

MAJOR
CONSERVATIVE
AND
LIBERTARIAN THINKERS

MURRAY ROTHBARD

Gerard Casey

SERIES EDITED BY
JOHN MEADOWCROFT

B L O O M S B U R Y

Murray Rothbard

Series Introduction

The *Major Conservative and Libertarian Thinkers* series aims to show that there is a rigorous, scholarly tradition of social and political thought that may be broadly described as ‘conservative’, ‘libertarian’ or some combination of the two.

The series aims to show that conservatism is not simply a reaction against contemporary events, nor a privileging of intuitive thought over deductive reasoning; libertarianism is not simply an apology for unfettered capitalism or an attempt to justify a misguided atomistic concept of the individual. Rather, the thinkers in this series have developed coherent intellectual positions that are grounded in empirical reality and also founded upon serious philosophical reflection on the relationship between the individual and society, how the social institutions necessary for a free society are to be established and maintained, and the implications of the limits to human knowledge and certainty.

Each volume in the series presents a thinker’s ideas in an accessible and cogent manner to provide an indispensable work for students with varying degrees of familiarity with the topic as well as more advanced scholars.

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Of course, in any series of this nature, choices have to be made as to which thinkers to include and which to leave out. Two of the thinkers in the series – F. A. Hayek and James M. Buchanan – have written explicit statements rejecting the label ‘conservative’. Similarly, other thinkers, such as David Hume and Karl Popper, may be more accurately described as classical liberals than either conservatives or libertarians. But these thinkers have been included because a full appreciation of this particular tradition of thought would be impossible without their inclusion; conservative and libertarian thought cannot be fully understood without some knowledge of the intellectual contributions of Hume, Hayek, Popper and Buchanan, among others. While no list of conservative and libertarian thinkers can be perfect, then, it is hoped that the volumes in this series come as close as possible to providing a comprehensive account of the key contributors to this particular tradition.

John Meadowcroft
King's College London

Murray Rothbard

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Series Editor: John Meadowcroft

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Series Editor's Preface

Murray Rothbard was an economist, historian, political and moral philosopher, and legal theoretician. Rothbard's work in these diverse social science disciplines was unified by a passionate and resolute commitment to libertarianism. The particular brand of libertarianism that Rothbard espoused may be characterized as 'anarcho-capitalism'. Whereas conventional libertarianism implies a belief that only a minimal state which does no more than provide a basic framework of the rule of law and the protection of private property rights may be justified, anarcho-capitalism implies a belief that even the legal system may be provided privately without the need for a coercive collective authority. Hence, anarcho-capitalists envisage a society where the traditional role of government is wholly subsumed by private, profit-making enterprises and all social relationships are ultimately founded upon consent.

Rothbard's unique intellectual contribution was to build this system of thought from many pre-existing but previously disparate strands and to develop it to its logical (some would say extreme) conclusion. Rothbard's starting points, then, were the well-established notions of methodological individualism, natural rights theory and individual self-ownership. But Rothbard showed that if we wish to take methodological individualism, natural rights theory and individual self-ownership seriously – that is, if we really believe that the individual is the relevant unit of analysis, that all individuals have basic rights that cannot be violated and that all people have a complete right of ownership over their own persons – then the justification for government

falls away. It is argued that taxation, for example, cannot be reconciled with the belief that each individual is inviolate with a complete right of self-ownership. According to Rothbard, then, government can only be 'justified' if we abandon the notion that individuals have the right to determine what to do with their own bodies, a step Rothbard believed to be unconscionable.

In this outstanding work, Professor Gerard Casey of University College Dublin sets out Rothbard's thought in the context of Rothbard's life and times. Casey shows that, perhaps unusually for an academic, as well as being an exceptional scholar, Rothbard was a colourful character and also a committed political activist, being deeply involved in the Libertarian Party and a number of libertarian think tanks during his lifetime. Professor Casey also considers the influence and reception of Rothbard's work, and its enduring relevance.

This volume makes a crucial contribution to the Major Conservative and Libertarian Thinkers series by presenting the ideas of one of the most important libertarian thinkers in an accessible and cogent form. It is a book that will prove indispensable to those unfamiliar with Rothbard's work as well as more advanced scholars.

John Meadowcroft
King's College London

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to Dr John Meadowcroft, general editor of the Major Conservative and Libertarian Thinkers series for allowing me to make my contribution to the series;

to the School of Philosophy in University College Dublin, and its then head, Dr Brian O'Connor, for relieving me from my teaching responsibilities in the academic year 2007–2008, which created the time and opportunity for me to do the basic research for this book.

Chapter 1

Intellectual Biography

It wasn't like Murray Rothbard to die. Nothing he ever did was more out of character, more difficult to reconcile with everything we knew of him, more downright inconceivable. Murray dead is a contradiction in terms.

(Joseph Sobran, in Rockwell 1995, 38)¹

Introduction

The character of some thinkers, such as St Augustine and Søren Kierkegaard, comes through in everything they write; their intellectual hearts are, so to speak, displayed prominently on their sleeves. Other thinkers, such as St Thomas Aquinas and Baruch Spinoza, reveal almost nothing about themselves in their writings. Murray N. Rothbard – economist, historian, political and moral philosopher, legal theoretician, political activist, polemicist and, above all, libertarian – can be firmly located in the Augustinian/Kierkegaardian camp. To read him is to know him, not just whatever he happens to be writing about. Everything he wrote is invested with his personality and his character. The citation from Joseph Sobran heading this chapter elegantly testifies to Rothbard's vitality and those lucky enough to have known Rothbard personally concur with Sobran's view. Those who didn't have the privilege of knowing Rothbard personally have available to them some sound and vision recordings of him in action and these should be listened to and watched in order

to get a flavour of the man. Let's take the opening of one of these talks, on 'Keynes the Man: Hero or Villain?' This begins: 'First of all, I'd like to launch a pre-emptive strike [audience laughter] against any critics . . . who might accuse this talk of being *ad hominem*. In the first place, the *ad hominem* fallacy is that . . . instead of attacking the doctrine of a person, you attack the person, and that's fallacious and that doesn't refute the argument. I've never been in favor of that. I've always been in favor of refuting the doctrine and *then* going on to attack the person! [raucous audience laughter]' (Rothbard 1989).

Family and Education

Murray Newton Rothbard was born to David and Rae Rothbard on 2 March 1926. His father was a Polish immigrant who had arrived in the USA in 1910; his mother, Rae Babushkin, immigrated to the USA in 1916. The environment in which the young Rothbard was reared in Manhattan and Broadway leaned decidedly towards the left of the political spectrum. Rothbard himself maintained that the members of the Jewish community in which he lived were largely either Communist or Communist fellow travellers (see Rockwell 2000, 337).

I grew up in New York City in the 1930s in the midst of what can only be called a communist culture. As middle-class Jews in New York, my relatives, friends, classmates, and neighbors faced only one great moral decision in their lives: should they join the Communist Party and devote 100 percent of their lives to the cause; or should they remain fellow travelers and devote only a fraction of their lives? That was the great range of debate. I had two sets of aunts and uncles on both sides of the family who were in the Communist Party. The older uncle was an engineer who helped build the legendary Moscow subway; the younger one was an editor for the Communist-dominated Drug Workers Union . . . (Rockwell 2000, 6)

David Rothbard was determined not to be held back by any traces of immigrant insularity. He learnt English as quickly as he was able and assimilated rapidly to American culture and, despite the broadly Communist and left-leaning inclinations of his community, he adopted such basic American political values as an appreciation of free enterprise, a desire for small government and a respect for private property.

Rothbard was proud of his father's rejection of the social and communist orthodoxies dominant in their community. At a time when it is a biographical commonplace to assume that our hero's development took place by means of a rejection of suffocating and constricting parental values, it is refreshing to note that Rothbard was all his life close to both his parents, especially to his father. He flourished in his home environment and found himself broadly sympathetic to his father's political principles. One thing above all else that he took from his father was a belief in the value of free enterprise and a love of liberty. At an early age, Rothbard's own independence of mind was clearly evident. Samuel Francis notes, 'What carried Murray through his childhood immersion in a communist culture and bore him through the hundred political and ideological battles of his life was his own character. It was impossible to know him for long without recognizing the moral iron beneath his flesh' (Rockwell 1995, 64; see Rockwell 2000, 6 and Modugno Crocetta 1999, 6–10).

Despite being intellectually able, or perhaps because he was intellectually able, Rothbard didn't appreciate the public school system in which he was initially enrolled. In addition to the mental torture of being subjected to inferior instruction, Rothbard was also physically bullied. Given his natural inclination towards independence, it is hardly surprising that one of his teachers commented on his 'combative spirit'. That combative spirit was to become characteristic of the mature Rothbard. To stand out from the crowd, to set oneself apart from the group, is always a dangerous path to take, and when one is young and vulnerable, it takes courage to walk on this path. In his exceptionally mean-spirited (and factually inaccurate) obituary of Rothbard,

William F. Buckley Jr referred to what he termed Rothbard's 'contrarian spirit' (Buckley 1995). The suggestion here is that Rothbard opposed simply for the sake of opposing and that had the prevailing ethos been libertarian, Rothbard would have adopted an anti-libertarian stance. It is simply not true that Rothbard was inhabited by a contrarian spirit. Combative? Certainly. Pugnacious? Indeed. A man who enjoyed a good argument? Without a doubt. Contrarian? No. The little bit of truth in Buckley's remark lies in its muddled misidentification of a distinctive Rothbardian character trait, namely, his ability, from the earliest age, to determine his own line, his own position, and to question seemingly unquestionable orthodoxies. If one thing characterized Rothbard all his life it was this fundamental independence of mind. Eventually, for his mental and physical protection, he was taken out of public school and sent to the private Riverside School in Staten Island (see Flood 2008a). Here he flourished, experiencing a sense of intellectual and physical freedom. After two years at Riverside, Rothbard was sent to Birch-Wathen School in Manhattan where, in a generally left-liberal environment, he became the token conservative. It wasn't the last time in his life that he would be the odd man out.

By the time he left school, Rothbard was a convinced conservative, opposed to socialism, communism, and the Roosevelt New Deal. His sympathies at this period in his life – his mid-teens – lay with the 'Old Right', a movement which had begun in opposition to Roosevelt's New Deal and later came to be characterized by its anti-statist and anti-interventionist approach to politics (see Woods 2007 and Payne 2005). He was never to lose his affection and enthusiasm for those stalwarts of the Old Right – John T. Flynn, Colonel Robert R. McCormick of the *Chicago Tribune*, H. L. Mencken, Garett Garrett, Robert Taft, Albert Jay Nock and Frank Chodorov – and towards the end of his life, after some tactical flirtations with the Left, he returned to a rejuvenated old-style conservatism. The United States' wartime semi-socialist regime convinced Rothbard, if he needed convincing, of the evils of militarism and deepened his opposition to

the collectivist tendencies engendered by the spirit of war. To be opposed to interventionism in the time of war is to risk being branded as a traitor. The Old Right was under tremendous pressure from the dominant leftward-leaning interventionism of the period and in the end, though it survived the War, with the deaths of Taft and Garrett in the 1950s, it had ceased to be a force to be reckoned with (Rockwell 2000, 4).

In 1942, at the age of 16, Rothbard enrolled at Columbia University. Given his future career as an Austrian economist and given the notorious antipathy of Austrian economists to the mathematization of economics, there is a delightful irony in Rothbard's having been at one time a statistics major. He graduated from Columbia with a BA in mathematics and economics in 1945 and he received his MA in economics and mathematics in 1946. In 1956, after some travails with his dissertation supervisors, Rothbard finished his PhD dissertation which was subsequently published in 1962 as *The Panic of 1819*. In this book, Rothbard argues that the first major economic crisis in the new-born republic was brought about by the monetary interventions of the Bank of the USA. One of Rothbard's superiors in the Economics Department at Columbia was Arthur Burns, later to become the Chairman of the Federal Reserve. The mysterious nature of banking was to be a topic of perennial interest to Rothbard. He continued to tear away the veils shrouding this mystery in his *The Mystery of Banking* (Rothbard 1983a) and *The Case against the Fed* (Rothbard 2007b), making a strong case for the intrinsically fraudulent nature of fractional-reserve banking and the morally hazardous and inflationary character of central banking. Now, more than ever, at a time of turmoil in the world's financial systems, is his prescience to be admired.

The atmosphere at Columbia could best be described as a kind of relaxed leftism. Republicans were thin on the ground: 'At Columbia College, I was only one of two Republicans on the entire campus, the other being a literature major with whom I had little in common' (Rockwell 2000, 6). In the Columbia bookstore, Rothbard came across Frank Chodorov's *Taxation*

is *Robbery* (Chodorov 1947). The effect of this pamphlet on Rothbard was electric; he would never be the same again. Around this time, Rothbard came into contact with the Foundation for Economic Education (FEE), which was his first encounter with organized libertarianism. The FEE had been founded by Leonard Read in 1946 and had a small staff of free-market economists. From this time on, Rothbard immersed himself in whatever libertarian literature was available. We find him reading Garet Garrett, Isabel Paterson, Albert Jay Nock, Herbert Spencer, Henry George², Henry Louis Mencken and Ludwig von Mises.³ Harold W. Luhnow, head of the William Volker Company and the associated Volker Fund, was a major supporter of the FEE. The Volker Fund arranged for Ludwig von Mises to teach as a visiting professor at New York University (NYU). Mises also became a part-time staff member at the FEE and so, inevitably, Mises and Rothbard met (see Gordon 2007a).

Rothbard Meets Mises

Rothbard was hugely impressed by Mises's *Human Action* (Mises 1996) and he became a regular member of and participant in the Mises seminar in 1949, a seminar that continued in operation for most of Mises's time at NYU. Once introduced to Austrian economics, something he had heard nothing about in his economics education to date, he quickly became an expert in the subject. Herbert Cornuelle, liaison officer of the Volker Fund, suggested to Rothbard that he might write a student primer of Austrian economics, a kind of Mises-made-simple. Rothbard began to work on the book in 1952. Just over ten years later, with the support of the Volker Fund, *Man, Economy, and State* was published – not, after all, a Mises-made-simple but a complete treatise on Austrian economics that, by general consensus among Austrians, is second only to *Human Action* in its scope and brilliance.

Despite the hugely powerful influence of Mises on Rothbard's intellectual development, it is important to note that Rothbard's