

Roderick Long: Rothbard Memorial Lecture

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April 13, 2006

Well, there's finally a text version of Roderick Long's Rothbard Memorial Lecture ("Rothbard's 'Left and Right': Forty Years Later") online, so those of us with crappy dialup connections can enjoy it here in the Land That Time Forgot. His jumping off place is Herbert Spencer's strategic alliance with the Right, which he compares and contrasts with Rothbard's attempted libertarian-New Left coalition.

According to Rothbard ("Left and Right: The Prospects for Liberty"), "Spencer's tired shift 'rightward' in strategy soon became a shift rightward in theory as well." To illustrate this tendency, Long produces one of my favorite Benjamin Tucker quotes:

I begin to be a little suspicious of [Spencer]. It seems as if he had forgotten the teachings of his earlier writings, and had become a champion of the capitalistic class. It will be noticed that in these later articles, amid his multitudinous illustrations ... of the evils of legislation, he in every instance cites some law passed, ostensibly at least, to protect labor, alleviate suffering, or promote the people's welfare. He demonstrates beyond dispute the lamentable failure in this direction. But never once does he call attention to the far more deadly and deep-seated evils growing out of the innumerable laws creating privilege and sustaining monopoly. You must not protect the weak against the strong, he seems to say, but freely supply all the weapons needed by the strong to oppress the weak. He is greatly shocked that the rich should be directly taxed to support the poor, but that the poor should be indirectly taxed and bled to make the rich richer does not outrage his delicate sensibilities in the least. Poverty is increased by the poor laws, says Mr. Spencer. Granted; but what about the rich laws that caused and still cause the poverty to which the poor laws add?

Rothbard's objection to this strategic orientation, according to Long, was

that the new left-right spectrum persistently misleads libertarian-minded thinkers into viewing governmental regulation as anti-big-business; and if our opponents are anti-business, what must we libertarians be but pro-big-business, defenders of what Ayn Rand in one of her pro-big-business moods (she did have other moods) called "America's Persecuted Minority"? The result is that governmental intervention on

behalf of big business tends to become invisible, or at least unimportant, because our ideological blinders make it hard to take seriously. Who would want to restrict the free market on behalf of business interests? Not those left-wingers, because they're anti-business; and not us right-wingers, because we're pro-free-market. It's hard to recognize the significance of pro-business legislation even when one officially sees and acknowledges it, if one has internalized a worldview that excludes such legislation from the list of major dangers.

To back this up, Long produces another quote from Rothbard:

Every element in the New Deal program: central planning, creation of a network of compulsory cartels for industry and agriculture, inflation and credit expansion, artificial raising of wage rates and promotion of unions within the overall monopoly structure, government regulation and ownership, all this had been anticipated and adumbrated during the previous two decades. And this program, with its privileging of various big business interests at the top of the collectivist heap, was in no sense reminiscent of socialism or leftism; there was nothing smacking of the egalitarian or the proletarian here. No, the kinship of this burgeoning collectivism was not at all with socialism-communism but with fascism, or socialism-of-the-right, a kinship which many big businessmen of the twenties expressed openly in their yearning for abandonment of a quasi-laissez-faire system for a collectivism which they could control.... Both left and right have been persistently misled by the notion that intervention by the government is ipso facto leftist and antibusiness.

This results, Long says, in “the tendency among some libertarians to become kneejerk apologists for the corporate class.” And it results in the mirror-image tendency on the left to be taken in by the Art Schlesinger myth that “progressive” state intervention is motivated by a desire to restrain big business. For example, the individualist anarchist turned social democrat, Victor Yarros:

[W]hatever the origin of the State, it was absurd to assert that it was always and inevitably the instrument of privilege and monopoly, and must remain such under all conditions. The evidence glaringly contradicted that conception. The democratic governments have increasingly yielded to the pressure of farmers, wage workers, and middle-class reformers.

The hatred of our plutocrats and reactionaries for the New Deal is alone sufficient to dispose of the charge that the State is simply the tool of the economic oligarchy. In the past, the same interests bitterly fought Woodrow Wilson's reform program, and fought in vain.

Uh, yeah. I guess that explains the role of Gerard Swope in the New Deal. Not to mention the great populist Democratic tradition of maintaining an endowed Goldman-Sachs Secretaryship of the Treasury.

There's also a good discussion of a strategic question that provoked lots of interesting debate here recently:

Another root of the Rothbard-as-utopian-perfectionist myth is the fact that Rothbardians do indeed reject many reforms that are advertised as incremental steps toward liberty; but in such cases the reforms are rejected not because they are incremental but because they do not really move in the direction of liberty.

One example is education vouchers, which as Rothbardians we find problematic not because they fall short of a free market in education but because they threaten to extend to the private schools the kind of micromanagement control that government currently exercises — thus arguably making things worse. Another is so-called “privatization,” not in the term’s original sense of a transfer of services from government provision to free-market provision, but in what has come to be the prevailing sense of a conferral of governmental privilege and patronage — subsidies, monopolies, and the like — on private contractors. To the Rothbardian, far from stripping government of some of its powers, such “privatization” simply transforms private firms into arms of the state.

Now whether a shift from a comparatively socialistic to a comparatively fascistic mode of statism is a move up or a move down is perhaps a matter of taste; but at any rate we do the libertarian cause no favor by encouraging potential converts to associate plutocratic political cronyism with the free market. (Similar criticisms apply to “deregulation” when the entities being deregulated are the beneficiaries of state privilege, as when the Reagan administration eased restrictions on Savings & Loans while keeping federal deposit insurance intact, thus giving them carte blanche to take risks with the taxpayers’ money.)

But my favorite part of the lecture is Long’s treatment of the semantic issues surrounding the terms “capitalism” and “socialism”:

Libertarians sometimes debate whether the “real” or “authentic” meaning of a term like “capitalism” is (a) the free market, or (b) government favoritism toward business, or (c) the separation between labor and ownership, an arrangement neutral between the other two; Austrians tend to use the term in the first sense; individualist anarchists in the Tuckerite tradition tend to use it in the second or third. But in ordinary usage, I fear, it actually stands for an amalgamation of incompatible meanings.

Suppose I were to invent a new word, “zaxlebax,” and define it as “a metallic sphere, like the Washington Monument.” That’s the definition — “a metallic sphere, like the Washington Monument. “ In short, I build my ill-chosen example into the definition. Now some linguistic subgroup might start using the term “zaxlebax” as though it just meant “metallic sphere,” or as though it just meant “something of the same kind as the Washington Monument.” And that’s fine. But my definition incorporates both, and thus conceals the false assumption that the Washington Monument is a metallic sphere; any attempt to use the term “zaxlebax,” meaning what I mean by it, involves the user in this false assumption. That’s what Rand means by a package-deal term.

Now I think the word “capitalism,” if used with the meaning most people give it, is a package-deal term. By “capitalism” most people mean neither the free market simpliciter nor the prevailing neomercantilist system simpliciter. Rather, what most

people mean by “capitalism” is this free-market system that currently prevails in the western world. In short, the term “capitalism” as generally used conceals an assumption that the prevailing system is a free market. And since the prevailing system is in fact one of government favoritism toward business, the ordinary use of the term carries with it the assumption that the free market is government favoritism toward business.

And similar considerations apply to the term “socialism.” Most people don’t mean by “socialism” anything so precise as state ownership of the means of production; instead they really mean something more like “the opposite of capitalism.” Then if “capitalism” is a package-deal term, so is “socialism” — it conveys opposition to the free market, and opposition to neomercantilism, as though these were one and the same.

And that, I suggest, is the function of these terms: to blur the distinction between the free market and neomercantilism. Such confusion prevails because it works to the advantage of the statist establishment: those who want to defend the free market can more easily be seduced into defending neomercantilism, and those who want to combat neomercantilism can more easily be seduced into combating the free market. Either way, the state remains secure.

I strongly recommend reading this passage in conjunction with Sheldon Richman’s recent post “Capitalism vs. Capitalism,” and Chris Sciabarra’s “Capitalism: The Known Reality.” Along the same lines, Lady Aster drew my attention to this classic bit of late ‘40s propaganda, a short film on capitalism. The high school students discussing capitalism on their radio program mention “private property” and “freedom of contract” as its defining features, and one girl says that “capitalism is free enterprise” (or a metallic sphere, like the Washington monument). Naturally, all these lessons about capitalism are illustrated by Mr. Brown’s grocery, where a couple of kids go to buy supplies for a weenie roast. Somehow, I doubt if this film and hundreds like it in that same time period were funded by people like Mr. Brown. For an account of the forces behind the post-WWII corporate propaganda offensive, which didn’t bear much resemblance to Brown’s grocery, check out Alex Carey’s *Taking the Risk Out of Democracy: Corporate Propaganda Versus Freedom and Liberty*.

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