people at large.

Because the government ceaselessly sings the siren song, relentlessly propagandizing the public to look upon it as their protector—such alleged protection being the principal excuse for its routinely robbing them and violating their natural rights—and because the mass media incessantly magnify and spread the government’s propaganda, we can scarcely be surprised if that propaganda turns out to have entered deeply into many people’s thinking, especially when they are in a state of near-panic. Unable to think clearly in an informed way, most people fall back on a childlike us-against-them style of understanding the perceived threat and what should be done about it.

The so-called war on terror has given rise to a huge industry that has emerged almost from scratch during the past few years. According to a 2006 *Forbes* report, the Department of Homeland Security and its predecessor agencies paid private contractors at least \$130 billion after 9/11, and other federal agencies have spent a comparable amount. Thus, besides the *military-industrial-congressional complex* (MICC), we now have a parallel *security-industrial-congressional complex* (SICC).

Between 1999 and 2006, the number of federal homeland-security contractors increased from nine companies to 33,890, and a multi-billion-dollar industry selling security-related goods and services has emerged complete with specialized newsletters, magazines, websites, consultants, trade shows, job-placement services, and a veritable army of lobbyists working around the clock to widen the river of money that flows to these opportunists. As Paul Harris wrote, “America is in the grip of a business based on fear.” The last thing these vultures want, of course, is an abatement of the perceived terrorist threat, and we can count on them to hype any signs of an increase in such threats and, of

course, to crowd the trough, happily slurping up the taxpayers' money.

What chance does peace have when millions of well-heeled, politically connected opportunists of all stripes depend on the continuation of a state of war for their personal financial success? For members of Congress, the Department of Homeland Security has quickly become the most magnificent dispenser of pork and patronage to come along in decades. Everyone is happy here, except for the beleaguered ordinary citizens, whose pockets are being picked and whose liberties are being overridden by politicians and private-sector predators with utter contempt for the people's intelligence and rights. Yet, so long as the people continue to be consumed by fear and to fall for the age-old swindle that the government seeks only to protect them, these abuses will never end.

A peaceful state is an impossibility. Even a state that refrains from fighting foreigners goes on fighting its own subjects continuously, to keep them under its control and to suppress competitors who might try to break into the domain of its protection racket. The people cry out for security, yet they will not take responsibility for their own protection, and like the mariners of Greek mythology, they

leap overboard immediately in response to the state's siren song.

When the Israelites had fled from their captivity in Egypt, they made do for centuries with only judges, yet they were not satisfied, and eventually they demanded a king, crying out:

"We will have a king over us; That we also may be like all the nations; and that our king may judge us, and go out before us, and fight our battles." (1 Samuel 8:19–20)

Well, they got a king all right, just as we Americans have embraced one of our own, though we call ours a president. The Israelites, as the prophet Samuel had warned, were no better off for having a king, however: King Saul only led them from one slaughter to another (1 Samuel 14: 47–48).

Likewise, our rulers have led us from one unnecessary slaughter to the next; and, to make matters worse, they have exploited each such occasion to fasten their chains around us more tightly. Like the ancient Israelites, we Americans shall never have real, lasting peace so long as we give our allegiance to a king—that is, in our case, to the whole conglomeration of institutionalized exploiters and murderers we know as the state. ■

THE MISES INSTITUTE AT 25 YEARS

The Mises Institute's 25th anniversary celebration in New York, October 12–13, 2007, was a splendid occasion for recognizing the accomplishments of the last quarter century and looking forward to a bright future for the Institute and for liberty.

It began with a series of lectures, among which was the Schlarbaum speech by Robert Higgs printed in this issue. Lew Rockwell said of the speech

that it would have thrilled Murray Rothbard. Judge Andrew Napolitano spoke on civil liberties under the Bush administration. Saturday morning David Gordon explained how dangerous neoconservative ideas on war have become and put them into perspective, Peter Klein spoke on the merits of the business firm as an instrument of social advance, and

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News from the Institute

Last Knight News

The distribution of the masterpiece *Mises: The Last Knight of Liberalism*, by Jörg Guido Hülsmann, has been proceeding at a rapid pace. The ability to order it online from Mises.org and Amazon.com has been a great help. The reviews are 100 percent favorable so far. It is already doing a world of good in spreading the word about this man and his ideas. Here is the fruit of ten years of research and writing, and certainly the most important new book that the Institute has ever published. If you do not have it yet, please order a copy today.

Greg Ransom writes: “I’m impressed with the scope of research and the contextual richness of the story being told. A work like this is by its nature a heroic undertaking. Hülsmann in the first pages is up to the task, where many biographers are not. I like that many quotations from secondary sources are provided in the text and I like that footnotes come directly on the page and are not hidden as endnotes in the back of the book. I like the little details—a picture of the coin struck to honor the 80th birthday of a Mises ancestor is included. The book has these curious details, but doesn’t end up detoured on idiosyncratic byways without relevance to the topic of the book, not always an easy trick. Bottom line: I like my history rich and thick—and this is rich, thick history.”

“This a magnificent work of scholarship,” writes historian Ralph Raico, “not only definitive on Mises’s life and works, but also brilliantly delineating the Vienna of the time, the development of the Austrian School, the place of other thinkers like Hayek, and Mises’s contributions to American and world libertarianism.”

“This is a majestic work and should be celebrated by the Austrian community,” writes Peter Boettke.

“I’m only halfway through this treatise,” writes an Amazon reviewer, “but it seems clear to me that this book will permanently change the way people consider the history of the Austrian School, the role of Mises in the development of ideas, and 20th century intellectual history as well. I had high expectations, but they have been surpassed many times over. What an achievement!”

“Henry Hazlitt said of Mises’s *Human Action* that it should be on the shelf of every thinking person,” writes R.M. Gray. “It became and still is the gateway to classical liberalism for most Americans; Hülsmann’s book should be on the shelf of every educated person; it will be an important gateway to Mises’s works. Twenty years from now, it will be clear that the publication of this book was an important milestone in the continued revival of the Misesian paradigm.”

“I can attest that it is very readable,” writes Ira Katz. “I could not put it down. . . . The production values are excellent, making it easy on the eyes, and at a very reasonable price, easy on the wallet. The history of writing and publishing the book is also of interest. The efforts of the publisher, the Ludwig von Mises Institute, are part of the continuing story of Mises’s ideas. The saga of Mises’s papers alone, Vienna, Berlin, to Moscow, tells much about the history of ideas in the 20th century.” ■

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Mark Thornton talked about his own history with the Mises Institute and, in particular, about what it means for the world that the Mises Institute has become such an important source for new research.

Jeffrey Herbener spoke on the history of education from the ancient world to the present and how it has been one long struggle between public and private sources. Jeffrey Tucker explained what is happening at Mises.org. Hans Hoppe, Thomas Woods, Roderick Long, Walter Block, Thomas DiLorenzo, and Ralph Raico also spoke.

The conference kept its high standards through the remainder of the day and evening. The dinner was packed, and it was great to see so many old friends and contributors. The dinner speeches were opened by Burt Blumert who introduced John Denson, who provided interesting insight into the early years of the Mises Institute: how it came to Auburn, the economics faculty at the time, our move from building to building on campus until we finally built our own home. Next came the man of the hour, Jörg Guido Hülsmann, who talked about his biography of Mises and the spread of the Austrian School around the world.

Low Rockwell's 25th anniversary speech asked the question: why must there be institutions that are dedicated to an ideal such as liberty or a scientific body of thought like economics. He answered the question in several parts, first distinguishing what the institute does from the activities of a conventional "think tank" that serves political parties. Independent institutions are ever more necessary in times of rising statism, to give the ideas of liberty room to breath.

In addition, if Mises is right that the protection and advance of liberty depends on the ideals being widely held in society, it is the obligation of libertarians to spread their ideas throughout society.

He discussed this by analogy to the marketplace itself. An invention is useless if it exists only in the mind of the creator. It must also be made economically viable and marketed so that it can make a change in society. It is the same with ideas. It is not enough that we hold ideals. We must take steps to propagate these ideals and work to see them put into place, and in this regard, institutions are essential. Many, many thanks to all the generous donors who have made our work for freedom possible for 25 years, and into the future. ■

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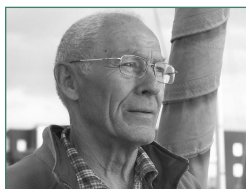
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- THE MISES CIRCLE IN HOUSTON (Sponsored by Jeremy Davis)
TEN GREAT ECONOMIC ERRORS
January 26, 2008 • Houston, Texas
- AUSTRIAN SCHOLARS CONFERENCE
March 13–15, 2008 • Auburn, Alabama
- THE MISES CIRCLE IN SEATTLE (Sponsored by Curt and Allora Doolittle)
May 17, 2008 • Seattle, Washington
- MISES UNIVERSITY
July 27–August 2, 2008 • Auburn, Alabama



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