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Ralph Raico: Champion of Authentic Liberalism

Daniel P. Stanford
danstanford88@yahoo.com

Advisor

Gary Marotta, Ph.D., Professor of History

First Reader

Gary Marotta, Ph.D., Professor of History

Second Reader

John D. Abromeit, Ph.D., Assistant Professor of History

Department Chair

Andrew D. Nicholls, Ph.D., Professor of History

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Ralph Raico: Champion of Authentic Liberalism

by

Daniel P. Stanford

An Abstract of a Thesis
in
History

Submitted in Partial Fulfillment
of the Requirements
for the Degree of

Master of Arts

December 2012

College at Buffalo
State University of New York
Department of History

ABSTRACT OF THESIS

Ralph Raico: Champion of Authentic Liberalism

This paper explores the intellectual life and writings of Professor Emeritus in History at Buffalo State College, Ralph Raico. The central thesis seeks to portray Professor Raico as the great modern libertarian revisionist historian, and the great modern champion of historical, classical liberalism. More broadly, the work attempts to solidify Professor Raico's reputation as a major figure in the modern American libertarian movement.

Raico's intellectual foundations are fully developed, beginning from grade school at Bronx High School of Science, to his attendance of Ludwig von Mises's New York University seminar, to his P.h.D. work under Friedrich A. Hayek at the University of Chicago. His close associations with other libertarian giants, such as Ayn Rand and Murray Rothbard, are also explored. Raico's overall academic achievements are surveyed, including his editing of the *New Individualist Review* and *Inquiry* magazine, his years at Buffalo State College, and finally a summary of some of his major writings. This work is written in a spirit of commemoration.

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Approved by:

Gary Marotta, Ph.D.
Professor of History
Chair of the Committee/Thesis Advisor

Dr. Andrew D. Nicholls, Ph.D.
Chair and Professor of History

Kevin J. Railey, Ph.D.
Associate Provost and
Dean of Graduate School

THESIS COMMITTEE

Approved by:

Gary Marotta, Ph.D.
Professor of History

John D. Abromeit, Ph.D.
Assistant Professor of History

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Introduction

This paper is a brief intellectual biography of retired Buffalo State College history professor Ralph Raico (1936-present), who is known as “the godfather of liberalism in the classical tradition.”¹ He is, according to Professor David Gordon, “our foremost historian of classical liberalism.”² And as Professor Joseph Stromberg summarized, “[Ralph] Raico...has made important contributions to the history of German liberalism, translated Ludwig von Mises’s *Liberalism*, broadened our knowledge of liberal class-conflict theory, and accomplished much more.”³

Few libertarians outside of Raico can claim to have had relationships with all the giants of the modern American libertarian movement. The acquaintances include Ludwig von Mises, Frederick Hayek, Ayn Rand, Murray Rothbard, Robert Nozick, Bruce Goldman, Benjamin Rogge, Leonard Liggio, Hans Herman-Hoppe, Guido Hülsmann, Walter Block, Lew Rockwell, Thomas DiLorenzo and Raico’s high school friend, economist George Reisman. Through various connections, Raico also became friends or associated with famous intellectuals outside the libertarian spectrum such as Milton Friedman, Peter Bauer and Noam Chomsky.

Raico’s intellectual contributions to the libertarian movement are numerous and profound. He created and edited one of the first and only libertarian magazines of the 1950s, the *New Individualist Review*, and edited the Cato Institute’s original magazine *Inquiry*. He is the translator of Ludwig von Mises’s *Liberalism (1922)* from German to

¹ See Mark Thornton’s introduction to the lecture by Ralph Raico, “The Life and Work of Ludwig von Mises” (speech given at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, July 31, 2006.)

² David Gordon, “Ralph Raico on Authentic Liberalism” forward to Ralph Raico’s *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. xiii.

³ Joseph Stromberg review of Ralph Raico’s *Great Wars & Great Leaders: A Libertarian Rebuttal*, in *The Independent Review*, Vol. 17, N. 1, pp. 121-125.

English. He wrote a definitive book about German liberalism, *Die Partie der Freiheit* (1999), a book of revisionist history called *Great Wars and Great Leaders: a Libertarian Rebuttal* (2010), and a masterpiece of intellectual history, *Classical Liberalism and the Austrian School* (2012). Raico is also the author of dozens of articles and book chapters.

This paper is based upon readily available materials. I have undertaken very few or perhaps none of the standard requirements which constitute a biography. There are enormous gaps in the biographical events of his life and in the overview of Raico's scholarly work. Despite these deficiencies, I hope this paper is useful as an introduction to one the founding fathers of the modern libertarian movement, a movement which is finally seeing a bit of fruition. This study falls short of a hagiography; it is a partisan appreciation of an original, powerful thinker, and influential promoter of libertarian thought.

Raico's intellectual development is traced in its several contexts, as well as his overall influence and importance as a scholar, teacher, and libertarian activist. First I attempt to establish Raico's intellectual framework and focus on his most important influences: Ludwig von Mises, Murray Rothbard and Friedrich A. Hayek. I then bring to light Raico's impact on the current popular libertarian movement, drawing heavily on the testimony of other libertarian scholars. Finally, Raico's major scholarly achievements are summarized, along with a consideration of his overall importance to libertarian thought.

Part I.

1. *Early Years*

Ralph Raico was born in Italian Harlem in 1936. The Raico family moved out of Harlem and into the Bronx when Raico was at a young age. At that time the Bronx was moving in a very different direction than Italian Harlem. Italian Harlem was on its way to becoming Spanish Harlem, the ‘Barrio.’ The Bronx, however, was in its heyday. The Bronx contained above average apartment buildings, stable ethnic neighborhoods, parks, universities, and few slums. From around 1890 to halfway through the twentieth century, it was a refuge for second generation immigrants seeking to leave the extremely crowded areas of New York City such as the Lower East Side and Harlem.⁴ Raico describes his move into the Bronx as “one of the best things that ever happened to me.”⁵

The most lasting impact of the move to the Bronx was that Raico was admitted into the highly competitive Bronx High School of Science. It focused, most intensively, on mathematics and the natural sciences, but also had strong programs in the social sciences and the humanities. The students during Raico’s attendance at Bronx Science were mostly Jewish. As a whole, the Bronx contained about 500,000 Jews out of a population of around 1,400,000 people.⁶ Growing up around what he describes as “really smart kids” had an enormously positive impact on Raico’s intellectual development. This rigorously intellectual climate was stimulating; however Raico found that he did not agree with the political opinions of his classmates and teachers. He recalls that almost

⁴ Evelyn Gonzalez, *The Bronx* (Chichester, NY: Columbia University Press, 2004), p. 5.

⁵ Ralph Raico, “The Mises Circle: Memoirs of Hayek in Chicago and Rothbard in New York” (speech given at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, August 1, 2005).

⁶ Evelyn Gonzalez, *The Bronx*, p. 4.

everyone was a leftist or a communist.⁷ Murray Rothbard, a fellow descendent of the Bronx, described the Bronx at that time as literally a “communist culture.”⁸

Raico admits that from a very early age he rejected this political orientation as he had right-leaning preferences.⁹ Raico attributes much of his right-wing views in those days to his reading the newspaper published by William Randolph Hearst, the man on whom the movie *Citizen Kane* was loosely based.¹⁰ Hearst published two papers in New York City, both with enormous circulation, and after 1937 they merged into the *New York Journal American*. Hearst was a self-proclaimed ‘populist’ and his newspapers were a vehicle for pushing his political views which were often nationalistic, pro-war and anti-communist. The Hearst press mainly represented the popular, so-called ‘conservative’ views of the 1930s.

At some point Raico broke away from the Hearst orientation, favoring the position of what is now called the Old Right. It is likely that Raico was attracted to the Old Right because of the 1952 presidential run of Senator Robert Taft. Taft was anti-U.N., anti-New Deal, and anti-coercive labor unions. Taft’s position of isolationism in foreign affairs and limited government was causing a mild stir among people who still appreciated what they believed to be the old liberalism of the Founding Fathers of the American republic.¹¹

⁷ Ralph Raico, “The Mises Circle”

⁸ Murray N. Rothbard, “Life in the Old Right” originally published in *Chronicles* August 1994 accessed from < www.lewrockwell.com/rothbard/rothbard45.html > (July 12, 2008).

⁹ Ralph Raico, “The Mises Circle”

¹⁰ Ibid.

¹¹ On Taft’s argument for the non-interventionist foreign policy, see Robert Taft, *A Foreign Policy for Americans* (Garden City, NY: Doubleday and Company, Inc., 1951). This how Taft begins the book:
Fundamentally, I believe the ultimate purpose of our foreign policy must be to protect the liberty of the people of the United States. The American Revolution was fought to establish a nation “conceived in liberty.” That liberty has been defended in many wars since that day. That liberty

Raico was now traveling down to Times Square just to purchase the *Chicago Tribune*, a paper published by Old Right hero Robert McCormick. Due to the central importance of the *Chicago Tribune*, the Old Right came to be known as the ‘Midwestern wing’ of the Republican party. “I identified very much with the Midwestern wing of the party,” Raico recalled. “They [the *Chicago Tribune*] used to have front-page color editorial cartoons in those days. A typical one would show the blue UN flag and underneath it simply say, ‘The Traitor’s Flag.’ Not much in the way of subtlety, but I identified with that.”¹² Raico soon joined the Robert Taft campaign to advocate on behalf of the Old Right.

Raico probably considered himself truly among the last of the Old Right.¹³ This movement emerged in the 1930s as a force of opposition to the Washington establishment. It was especially opposed to New Deal expansion of domestic statism, and the increasingly active U.S foreign policy of interventionism. The Old Right believed in strict adherence and application of the Constitution and maintained that the U.S. Constitution was intended to limit government power. They believed that since World

has enabled our people to increase steadily their material welfare and their spiritual freedom. To achieve that liberty we have gone to war, and to protect it we would go to war again.

Only second to liberty is the maintenance of peace. The results of war may be almost as bad as the destruction of liberty and, in fact, may lead, even if the war is won, to something very close to the destruction of liberty at home. War not only produces pitiful human suffering and utter destruction of many things worth-while, but it is almost as disastrous for the victor as for the vanquished. (pp.11-12)

¹² Quoted in Brian Doherty, *Radicals for Capitalism: A Freewheeling History of the Modern American Libertarian Movement* (New York: PublicAffairs, 2007), p. 254.

¹³ The ideals of the Old Right are said to have come from the American Revolution and thus it traces its philosophy back to Thomas Jefferson, Thomas Paine and the other militant individualists of that era. At the core of this philosophy, which was originally called liberalism, is a strict individualistic notion of *laissez-faire*. *Laissez-faire*, of course, holds to the belief that government has little role in the functions of society outside of the protection of private property rights. For perhaps the only history on of the Old Right, see Murray N. Rothbard *The Betrayal of the American Right* (Auburn, Ala: Ludwig von Mises Institute, 2007)

War I, America had witnessed an enormous increase in government power and their purpose was to counter against all of the ‘ills’ brought about by such expansion.¹⁴

2. Meeting George Reisman

At Bronx High School of Science Raico was not entirely alone in his ‘Old-Right’ views. In the fall of 1952 Raico met his most important ally, the future Austrian economist, George Reisman (b.1937-).¹⁵ Raico and Reisman met in the school assembly hall before Reisman was about to give a speech defending Senator Taft. Raico approached Reisman to offer his support, but Reisman assumed it would be the typical razzing from a “leftist.” Anticipating that Raico was about to heckle him, Reisman decided to strike first, asking, “What’s on your small mind?” To Reisman’s surprise, Raico was simply making sure that he was well prepared for the speech!¹⁶ The boys hit it off immediately. As Raico quipped of their meeting, “I’m not saying it was like Cobden meeting Bright, or Marx meeting Engels, but it made a certain difference.”¹⁷ They formed a pro-Taft club at school, promoting the free market, private property, and isolationism. They called it the Cobden Club, after the English parliamentary classical liberal Richard Cobden.¹⁸

The small club included some other future successful libertarian scholars. These included Ronald Hamoway and Leonard Liggio. Liggio was attending Georgetown

¹⁴ For the growth of state power since World War I, see Paul Johnson, *Modern Times: The World from the Twenties to the Eighties* (New York: Harper and Row, 1983), Robert Higgs, *Crisis and Leviathan: Critical Episodes in the Growth of American Government* (New York: Oxford University Press, 1987).

¹⁵ Today George Reisman is known as the distinguished Professor Emeritus of economics at Pepperdine University and author of a massive 1000-plus page, economics treatise *Capitalism: A Treatise on Economics* (Ottawa, Ill: James Books, 1996).

¹⁶ George Reisman, “The Mises Circle: Memories of Mises, Rothbard, and Rand” (speech given at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, August 2, 2005).

¹⁷ Ralph Raico, “The Mises Circle”

¹⁸ George Reisman, “The Mises Circle”

University and was visiting New York City for the Youth for Taft organization. Liggio met Raico during one of the Youth for Taft meetings and they became life-long friends. In addition, two students out of Bronx Science were converted to a classical liberal position by Raico and Reisman's zealous defense of liberty. They were Robert Schuckman, who became the first president of Young Americans for Freedom (YAFT), and Robert Hessen, who became a noted economic and business historian at the Hoover Institute. The young Robert Hessen was struck by the boldness of Raico and Reisman. He remembered that they were the only two kids sitting during the Bronx High School assembly for a United Nations celebration. Then the United Nations flag was unfurled, and the entire school body began to sing songs about a "brave new world." At that point, Hessen recalls, the two "immediately gloomed on to each other." Hessen was firmly converted to Raico's views after a series of heated conversations during high school lunch hour. "I remember saying that if the government didn't deliver the mail, we wouldn't get any letters. Ralph said that if the government didn't build cows, we would never get any milk."¹⁹ Raico was showing Hessen that this was begging the question: why doesn't the government just control all industry?

Raico most likely advised Hessen that he should read *Human Action* by Ludwig von Mises. Leonard Liggio remembered that Raico instructed him around that time, "you have to read *Human Action* — no one can breathe another day without reading *Human Action*."²⁰ To this day that book is a main spring from which Raico and Reisman draw their economic and political arguments.

¹⁹ Quoted in Brian Doherty, *Radicals for Capitalism: A Freewheeling History of the Modern American Libertarian Movement* (New York: PublicAffairs, 2007), p. 253.

²⁰ *Ibid.*, 254.

Raico and Reisman set up booths in front of the New York Public Library promoting Taft, and they used Mises' logic in *Human Action* when people challenged them to debate. Reisman remembers that he and Raico would argue points so similarly they felt as if they were in each other's head. "We could have traded places in mid-sentence,"²¹ Reisman recalled. Taft ended up losing the nomination to Dwight Eisenhower that year and the Old Right position was pushed into obscurity. Raico and Reisman, however, vowed to keep these ideas alive.

The most important and lasting effect of Raico and Reisman's acquaintance was a shared love and enthusiasm for the work of Ludwig von Mises. It was Reisman who first happened upon Mises when he was around the age of fourteen. Reisman had already been aware of many of Mises's positions on various issues such as property rights, economic freedom, and the various ideological forces pitted against capitalism. When Reisman began reading classical economists including Adam Smith and David Ricardo, he recalled being "greatly disappointed in them at the time, because it seemed to me that with their support for the labor theory of value, they served merely to prepare the ground for Marx."²²

Reisman discovered a Ludwig von Mises article in one of the first libertarian journals, the *Freeman*. Reisman was immediately captivated by the profoundness of Mises, particularly the consistency and brilliant logic of Mises' defense of the free market. Reisman introduced Mises' writings to Raico.²³ Coincidentally Mises, after escaping the Nazi takeover of Eastern Europe, had been living in New York City since

²¹ George Reisman, "Mises as Mentor: An Interview with George Reisman" in *Austrian Economics Newsletter* Vol 21. No. 3, Fall 2001. p. 4.

²² George Reisman, "A Student of Mises and Rand," 2003, online article, accessed from <www.lewrockwell.com/orig3/reisman1.html> (6 December 6, 2007).

²³ Ralph Raico, "The Mises Circle"

1940. Reisman found Mises's home address on West End Avenue in Manhattan; so the boys devised a plan to meet him.

3. *Mises in Person*

The plan, according to Reisman's account, was for the two to show up at Mises's door and pretend to be selling subscriptions to the *Freeman*. As Reisman recalls,

He [Mises] answered the door; he was wearing a tuxedo except for the jacket, obviously preparing to go to some formal event. We told him what we were selling and he replied in a strong German accent, "I have the *Freeman*," whereupon he closed the door. Needless to say we were very disappointed. Crushed would be a better word.²⁴

The boys finally met Mises officially through a connection with the Foundation for Economic Education (FEE). FEE is the first ever libertarian think-tank, founded by the economist Leonard Read, located in Irvington, New York. Raico was writing a lot of letters to newspapers and he sent a letter to the small conservative magazine, the *USA*. His letter was in response to an article denigrating the 'exploiting' nature of capitalism. Raico's letter contained a few simple arguments he had picked up from reading Mises. Someone at FEE noticed the letter and Raico quickly received an invitation to come to Irving to visit the staff of FEE including the board of directors. Naturally, Reisman came along. Raico recalled that the FEE treated them as if they were the two "poster-boys" for the libertarian movement.²⁵ They met Leonard Read, the famed *New York Times* and *Newsweek* columnist Henry Hazlitt, and the founder of the Institute of Humane Studies "Baldy" Harper. It was then arranged to have them meet with Mises.

²⁴ George Reisman, "The Mises Circle"

²⁵ Ralph Raico, "The Mises Circle"

This meeting took place on February 3rd 1953, in the office of Mises's apartment. It was on the twelfth floor and he invited the boys into his apartment which had a view overlooking the Hudson River and the New Jersey palisades. Mises was 71 years old, still in great physical and mental shape, and he was working on some of the most important writings of his career. At this meeting, they found Mises to be very polite and modest. The boys asked him many questions regarding the national debt and the prospects of the freedom movement. The most important outcome was that Mises invited the boys to attend his graduate seminar at NYU under one condition; they must not "make any noise."²⁶

4. *The Ludwig von Mises Tradition*²⁷

Raico began attending the Mises seminar in 1953 and continued attending throughout his undergraduate studies at City College of New York, and likely up until he moved to Chicago to attend graduate school in 1959. This experience had such an enormous impact that we must diverge briefly to discuss Ludwig von Mises. He is unquestionably the most important influence on Raico's intellectual thought.²⁸

Ludwig von Mises (1881-1973) systematized a deductive science of economics, which he developed and expanded over the course of his career. Mises's economic edifice rests on a fundamental axiom that human beings act with purpose. He calls the

²⁶ George Reisman, "Mises as Mentor: An Interview with George Reisman" in *Austrian Economics Newsletter* Vol 21. No. 3, Fall 2001. p. 5

²⁷ The following discussion is based on Jörg Guido Hülsmann, *Mises: The Last Knight of Liberalism* (Auburn, Alabama: Ludwig von Mises Institute, 2007), Murray N. Rothbard, *Ludwig von Mises: Scholar, Creator, Hero* (Auburn, AL: The Ludwig von Mises Institute, 1988), and Ralph Raico, "The Life and Work of Ludwig von Mises" (talk delivered for the Mises Summer University, Ludwig von Mises Institute, Auburn Alabama August 6, 2008).

²⁸ See Ralph Raico, interviewed by Jeffrey Tucker, *Mises University 2006*, Ludwig von Mises Institute, August 3, 2006. accessed from < <http://www.mises.org/media/1820/An-Interview-with-Ralph-Raico> >

science of human action *praxeology*. For Mises, economic law is universal for all peoples, places and time. Economics is the best developed *praxeological* discipline, followed perhaps by history. Mises undertook his science with the goal of being “value-free”—meaning that personal values were irrelevant to economic science. Personal values or opinions of society or the state were appropriate for philosophy, but unscientific for economics.

While Mises’s economic theory strove to be “value-free,” he argued personally that civilization and the human race hinged on the social policy of unrestricted *laissez-faire*. In order to release the productive and creative capacity of society and at the same time safeguarding liberty in general, government, the institution of monopoly violence and coercion, must be relegated solely to the job of protecting private property. Private property is not final and absolute in itself, as when for instance it applies to cases of criminal use. But the conditions for the capitalist system rest on the securing of private property rights, which have been worked out over centuries in the legal, philosophic and moral framework most fully developed in Western Civilization. Murray Rothbard aptly summarized Mises’s major achievements:

...Mises was able to demonstrate (a) that the expansion of free markets, the division of labor, and private capital investment is the only possible path to the prosperity and flourishing of the human race; (b) that socialism would be disastrous for a modern economy because the absence of private ownership of land and capital goods prevents any sort of rational pricing, or estimate of costs, and (c) that government intervention, in addition to hampering and crippling the market, would prove counter-productive and cumulative, leading inevitably to socialism unless the entire tissue of interventions was repealed.

Holding these views, and hewing to truth indomitably in the face of a century increasingly devoted to statism and collectivism, Mises became famous for his “intransigence” in insisting on a non-inflationary gold standard and on *laissez-faire*.²⁹

²⁹ Murray Rothbard, “Ludwig von Mises,” accessed from <www.mises.org/about/3248> (December 9, 2007). So long as private property rights are upheld, the free market allows the division of labor to expand,

In addition to his economic accomplishments, Mises was, “perhaps” Raico states, “the last authentic liberal in Europe.”³⁰ Mises was an economist who ardently defended the free market, *laissez-faire* position, at a time when Europe and perhaps the world were engulfed in the fervor of state expansion, socialism, Marxism, and fascism. However, Mises’s defense of free market capitalism was not the only aspect of his writing. His writings blended economics, history, sociology, philosophy and other disciplines. As Raico said, “I have never had to give up my opinion, that he[Mises] was the greatest social scientist of the twentieth century and the greatest social scientist I’ve ever encountered.”³¹

Mises was born September 1881, in the city of Lemburg, in Galicia, into a prominent Viennese family. He had a classical education through Austria’s *Gymnasium* education system, where his focus track was classical Greek and Roman thought.³²

thereby increasing productivity and the standard of living for all peoples. By freeing man from the economic sphere of life, leisure time allows for endless other possibilities to now become available to man. The common masses can now develop the “higher pursuits” of the spiritual, intellectual and moral realms which were once available only to the privileged aristocracy. This became possible only through the development of the market system, analyzed and explained by Mises in his various books. Mises considered scientific economic discoveries as something completely separate from his social philosophy. Economic science provides the evidence for the philosophical defense of *laissez-faire*. For Mises’s major exposition of these ideas see Ludwig von Mises *Human Action: A Treatise on Economics*, Scholars Edition (Auburn Ala: Ludwig von Mises Institute, [1949] 1998).

³⁰ Ralph Raico, “Mises Liberalism Revisited” (speech delivered at the Mises Institute’s 25th Anniversary Celebration, New York City 13 October 2007).

³¹ Ralph Raico, “Classical Liberalism” (speech given at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, Summer, 2001).

³² In his *Notes and Recollections* (South Holland, IL: Libertarian Press, 1978), Mises explains how he questioned the methodology of his history teachers whom he thought guilty of declaring nearly everything the German state did to be good and righteous. Mises recalled,

It was my intense interest in historical knowledge that enabled me to perceive readily the inadequacy of German historicism. It did not deal with scientific problems, but with the glorification and justification of Prussian policies and Prussian authoritarian government. The German universities were state institutions and the instructors were civil servants. The professors were aware of this civil-service status, that is, they saw themselves as servants of the Prussian king. (p.7).

Mises went on to study economics at the University of Vienna, which was, at the turn of the century, the great hub for Austrian economics. He was a left-liberal at that time, or what would today be called a social democrat, but he was not Marxist.

Mises was converted to the side of the free market and transformed into an economist by one of his great influences, his own teacher and the founder of Austrian Economics, Carl Menger.³³ Mises's second great influence was his teacher Eugen von Böhm-Bawerk, who expanded on Carl Menger's exposition particularly in the areas of capital and production.³⁴ This was the birth of 'Austrian' economics. Mises built on the foundation of his University of Vienna professors to more clearly conceptualize Austrian economics and to advance it into a total system.

³³ On Menger's importance, see for instance, Ralph Raico "The Austrian School and Classical Liberalism" in *Advances in Austrian Economics*, Volume 2A, JAI Press, 1995 pp 1-31. Raico writes, "the economic theory of the free market was placed on secure scientific footing...by Carl Menger." (p.2). Carl Menger's major book *Principals of Economics (1871)* was the first book of Austrian Economics. Here Menger establishes that the proper focus of micro-economics to be the individual acting human. This was in contrast to the prevailing and still dominant approach to explaining the functions of the market by focusing on aggregates, mechanistic equations, and determining factors, above and outside of individual acting man. Menger put forth the major discovery, the subjective theory of value. The subjective value theory exploded these other aggregated methods. The subjective value theory argued that the value, or therefore price, of a good can only be understood as implied within the action of the individual consumer. This contrasts the classical labor-theory of value, which suggests that the price of a good is determined by the amount of work, toil, 'utils,' or whatever goes into producing the good. The subjective value theory solved the problem plaguing classical economists as to why diamonds were worth more than water, even though water was far more useful. This shift in focus upon the individual as subject, rather than 'society' or 'nation' (which is actually just composed of individuals) has been called methodological individualism. "Methodological individualism," Raico writes, "has been a keystone of Austrian economics since the publication of the first Austrian work, Menger's *Principles*, in 1871." (Ralph Raico "The Rise, Fall, and Renaissance of Classical Liberalism," August 1992 <www.fff.org/freedom/0892c.asp> [November, 11 2007].)

³⁴ See Eugen von Böhm-Bawerk, *Capital and Interest*, 3 vols (South Holland, Ill: Libertarian Press, McMeel, 1977). In this work he surveys the fallacies then plaguing the history of economic thought and demonstrated that the interest rate is something inherent in the market, not an 'artificial' construct. The interest rate is a natural tendency reflecting the idea of "time preference," a universal fact, which explains how and why people prefer goods in the present rather than in the future. In *Positive Theory of Capital* (1888), Böhm-Bawerk argued for a theory of capital that exploded the Marxist 'exploitation theory' of capital. Capital was not a homogeneous tool used by the industrialists for enslaving the proletariat, but a complex and intricate concept that involves a time dimension in its implementation. This led to the realization that an economy can be said to be growing not simply by an increase in capital investment, but by longer and longer stages of production.

By 1906 he had already published two books on economic history and had received his doctorate, but was not able to land a paid teaching position. Mises was considered to be too dogmatic and too doctrinaire on the 'outmoded' *laissez-faire* position. This problem plagued Mises his entire career. Beginning 1909 and lasting for twenty five years, Mises supported himself as an economic advisor at the Vienna Chamber of Commerce.³⁵

Mises's first major achievement was the publication of *The Theory of Money and Credit*, originally titled *Theorie des Geldes und der Umlaufsmittel* in 1912.³⁶ Among the other achievements of this book, Mises developed the Austrian business cycle theory. His

³⁵ Eventually Mises would become the main economic advisor to the Austrian government, and he won a number of libertarian victories within the Austrian government. One of these was to prevent the run-away inflation of paper money by the central bank in Austria, a problem which was famously occurring in Germany and Italy during the inter-war years.

³⁶ This work helped to provide a theoretical basis for much of his following works. Mises's mentors Carl Menger and Böhm-Bawerk, were able to successfully articulate the 'micro' relations in the economy as they pertained to goods and services in the market. But with *The Theory of Money and Credit* Mises did what was then considered an impossible task, solving the problem of money in relation to theory of marginal utility and price. Money was the major aspect of the market in which Böhm-Bawerk had not expanded from Menger's foundation. Mises was able take an enormous leap for economic science, which was to place economics together as an integrated whole, combining the 'micro' and 'macro.' When Mises took up the task, Rothbard explains,

Marginal utility theory had not been extended to the value of money, which had continued, as under the English classical economists, to be kept in a "macro" box strictly separate from utility, value, and relative prices. Even the best monetary analysis, as in Ricardo, the Currency School, and Irving Fisher in the United States, had been developed in terms of "price levels," "velocities," and other aggregates completely ungrounded in any micro analysis of the actions of individuals. (Murray Rothbard, *Ludwig von Mises: Scholar, Creator, Hero* [Auburn: Ala: Ludwig von Mises Institute, 1998], p. 8.).

Mises was therefore able to show that the values of money, i.e. prices, are solely determined by the subjective valuation of every acting individual, participating in the market.

In the *Theory of Money and Credit* Mises also develops the famous "regression theorem" which explained the origin of money. He shows that society does not benefit from any increase in the money supply but actually suffers. The reader is taken through a step by step analysis as to how paper inflation causes the business cycle of artificial booms and then busts. Monetary inflation causes first false prosperity, when entrepreneurs and investors believe they see expanding markets. But then recessions and sometimes depressions follow the boom. This is caused by the inevitable misallocation and waste of resources that occur due to the false signals given to investors by the expansion of money and credit. Furthermore, printing paper money increasing the supply of money diluting the value of the currency in general. But inflation benefits those people who first receive the money and can purchase goods at a cheaper price before the overall devaluation occurs in the form of prices increasing. The beneficiaries are first and foremost government officials, banks, and other selected business institutions that have direct ties with the government.

student, Friedrich Hayek, eventually won the Nobel Prize in this area of economics. Mises and Hayek warned throughout the 1920s that the period of booming wealth, an era of so-called “permanent- prosperity” was a façade. The boom period, they said, is only a temporary high due to the enormous increase in artificial paper currency being printed by governments. For various reasons they warned that these monetary policies will inevitably result in bank panic and then depression. The world, of course, did not heed this warning.

During World War I Mises served as a captain in the Austrian Army from 1914-1918, mostly with the artillery in the Austro-Hungarian cavalry. Mises was stationed primarily on the Eastern front in the Carpathian mountains, Russian Ukraine, and the Crimea. When he returned to civilian life, Mises was again unable to land a paid professorship despite being supremely qualified. From 1920 to 1934, from his office at the Chamber of Commerce, he conducted a private seminar. This seminar attracted brilliant thinkers, including Lionel Robbins and Friedrich Hayek. Hayek was a socialist who converted to the free-market position after reading Mises’ second major work, *Socialism (1922)*.³⁷

Raico has stated on repeated occasions that *Socialism* was the most important book he has ever read in the social sciences.³⁸ Furthermore, he writes, “If a date were to

³⁷ See F.A. Hayek’s Forward to Ludwig von Mises *Socialism: An Economic and Sociological Analysis* (Indianapolis, IN: Liberty Fund, Inc. [1922] 1981), p. xv.

³⁸ Ralph Raico, “The Legacy of Ludwig von Mises,” *The Libertarian Review* (September 1981), p. 19, and “The Life and Work of Ludwig von Mises” (speech recorded at the Ludwig von Mises Institute, Auburn, Alabama, July 31, 2005) and also “History: A Struggle for Liberty” (seminar recorded at the Ludwig von Mises Institute, Auburn Alabama, June 16-20).

be put on the rebirth of classical liberalism, it would be 1922, the year of the publication of *Socialism*, by the Austrian economist Ludwig von Mises.”³⁹ As Raico states:

In *Socialism*, he [Mises] threw down the gauntlet to the enemies of capitalism. In effect, he said: “You accuse the system of private property of causing all social evils, which only socialism can cure. Fine. But would you now kindly do something you have never deigned to do before? Would you explain how a complex economic system will be able to operate in the absence of markets, and hence prices, for capital goods?” Mises demonstrated that economic calculation without private property was impossible, and exposed socialism for the passionate illusion it was.⁴⁰

The follow up to *Socialism* was a smaller book appropriately titled *Liberalism* (1927).⁴¹ As a graduate student, Raico translated *Liberalism* from German. This translation has been in print ever since it appeared in 1962. In *Liberalism* Mises provides a positive philosophical argument for the philosophy of classical liberalism as based heavily on private property rights. “What stands out in Mises’s work [*Liberalism*],” states Raico, “is that he places at the very head of the liberal program private

³⁹ See Ralph Raico, “The Rise, Fall, and Renaissance of Classical Liberalism,” August 1992, <<http://www.fff.org/freedom/0892c.asp>> (December 22, 2007).

⁴⁰ Ralph Raico, “The Legacy of Ludwig von Mises,” *The Libertarian Review*, September 1981, p. 19. The famous core argument of *Socialism* is that economic calculation under full socialism is impossible. In essence, Mises explains that prices, the reflection of value expressed by individual consumers, would be impossible to calculate in a full-socialist society. Mises had originally developed this argument in an article published in 1920 entitled “Economic Calculation in the Socialist Commonwealth.” Any system other than one upholding full private property rights will result in enormous waste and misallocation of resources due to the impossibility of central planners to know and anticipate into the wants and needs of consumers. The only possible result of socialism is a breaking down of the economy and civilization

Therefore, the planners are “blacked-out,” that is, they are clueless as to how to best utilize resources and capital investment. The resulting waste and misallocation of resources leads to the breakdown of civilization, to eventual brutality and starvation.

Socialism covers far more ground than the economic calculation argument. It is an all encompassing, economic, sociological and philosophical critique of the policies of government intervention into a free society. Nearly all aspects of life, including not only production but also education, the arts, natural sciences, family, marital relations, religion, are critiqued in their relation to socialism. Mises also displays full comprehension of the major classical and modern works, as well as fluency in languages besides German, including French, English, and Latin. See Ludwig von Mises *Socialism: An Economic and Sociological Analysis* (Indianapolis, IN: Liberty Fund, Inc. [1922] 1981)

⁴¹ See Ludwig von Mises, *Liberalism: In the Classical Tradition* (Irvington-on-Hudson, NY: Foundation for Economic Education, 1985).

property...This distinguishes distinguished Mises boldly from those writers who were then calling themselves liberals.”⁴²

In 1940, Mises was forced to immigrate to America with his wife Margaret in order to escape the growing tide of anti-Semitism that was sweeping Europe. He was living in Switzerland after escaping the Nazi takeover of Austria. Trying to locate Mises, the Nazis raided his office at the Chamber of Commerce and confiscated many of his papers and letters. Mises then had to give up his brief, salaried professorship at the Graduate Institute of International Studies in Geneva when anti-Semitism made his position there untenable.

In America, Mises looked desperately for work and he was finally permitted an unpaid, part-time position at New York University’s Graduate School of Business. His sources of revenue came from private donors. Mises conducted a seminar held at New York University every Thursday night from 1945-1969. Over these years Mises attracted

⁴² Ralph Raico, “The Life and Work of Ludwig von Mises,” speech recorded at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, July 31, 2005. While many of the same themes of *Liberalism* were splashed throughout his critique of government in *Socialism*, Mises elaborates and provides a fully developed philosophical framework of classical liberalism. It is a book defending classical liberalism unlike any other, as Raico summarizes:

Mises’s *Liberalism* stands in bold contrast to the mass of other works in the field. In clean, clear lines it sets out what it meant to be a liberal when liberalism was the specter haunting Europe and, indeed, much of the rest of the world. Liberalism is shown, in Mises’s exposition, to be a coherent theory of man and society and of the institutional arrangements that are required to promote social harmony and the general welfare. In particular, the social philosophy is placed squarely on the secure foundation of private property in the means of production. No attempt is made to accommodate the concept of liberalism to standpoints intrinsically incompatible with it, such as socialism or any variety of interventionism. On the contrary, starting from the principle of private property, Mises demonstrates how the other elements of the liberal worldview — personal freedom, peace, democratic government, tolerance, and equality before the law — are linked to it in an indissoluble whole.

Especially noteworthy is Mises’s emphasis on peace as one facet of the classical-liberal philosophy, an aspect too often neglected in treatments of the topic. Mises is solidly in the tradition of the makers of the liberal ideology when he states that Heraclitus was wrong, “not war, but peace, is the father of all things.” His condemnation of war, imperialism, and jingoistic hysteria reiterates and develops that of Condorcet and Benjamin Constant, Cobden and Bright, Spencer and William Graham Sumner, and virtually all the others. (Ralph Raico, “The Place of Mises’s *Liberalism*” originally published in *The Freeman*, November 1985, accessed from < <http://mises.org/daily/4582/The-Place-of-Mises-Liberalism> < [12/15/12])

a colorful variety of journalists, businessmen, writers, and students, including many from other universities who enthusiastically vowed to keep the classical liberal ideals alive.

While in America, Mises wrote two books with the support of private grants, *Omnipotent Government: The Rise of the Total State and Total War* and *Bureaucracy*, both published in 1944.⁴³

In 1949, Mises came out with his most famous achievement, *Human Action: A Treatise on Economics*. Raico considered *Socialism* Mises's most important book (probably because of its demolition of socialism), but Raico considers *Human Action* to be perhaps *the* greatest work in the social sciences.⁴⁴ Mises had originally written a German addition called *Nationalökonomie: Theorie des Handelns und Wirtschaftens* while in Geneva in 1930s. That earlier German version of *Human Action* sunk without a trace under the political climate of World War II. Mises advanced his ideas in *Nationalökonomie* into *Human Action*, expanding and clarifying many points. *Human Action* was the consummation of Mises's lifelong study of economics and the social sciences. The book combined and elaborated on his theoretical discoveries and the arguments against socialism, and presented economics as a total system. It was the first fully systematized and integrated treatise on economics to appear in many decades and yet was ignored by the economic establishment. Mises's final major work was *Theory*

⁴³ In, for instance, *Nation, State and Economy* (1919), Mises advocated for the right of unlimited succession- that governments must allow for their citizens to opt out of their governing body. A theoretical work, *Epistemological Problems of Economics* was published in 1933 and later translated by George Riesman to English. Here Mises distinguished economic science from the natural sciences. The book was a devastating critique of positivism in the social sciences, i.e. the mimicking of the methodologies of the natural sciences in the social sciences.

⁴⁴ See Ralph Raico, "History: A Struggle for Liberty" (seminar recorded at the Ludwig von Mises Intitute, Auburn Alabama, June 16-20).

and History (1957), a book of particular importance in forming Raico's methodological approach to history.⁴⁵

Above all, the greatest experience in Raico's intellectual development was coming to know Mises personally through attending his New York University seminar. While the boys familiarized themselves with Mises's books, nothing could take the place of getting to learn directly from the master. This is exactly what Raico and Reisman were able to do, as they attended Mises's evening seminar even while still in high school.

5. NYU Seminar

Speaking about the seminar, Raico remarks that "to this day, it stands out in my mind as the most exciting intellectual experience of my life."⁴⁶ Reisman felt the same, recalling that he felt as if he was "sitting a few feet away from one of the truly great men in all of human history."⁴⁷ The boys were just 16 years old when they first began attending in 1953,⁴⁸ the youngest regular attendees.⁴⁹ Margret von Mises, in her

⁴⁵ See Ludwig von Mises, *Theory and History* (New Haven, CT: Yale University Press, 1957). Here Mises criticizes what he believes are unscientific attempts to create models and theories of history, attempted by such writers as Marx and Hegel. He also points out that historical writing is simply the historian's interpretation of past events, not something in which universal laws can be discovered through deduction. *Praxeological* science should be used by the historian to interpret human events, and in this way history can provide illustrations of the consequences of economic law. Raico paid particular attention to Mises's understanding of history. He states,

...He [Mises] was a great economist and a great social philosopher, but he also studied history-extensively and very deeply. He was very concerned with history. And he wrote a book on methodology that had to do with the methodology of history-*Theory and History*...My own opinion is that he had the tendency to go to the heart of the matter where others may have floundered around or maybe lost themselves in a lot of detail and verbiage. (Ralph Raico "The Life and Work of Ludwig von Mises" [speech given at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, July 31, 2005]).

⁴⁶ Ralph Raico, "2000 Schlarbaum Award Speech" (Speech given at Mises Institute 2000 Supporters Summit on The History of Liberty, Auburn, Alabama, January 28-29, 2000).

⁴⁷ George Reisman, "The Mises Circle"

⁴⁸ Murray N. Rothbard *Ludwig von Mises: Scholar, Creator, Hero* (Auburn, Alabama: Ludwig von Mises Institute, 1988) online addition <www.mises.org/rothbard/scholarhero.pdf> (December 23, 2007), p 54.

⁴⁹ *Ibid.*, p. 49.

biography of her husband, recalled that Raico was a high school student at the seminar who Mises “watched with great expectations.”⁵⁰

Mises conducted the New York University seminar in the same way that he did the Vienna seminars. Seated at the head of a conference table he would open the seminar with about an hour long talk. Then one of the students would present an assigned research paper and the floor would then open to general discussion. Mises spoke English well, but retained a very heavy German accent. As far as academic freedom was concerned, his general approach was pure intellectual *laissez-faire*. No topic was off the table for discussion. Of course, the central theoretical tool used in the seminar and throughout Mises’s work was economics. In fact, though, Mises originally called his work “sociology” in order to more accurately describe his analysis of society (he later gave up the term when it became almost entirely synonymous with socialist views).⁵¹

Conversations continued on after class, when seminar members, including Mises, went across the street to eat at Child’s Restaurant and then over to Café Lafayette.⁵² Talking and debating would go very late, sometimes into the middle of the night.

On the very first night of the seminar Raico and Reisman met Mises’s intellectual successor. His name was Murray Rothbard (1926-1995) and the boys were fascinated by him. Rothbard was about ten years older and on his way to getting a doctorate in economics from Columbia University. He had been attending the seminar some years

⁵⁰ Margrit von Mises, *My Years with Ludwig von Mises* (New Rochelle, New York: Arlington House Publishers, 1976), p. 137.

⁵¹See Jörg Guido Hülsmann, *Mises: The Last Knight of Liberalism* (Auburn, Alabama: Ludwig von Mises Institute, 2007) p. 135. Carl Menger had originally called his work sociology after the term was invented by the French positivist Auguste Comte and Mises followed Menger’s and his friend Max Weber’s use of the term.

⁵² *Ibid.*, p. 847.

before Raico and Reisman arrived. Rothbard was already considered to be Mises's intellectual successor.

One thing that impressed everyone, including Rothbard, was Mises's command of languages. Mises could speak German, English, French and Italian, and he could read Spanish, Latin and Greek. Mises brought the intellectual standard of the University of Vienna to New York University. Viennese professors would often consider a work unscholarly if one did not cite passages in at least two foreign languages (usually one of those being Greek). On advice from Mises, Raico became fluent in foreign languages, notably German, French and Italian.⁵³

Raico believed Mises to be a marvelous teacher, whose display of reason, patient logic and clarity was never matched. Periodically in his career, Raico has lavished praise upon Mises, referring to him at one instance as a "culture hero."⁵⁴ This glorification has contributed to a belief that Raico is partially responsible for a Mises "cult." "There is no question of a cult," Raico insists. Then he adds, in typically sarcastic fashion, "I am, however, personally grateful to Mises for having cured me of blindness by touching me one time. And he raised my brother-in-law from the dead."⁵⁵

Raico often points to where he believes Mises went wrong. In one lengthy article in the *Journal of Libertarian Studies* Raico argues that Mises's utilitarianism (particularly the role of democracy in Mises's social philosophy) and Mises's views on imperialism

⁵³Jörg Guido Hülsmann, *Mises: The Last Knight of Liberalism* (Auburn, Alabama: Ludwig von Mises Institute, 2007) p. 897. According to Hülsmann, Raico began translating Mises' *Liberalismus* in the summer of 1956, with the Volker Fund sponsoring the translation (p. 897).

⁵⁴ Raico refers to a "culture hero" as someone who is not only a great thinker but whose life and courage serve as a model. In a lecture he mentioned Lord Acton and Richard Cobden as such "culture heroes." See Ralph Raico "History the Struggle for Liberty" (seminar recorded at the Ludwig von Mises Intitute, Auburn Alabama, June 16-20).

⁵⁵ Ralph Raico, "Classical Liberalism" (speech recorded at the Mises University, Ludwig von Mises Institute, Auburn Alabama, summer 2001).

were quite weak.⁵⁶ Concerning Mises's view of democracy, there are many contradictions. Raico writes:

...Mises was no adherent of the "classical republican," or "civic humanist" ideal. Unlike Benjamin Constant and particularly Alexis de Tocqueville, for instance, he makes no mention of the value of democratic participation in elevating and helping perfect the character of the citizens. In Mises's analysis, the fundamental justification of democracy is that, when it comes down to it, "the majority will have the power to carry out its wishes by force..."⁵⁷

But as Raico shows, the "majority will" may not always be on the side of liberalism. In Mises's view, then, what is the liberal to do?⁵⁸

Raico also criticizes Mises's belief that liberalism provides the scientifically correct, rational arguments for the kind of society the majority of people prefer. According to Mises, liberalism's success is simply based on the pro-liberal arguments winning out in the public arena. Raico maintains that this is unworkable. He grants that Mises provides a scientific basis for economics, however Raico agrees with Austrian economist Walter Sulzbach, that, "Mises's alleged grounding of liberalism on the bedrock of science is a mirage."⁵⁹ Finally, while Mises was no lover of colonialism or

⁵⁶ See Ralph Raico, "Mises on Fascism, Democracy, and Other Questions," *Journal of Libertarian Studies*, Vol. 12 No. 1, Spring 1996, pp. 1-27.

⁵⁷ Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. 282.

⁵⁸ *Ibid.*, p. 283.

⁵⁹ *Ibid.*, p. 289. Mises believed that the liberal order must be maintained because it is the scientific one and rational position. Raico writes that:

Mises even asserts [in *Liberalism*]...that: "We [liberals] attack involuntary servitude, not in spite of the fact that it is advantageous to the 'masters,' but because we are convinced that, in the last analysis, it hurts the interests of all members of human society, including the 'masters.'" The same holds for all those who enjoy special privileges: unionized workers, workers shielded from the competition of immigrants, "protected" industrialists, and so on.

Yet it is impossible to deny that these groups are in an important sense benefited by their various privileges. Mises's claim is that the renunciation of these advantages is only "provisional," that it is "very quickly compensated for by higher and lasting gains." But this will not work...(pp. 288-289).

Raico continues as to why "this will not work" by a referring to series of fascinating comments by Sulzbach:

...For a particular group to behave in a way that is useful to the "whole," what is required is an appeal to their conscience, not to enlightenment, as rationalistically-oriented liberalism in the

imperialism, Raico takes serious issue with Mises's passivity towards the British Empire and its maintenance of overseas colonies.⁶⁰

Placing these quibbles aside, there is no mistaking the enormous degree of esteem Raico holds for Mises. Following Mises's death in 1973, Raico wrote a tribute piece in the *Libertarian Review*, expressing his personal gratitude to Mises. Raico concludes:

...[Mises's] immense scholarship, bringing to mind other German-speaking scholars, like Max Weber and Joseph Schumpeter, who seemed to work on the principle that someday all encyclopedias might very well just vanish from the shelves; the Cartesian clarity of his presentations in class (it takes a master to present a complex subject simply); his respect for the life of reason, evident in every gesture and glance; his courtesy and kindness and understanding, even to beginners; his real wit, of the sort proverbially bred in the great cities, akin to that of Berliners, of Parisians and New Yorkers, only Viennese and softer — let me just say that to have, at an early point, come to know the great Mises tends to create in one's mind life-long standards of what an ideal intellectual should be.⁶¹

Finally, Murray Rothbard mentions in his biography of Mises that Raico sent him a passage from the poet Shelley when Mises passed away. Rothbard writes:

...Professor Raico kindly sent me a deeply moving passage from *Adonais*, Shelley's great eulogy to Keats, that, as usual for Raico, struck just the right note in a final assessment of Mises:

For such as he can lend — they borrow not
 Glory from those who made the world their prey;
 And he is gathered to the kings of thought
 Who waged contention with their time's decay,
 And of the past are all that cannot pass away.⁶²

end always believed...it is the old Christian-theological doctrine of the special election of the human soul that lives in all liberal and democratic enlightenment, and which, because it has forgotten its origin, considers itself the result of 'science.' (p. 289).

⁶⁰ Quoted in Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. 292. Raico acknowledges Mises position that "no chapter in history is steeped further in blood than the history of colonialism" (p. 292). But Mises was much too prone to giving a pass to the colonial powers, especially when their colonialism led to the opening up of international trade. "Overall," Raico writes, "it must be said that Mises's views on these questions are in sharp contrast to the traditional liberal perspective represented by [Richard] Cobden and his school, which held that any government involvement in international trade was illegitimate." (p. 293.)

⁶¹ Ralph Raico, "The Legacy of Ludwig von Mises," *The Libertarian Review* (September 1981) p. 19.

⁶² Murray N. Rothbard *Ludwig von Mises: Scholar, Creator, Hero* (Auburn, Alabama: Ludwig von Mises Institute, 1988), p 59.

Raico and Reisman continued attending Mises's weekly seminar after graduation from Bronx High School of Science. Both were now enrolled at separate colleges in the area. Raico attended City College of New York and Reisman went to Columbia. Camaraderie among fellow students at the Mises seminar led to the formation of a libertarian 'band of brothers.' They named their club after the French libertarian economist Frédéric Bastiat, calling it *Circle Bastiat*.

6. *The Circle Bastiat*

The mission of *Circle Bastiat* was to unite in intellectual battle against ideological forces pitted against liberty. The *Circle* consisted of Raico, Reisman, Murray and JoAnn Rothbard, Leonard Liggio, Robert Hessen, Ronald Hamowy, Fred Preisinger, and Bruce Goldberg. All were high-spirited, ambitious, and of course libertarian thinkers who, Rothbard claims, "have been unmatched anywhere."⁶³

The *Circle*, "was one of the most enjoyable times in my life,"⁶⁴ says Raico. By all accounts this was the most exciting, even raucous time in all of their young careers.

Rothbard remembers:

...we all became fast friends, forming ourselves into a highly informal group... We had endless discussions of libertarian political theory and current events, we sang and composed songs, joked about how we would be treated by "future historians," toasted the day of future victory, and played board games until the wee hours. Those were truly joyous times.⁶⁵

They played practical jokes in public places, attended events and movies together, and

⁶³ Murray N. Rothbard, *The Betrayal of the American Right* (Auburn, Alabama: Ludwig von Mises Institute, 2007), p. 145.

⁶⁴ Ralph Raico, "The Mises Circle"

⁶⁵ Murray N. Rothbard, *The Betrayal of the American Right* (Auburn, Alabama: Ludwig von Mises Institute, 2007) p. 145.

they met frequently, almost always at Rothbard's apartment on West 88th street. "Murray had this magnificent library," remembers Raico. "He just had read more than just about anyone I had ever met up until that time, except maybe for Mises. If anything came up, he would go and get one of his books out and show a passage."⁶⁶ The Rothbards were generous hosts, always serving them food and drinks. Raico recalled, "like a typical kid, it never occurred to me to bring a bottle of wine, I just sort of accepted their generosity at

⁶⁶ Ralph Raico, "The Mises Circle." As an interesting side note, during this time Raico had a direct hand in converting Robert Nozick, author of *Anarchy, State, and Utopia* (1974) to the libertarian camp. Nozick is perhaps second only to Hayek in achieving a major breakthrough to mainstream academia for the free-market libertarian position. And one might argue second in overall influence and prestige in modern political philosophy, only after John Rawls' *A Theory of Justice* (1999). Nozick was appointed to a position of professor of philosophy as young superstar at Harvard before his book *Anarchy, State, and Utopia* did much to shake the academic world. While majoring in philosophy as a graduate student at Princeton, Nozick was a social democrat. He was introduced to the libertarian position, thanks to the influence of Raico's best friend from City College of New York, Bruce Goldberg. And Goldberg was converted to libertarianism by Raico.

Raico and Goldberg became close friends at City College during their attendance in the mid-50s. After repeated and ever-long debates, Raico converted Goldberg from Marxism to his hardcore libertarian. Raico invited Goldberg to visit the Mises seminar and meet Murray Rothbard. Goldberg, like Nozick was a lover of philosophy, and he and Nozick became friends while studying for their doctorates at Princeton. Raico recalls:

At Princeton, Goldberg and Nozick gravitated to each other at once, both recognizing the other's obvious high intelligence and deep love of philosophy. But Bruce was always a fervent missionary, for whatever views he might hold at the time (there weren't that many throughout his life, and all of them were well thought out). He pressed his libertarianism on Bob, who, ever intellectually omnivorous, quickly absorbed Mises, Hazlitt, Hayek, and other thinkers. (Ralph Raico *Robert Nozick: A Historical Note*, February 5, 2002 <<http://lewrockwell.com/raico/raico15>> [February 18, 2008]).

According to Raico, the final nail in the coffin was when Goldberg brought Nozick to a Circle Bastiat meeting in the early 60s. Here Nozick met Rothbard for the first time, and as Nozick says in the acknowledgments to *Anarchy, State and Utopia*, "it was a long conversation about six years ago with Murray Rothbard that stimulated my interest in individualist anarchist theory. Even longer ago, arguments with Bruce Goldberg led me to take libertarian views seriously..." (Robert Nozick *Anarchy, State, and Utopia* [New York, NY: Basic Books, Inc., Publishers, 1974] xv-xvi).

Nozick took libertarian theory down a much different path than that of Rothbard. Professor Hans-Hermann Hoppe has pointed out the characteristic difference between Rothbard and Nozick's philosophical methods. *Anarchy, State, and Utopia* argued for a minimal state, but the chief characteristic of the book is its open ended arguments and somewhat obscure and contradictory rhetoric. According to Hoppe, Rothbard's work of political philosophy, *The Ethics of Liberty*, is methodologically opposite. Rothbard maintains crystal clear argumentation beginning with simple axioms and truths and rigorously develops his arguments to further and further truths and confronts the major objections along the way. This is the *a priori* method Rothbard acquired from Mises- to start from the simple, most basic, and to build the edifice on top of these truths. Still, *Anarchy, State, and Utopia* made a very positive contribution to the libertarian movement. (Hans-Hermann Hoppe introduction to Murray N. Rothbard *Ethics of Liberty* [New York, NY: NYU press, 2003]).

face value.”⁶⁷ Many lasting ideas exploded out of the discussions, but mostly the *Circle Bastiat* was a fun place to be. Raico recalls:

One thing I remember most was the laughs. Murray was the funniest, wittiest person that I ever met in my life. And Ron Hamowy in those days was a close second. It would be impossible to convey to you the sort of thing that went on...I don't want to say it was the salon of Madame de Stael or anything ...[but we] were constantly in stitches.⁶⁸

Rothbard described Raico as, “unquestionably our Major Poet.”⁶⁹ Raico wrote poems in the spirit of the *Circle Bastiat's* youthful, sunny optimism even in the face of insurmountable odds. The poems were usually composed in the form of “fight songs.” They express the *Circle's* thirst for a libertarian utopia. Some of Raico's hymns were remembered by Rothbard. They describe the fall of the leviathan state and the return of the free society;

One by one the States are dying, see the age-old monsters fall,
As the world resounds in answer to the Circle's trumpet call.
We'll not rest until all States are gone and men are freemen all,
Onward, onward Circle brothers (repeat twice)
For that day lies at hand.

And the “Circle Theme,” which was sung to the tune of “America the Beautiful,”

It's ours to right the great wrong done,
ten thousand years ago.
The State, conceived in blood and hate,
remains our only foe.
O, Circle Brothers, Circle brothers, victory is nigh.
Come meet your fate, destroy the State,
and raise the banner high.⁷⁰

⁶⁷ Ralph Raico, “The Mises Circle”

⁶⁸ Ibid.

⁶⁹ Rothbard to Kate Dalton, undated letter (mid-90s) quoted in Justin Raimondo, *An Enemy of the State: The Life of Murray N. Rothbard* (Amherst, New York: Prometheus Books, 2000) p. 83.

⁷⁰ Justin Raimondo, *An Enemy of the State: The Life of Murray N. Rothbard* (Amherst, New York: Prometheus Books, 2000) pp. 83-84.

By all accounts the *Circle Bastiat*, was centered around the brilliant, exuberant and indefatigable personality of Murray Rothbard. Along with many other libertarians, Raico naturally gravitated towards him. Rothbard was not yet known as “Mr. Libertarian.” As Raico remembers:

Murray was someone special. I recognized that fact the first night I met him. It was after the Mises seminar... Murray suggested we have coffee and talk...Murray was totally inner-directed, in every way his own man, guided always by values that were an inseparable part of him—above all, his love of liberty and of human excellence. Murray, too, had a zest in life, the capacity for enjoying the amazing spectacle, and a non-stop ability to laugh at the absurdities.⁷¹

One thing that is often most remembered, and even joked about, was Rothbard’s unyielding optimism. All the way until the end of his life in 1995, and through the darkest days of the libertarian movement, Rothbard was unyieldingly optimistic. Part of libertarian folklore is that during the 1950s and early 1960s the entire libertarian movement could be found in Rothbard’s New York City apartment. Even so, Raico writes,

...He[Rothbard] was never a pessimist. In fact, he was the eternal optimist, slashing away at the follies of the world, puncturing the balloons of pomposity, and expecting that somehow, someday, it would make a difference. Liberty and truth would win out.⁷²

Early in his career Rothbard wrote a major economic treatise called *Man, Economy, and State* (1962), which Mises himself praised.⁷³ And Rothbard went on to author twenty-eight books and hundreds of articles ranging from pure economic theory to philosophy, history, and social commentary. He pushed Raico even further out of his original right

⁷¹ Ralph Raico’s memories of Murray Rothbard in *Murray N. Rothbard: In Memorandum*, Llewellyn H. Rockwell Jr., Ed., (Auburn: Ala: Ludwig von Mises Institute, 1995), 2-3.

⁷² *Ibid.*, p. 3.

⁷³ See Ludwig von Mises, review of *Man, Economy, and State*, by Murray Rothbard in the *New Individualist Review*, Vol 2, No. 3., Autumn 1962.

wing-conservative or ‘traditionalist’ views. Rothbard broke from Mises on the most fundamental question of politics--what should be the role of government? Raico amusingly recalls Rothbard’s radicalism in a conversation after the first seminar.

My friend and I [Reisman] were dazzled by the great Mises, and Murray, naturally, was pleased to see our enthusiasm. He assured us that Mises was at least the greatest economist of the century, if not the whole history of economic thought. As far as politics went, though, Murray said, lowering his voice conspiratorially, “Well, when it comes to *politics*, some of us consider Mises a member of the non-Communist Left.”⁷⁴

Rothbard argued for the ideal libertarian society where the state as an institution of compulsion and coercion, should not exist at all. In one of his early works, which was actually released several years after he wrote it, called *Power and Market (1970)*, Rothbard argues against the necessity of the state in virtually every aspect of life. He maintained throughout his career that every form of government intervention into the free market is unjust because it hinders and impedes the natural functioning of society. In *For a New Liberty: The Libertarian Manifesto (1973)*, Rothbard turned to the Natural Law of Catholic scholasticism as a positive social philosophy to uphold the anarcho-capitalist position. He defended the Natural Law position against the philosophic foundations of Mises, Robert Nozick, and others, in his most philosophical work, *The Ethics of Liberty (1982)*. Although Raico often refrained from referring to himself as an anarcho-capitalist, he admits that Rothbard introduced him to “the totally voluntary society”⁷⁵ In

⁷⁴ Quoted from Ralph Raico’s recollections of Rothbard in Llewellyn H. Rockwell, Jr., ed. *Murray N. Rothbard: In Memoriam* (Auburn, Ala: Ludwig von Mises Institute, 1995), p. 3. This was a giant leap from Mises’s own classical liberal and utilitarian philosophy of minimalist state. For Mises, the state was at best a necessary evil. Government is an institution granted by the consent of people to protect life, liberty and property. If it fails in this endeavor, the people can abolish and replace it. But Mises never went so far as arguing against the necessity of the state even arguing at times against anarchism and the natural law principals on which the anarchy case rests.

⁷⁵ Ralph Raico, “The Mises Circle.”

addition, Rothbard introduced Raico to one of his major life-long interests, historical revisionism.⁷⁶

Raico continued his close friendship and ideological affiliation with Rothbard until the end Rothbard's life in 1995. Meanwhile, George Reisman also became extremely close friends with Rothbard, perhaps more so than Raico. Rothbard told Reisman that he never had met anyone more like himself.⁷⁷ They were perhaps equals in terms of their capacity for understanding economics and debating. But they soon discovered that they often did not agree, even on basic philosophic points. A rift developed between Rothbard and George Reisman which became so inflamed that Raico was forced to choose a side. The wedge that divided these two 'American' Austrian economists concerned novelist and philosopher Ayn Rand.

7. Encounters with Ayn Rand

Raico and the *Circle Bastiat* were all influenced, in varying degrees, both in writing and in person, by the philosopher/novelist Ayn Rand (1885-1982). Rand is possibly the most influential individual figure of the modern libertarian movement due to the enormous popularity of her novels. She was a great admirer of Mises, and in her best-selling works *Fountainhead* (1943) and *Atlas Shrugged* (1957), she spread the ideas of the free market. Rand also created a philosophical system called Objectivism.⁷⁸

⁷⁶ See on this, Ralph Raico, "Murray Rothbard at his Semicentennial," *Libertarian Review* 1976 < <http://mises.or/daily/4436> > (July, 24, (2010). Revisionism would become, along with the history of classical liberalism, Raico's major intellectual contribution.

⁷⁷ George Reisman, "The Mises Circle."

⁷⁸ Objectivism is closely aligned with Aristotle, but also Nietzsche, in asserting that knowledge and values exist because Man's mind is able to factually identify their existence. Man uses reason to achieve his goals. In objectivist philosophy reason is the highest value. The highest end of man, and the highest moral purpose, is the rational pursuit of one's own self-interest and happiness.

Raico, through numerous meetings, came to know Rand very well. Rothbard had known Rand before the *Circle Bastiat* had been formed. Rand lived in New York as well and she was legendary in libertarian circles well before *Atlas Shrugged* was published.

Rothbard came into a close association with Rand sometime in the mid 1950s. Raico recalled that the Randians looked to Murray Rothbard, “for possible inclusion in their inner-circle.”⁷⁹ By 1954 Rothbard began visiting with Rand more regularly, but he describes having mixed feelings about these encounters.⁸⁰ The rumors of Rand’s forthcoming blockbuster book *Atlas Shrugged* had been causing excitement among libertarians. Just before *Atlas* was published, Rothbard offered Reisman and Raico a chance to meet her. Rothbard presented this opportunity to his two friends with great reluctance. Reisman recalled that “his voice seemed to project a profound exhaustion at the prospect.”⁸¹ Rothbard grudgingly came through to arrange a meeting for a Saturday night in July, at Rand’s apartment in midtown Manhattan.⁸²

There were two initial meetings between the members of the *Circle Bastiat* and Ayn Rand’s group. Both were said to have lasted until the early hours of the morning. The meetings were marked by Reisman engaging Rand in long philosophical debate over the validity of utilitarianism. Reisman was greatly moved and influenced by these

Rand believed that reason has perhaps never been so consistently and relentlessly under assault than the present age. Politically she was a classical liberal, an advocate of *laissez-faire* economics, and for non-intervention in foreign policy. Only under the conditions of strictly limited government power, not socialism, can Man fully achieve his potential and happiness. In the tradition of classical liberalism, Rand was an admirer of the positive natural rights arguments of John Locke.

On most general political issues, the scattered libertarian camps were generally in agreement with Rand’s arguments. But Rothbard, Raico, and their band of hardcore-what came to be called ‘paleo-libertarians,’ could not ultimately accept her philosophy as a legitimate defense of capitalism.

⁷⁹ Ralph Raico, “The Mises Circle”

⁸⁰ See Justin Raimondo, *An Enemy of the State: The Life of Murray N. Rothbard* (Amherst, New York: Prometheus Books, 2000) p. 109.

⁸¹ George Reisman, “The Mises Circle.”

⁸² George Reisman, “A Student of Mises and Rand,” 2003, <www.lewrockwell.com/orig3/reisman1.html> (6 December 6, 2007).

debates.⁸³ For a brief time Raico and the other members of *Circle Bastiat* fell under the ‘spell’ of Ayn Rand and the ‘Randians.’

When *Atlas Shrugged* was released, the boys rushed out to grab early copies through Robert Hessen’s connection with a local book store. They immersed themselves in the book and would telephone each other late at night to discuss the plot. Then the *Circle Bastiat* members once again visited Rand’s apartment to discuss the book.⁸⁴ Raico attended the 1958 ‘fiction lectures’ by Rand in her apartment’s living room.⁸⁵ These were a series of twelve, four-hour long lectures concerning all the most important points in her fiction writings and her objectivist philosophy, limited to a small group of friends and acquaintances.

Raico’s closeness to Rand and her followers allowed him to see peculiarities within Rand’s circle. Rand had a very close knit and what many have described as a

⁸³Ibid. Reisman had picked up utilitarianism from Mises, which holds to the belief that all human values are subjective. Rand’s objectivism maintained the exact opposite, that human values are in fact objective. Reisman recalled being trapped and cornered by Rand in the debates. He was always being led into statements which concluded things he did not intend. The encounters with Rand shook his utilitarian beliefs. As Reisman’s own thought developed, he eventually incorporated much of Rand’s Objectivism into his own philosophy of ethics. The influence became almost as great as that of Mises.

⁸⁴ Ibid. *Atlas Shrugged* introduced ‘objectivism’ to the *Circle Bastiat*, but not everybody was entirely convinced. The most enthusiastic admirer of objectivism turned out to be Reisman. Reading the book was a life altering experience for him. He could hardly eat or sleep until he finished the book. Reisman recalls that *Atlas Shrugged* solidified his new found appreciation for objectivism; he could now be confident in the ‘objective’ good of capitalism along with, among other things, the ‘objective’ good of the United States Constitution. The new philosophic path that Reisman took would eventually lead to a split between the two boys from Bronx Science.

⁸⁵Raico did not latch on to what seemed to be a cult-like mentality of the Randians as had Reisman. Rand, however, did influence Raico in a positive way through her personality. “Ayn was one of the most brilliant people I have ever met,” he recalled. And he described her as having *real* “charisma,” a word he feels that can only appropriately describe a very few people that have walked the earth. Raico describes her accomplishments:

She came to America penniless. She had menial jobs. She worked as a wardrobe consultant in Hollywood. She kept writing. She finished *Fountainhead* and sent it to seventeen publishers who turned it down until Bobbs-Merrill in Indianapolis finally published it. Altogether, she wrote what she wanted to write. She became a millionaire. She became famous. She had followers. She crafted a philosophy that attracted thousands and thousands, maybe tens of thousands of people. And she died maybe not a happy woman, but she achieved a great, great deal in her life...I will always respect her (Ralph Raico, “The Mises Circle: Memoirs of Hayek in Chicago and Rothbard in New York” [speech given at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, August 1, 2005])

‘cult-like’ inner circle. “At the time” Rothbard explained, “we didn’t know that we were entering a totalitarian cult; we naively thought we were meeting another group of libertarians or quasi-libertarians.”⁸⁶ Rand’s avid followers came to be known as ‘Randians’ and they were led by a husband and wife duo, Nathaniel and Barbara Brandon. According to Rothbard, the “fanaticism with which they worship Rand and Brandon has to be seen to be believed, the whole atmosphere being a kind of combination of religious cult and Trotskyite cell.”⁸⁷ Raico may not have shared Rothbard’s disdain for the Randians, but as we shall see, he was eventually banished from their circle.

A major bone of contention was the Randian’s distaste for JoAnn Rothbard’s Christian faith. JoAnn Rothbard, like her husband, was being groomed by the Randians to become a follower of Rand. However, the Randians could not accept JoAnn Rothbard being a Christian because Ayn Rand was famously a staunch atheist. Murray Rothbard wrote that “Rand hated God far more than she ever hated the State.”⁸⁸ The Randians convinced JoAnn to attend the atheist lectures of Earnest Nagel, Professor of philosophy

⁸⁶ Murray N. Rothbard, “My Break With Branden and the Rand Cult,” *Liberty* Vol 3, No 1 September 1989, p. 27.

⁸⁷ Quoted in Jorge Guido Hülsmann, *Mises: The Last Knight of Liberalism* (Auburn, Alabama: Ludwig von Mises Institute, 2007) p. 997.

⁸⁸ Murray Rothbard, “My Break With Branden and the Rand Cult” *Liberty* Vol 3, No 1 September 1989, p. 29. This would not, at first glance, appear to be a problem. But Professor Jörg Guido Hülsmann adequately explains why Rand’s atheism was a problem for many. He writes,

One position...particularly dear to these Randians was atheism—the religious belief in the non-existence of God. For Rand and her disciples it has always been a matter of course to contest any evidence purporting to prove the existence of God, and to emphasize any arguments or piece of evidence that was deemed to prove His non-existence. But this argumentative approach was chosen only when they confronted neophytes. With more senior members of the group, they felt they could expect a more “mature” stance on the God-question: the unconditional adoption of atheism. And they did not forgive the deviance.....One might argue that the Randian insistence on action in conformity with its atheistic ideal was a healthy attitude to preserve and cultivate purism; and indeed from this point of view, Randianism might be as legitimate as any other religion. It was however not the attitude that Murray Rothbard brought to his encounters with fellow human beings. He had a firm opinion on various questions, but he was mainly interested in argument and debate as the best method to test positions and opinions.(Jörg Guido Hülsmann, *Mises: The Last Knight of Liberalism* [Auburn, Alabama: Ludwig von Mises Institute, 2007] p. 1001).

at Columbia University. Her faith, however, would not be shaken, so Randians put the final ultimatum to Murray in the summer of 1958. He was told to abandon his wife or be banished from the Randian circle.⁸⁹

Eventually word got around of a notorious tape recording of Raico performing an impromptu impression of Rand. Shouting matches then occurred over the phone between Rothbard and Nathaniel Branden, Rand's lover and the disciplinarian of the cult, who insisted that the tape recording be handed over. Rothbard was then summoned to a face to face meeting with Brandon who supposedly insisted, "After all...you wouldn't mock *God*."⁹⁰ Rothbard refused to hand over the tape.

It didn't take long before Raico and Bruce Goldberg were also banished. This happened at a subsequent meeting where Nathaniel Brandon posed a question to the group, "Who has been the most important person in your intellectual life?" The answer had been pre-determined: Ayn Rand. All the individuals in attendance had apparently professed Rand. But when it came to Bruce Goldberg, his answer was Ralph Raico. Brandon was thoroughly displeased and ordered Goldberg and Raico to leave.⁹¹

For the 'Randians' there was only one conclusion: adhere to the greatness of Rand or be expelled. Professor Hülsmann succinctly summarizes the problem:

...[For the Randians] there was only Reason (always capitalized), and whoever did not come to endorse Reason as defined by the Ayn Rand church had to be stupid, evil, or hard of hearing. Being friends with such a person was out of the question. The Randian way of dealing with disagreements was to confront the dissenter with a stark choice: *either* undergo an endless series of discussions with

⁸⁹ Ibid., p. 28.

⁹⁰ Ibid., p. 28.

⁹¹ See Ralph Raico *Robert Nozick: A Historical Note*, February 5, 2002 <<http://lewrockwell.com/raico/raico15.html>> February 18, 2008 and also, Murray Rothbard, "My Break With Branden and the Rand Cult" *Liberty* Vol 3, No 1 September 1989, pp. 28-29.

the foregone conclusion that the dissenter had fallen prey to the heresy of irrationalism, *or* be expelled from the group and shunned by all its members.⁹²

Riesman and Hessen were convinced of the validity of Objectivism and broke with Rothbard, Raico and Liggio on the matter. At perhaps the very last meeting of *Circle Bastiat*, Riesman sided with the Randians against Rothbard. Reisman believed that Rothbard had plagiarized some of Rand's ideas in an article and Reisman was demanding that Rothbard should admit the ideas had been stolen. Reisman reasoned that Rothbard had failed to properly cite Rand because doing so would have hurt Rothbard's own career status, and for this, Rothbard was being dishonest. Rothbard denied the accusations and felt betrayed. He demanded Reisman leave his apartment, and that was the end of their close friendship.⁹³

The breakup of the *Circle Bastiat* in 1959, marked the end of the exciting youthful era of the American libertarian movement. That same year Raico received his B.A. from City College of New York, and he applied to graduate school at the University of Chicago. Rothbard and Liggio remained in New York, working relentlessly, among other things, to perfect the anarcho-capitalist philosophy. Goldberg went off to Princeton for his Ph.D and Reisman pursued his doctoral degree at New York University under the guidance of Mises. Raico and Hamowy went to the University of Chicago to study under the other great Austrian economist, F.A. Hayek.

⁹² Jörg Guido Hülsmann, *Mises: The Last Knight of Liberalism* (Auburn, Alabama: Ludwig von Mises Institute, 2007), 1001. The hostilities of Brandon toward Raico and Goldberg were not quite finished. A few years later when Raico was editor-in-chief of the libertarian journal, the *New Individualist Review*, he published a critical piece on Ayn Rand's philosophy by Bruce Goldberg. Nathaniel Brandon quickly sent a letter straight to Hayek who was on the editorial board of the journal, demanding that Hayek completely disassociate himself from the article. Furthermore Brandon insisted that an "apology to Miss Rand be printed in the *New Individualist Review* on your behalf and in your name." Hayek did not grant this request. (p. 1001).

⁹³ George Reisman, "The Mises Circle: Memories of Mises, Rothbard, and Rand (speech given at the Mises University, Ludwig von Mises Institute, Auburn, Alabama, August 2, 2005).

Part II

1. *Committee on Social Thought*

The economics department of the University of Chicago contained some of the top defenders of free market capitalism, albeit of an entirely different philosophic tradition from that of Mises and Rothbard. George Stigler and Milton Friedman were the great representatives of the famous Chicago School of economics. The main attraction for Raico was the presence of the most famous figure in Austrian economics, F.A. Hayek.⁹⁴ Hayek was teaching on the Committee on Social Thought, a prestigious interdisciplinary doctoral degree program.⁹⁵ Like Mises, Hayek worked without a paid professorship. He was also not permitted to teach in the economics department because

⁹⁴ For a brief biography of Hayek see Peter G. Klien, "Biography of F.A. Hayek," 1994 < <http://mises.org/about/3234> > : Hayek originally came to Chicago in 1950 as a British citizen. He emigrated from his native Austria to England in 1938, having landed a position at the London School of Economics. Here Hayek enjoyed a prestigious reputation and he helped to promote Austrian economics which was at its peak in terms of being recognized as a legitimate discipline.

Hayek's arguments were almost entirely opposite of his philosophic rival in London, John Maynard Keynes. There are a number of theories for the prestige granted to Keynes who eclipsed almost all other economists at the time and really has ever since. One possibility is that Keynes advocated for massive government intervention into the market during a time when the government had attained more power than perhaps ever in human history. This would naturally be very appealing to statists of all kinds. Keynes's *The General Theory of Employment, Interest, and Money (1936)* proved to be an intellectual sensation, sweeping the board clean of the 'outdated' *laissez-faire* Austrian method. It is often said that Hayek was the only intellectual to pose a serious challenge Keynesianism. For some, the articles by Hayek in response to Keynes's theories easily demolished Keynes. Yet they failed to make a significant dent in the jubilant fervor for market interventionism. It should be pointed out, as Raico often has in his articles on Keynes, that Keynes is often placed under the label of "liberal" and as a defender of freedom, the free society, etc. For more on this question, see Ralph Raico "Was Keynes a Liberal?" in *The Independent Review* Vol.13, No.2, Fall 2008. pp. 165-188.

⁹⁵The Committee on Social Thought was founded by historian John Nef and economist Frank Knight in 1941 to "foster awareness of the permanent questions at the origin of all learned inquiry." The program requires neither a specific subject nor discipline of study. Students were to familiarize themselves with a handful of books from a number of fields, but focusing mainly on the subject of their dissertation as the overarching theme. One major attraction of the Committee was the 'tutorial' aspect of the courses where most of the instructional time could be spent one-on-one with professors. The private classes with professors were undoubtedly a special blessing and the Committee on Social Thought also granted the freedom to pursue virtually any course of study. The freedom allowed Raico the opportunity to delve into the great thinkers of classical liberalism.

the Austrian methodology was considered to be ‘un-scientific’ compared with the Chicago School’s positivist approach.⁹⁶

Mises wrote a glowing letter of recommendation on Raico’s behalf and sent it to his former student Hayek, whereupon Raico was admitted to the Social Thought graduate program in 1959. Raico found Hayek to be as “helpful as you needed him to be.” As far as teaching was concerned, however, Hayek was not up to the standard set by Mises. Hayek at one point admitted to Raico that he only teaches in order to write and to get published. Conversely, Mises, by all accounts, loved to teach and Raico found Mises to be far more approachable than the distant Hayek. With Hayek there was always a wall that separated student from teacher. Nonetheless, Hayek was polite and cordial.⁹⁷

Over the decades, Hayek has received far more recognition than Mises. Raico clearly finds this to be problematic. He wrote:

Ludwig von Mises and F. A. Hayek are widely considered the most eminent classical liberal thinkers of this century. They are also the two best known Austrian economists. They were great scholars and great men. I was lucky to have them both as my teachers.... Yet it is clear that the world treats them very differently. Mises was denied the Nobel Prize for economics, which Hayek won the year after Mises’s death. Hayek is occasionally anthologized and read in college courses, when a spokesman for free enterprise absolutely cannot be avoided; Mises is virtually unknown in American academia. Even among organizations that support the free market in a general way, it is Hayek who is honored and invoked, while Mises is ignored or pushed into the background.⁹⁸

This is not to say that Raico did not admire Hayek greatly. He regards Hayek as one of the great classical liberals of all time. This is evident in Raico’s 1992 obituary for

⁹⁶ Some speculate that Frank Knight was behind the disallowing of Hayek’s paid professorship. This treatment was despite Hayek’s *Road to Serfdom* (1944) reaching the hands of many major world leaders and not to mention 600,000 people through the Reader’s Digest version. In any case, Hayek’s means of subsistence came from outside philanthropists. In 1974 a bit of redemption came when Hayek won the Nobel Prize for the *Road to Serfdom*.

⁹⁷ Ralph Raico, “The Mises Circle”

⁹⁸ Quoted in Hans Herman-Hoppe, “Why Mises (and not Hayek)?” accessed from < <http://mises.org/daily/5747> > (September 29, 2012).

Hayek, where Raico places Hayek in “the line of Adam Smith and Benjamin Constant, Alexis de Tocqueville and Lord Acton, Carl Menger and Ludwig von Mises, and all the rest.”⁹⁹ Raico’s favorite book of Hayek’s was *The Counter Revolution of Science (1955)*, where Hayek exposes the fatal errors of ‘scientism,’ when social sciences mistakenly attempt to mimic the methodology of the natural sciences. Hayek and Raico also shared a mutual fondness for the great classical liberals of history. Many of these classical liberals were virtually unknown in the United States of 1960s. Benjamin Constant was particularly a novelty as his works were not yet translated into English.¹⁰⁰ Most importantly, Hayek served as the primary member of Raico’s dissertation committee and the topic of the Raico’s dissertation was the role of religion in the liberal philosophy of Lord Acton, Benjamin Constant, and Alexis de Tocqueville.

Raico undertook many projects at Chicago besides his required coursework. He had been translating Mises’ book *Liberalism* into English since the summer of 1956. The first version of the English translation appeared in 1962 as *The Free and Prosperous Commonwealth: An Exposition of the Ideas of Classical Liberalism*, published by Van Norstand. In addition, the great bulk of his time and energy would also go into editing the great libertarian student journal, *The New Individualist Review*.

2. *New Individualist Review*

⁹⁹ Ralph Raico, “F. A. Hayek, R.I.P.,” March 1992, accessed from <<http://60gp.ovh.net/~novacivi/hayek.html>> (April 5, 2008).

¹⁰⁰ See Ralph Raico “History the Struggle for Liberty” (seminar recorded at the Ludwig von Mises Intitute, Auburn Alabama, June 16 2004). Hayek gave to Raico all of his notes on Benjamin Constant and to this day Raico holds Constant to be the premier classical liberal of the 19th century. With Hayek’s guidance, Raico set off on his lifetime pursuit towards a history of liberalism.

Ronald Hamowy, Raico's dear friend from the *Circle Bastiat*, who entered the Committee on Social Thought a year after Raico, suggested that the two might produce a libertarian journal. This idea turned into the *New Individualist Review* with Raico serving as editor-in-chief from 1961-1966.¹⁰¹ The first volume of *New Individualist Review* states its creed, "free, private enterprise,... the imposition of the strictest limits to the power of government...[and] the commitment to human liberty."¹⁰²

Ronald Lora and William Henry Longton believe the *New Individualist Review* to be one of the best periodicals of the time. They write:

The high intellectual quality of the articles appearing in the journal, together with a vigorous campaign to solicit manuscripts of equal scholarly merit, soon established the *Review* as one of the best student periodicals in the country. Over the course of the 17-issue life of the *Review*, some of the most respected scholars in the country appeared in its pages, including three University of Chicago economists who were later to become Nobel laureates. Although its subscription list never numbered more than 800, it included the editors of several prestigious magazines and nationally circulated newspapers, dozens of university and college libraries, and several hundred prominent academics throughout the United States and Western Europe.¹⁰³

The editorial advisory board consisted of Milton Friedman, Hayek, and Richard M. Weaver. All three contributed articles. Friedman recalled that "our role was strictly advisory and little advice was required. The students who undertook the project were not only dedicated; they were also extraordinarily able and talented."¹⁰⁴ Among the other contributors were Mises, Rothbard, Wilhelm Roepke, Israel Kirzner, Russell Kirk, and Otto von Hapsburg.

¹⁰¹ See Milton Friedman's introduction to the reprint of *The New Individualist Review* (Indianapolis, IN: Liberty Fund, Inc, 1981), accessed from < <http://oll.libertyfund.org> >.

¹⁰² See the Editorial introduction to *New Individualist Review* Vol. 1 No. 1 April 1961, p. 2.

¹⁰³ Quoted in "The Journalism of Hamowy and Raico" by Jeff Rigenbach, accessed from < <http://mises.org/daily/5452/The-Journalism-of-Hamowy-and-Raico> > (September 29, 2012).

¹⁰⁴ Milton Friedman, introduction to the reprint of *The New Individualist Review* (Indianapolis, IN: Liberty Fund, Inc, 1981), xii. Friedman's contributed the very first article of the first volume appropriately entitled "Capitalism and Freedom."

The *New Individualist Review* was initially produced with the sponsorship of the Intercollegiate Society of Individualists (ISI), a non-profit educational organization founded by Frank Chodorov and whose first president was William F. Buckley, Jr.. This sponsor would eventually become problematic for the young editors, especially when the subject of foreign policy arose. Unfortunately, considering the financial requirements of such an undertaking, and the unpopular positions they were taking, Raico and Hamoway had very little choice but to appease their sponsors.

Milton Friedman also became increasingly a source for funding. This was not hard for Friedman, for in the 1950's he was the most famous free market economist in the United States. With Friedman becoming more involved, Raico again found that he had to be careful to tone down certain content. One of the taboo subjects for Friedman was Austrian economics, which was at odds methodologically and epistemologically with the Chicago School's positivistic approach to economics.¹⁰⁵ Since Hayek was involved, he did serve somewhat as a safety umbrella under which Raico could publish Austrian school material.¹⁰⁶

By all accounts producing the *New Individualists Review* was a joy, but the most frustrating and difficult part of the project was the appeasement of conservative types, such as Barry Goldwater and William F. Buckley Jr., watching behind the scenes. For

¹⁰⁵ Friedman and the Chicago School utilized positivism, a statistical, empirical approach which is at odds with the logical orthodoxy of Hayek, Mises, and Rothbard. For Austrian economists, positivism is a cardinal sin in the social sciences as truth concerning human action, the Austrians maintain, cannot be derived from observable data. The Austrian methodology rests on rigorous praxeological logic, not on the collection of data, although facts and data do serve to illustrate the economic theories of the Austrians. This basic difference in approach has resulted in the two schools of thought coming to different conclusions about the functions of the market and the role of government intervention in the market economy.

¹⁰⁶It is likely that without Hayek's presence, Mises' glowing review of Rothbard's economic treatise *Man Economy and State* would never have been published. This turned out to be the best review that Rothbard received for his book and was greatly encouraging, and relieving for him that his master approved. See Ludwig von Mises. "A New Treatise on Economics," review of *Man, Economy, and State*, by Murray N. Rothbard. *New Individualist Review* Autumn 1962, Vol. 2, No. 3 pp. 39-42.

hardened libertarians like Raico and Hamowy, they found it nearly impossible to compromise their ideals.¹⁰⁷

The early issues of the *New Individualist Review* were a clear attack on the new statist-militarist conservative philosophy; however, this subject was quickly dropped, apparently out of fear of offending the sponsors.¹⁰⁸ Early on, Raico found himself in increasingly hot water. Particularly because of articles by Hamowy and John P. Mcarthy which blasted conservatives, and especially the *National Review* on foreign policy and civil liberties. For the remainder of *The New Individualist Review's* publication, foreign policy issues were basically put aside.¹⁰⁹

¹⁰⁷ See Jeff Riggenbach, "The Journalism of Hamowy and Raico" accessed from < <http://mises.org/daily/5452/The-Journalism-of-Hamowy-and-Raico> > (September 29, 2012).

¹⁰⁸ Ron Hamowy got his feelings out in one early article as he challenged Buckley and his major neo-conservative publication the *National Review*. Hamowy spelled it out in no uncertain terms,

It is the contention of this article that William Buckley and *National Review* are, in fact, leading true believers in freedom and individual liberty down a disastrous path and that in so doing they are causing the Right increasingly to betray its own traditions and principals... *National Review* has time and again exerted its considerable intellectual influence *against* individual liberty. (Ronald Hamowy "National Review: Criticism and Reply" *New Individualist Review* Nov. 1961 Vol. 1, No. 3. p. 3, 4.).

Hamowy proceeded to blast the neo-conservative philosophy, particularly its stance on foreign policy and civil liberties, which he said was a betrayal of classical liberalism by neo-conservatives. Buckley's responded with a fiery retort published in the same article as a rejoinder. His response was sarcastic, witty, and stylistically superb, but, it dances around without directly responding to Hamowy's charges.

¹⁰⁹ Ralph Raico, "The Mises Circle." The early boldness of Hamowy went so far as to publish an article, brutally critical of Hayek's latest book *The Constitution of Liberty* (1960) in the first issue. To Hayek's credit, he gave a careful rebuttal in the next issue. Hamowy said that Hayek was defending the concept of the existence coercive monopoly in a free market and even more troubling, was giving the state the moral legitimacy to tax and to institute conscription. Hayek carefully responded in very next issue. He pointed out that an environment of non-coercion has yet to exist and that no theory has yet been developed concerning the completely voluntary society to which Hamowy apparently subscribes. Here is Hamowy's recollection of the incident,

...A close friend, Ralph Raico, had preceded me on the Committee on Social Thought by a year and was in residence and working under Hayek when *The Constitution of Liberty* was first released. When I learned that I had been admitted to do graduate work there, Ralph presented me with a copy of Hayek's new book, with an inscription by the author: "As welcome to the Committee on Social Thought: F.A. Hayek." My response to Hayek's kind gesture was to devote my first few months at Chicago to writing an article attacking a crucial aspect of Hayek's theoretical framework, his analysis of the relation between freedom, coercion, and the rule of law. Not only did Hayek have the opportunity to read this attack but a number of others did as well, since it appeared as a book review in a new student periodical that Ralph and I had started. At the time it did not strike me as inappropriate for a new graduate student to try to point out failings in the philosophical reasoning of his professor, but not only did Hayek read and discuss my critique

Rothbard, the ever prolific writer, was sending in article after article but was dismayed when he found much of the content was toned down. He felt that *The New Individualist Review* was “the outstanding theoretical journal in the student conservative movement,” however “its whole *modus operandi* was a commitment to the now-outmoded conservative-libertarian alliance. Hence it could not serve as a libertarian organ, especially in the crucial realm of foreign policy.”¹¹⁰ Hamowy disagreed with Rothbard’s assessment when he wrote in a 1966 article that the *New Individualist Review*, along with the magazine *Left and Right*, are “the only elements resisting” the right-wing’s shift away from classical liberalism into statist-militarism.¹¹¹

Despite the constraints imposed on the content of the *New Individualist Review*, in retrospect it is clear that the journal was extremely valuable for positioning radical libertarian thought. In discussing the role of the *New Individualist Review*, historian of the modern libertarian movement Brian Doherty states that the “circle [Bastiat] members used it as a launching pad to establish their unique intellectual tradition.” They used the journal to “bash their ideological enemies, an opportunity to clear and claim their unique libertarian ground.”¹¹²

Raico contributed articles which brought to light the historical roots of the libertarian philosophy, showing that classical liberalism could clearly be traced back

with me, he offered to respond in print to my comments. It was only after I became a professor in my own right that I appreciated the modesty and love of true scholarship that Hayek displayed toward me, some jumped-up graduate student who decided he was going to take on the very man he had chosen to work under. I’m still breathless when I think of the chutzpah that I must have had! (Ronald Hamowy, “F.A. Hayek on the Occasion of the Centenary of His Birth” in *Friedrich A. Hayek, Critical Assessments of Leading Economists, Second Series*, ed. John C. Wook and Robert D. Wood [New York, NY: Routledge, 2004], p. 34)

¹¹⁰ Murray N. Rothbard, *The Betrayal of the American Right* (Auburn, Ala: Ludwig von Mises Institute, 2007), p. 176.

¹¹¹ Ronald Hamowy, “Left and Right Meet,” *New Republic*, March 12, 1966, p. 15.

¹¹² Brian Doherty, *Radicals for Capitalism: A Freewheeling History of the Modern American Libertarian Movement* (New York: Public Affairs, 2007), p. 304-305.

through the Western intellectual tradition. For Raico, the history of classical liberalism has been too often ignored, distorted and misunderstood. He therefore began his effort to establish classical liberalism as an important historical movement; indeed, Raico calls classical liberalism “the signature political philosophy of Western Civilization.”¹¹³

Although Raico would eventually trace the roots of classical liberalism back to the Greeks and the Middle Ages,¹¹⁴ his early articles for the *New Individualist Review* focus on the period of the Enlightenment to the nineteenth-century. This period of liberalism’s past is showcased “particularly,” says Brian Doherty, “in articles by Raico on Benjamin Constant and Wilhelm von Humboldt.”¹¹⁵ In addition, Raico defended the philosophic basis of historic *laissez-faire* liberalism in an article entitled “Is Libertarianism Amoral?” This article is still viewed as a “prescient look at the errors of the old conservative critique of libertarianism.”¹¹⁶

Clearly, Raico’s familiarity with Mises’s *Liberalism* played the central role in forming Raico’s understanding of the idea of classical liberalism.¹¹⁷ Raico considers Mises’s *Liberalism* to be perhaps the only fully conceptualized statement of the liberal philosophy. “It [*Liberalism*] is the work,” he wrote, that “we must consult and ponder if we wish to understand what liberalism means and where it stands in the struggle of ideologies.” Raico maintains that Mises’s *Liberalism* should be used as a guide to

¹¹³ Ralph Raico, “The Rise, Fall, and Renaissance of Classical Liberalism, Part 1,” *Freedom Daily* August 1992, accessed from < <http://www.fff.org/freedom/0892c.asp> > (October 6, 2012).

¹¹⁴ See Ralph Raico, “Classical Liberalism” (speech recorded at the Mises University, Ludwig von Mises Institute, Auburn Alabama, summer 2001) and Ralph Raico *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012).

¹¹⁵ *Ibid.*, p. 305.

¹¹⁶ See the introduction to Ralph Raico’s article “Is Libertarianism Amoral?” online addition <http://www.mises.org/story/1784> (March 19, 2008).

¹¹⁷ See Ralph Raico, “The Place of Mises’s *Liberalism*” *The Freeman* Vol. 35. No. 11 November 1985, online addition < www.fee.org/publications/the-freeman/article.asp?aid=1952 > (March 23, 2008).

measure all other expositions of the concept of liberalism.¹¹⁸ Raico clearly used this foundation as he began his life-long work, conceptualizing the history of classical liberalism.

3. *Classical Liberalism in Germany and France*

In 1962, Raico moved to Paris for a year to live and study as an Exchange Fellow at the University of Paris. Later that year Raico visited Berlin, and produced an article for the *New Individualist Review* called “Reflections in Berlin.” It is a critique of East Berlin’s totalitarian effort to control a population which it could barely feed.¹¹⁹ But a much different aspect of Germany’s history became one of Raico’s primary themes of his historical work on liberalism, that is, the history of German liberalism.

In his first article published for the *New Individualist Review*, Raico wrote about “one of the greatest” German liberals, Wilhelm von Humboldt (1767-1835).¹²⁰ Humboldt, who eventually became a cultural hero of Germany (but not for any of his liberal writings), as a young man wrote his most important contribution to liberalism, a 1792 book entitled *The Sphere and Duties of Government*. For Raico, “it is...a book that has an inherent value, because in it are set forth — in some cases, I believe, for the first time — some of the major arguments for freedom.”¹²¹ According to Raico, other previous

¹¹⁸ Ibid.

¹¹⁹ Ralph Raico, “Reflections in Berlin” *New Individualist Review* Vol. 1 No. 4 Winter 1962 p. 13-18. Raico interviewed some eastern bloc escapees who described the conditions on the eastern side as pitiful. He reports the lack of basic necessities, the climate of lying and deception, and the intellectual state of tyranny where bookstores carried little else than Marxism in their ‘social science’ departments. The rest of the article scourges the East German intellectuals who, while touting themselves as defenders of freedom turn out to be the most ardent supporters of the tyrannical state.

¹²⁰ See Ralph Raico, “Wilhelm von Humboldt” *New Individualist Review* Vol. 1 No. 1 April 1961 pp. 18-22.

¹²¹ Ibid., p. 20. Humboldt’s one and only book on political philosophy *The Sphere and Duties of Government* was even called by Mises and Hayek to be the greatest book of classical liberalism in the

writers danced around questions which Humboldt boldly answered, such as: what is the ultimate aim of government? What are the limits to its action? To this Humboldt answered that the only role of the government is that it should protect private property.¹²²

Raico then points to the most important aspect of Humboldt's exposition, concerning the inner creativity of human beings. Humboldt believed that everything that man accomplishes is ultimately generated from within; this fact qualifies the role of the state in human affairs, limiting the scope of what the state can accomplish. Individuals are able to learn and thrive through their own inspiration only. Coercion of any kind stifles creativity, the will to achieve anything is often smothered under the compulsion of government. While creativity and drive can be encouraged or rewarded from without, they can never be imposed on man from the outside, and especially not by the state.¹²³

Beginning with his work on Wilhelm von Humboldt, Raico seeks to show that, despite a widely held myth, Germany in fact had a classical liberal movement. This would be the central thesis of Raico's great book on German liberalism, *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus (1999)*. Raico writes,

...Germany had had its Enlightenment, and the ideals of freedom which were conceived and propagated in England, Scotland and France towards the end of the eighteenth century, had found an echo and a support in the works of writers such as Kant, Schiller and even the young Fichte. Although by 1899 William Graham Sumner could write that, "there is today scarcely an institution in Germany except the army," it is nevertheless true that there existed a native German tradition of distinguished, libertarian thought, which had, in the course of the nineteenth century, to some degree at least been translated into action.¹²⁴

German language. On this, see Ralph Raico, "Classical Liberalism on War and Peace" (lecture given at the Ludwig von Mises Institute, Auburn, Alabama August 8, 2007).

¹²² Ibid., p. 20.

¹²³ Ibid., p. 21.

¹²⁴ Ibid., p. 19.

Historians have long tried to provide evidence for the growth of Nazism as rooted Germany's history, and have therefore treated German history as somehow isolated and unique from the rest of Europe. Raico uncovers the bias toward German history in this crucial observation:

A master-concept used by many historians in recent decades has been of the Germany's *Sonderweg* — its special or peculiar path of historical development. Whatever heuristic value this concept may have had, there is little doubt that it has been very much over-applied. Germany after all is not Russia. The German experience included: the free towns of the Middle Ages; scholasticism and the doctrine of natural law taught in the universities; the Renaissance and the Reformation; the rise of modern science; and an outstanding role in the Enlightenment of the eighteenth century.

The twelve-year experience of National Socialism, with all its atrocities, was terrible. But it should not lead us to forget that for a thousand years before Hitler, Germany was an integral part of western civilization.¹²⁵

Raico elaborates on the existence of Germany's contribution to liberalism:

Practically all the peoples of western and central Europe (as well as the Americans) contributed to the working out of the liberal idea and the liberal movement. Not just the Dutch, French, Scots, English, and Swiss, but also, for instance, in Spain, the late scholastics of the School of Salamanca and at other academic centers, and a number of Italians... In this evolution, the Germans also played an often-overlooked part... It is clear that there can be no question that German liberalism was never the equal of, for instance, French liberal thought. Yet upon examination, the political and even intellectual contributions of German authentic liberalism are evident.¹²⁶

Over his career, Raico published several articles in English and in German on the great (albeit overlooked) liberals of German history, particularly Eugen Richter and John Prince-Smith.¹²⁷ In 1999 Raico released his full exposition on German liberalism, a

¹²⁵ Ralph Raico, "Authentic German Liberalism of the 19th Century" originally published by Ecole Poly Technique Centre de Recherche en Epistemologie Appliquee, Unité associée au CNRS, 2004, accessed from < <http://www.mises.org/story/1787> > (October 30, 2006).

¹²⁶ Ralph Riaco, "Eugen Richter and the End of German Liberalism," in *The Review of Austrian Economics*, 4, 1990 pp. 3-25.

¹²⁷ See for instance Ralph Riaco, "Der deutsche Liberalismus und die deutsche Freihandelsbewegung: Eine Rückschau," *Zeitschrift für Wirtschaftspolitik*, 36, no. 3 (1987) 263-81., "Eugen Richter: Ein unerbitlicher Liberal," *Orientierungen zur Wirtschafts und Gesellschaftspolitik* 37 (September 1988) pp. 77-80., "Eugen Richter and Late German Manchester Liberalism: A Reevaluation" *The Review of Austrian Economics* Vol.

German language book called *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus*.¹²⁸

The other classical liberal that Raico discusses in the *New Individualist Review* is the French philosopher and novelist Benjamin Constant (1767-1830). Constant was for a time a friend of Humboldt's. To this day, Raico has never relinquished his belief that Benjamin Constant was the nineteenth century's greatest liberal. Raico writes that "Benjamin Constant is...the representative figure not only of French but of European, liberalism in the nineteenth century."¹²⁹ In the 1964 article on Constant, Raico provided an exposition of all of Constant's major work and accomplishments. Since virtually none of Constant's writings had yet been translated from the French, Raico's article was an extremely rare exposure of Benjamin Constant to the English speaking world.¹³⁰

Constant was unflinchingly opposed to government power. Raico writes, "with Constant, the chief articulator of his generation's liberal ideals, we see the beginnings of classical liberalism's "state-hatred," which, after the 18th century's ambiguous attitude, marks its theory to the present day."¹³¹ One unique characteristic of Constant's was his rejection of Utilitarianism. Constant's social philosophy closely resembled the German humanism of Humboldt, Schiller, and Kant. The ultimate end for man is not simply happiness, for that is too narrow, but the enrichment and perfection of the entire

4, (1990), and See Ralph Raico, "John Prince Smith and the German Free-Trade Movement" in *Man, Economy, and Liberty: Essays in Honor of Murray N. Rothbard*. Walter Block and Llewellyn H. Rockwell, Jr., Ed. (Auburn Ala: Ludwig von Mises Institute, 1988) pp. 341-51.

¹²⁸ See, Ralph Raico, *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus* (Stuttgart, Germany: Lucius & Lucius, 1999).

¹²⁹ Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, Al: Ludwig von Mises Institute, 2012), pp. 222.

¹³⁰ Ralph Raico, "Benjamin Constant" *New Individualist Review* Vol. 3 No. 4 Winter 1964 pp. 45-54 For a new translation of Constant's political writings, see *Constant: Political Writings*, Trans, ed. Biancamaria Fonatana (Cambridge, MA: Cambridge University Press, 2006).

¹³¹ *Ibid.*, p. 54.

individual personality. In order to create the conditions for the sort of free environment in which man could pursue this course of action, Constant felt that government must be limited to the greatest extent possible. He advocated *laissez faire* in the purest form. To this regard Constant went farther than, say, “Adam Smith or J. B. Say.”¹³² Constant’s political philosophy went against the tide of popular opinion at that time, which was characterized by Jean-Jacques Rousseau’s conception of freedom. As Raico explains,

...In a sense, Constant’s political theory may be considered a rebuttal to that of Jean-Jacques Rousseau, whose ideas in this field had gained increasing influence toward the end of the 18th century, coming to constitute something like the official ideology of the Jacobin, or democratic, party. Like Locke, Rousseau had posited an original social contract, but where the English philosopher had attempted to employ this notion as a foundation for civil rights, in Rousseau’s conception the contract involved the total surrender by the individual of his life, liberty and possessions into the hands of the community.¹³³

Here Raico is alluding to the famous “chains” Rousseau refers to at the beginning of the *Social Contract*. These chains, however, are not the chains imposed by state coercion, as authentic classical liberals would insist, but Rousseau refers to chains that *society* imposes on individuals. By accepting “the idea that social life necessarily brings with it the total alienation of one’s rights,” Raico writes, “Rousseau was thus the modern originator of the notion that freedom in a social context is identifiable with a condition of equal submission to the interests of the community and equal participation in the exercise of political power.”¹³⁴ Rousseau, therefore, provides a philosophic basis for “social engineering,” in which society, in the form of the General Will (i.e. the state), may step in and cure any and all perceived ills. Conversely, Constant felt that there is a strict realm that no arbitrary government power can enter into. Any encroachment of the state into

¹³² Ibid., p. 48.

¹³³ Ralph Raico, “Benjamin Constant” *New Individualist Review* Vol. 3 No. 4 Winter 1964, p. 54.

¹³⁴ See, Ralph Raico “History: A Struggle for Liberty: (seminar recorded at the Ludwig von Mises Institute, Auburn Alabama, June 16-20).

the affairs of individual's life will result in the destruction of human character and development.¹³⁵

Raico then points to another of Constant's great contributions: his analysis of the different conceptions of liberty. The destructive results of the French Revolution came about because of an obsession with what Constant called "ancient liberty." Raico expounds:

In analyzing Rousseau's conception of freedom, Constant had occasion to enter into an interesting historical explanation of the Rousseauian idea. He distinguished two senses of freedom: the liberty of the ancients, and that of the moderns, and asserted that Rousseau, as well as the Jacobins during the Revolution, had been attempting to reintroduce the sort of liberty that had been prevalent in the republics of classical antiquity, but that was, for various historical reasons, now outmoded... Constant held, the truth of the matter was that what was involved were two different senses of "liberty": one, the sort of "liberty" generally characteristic of the ancient world — consisting in equal powerlessness before the state and equal participation in public affairs — was perfectly compatible with all the specific measures that were destructive of the second sort of liberty, the liberty characteristic of modern times. This was a liberty having to do above all with the sphere of private life, and one in which political activity plays a very subordinate role.¹³⁶

The problem that Rousseau and many other *philosophes* had was that they "could only grasp the emergence of useful patterns and structures of social life—of *order*—as the product of a designing mastermind."¹³⁷ This way of looking at social life is clearly the opposite of the classical liberal notion, famously described by Hayek as "the spontaneous order" which arises within the free, voluntary society.

A further serious problem is Rousseau's concept of the "general will," acting *sui generis* of the individuals and functioning through a democratic system. As Raico

¹³⁵ Ralph Raico, "Benjamin Constant" *New Individualist Review* Vol. 3 No. 4 Winter 1964. Online edition accessed from < <http://mises.org/daily/4740/Benjamin-Constant> > (October 19, 2012).

¹³⁶ *Ibid.*, p. 46.

¹³⁷ Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, AL, Ludwig von Mises Institute, 2012), p. 24.

elaborates,

Rousseau had argued that, given popular sovereignty, there was no longer any need for guarantees against state power: if the sovereign was identifiable with the totality of the citizens, it was foolish to think that it would act in such a way as to harm the citizens... At the beginning of the age of democratic government, Constant insisted on a truth that doctrinaire democrats of the Rousseauian sort have tended to overlook: “The people which can do anything it wishes is just as dangerous, is more dangerous, than any tyrant, or, rather, it is certain that tyranny will seize hold of this right granted to the people.”

The worst outrages of the Terror could be regarded as logical deductions from Rousseau’s principles, and “the *Social Contract*, so often invoked in favor of liberty, is the most terrible auxiliary of every form of despotism.”¹³⁸

Despite Raico’s clear disgust for certain French *philosophes*, such as Jean-Jacques Rousseau, he clearly developed an appreciation for the French people, their great history, and especially their intellectual contributions to the history of liberalism. In regards to the French liberalism, Raico believes that perhaps their greatest contribution was the *Journal des Économistes* which began in 1841 and was edited by Gustave de Molinari.

Contributions to the *Journal des Économistes* came from prominent economists and thinkers in liberal history such as Frédéric Bastiat and Vilfredo Pareto. The *Journal des Économistes* was the flagship classical liberal periodical for almost a hundred years, all the while maintaining a strict *laissez-faire* position.¹³⁹

Raico notes that the French, unlike the British and Americans, never gave up the meaning of the term liberal into the hands of social democrats.¹⁴⁰ This may be because, as Raico makes clear, the French contribution to liberal philosophy and *laissez-faire*

¹³⁸ Ralph Raico, “Benjamin Constant” *New Individualist Review* Vol. 3 No. 4 Winter 1964, p. 47.

¹³⁹ Ralph Raico “History: A Struggle for Liberty: (seminar recorded at the Ludwig von Mises Institute, Auburn Alabama, June 16-20).

¹⁴⁰ See Ralph Raico, “Prolegomena to a History of Liberalism,” *Journal des Economistes et des Etudes Humaines*, Vol. 3 No. 2/3 (September 1992), p. 264 and Ralph Raico “History the Struggle for Liberty” (seminar recorded at the Ludwig von Mises Institute, Auburn Alabama, June 17 2004). To this day the word liberal means in France what the English now refer to as classical liberalism or libertarianism.

economics was enormous.¹⁴¹ The great French contribution has been grossly overshadowed by the English tradition. As Raico writes:

...As regards the nineteenth century at least, the importance of Britain in the history of liberal thought has usually been exaggerated, while the contributions of French thinkers—often notably relevant to present day concerns—have as a rule been either minimized or overlooked completely.¹⁴²

Raico's work in this area is summarized in his book *Classical Liberalism and the Austrian School* (2012), in the chapter entitled "The Centrality of French Liberalism."¹⁴³

4. *Wabash College*

Sometime in the mid 1960s Raico and Hamowy were inaugurated as the youngest members into the prestigious classical liberal association, the Mont Pelerin Society. In 1947 Hayek invited 36 mainly classical liberal scholars to meet at Mont Pelerin, Switzerland, to discuss the dangers of state power and other topics. The original meeting included Mises, Friedman, George Stigler and Karl Popper. They took the name for the association after this original meeting place, and continued to meet at least once a year, usually somewhere in Europe. Hamowy and Raico, as junior members, mainly listened and observed, although Raico would eventually give presentations at the meetings.¹⁴⁴ The Mont Pelerin Society may have opened a career door for Raico because Benjamin A. Rogge (1920-1980), professor of political economy at Wabash College, was also a member. Whatever the circumstances, Raico moved to Crawfordsville, Indiana, in 1964,

¹⁴¹ See Ralph Raico "History, the Struggle for Liberty" (seminar recorded at the Ludwig von Mises Institute, Auburn Alabama, June 17-20, 2004).

¹⁴² See Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, AL, Ludwig von Mises Institute, 2012) p. 219.

¹⁴³ See, *Ibid.*, pp. 219-254.

¹⁴⁴ Raico's first address was "Education and the State in Modern Theory" for the annual meeting of the Mt. Pelerin Society, Brussels, Sept., 1972.

before completing his Ph.D. dissertation, for his first teaching position at Wabash College.

Raico's first teaching position was "my best," he admits. And the students at Wabash "were really very good."¹⁴⁵ In the 1960s Wabash acquired a reputation for being Old Right. To this day Wabash remains a small, male only, Liberal Arts College. Academically it was a perfect environment for Raico, with a classical liberal arts curriculum focusing on the great books and great thinkers throughout history. The transition to Crawfordsville, however, was a "culture shock." Crawfordsville had a population of 12,000; before that, the smallest city in which Raico had ever lived was Paris.¹⁴⁶ The lack of an urban environment may have contributed to Raico leaving Wabash rather quickly for his permanent position at Buffalo State College in 1967.¹⁴⁷

Benjamin Rogge, naturally became friends with Raico. Rogge was a good free-market economist but was primarily known as a great speaker. According to professor Gary North, Rogge was "the most entertaining after-dinner academic free market speaker in American history."¹⁴⁸ Rogge helped get a private educational foundation dedicated to classical liberalism up and running near Wabash, called Liberty Fund, Inc. Rogge's influence in this endeavor came by way of being an advisor to the millionaire businessman-lawyer Pierre F. Goodrich. Goodrich made millions from coal mines and a telephone company in Indiana, and he was well read in classical liberal thought.¹⁴⁹ In 1960, with Rogge's guidance, Goodrich founded Liberty Fund, Inc. in Indianapolis to

¹⁴⁵ Ralph Raico, "The Mises Circle"

¹⁴⁶ Ibid.

¹⁴⁷ Interviewed by author with Professor E.O. Smith, June 2012.

¹⁴⁸ Gary North, "The Horror of Being Oprah" May 7, 2003
<<http://www.lewrockwell.com/north/north174.html>> (April 1, 2008).

¹⁴⁹ Ibid. Dr. North recalled that Rogge explained his role as "as trying to keep Goodrich from doing too much damage with his millions."

disseminate classical liberal ideas and Liberty Fund continues to be the premier publisher of libertarian books.

Raico met Pierre Goodrich through his friendship with Rogge. They went out for a drink more than once, and Goodrich discussed with Raico his idea to transform Wabash into a full-blown libertarian institution. Quite naturally, Raico must have thought that it was a splendid idea. Goodrich proceeded to offer a hefty sum of money to Wabash on the condition that it become a strictly free market college but Wabash declined the offer. Although Wabash College itself was never transformed into a libertarian institution, Raico frequently makes it a point to mention Liberty Fund, and its continued high standard of book publications.¹⁵⁰

5. *P.h.D. dissertation*

While at Wabash, Raico continued to edit and to contribute to *The New Individualist Review*. In a 1964 article for the *New Individualist Review* entitled, “Is Libertarianism Amoral?”¹⁵¹ Raico projected the central thesis for his upcoming Ph.D. dissertation. “Is Libertarianism Amoral?” is a two part exchange with one of the leaders of the conservative movement, M. Stanton Evans. This superb philosophical debate concerns a fundamental difference between libertarians and conservatives and has been cited by the likes of Milton Friedman and libertarian philosopher Hans-Herman Hoppe.¹⁵²

¹⁵⁰ See for instance, Ralph Raico “History, the Struggle for Liberty” (seminar recorded at the Ludwig von Mises Institute, Auburn Alabama, June 17 2004). While Rogge was alive, the Liberty Fund was the great promoter of Austrian economics, particularly Misesian economics. Following the death of Rogge and then later Pierre Goodrich, it came to favor far less dogmatically ‘doctrinaire’ liberal thinkers.

¹⁵¹ The article was originally entitled “The Fusionists on Liberalism and Tradition” in *The New Individualist Review* Vol 3. No. 3. The article under the new title can be accessed at < <http://mises.org/daily/1784/Is-Libertarianism-Amoral> >.

¹⁵² See, for instance Friedman’s comments in the *American Spectator*, “...I doubt, for instance, that M. Stanton Evans, for all the inestimable value of his writing in recent years on budget and defense matters,

It may perhaps be among the first articles to unravel the core philosophic differences between conservatives and libertarians. Raico focuses on one of Evans's articles, contained in a book called *What is Conservatism?*, edited by Frank S. Meyer. Evans came up with the idea of "fusionist"¹⁵³ as a political philosophy which would combine the best aspects of libertarianism and conservatism, two political philosophies which appear to be at odds. According to Evans, both libertarians and conservatives generally believe in freedom, but it is the libertarian who "denies the existence of a God-centered moral order" and is a "thoroughgoing relativist, pragmatist, and materialist." Therefore it is necessary that the conservative philosophy, traceable to Edmund Burke, come to terms with the libertarian who "rejects tradition."¹⁵⁴ Conservatives, Evans claims, understand the importance of tradition; they are Christian and therefore understand the universal moral order, and the meaning virtue. Without the preservation of these values, which the Christian-conservative upholds, society slides into despotism and degradation.

In his rebuttal, Raico draws from the findings of his dissertation concerning the role of religion in the classical liberal philosophy of Constant, Tocqueville, and Lord Acton. In his study of these three giants of liberal thought, Raico stresses that each possessed a deep devotion to the Christian faith. Raico sites not only the three exemplar cases, but other Christians who were famous classical liberals, among them David

has recently written anything so scholarly as his exchange with Ralph Raico (editor-in-chief of NIR) on the theological skepticism inherent (Evans claims) in the moral systems of the Classical Liberals..." From the introduction to *The New Individualist Review* printed in the *American Spectator* Vol. 16. No. 2 February 1983 accessed from <http://search.opinionarchives.com/Summary/AmericanSpectator/V16I2P33-1.htm> (March 20, 2008) and Hans-Herman Hoppe *Democracy the God that Failed: The Economics and Politics of Monarchy, Democracy and the Natural Order* (Edison, NJ: Transaction Publishers, 2001), 204.

¹⁵³ The article was originally entitled "The Fusionists on Liberalism and Tradition" in *The New Individualist Review* Vol 3. No. 3. The article under the new title can be accessed at < <http://mises.org/daily/1784/Is-Libertarianism-Amoral> >.

¹⁵⁴ Quoted in Ralph Raico, "The Fusionists on Liberalism and Tradition" *New Individualist Review* Vol 3. No. 3. Autumn 1964, p. 30, 31. It should be noted that Evens and Meyers came up with the idea of a 'fusionist' who could combine the best aspects of libertarianism (or classical liberal) and conservatism.

Ricardo, Richard Cobden, John Bright, Frederick Bastiat, Madame de Stael, and Thomas Babington Macaulay. Raico then focuses on dismantling Evans's description of the characteristics of the libertarian (or classical liberal) as holding "human freedom as the single moral imperative." Rather, classical liberals "as a rule," Raico states, "have upheld benevolence and the Golden Rule rather than say uncontrolled, unrestrained freedom." Raico maintains that not a "*single* example" of Evans's accusation "could be found in the whole history of liberalism."¹⁵⁵ Finally, Raico goes on to provide a case against Evans's suggestion that classical liberals are "materialist," relativist" and "pragmatist" –in other words completely secular. Raico writes:

...If the classical liberal is a Christian, then presumably he will be pleased to see the continuance of the tradition of Christian belief. Thus, on this question concerning a tradition in the social sector, liberals may have various personal views of their own, but liberalism itself has no policy recommendation to make whatsoever, it does not, in fact, concern itself with the matter.¹⁵⁶

Raico argued that classical liberalism is strictly a political doctrine, and the charge of irreligion is not supported by the evidence. Within the social sector liberals are free to pursue the type of society they want, however liberalism is only really concerned with the *political realm* where it works to minimize state power.¹⁵⁷ Classical liberalism is strictly a *political* doctrine, while modern conservatism is a *cultural* doctrine drawing from

¹⁵⁵ Ibid., p. 32.

¹⁵⁶ Ibid., p. 35.

¹⁵⁷ Ibid., 35. For the libertarian the real question is not religion *per se* but the role of government. And to this question, liberals have much to say and debate. Religion is part of the social sector, meaning that it is an institution voluntarily entered into. Government is not a voluntary association, but an institution of compulsion and coercion which is the reason why classical liberals treat it differently. The core of libertarianism is the non-coercion principal and so the liberal (or libertarian) directs the focus of his analysis to the activities of the government. Government is given the monopoly of power to use coercion for the sole purpose of protecting individuals' rights. Freedom of religion is just one of those rights. In final analysis Raico shows that religion is perfectly compatible with liberalism, but it is not necessary for a liberal to have faith.

morals, beliefs, and norms.¹⁵⁸ Conservatism seeks to preserve the moral (Judeo-Christian) order, while libertarianism emphasizes voluntarism (or non-aggression), as its fundamental axiom.

Raico's dissertation fully explores the theme of the reconciliation between Christianity and liberalism (or libertarianism). Raico finds that religion, particularly the doctrines of Judaism and Christianity, are perfectly compatible with liberalism, and yet, faith of any kind is not essential to liberalism; it is not at all a requirement.

Raico completed his dissertation entitled "The Place of Religion in the Liberal Philosophy of Constant, Tocqueville, and Lord Acton" in 1970, earning him a Ph.D. in philosophy. The dissertation examines religion in the works of the French Protestant Benjamin Constant (1767-1830), the French Catholic Alexis de Tocqueville (1805-1859), and the English Catholic, Lord Acton (1834-1902). All three are distinguished in modern social thought for not only being giants in intellectual history but also for being anti-state power, pro-modernity, pro-commerce, and pro-natural social institutions (such as churches, communities, and cultural norms). In addition, all three insisted that liberty is not a moral end in itself, but only the proper means towards those higher ends. Perhaps because of the materialism and increasing secularization of their age, they concluded that liberalism needed to be brought into the ethical-theological realm, emphasizing that

¹⁵⁸ Ralph Raico, "Reply to Mr. Evans" *New Individualist Review* Winter 1966 Vo. 4 No. 2., pp. 27-31. Raico was merciless towards conservatives in his rebuttal to Evans. Pointing to the so-called "conservatives," Raico concludes,

...the fact is that much too much passes muster in conservative writings that is nothing more than uniformed rhetoric. That almost all conservative publicists are guilty of this, at least sometimes, is scarcely the best kept secret on the Right... I for one am finally getting bored with the sophomoric misuse of technical philosophical terms; with sketchy outlines of the "course" of modern history; with constant attacks on the French Enlightenment, on human reason, and on the *hubris* of modern man; and with worldly-wise references to Original Sin and the absurdity of progress...The typical approach of the conservative cultural critics,...since it is rhetorical and unanalytical, does not allow for progress being made towards the solution of the issues under discussion. If conservative publicists find the scholarly approach too tedious, they ought to recall that no one is *compelled* to write on intellectual history or philosophy. (p. 31)

liberty was required for the individual to most fully actualize his or her own moral purpose. Raico concludes:

The most fundamental similarity among the three thinkers has to do with the ethical coloration of their liberalism. For all of them, liberty was to be valued chiefly as a means to the end of human excellence, whether this is conceived of as consisting of perfect obedience to conscience, in such qualities as energy, passion and a taste for grandeur, or (as with Constant) in something of a combination of these...

...The recognition of the inadequacy of the ethical and metaphysical bases of eighteenth-century liberalism and the currents in nineteenth-century liberal thought that flowed from it, may be cited as the distinguishing mark of the three men...of all of them...it may be said that “they were liberals of a new type.”¹⁵⁹

The value of the work has clearly grown throughout the decades. *The Place of Religion in the Liberal Philosophy of Constant, Tocqueville, and Lord Acton* was officially published in book form in 2010.¹⁶⁰ The work deals with an area that is still not fully developed and understood - the role of religion in the development of liberal philosophy in Europe. Professor Jörg Guido Hülsmann, professor of economics at the University of Angers, explains the importance of Raico’s study, as it serves as an antidote to the popular understanding of nineteenth century liberal history. Hülsmann writes:

The thoroughly anticlerical writings of Voltaire, Rousseau, Didérot, d’Alembert, Helvétius, and so many other apparent champions of individual liberty and opponents of oppression had created a continental European culture of liberalism in which the antagonism of faith and freedom was taken for granted...It seemed as though one had to choose between religion and liberty.

However, Professor Raico also stresses that there was another tradition within classical-liberal thought, one that recognized the interdependence between religion and liberty. This tradition includes most notably the three great thinkers that Professor Raico portrays in his 1970 doctoral dissertation...At the beginning

¹⁵⁹ Ralph Raico, “The Place of Religion in the Liberal Philosophy of Constant, Tocqueville, and Lord Acton” (Ph.D. diss., University of Chicago, 1970), p. 183.

¹⁶⁰ See Ralph Raico *The Place of Religion in the Liberal Philosophy of Constant, Tocqueville, and Lord Acton* (Auburn, AL: Ludwig von Mises Institute, 2010).

of the twenty-first century it has not lost its timeliness and importance as a tool for reunderstanding the history of liberalism.¹⁶¹

The formation provided in economics and philosophy under both Hayek and Mises brought enormous depth, clarity, and richness to Raico's history teaching. In 1967, he began his 39 year long teaching career at Buffalo State College.

¹⁶¹ Jörg Guido Hülsmann, introduction to *The Place of Religion in the Liberal Philosophy of Constant, Tocqueville, and Lord Acton* by Ralph Raico (Auburn, AL: Ludwig von Mises Institute, 2010), p. iv.

Part III.

1. *Buffalo State College*

In 1967 Raico left Wabash College,¹⁶² and came to Buffalo, New York, to Buffalo State College where he taught European history. Raico found a permanent home in Buffalo, living in an apartment a few miles from the Buffalo State College campus. Raico was said to be immediately impressed with the faculty in the history department, and this pulled him into the decision to accept a position with Buffalo State College.¹⁶³

Dr. Edward O. Smith was Raico's closest friend within the department. Dr. Smith began his career at Buffalo State in 1963 and the two spent their careers together and ended up retiring together.¹⁶⁴ "I'll be the first one to admit," said Professor Smith "Raico was the most under-appreciated member of the faculty." Although Raico was an "extremely private person," he did have several other friends on the faculty including Eastern European scholar Dr. Julius Slavenas, American labor and intellectual historian Dr. Nuala Drescher, and medieval and Renaissance scholar Dr. Martin Ederer.¹⁶⁵

¹⁶² The reason for this change is unclear. It does seem that Pierre Goodrich and Benjamin Rogge were becoming disillusioned with the direction of Wabash at this time. According to Dane Starbuck "Goodrich was displeased with both the manner in which the college was being run and the liberal beliefs that he believed many of the faculty members and administrators held. Finally, in the spring of 1969, Goodrich resigned from the board of trustees." Rogge also stepped down from dean of the college during this period of time in the late 1960s. From *The Goodriches: An American Family* (Indianapolis: Liberty Fund, 2001), accessed from < <http://oll.libertyfund.org/title/1065/115588> > (8/17/2012).

¹⁶³ Conversation by author with Buffalo State history Professors E.O. Smith and Nuala Drescher, June 2012

¹⁶⁴ Dr. Smith received his doctorate at Lehigh University and specialized in European History. He went on to chair the History and Social Studies Education Department and was a SUNY Distinguished Service Professor. Dr. Smith was famous among staff and students for his encyclopedic knowledge of history, and especially the Christian heritage of Western Civilization. Much like Raico, Dr. Smith shared disgust with the takeover of Marxism in the social science departments on college campuses and also with the atmosphere of political correctness that grew ever stronger. (Author's recollections of European History Graduate Course 616, Buffalo State College, Buffalo New York, Spring 2004, and private seminar Undergraduate Course 704, Buffalo State College, Buffalo New York, Fall 2003.)

¹⁶⁵ Conversation by author with Buffalo State history Professors E.O. Smith, June 2012.

Raico also was the most academically accomplished member of the history department faculty, but he never sought either attention or recognition.¹⁶⁶ It was remarked that Raico never even bothered to apply for the rank of full professor, although he was eventually granted the distinction thanks to Dr. Drescher's constant encouragement.¹⁶⁷

Perhaps part of Raico's tendency to keep a low profile may have had to do with the general left-leaning tendencies of the academy. Raico's hardcore libertarianism could never be jubilantly received at a state college, but thankfully the department was tolerant. The school maintains a standard of intellectual diversity, and often times actively supported Raico's initiatives. For instance, in 1982 Raico organized a "Dimensions of Freedom" lecture series bringing distinguished (and radical) intellectuals to Buffalo State's campus. These included Noam Chomsky, Robert Nozick, Nat Hentoff, and the anti-psychiatrist Thomas Szasz. Raico was also given considerable freedom in the development of his courses. He normally taught modern European history, but also developed several "extremely innovative"¹⁶⁸ courses on politics, war, imperialism and scapegoats in history.

Raico's views were not often understood by his students, or accepted by his colleagues, but he was generally regarded as a remarkable teacher.¹⁶⁹ According to former Chair of the history department and friend, Dr. Nuala Drescher, the depth and breadth of Raico's learning was the greatest she has ever known and his teaching abilities were incredibly effective.¹⁷⁰

¹⁶⁶ Ibid.

¹⁶⁷ Conversation by author with Buffalo State history Professor Nuala Drescher, June 2012

¹⁶⁸ Ibid.

¹⁶⁹ Ibid.

¹⁷⁰ Ibid.

This is not to say Raico could not be cranky or even cantankerous. Raico was known to go so far as to pound his fist on his podium in disgust at students, to storm out of class, or even order his classroom to leave - when the ignorance or apathy became too much for him to stand.¹⁷¹ Despite these tendencies, Dr. Drescher maintains that Raico had an “uncanny and unmatched ability to open doors to the life of the mind to students who would have otherwise slipped through the cracks. When he was on track with a student, he was without peer.”¹⁷²

Raico possessed what could be described as a dual intellectual life. While Raico had the practical demands of his teaching and scholarly duties, he was also part of a larger, growing international libertarian movement. Indeed, he was a major figure in the shaping and in the success of the libertarian program. His early years in Buffalo were a very politically active period. He became a member of the New York State Libertarian Party, serving on its Platform Committee and as a convention delegate. Raico worked alongside fellow Western New York libertarian activist, Mike James. Raico was especially keen on the rights of minority groups and was remembered to be faculty advisor to the Black Panthers on campus¹⁷³ and a defender of gay rights.¹⁷⁴ His more lasting efforts within the libertarian movement came, however, in the years that followed. Raico’s libertarian career involved organizing libertarian think-tanks, speaking at international conferences, and conducting groundbreaking research.

¹⁷¹ Recollections of author and conversation with Professor E.O. Smith, June 2012. The reality however, that today’s students have clearly become much more distracted, more entitled and self-absorbed explains why these outbursts can be somewhat understandable, if not necessary. I myself can attest to benefiting from one of Raico’s outbursts.

¹⁷² Conversation by author with Buffalo State history Professor Nuala Drescher, June 2012.

¹⁷³ Conversation by author with Buffalo State history Professor Gary Marotta, fall, 2011.

¹⁷⁴ See Raico’s monograph on behalf of the Libertarian Party, “Gay Rights: A Libertarian Approach” originally published by the Chicago Libertarian Association, 1975.

2. *Death of Conservatism*

In the early 1970s Raico remained ideologically aligned and loyal to Murray Rothbard. Rothbard had been busy in New York City, teaching at Brooklyn Polytechnic, and doing his part to establish the libertarian movement. Rothbard was writing articles and books at a blinding rate of speed, arguing his libertarian position on foreign policy, economics, the arts, and even religion. Because conservatives were more and more becoming statist- interventionists, Rothbard decided to break away completely from the right and align with the New-Left.¹⁷⁵ The New-Left was basically the ardently anti-war left that emerged out of the 1960s in opposition to the Vietnam War.

While Raico may not have shared Rothbard's famous optimism with the prospect of aligning with the New-Left, he did become convinced that there is zero hope for

¹⁷⁵ Rothbard believed that libertarians were mistaken to align themselves with the growing neo-conservative movement and he liked the anti-establishment message brewing on the left in response to the Vietnam War. Rothbard and Leonard Liggio went ahead and put out a journal of their own called *Left and Right: A Journal of Libertarian Thought* from 1965-1968. Rothbard wrote most of the content contained in *Left and Right*, and he recruited his friends to contribute. In the first issue, Rothbard's article "Left and Right: The Prospects for Liberty" lays out the new platform. First he established the problem inherent in conservatives. He states:

The Conservative has long been marked, whether he knows it or not, by long-run pessimism: by the belief that the long-run trend, and therefore Time itself, is against him, and hence the inevitable trend runs toward left-wing statism at home and Communism abroad. It is this long-run despair that accounts for the Conservative's rather bizarre short-run optimism; for since the long run is given up as hopeless, the Conservative feels that his only hope of success rests in the current moment. In foreign affairs, this point of view leads the Conservative to call for desperate showdowns with Communism, for he feels that the longer he waits the worse things will ineluctably become; at home, it leads him to total concentration on the very next election, where he is always hoping for victory and never achieving it. The quintessence of the Practical Man, and beset by long-run despair, the Conservative refuses to think or plan beyond the election of the day.

Pessimism, however, both short-run and long-run, is precisely what the prognosis of Conservatism deserves; for Conservatism is a dying remnant of the *ancien régime* of the pre-industrial era, and, as such, it has no future. In its contemporary American form, the recent Conservative Revival embodied the death throes of an ineluctably moribund, Fundamentalist, rural, small-town, white Anglo-Saxon America. What, however, of the prospects for liberty? For too many libertarians mistakenly link the prognosis for liberty with that of the seemingly stronger and supposedly allied Conservative movement; this linkage makes the characteristic long-run pessimism of the modern libertarian easy to understand...while the short-run prospects for liberty at home and abroad may seem dim, the proper attitude for the libertarian to take is that of unquenchable long-run optimism (Murray Rothbard "Left and Right: The Prospects for Liberty" *Left and Right*, Spring 1965 p. 4.).

liberty in modern day conservatism. In one article he wrote for the *Libertarian Review* called “Conservatism on the Run,” Raico savages conservatives. The article finishes by declaring, “The conservative movement is intellectually bankrupt and morally moribund. Any identification with it would be the kiss of death.”¹⁷⁶

In 1969 Raico assisted in Rothbard’s new venture, the journal called *The Libertarian Forum*. Rothbard attracted a wide variety of young economists and libertarian intellectuals to help write articles. Several became lifelong friends with Raico, including Dr. David Gordon, Dr. Walter Block and Dr. Joseph Salerno; each has contributed greatly to Austrian economics. One new enthusiast who later became famous was a medical doctor, military-veteran, and U.S. congressman by the name of Ron Paul.¹⁷⁷

¹⁷⁶Ralph Raico, “Conservatism on the Run” the *Libertarian Review* January 1980, available from < <http://www.lewrockwell.com/raico/raico23.html> > (June 29, 2008) Raico writes about how major conservative papers such as *Human Events* and the *National Review* were writing articles attacking Libertarians as dangerous, pro-communist, pro-Nazi, and anti-American. “As to what motivated the attack[s],” he writes, “It’s obvious, of course, that it was the result of a top-level strategic decision at *National Review*. To my mind, it’s equally clear – and not a little gratifying – that that means they’re scared.” Another article from 1975 makes it clear that Raico had washed himself clean conservatives. He writes,

...it should be obvious that the conservatives cannot be trusted in this area [defending freedom]. Even their rhetorical commitment to individual freedom have always been oddly selective: freedom of business enterprise—but not for the narcotics or pornography business; devotion to the right to life, liberty and the pursuit of happiness—but not when overseas imperialist adventures require the conscription of American youths; pride in being a citizen of “the freest land on earth”—but a central part of their image of America has always somehow been the House Un-American Activities Committee and the sainted FBI. In short, what conservatives lack—it’s almost their defining characteristic—is any sense that politics should be about principle (Ralph Raico, “Gay Rights: A Libertarian Approach” originally published by *Chicago Libertarian Association*, 1975, pp. 7-8).

¹⁷⁷Ron Paul was already deeply interested in the economics of the Austrian school before he befriended Murray Rothbard in the 1970s. The Austrian school’s position on important issues, such as the Federal Reserve Bank and U.S foreign policy, inspired Paul to run for congress. To this day Ron Paul is affiliated with and a supporter of the Mises Institute, founded by Murray Rothbard and his friends. Recently, Ron Paul made a widely popular 2008 and 2012 runs for the presidency proving to be the most important event in the history of the ‘Austrian-wing’ of the libertarian movement. Paul aroused both hatred and adulation on nationalized television debates with his economic and political arguments while running as a Republican in the tradition of the “Taft-wing” of the Republican Party.

At a speech during the 25th anniversary celebration of the Mises Institute, Raico said he was deeply honored to again see “the great” Ron Paul. Raico was again alongside Ron Paul at an important

The *Libertarian Forum* had very limited circulation, but lasted from 1969 to 1984. The content was consistently explosive, and often promoted an alliance between libertarians and the New-Left. The articles that Raico contributed to the *Libertarian Forum*, taking aim directly at conservatives, were among the most hard-hitting and polemic of his career. These include “Conservative Myths in History,”¹⁷⁸ and a now famous critique of conservative hero Winston Churchill, ironically entitled, “Winston Churchill: an Appreciation.”¹⁷⁹ In the latter article, Raico completely reevaluates

2007 libertarian conference for the *Future of Freedom Foundation*. Out of the dozen or so speakers at the conference, Raico’s spoke just prior to Paul’s keynote address, and here, Raico described Paul as being a greater statesman even than his boyhood hero Robert Taft. See Ralph Raico, “The Case for an American-First Foreign Policy (speech delivered at the Future of Freedom Foundation’s Restoring the Republic conference, June 1-4, 2007 Reston, Virginia).

¹⁷⁸ See Ralph Raico, “Conservative Myths in History,” *The Libertarian Forum* Vol 6. No. 7. July 1974, pp. 3-5. Raico is critical of the role of the Church in “Conservative Myths in History.” Here he reviews conservative intellectual Erik von Kuehnelt-Leddihn’s book, *Leftism: From De Sade and Marx to Hitler and Marcuse*. Kuehnelt-Leddihn was considered by many-whom he likely agreed with- as the great intellectual of the conservative movement. Often thought of as a walking encyclopedia, Kuehnelt-Leddihn would boast about his ability to speak eight different languages and read in seventeen.

Raico’s main criticism is that the Kuehnelt-Leddihn book is another prime example that the American right is tuning into an “imitation of old-line European conservatism.” And that this phenomenon is being helped along due to the part played by the “philosophy of history” of the American right which now views the origins of modern “decay” and “chaos” in the “various critical movements of the past few centuries, especially the Enlightenment, but going back even to the Reformation and, beyond that to certain medieval “heresies.” In other words, conservatives believe that the decline of western civilization is due to the absence of a Church presence, to guide and moralize the masses. Conservatives have put this interpretation above classical liberal theory, which holds the State to be the ultimate source of the problem. And they see nothing contradictory with using the State themselves, especially to push the Christian agenda.(p. 3).

¹⁷⁹ See, Ralph Raico, “Winston Churchill: an Appreciation” *The Libertarian Forum* Volume VIII, No. 8, August 1975, pp. 1-8. The article meticulously exposes Churchill’s role in nationalizing British industry, and the intentional leaving of the *Lusitanian* unprotected-which directly helped along Churchill’s agenda of getting the United States into World War I. Churchill dumped millions of British pounds into the Russian Civil War on the anti-Bolshevist side, which Raico points out, “helped consolidate nationalist-minded support behind them[the Bolsheviks], and thus aided Lenin and Trotsky in winning the Civil War.”(p.4) Then Churchill supported Stalin. He later professed admiration for the personality and leadership qualities of Hitler and especially Mussolini.

Raico details the bombings of Dresden, Hamburg and other German cities where Churchill refused to shift the focus of the bombings from civilian targets to military targets-even at the pleading of his generals and the United States. Raico’s conclusion comes across as a release of pent up disgust and shame. He writes:

Let us try to sum up the career of this enormously influential man. In Winston Churchill we have, above anything else, a militarist, one who yearned for even more wars than actually occurred, a jaundiced personality whose nose only began to twitch when there was bloody conflict afoot, a decadent who could refer to the years without war as “the bland skies of peas and platitude.” We have a schemer clever enough to have embroiled America in two

Churchill's life. Raico writes, "Churchill was, at best, a not particularly good specimen of his class and type, and, on the critical occasions when he held history-shaping power, by every rational definition and many times over a war criminal who badly wanted hanging." Raico is unsparing: He portrays Churchill as a man with no principals, a hypocrite, a warmonger, a lover of empire (especially the British Empire), an aristocratic snob, a bombastic literary stylist, and so on. Rothbard's introduction to the article states:

We do not ordinarily publish articles of this length in the Lib. Forum. But Professor Raico's scintillating article is of such importance that we are waiving that rule in order to publish it in one piece. Winston Churchill's reputation - fueled by massive propaganda machines in the West - is generally one of uncritical adulation, especially in conservative and even in libertarian circles. We venture to predict that, after Professor Raico's article, that reputation will never be the same again.¹⁸⁰

Raico, and his close friend Murray Rothbard, carried forth Acton's dictum in their own historical writings as they pioneered modern libertarian revisionism. They refused to yield to the pressure to fawn over conventional historical heroes such as Woodrow Wilson, Franklin D. Roosevelt or Churchill. Instead, they sought to expose these men of power as not only political failures, but as war criminals. For Raico, these so-called

world wars in defense of the British Empire (he used our people in his plans as he might have the Greeks and the Turks), and the great master of stomach-turning Anglo-Saxon cant, the apotheosis of the tradition of Palmerston and Edward Grey, of Wilson, Stimson and Roosevelt—but nonetheless a foolish and futile politician (even from his own standpoint), one of the main destroyers of the balance of power in Europe and East Asia, and the grave-digger of the Empire of the State he served. We have a Man of Blood, whose most characteristic acts were to arrange that the Lusitania would be sunk, and to send the planes winging to set Hamburg and Dresden on fire – perhaps the main architect of the system of total war which has yet to put an end to the human race. And we have, when all is said and done as far as his beloved country is concerned, a mere social imperialist and politico without principle, in the tacky line of those who have made the England of Gladstone's time into what it is today.

Yes, truly the Man of the Century.

For a fitting epitaph, there's a choice: either the one that seems demanded: If you seek his monument, look around. Or the one I prefer: -
He was better than Hitler (pp. 7-8)

¹⁸⁰ Ibid., pp. 1, 3.

“great men” deserve their rightful place (perhaps not alongside the great mass murders of history such as Hitler or Stalin) in the bestiary of the enemies of humanity. For Raico, the heroes in history are the men and women who courageously stand up to fight against tyranny.

3. Murray Rothbard's Influence, Revisionism, and Class Conflict

Clearly Murray Rothbard inspired and challenged many people to rise to the occasion, and Raico often expresses his deep admiration for him. Raico's main reason for admiring Rothbard was simply Rothbard's sheer brilliance. He wrote in 1976 on Rothbard's 50th birthday:

[Rothbard] is a man of great achievement and immense scholarship; an indefatigable worker; a political theorist of a very high order indeed, with a genius for synthesis and discerning the big picture; the most significant living anarchist writer; the most significant name in the whole noble history of individualist anarchism; and, all in all — in my opinion and in the opinion of a number of others — from the viewpoint of the prospects for human liberty quite simply the most important intellectual in the world today.¹⁸¹

Part of Raico's fondness had to do with Rothbard's famous glowing optimism. Raico was usually pessimistic about the future. JoAnn Rothbard writes about this difference, “[Murray] was never depressed, always optimistic, even when, as Ralph Raico writes, optimism seemed unrealistic.” In this sense they seemed to possess nearly opposite temperaments. One thing that both friends did share was a gift for humor. Raico's wit has become legendary,¹⁸² and Rothbard's sense of humor is immortal in libertarian folklore. JoAnn Rothbard recalls about her husband,

¹⁸¹ Ralph Raico, “Murray Rothbard at His Semicentennial” originally published in the *Libertarian Review*, 1976, available at < <http://mises.org/daily/4436/Murray-Rothbard-at-His-Semicentennial> >.

¹⁸² See the comments by Joseph Stromberg in his review of *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus* by Ralph Raico *Independent Review*, March 2000.

Like many funny people, he judged other people, to some extent, by whether or not they laughed at his jokes. Real friends did. And he was lucky that in Ronald Hamowy, Ralph Raico, and Burt Blumert, among others, he had genuinely humorous friends with whom he could share laughs.¹⁸³

Raico and Rothbard shared personal preferences also. They were both clearly lovers of European civilization. Raico and Rothbard deeply appreciated the rich cultural heritage of Western civilization. Rothbard loved Baroque Church architecture, and most classical music up to Mozart.¹⁸⁴

One form of modern, popular culture they both enjoyed was movies. Raico's favorite movie, *The Godfather*, was also one of Rothbard's favorites. According to Brian Doherty, "Ralph Raico was known to sigh at news of the latest absurdity or strategic misfire or failure on the part of a fellow libertarian, echoing the *Godfather*, "This is the movement we have chosen." Rothbard made clear that it was Raico "who came up with the magnificent motto" and this "should be noted for present and future historians."¹⁸⁵ Above all, the "movement" that Rothbard and Raico dedicated themselves to was the promotion of libertarianism as a legitimate, intellectual position. This position is that of Austrian economics, whose philosophic roots can be traced deep in Western Civilization, back to Catholic Scholasticism and even Aristotle.¹⁸⁶ Raico and Rothbard would have to set about the task of revising the historical record, in order to promote the credibility of

¹⁸³ Joann Rothbard, "My View of Murray Rothbard" (speech delivered March 1, 1986, at the Mises Institute's celebration in honor of Murray Rothbard's sixtieth birthday). Accessed from <http://mises.org/daily/323> (August 17, 2012).

¹⁸⁴ See Ron Paul and Hans-Herman-Hoppe's memories of Murray Rothbard in *Murray N. Rothbard: In Memorandum*, Llewellyn H. Rockwell Jr., Ed., (Auburn: Ala: Ludwig von Mises Institute, 1995). Raico seems to share very similar tastes.

¹⁸⁵ Murray Rothbard, "Campaign Fever 84" *The Libertarian Forum* Vol. 18. No. 3-4. March-April 1984, p. 1. This line has been called "immortal" in the history of the libertarian movement see Llewellyn H. Rockwell Jr. "Get 'Liberty'" May 2, 2008, <<http://www.lewrockwell.com/rockwell/get-liberty.html> > (June 28, 2008).

¹⁸⁶ See David Gordon "The Philosophical Origins of Austrian Economics," July 1994, <<http://mises.org/daily/2200>>

Austrian-libertarianism, in a scholarly environment rife with Marxism, utilitarianism, Keynesianism, etc.

Raico maintains that Rothbard pursued historical revisionism in order to de-sanctify or de-mystify the state. He writes, “It was because Murray took the conclusions of revisionism quite seriously and meditated on the meaning of war and imperialism that he was able to come upon this deep truth concerning that “earthly god,” the state.”¹⁸⁷ The major force which led to this situation of omnipotent government (as Mises called it) has been the undertaking of war. Raico adopted Rothbard’s analysis that the modern powerful state, using both the wealth of the economy and mass electoral democracy, created the ‘total wars’ of modern history. Relying on enormous propaganda efforts, the modern nation state arouses contempt for the foreign enemy, appeals to feelings of nationalism, and also uses history in order to create myths. Wars invest the state with ‘emergency powers’ it needs to do away with constitutional constraints and extend the scope of the state. Historical and cultural myths are summoned by the state to answer the questions of: Who started the war? Which side was the ‘good’ side? By using historical myths the state is able to convince the people to go to war. It can then siphon the wealth created by capitalism into its own destructive efforts, and finally engage in exploitative and damaging ‘peace agreements’ after the war’s end. Wars created the modern nation state and wars are the doorway by which the welfare state is able to come into existence.¹⁸⁸

¹⁸⁷ Ralph Raico “Murray Rothbard at His Semicentennial” originally published in the *Libertarian Review*, 1976, available at < <http://mises.org/daily/4436/Murray-Rothbard-at-His-Semicentennial> >

¹⁸⁸ See especially, Ralph Raico, *Great Wars and Great Leaders: A Libertarian Rebuttal* (Auburn, AL: Ludwig von Mises Institute, 2010).

In terms of the methodology of revisionism, Raico points again to Rothbard's influence. Rothbard was able to correctly distinguish the conflicts that exist within modern civilization. He writes,

The realistic quality of his [Murray Rothbard's] political analysis is evident in the increasing use he is making of the concepts of "class" and "class conflict" (not in the wrongheaded and superficial Marxist sense) as explanatory devices in approaching modern history.¹⁸⁹

The state represents a particular class distinguished and exalted above the rest of society by legalized privilege and plunder. Wars are the great tool used to advance the state's power. We see that libertarian historical revisionism is based on a theoretical or philosophical approach to interpreting history, rooted in economic and social theory. A brilliant analysis of class conflict theory, both Marxist and liberal, can be found in Raico's essays "Classical Liberal Exploitation Theory"¹⁹⁰ and "Classical Liberal Roots of the Marxist Doctrine of Classes."¹⁹¹

Class conflict is most famously associated with Karl Marx, and is a fundamental device used in Marxist history and social theory. It is a widely used tool, perhaps the most familiar theorem in all of the social sciences. Raico shows that the class conflict theory was well understood, especially among French classical liberals in the first decades of the nineteenth century. Raico writes:

Marxism contains two rather different views of the state: most conspicuously, it views the state as the instrument of domination by exploiting classes that are defined by their position within the process of social production, e.g., the capitalists. The state is simply "the executive committee of the ruling class."

¹⁸⁹ Ralph Raico "Murray Rothbard at His Semicentennial" originally published in the *Libertarian Review*, 1976, available at < <http://mises.org/daily/4436/Murray-Rothbard-at-His-Semicentennial> >

¹⁹⁰ See for instance, Ralph Raico, "Classical Liberal Exploitation Theory: A Comment on Professor Liggio's Paper" *Journal of Libertarian Studies* Vol. 1. No. 3. 1977, pp. 179-183. Raico first presented these findings in 1974 to a libertarians scholars conference in New York City.

¹⁹¹ See Ralph Raico "Classical Liberal Roots of the Marxist Doctrine of Classes," in *Requiem for Marx* edited by Yuri N. Maltsev, (Auburn AL: Ludwig von Mises Institute, 1992), 189-220. online edition accessed at < <http://mises.org/daily/2217> >

Sometimes, however, Marx characterized the state itself as the exploiting agent.¹⁹²

While both of these versions of class conflict are utilized within Marxism, Raico shows that:

Several decades before they [Marx and Engels] wrote...an influential group of French liberals had already singled out the parasitic state as the major example in modern society of the plundering and “devouring” spirit. This school of liberalism elaborated a doctrine of the conflict of classes, and in this respect had not only a logical, but also a historical, connection with Marxism — as Marx himself conceded and as was conceded in later years by Engels and the thinkers of the period of the Second International, including Lenin. This earlier liberal school can moreover be taken as virtually the ideal of authentic, radical liberalism.¹⁹³

Raico uncovers that these French liberals understood class conflict *not* as a conflict on the basis of owners of means of production as Marx had often morphed the concept – but in the sense of *legal*, or *state-sanctioned*, class distinctions. The major implication of this is not bragging rights, but Raico explains, the liberal theory of class conflict is simply a much better theorem. The liberal theorem rightly puts the focus upon the true perpetrator of class conflict throughout history, the state.¹⁹⁴

The liberal version is not only suited to explain social reality in general, but also Marxist regimes. As Raico writes:

From a scientific point of view, the liberal theory—which locates the source of class conflict in the exercise of state power—has another pronounced advantage over the conventional Marxist analysis: liberal theory is able to shed light on the structure and functioning of Marxist societies themselves. “The theory of the Communists,” as Marx wrote, may be summed up in the single sentence: Abolition of private property.” Yet, Communist societies, which have essentially abolished private property, are hardly on the road to the abolition of classes. This has led to some deep soul-searching among Marxist theoreticians and justified complaints regarding the inadequacy of a purely “economic” analysis of class conflict to account for the empirical reality of the socialist

¹⁹² Ralph Raico, “Liberation from the Parasite State” *Liberty* magazine, January 1991. Online edition accessed from < <http://mises.org/daily/4580/Liberation-from-the-Parasite-State> > (October 19, 2012).

¹⁹³ *Ibid.*

¹⁹⁴ Ralph Raico, “Classical Liberal Exploitation Theory: A Comment on Professor Liggio’s Paper” *Journal of Libertarian Studies* Vol. 1. No. 3. 1977, pp. 179-183

countries. Yet the liberal theory of class conflict is ideally suited to deal with such problems in a context where access to wealth, prestige, and influence is determined by control of the state apparatus.¹⁹⁵

The main French scholars whom Raico cites as the developers of class conflict theory are: Augustine Thierry, Charles Comte and Charles Dunoyer and “can be considered the culmination of the tradition of French liberal thought.” And “They called their doctrine *industrialisme*.”¹⁹⁶ What did the liberal (industrialist) version of class conflict entail? Raico explains:

The industrialists agreed with Jean-Baptiste Say, who held that wealth is comprised of what has value, and that value is based on utility. All those members of society who contribute to the creation of values by engaging in voluntary exchange are deemed productive. This class includes not only workers, peasants, and the scientists and artists who produce for the market, but also includes capitalists who advance funds for productive enterprise (but not rentiers off the government debt)...

...But there exist classes of persons who merely consume wealth rather than produce it. These unproductive classes include the army, the government, and the state-supported clergy — what could be called the “reactionary” classes, associated by and large with the Old Regime. However, Say was quite aware that antiproducer and antisocial activity was also possible, indeed altogether common, when otherwise productive elements employed state power to capture privileges.

The industrialist doctrine may be summarized in the statement that the history of all hitherto existing society is the history of struggles between the plundering and the producing classes.¹⁹⁷

These French liberals used their theory of social and historical analysis in their own journal *Censeur Europeen*, whose motto was “peace and freedom.” Their pro-peace position, and the belief in the harmony of all *productive* classes (as opposed to the “tax-

¹⁹⁵ Ralph Raico, *Classical Liberalism and the Austrian School*, (Auburn, AL: Ludwig von Mises Institute, 2012), p. 214.

¹⁹⁶ Ralph Raico, “Liberation from the Parasite State” *Liberty* magazine, January 1991. Online edition accessed from < <http://mises.org/daily/4580/Liberation-from-the-Parasite-State> > (October 19, 2012).

¹⁹⁷ *Ibid.*

eating,” or state-sponsored classes), would become cornerstone to the liberal political philosophy.¹⁹⁸

The liberal class-conflict approach is used extensively throughout the historical writings of Murray Rothbard and Ralph Raico. Rothbard even used Raico’s research in this area when discussing class-conflict in his massive work, *An Austrian Perspective on the History of Economic Thought* (1995).¹⁹⁹ As we shall see, Raico stuck by his friend and intellectual mentor, Murray Rothbard, for years to come. They not only continued to contribute original scholarship, but together they also established institutes to amplify libertarian ideas.

4. From Cato Institute to Ludwig von Mises Institute

As we have already seen, Rothbard and Raico were uncompromisingly pro-peace and anti-state. Their radicalism and dogmatism in this area would play a crucial role in the founding of the Cato and Ludwig von Mises institutes.

At some point during the mid-1970s, the billionaire businessman Charles Koch discovered Murray Rothbard and planned to finance whatever visions Rothbard had for a libertarian movement. This culminated in Rothbard’s conception of the famous Cato Institute, headquartered originally at Stanford University. In 1977, Raico took a leave from Buffalo State College and moved to California to seize on a seemingly golden opportunity offered by his old friend.

¹⁹⁸Ibid., pp. 182-183.

¹⁹⁹ See, Murray Rothbard, *An Austrian perspective on the History of Economic Thought*, vol 2. (Auburn, AL: Ludwige von Mises Institute, 1995), pp. 389-391.

Rothbard's role in the formation of the Cato Institute was a dramatic affair, beginning with an impromptu meeting with Charles Koch.²⁰⁰ Rothbard was the main architect of the project; he named it the Cato Institute, after the radical 18th century political journal, *Cato's Letters*. Today the Cato Institute is probably the most visible and prestigious libertarian think tank, though it diverges enormously from Rothbard's original conception. The early years of the Cato Institute is a sordid story of alliances, power grabbing, and back-stabbing which eventually led to Rothbard's dismissal.

Rothbard, because of his alliance with Koch, believed he finally had the resources to make a decisive move into mainstream intellectual life. He recruited old friends Raico, Ronald Hamowy, Leonard Liggiio and others to work for him. The Cato Institute's main publication at this time was the magazine, *Inquiry*. Its first edition came out in the Spring of 1977, with Raico as editor of the book and movie review section. The magazine was crafted to be different from the previous libertarian magazines. It was not intended to knock the reader over the head with a barrage of radical libertarianism as had been the case in the *Libertarian Review* or *Libertarian Forum*; instead, *Inquiry* was designed to be far-more wide ranging and open to the contributions of scholars from all perspectives. Raico focused mainly on book and movie reviews. Professor David Gordon recalled that Raico had managed to persuade world-famous scholars, including Noam Chomsky, Peter

²⁰⁰ Justin Raimondo, *An Enemy of the State: The Life of Murray N. Rothbard* (Amherst, New York: Prometheus Books, 2000), 211-212. Charles Koch and his brother David inherited an oil business from their father and still rank in the top ten of the current Fortune 400 list. Charles was heavily influenced by his father's pro-capitalist beliefs and this interest eventually found its way to Murray Rothbard. Sometime in the mid-1970's, Rothbard received an invitation from Koch to spend a weekend at a ski lodge in Vail, Colorado. The purpose was to discuss the current state of the libertarian movement. Koch was already indirectly funding Rothbard's current book *The Ethics of Liberty* through a full-time research grant awarded through Koch Industries.

Strawson, Maurice Cranston, and Donald Davie, to contribute to *Inquiry*.²⁰¹ On a number of occasions when the magazine did its semi-annual book review issue, Raico would serve as senior editor. Raico edited over 800 pages of *Inquiry* while he held the position from 1977 to 1984.

The Cato Institute held its first summer seminar in 1979 at Dartmouth with Rothbard at the helm of deliberations. It dealt with historical revisionism, particularly World Wars I and II. The speakers included Raico, Rothbard, Hamowy and Liggi a.k.a. the original *Circle Bastiat*, minus Reisman. According Professor David Gordon's account, these original seminars did not shy away from hardcore and controversial historical revisionism. The original conception of the Cato Institute as an *Austrian Economics* think-tank, however, quickly eroded. These events are outlined in David Gordon's article, "The Kochtopus v. Murray Rothbard," perhaps the only firsthand account of what actually transpired. The article explains how Charles Koch as majority shareholder and ultimate decision maker, made the decisions within the organization, based on what his appointed manager of the operation, Edward Crane, told him. One of these decisions was to bring up Chicago school economist David Henderson to a powerful position.

The appointment of Henderson occurred unbeknownst to Rothbard. Rothbard never had a problem getting along with people of different points of view. But the appointment of a Chicago school economist indicated that Edward Crane was not a true believer in Austrian economics. The entire philosophic basis of the Chicago school's

²⁰¹ David Gordon, "The Kochtopus vs. Murray N. Rothbard" April 22, 2008, accessed from <<http://www.lewrockwell.com/gordon/gordon37.html>> (April 27, 2008).

positivist, empirical approach is almost completely at odds with Austrian school's deductive-logical method.²⁰²

Rothbard witnessed what he felt was the demise of his own invented term- 'libertarian' when Koch sponsored the 1980 presidential ticket of Ed Clark for president and Charles's brother David Koch as vice president of the 'libertarian' party. The 'libertarian' party platform compromised many libertarian principles for what was felt to be political expediency. Clark was, for instance, running on a platform that believed that *low* taxation was necessary. Rothbard felt that the true libertarian must always hold to the ideal of zero taxation.

Rothbard's constant disagreements led to his firing and it was no surprise to Rothbard when, immediately following his departure, the Cato Institute made the symbolic move to Washington, D.C. Ever since Cato's move to the beltway, the Cato Institute has gone out of its way to work within the Washington establishment compromising on many libertarian issues, even as far as being complacent on foreign intervention.²⁰³

Immediately following his departure from the Cato Institute in 1982, Rothbard assisted in founding the Ludwig von Mises Institute, which was just getting under way that same year. This venture turned out to be the one that Rothbard, Raico, and other 'radical' libertarians had only dreamt about. The Mises Institute was officially

²⁰² Among other points of disagreement between the Chicago school and the Austrians is that the Chicago school is basically permissive of the Federal Reserve System and taxation for public welfare. The Austrians, with the help of Rothbard's own scholarship, have argued that the Federal Reserve is a primary cause of economic woe, including the business cycle, the destruction of the currency, and redistribution of wealth to the top-tier elite. And Rothbard always maintained that any form of taxation is theft by definition. In other words, Chicago economists always left the door open for justifying a welfare-warfare state.

²⁰³ David Gordon, "The Kochtopus vs. Murray N. Rothbard" April 22, 2008, accessed from <<http://www.lewrockwell.com/gordon/gordon37.html>> (April 27, 2008).

established in Auburn, Alabama, and was conceived by Ron Paul's congressional chief of staff, the entrepreneur Lew Rockwell. Rockwell was assisted by Rothbard, Margrit von Mises, Hayek, Ron Paul, and Henry Hazlitt in establishing the Mises Institute. It had no political affiliations; its sole purpose was to educate and spread the ideas of Mises, Rothbard, Hayek, Hazlitt, Raico and other great thinkers in the tradition of the Austrian school.

The Mises Institute was met with severe opposition from Koch's foundations such as the Cato Institute and the Institute for Humane Studies. As a result, a harsh long-lasting feud emerged between the Mises Institute and the Cato Institute (despite the fact that many on the faculty, including Raico, were still allied with both).²⁰⁴ The same year Rothbard departed Cato, *Inquiry* magazine ended, and Raico signed onto the Mises Institute staff. Joining the Mises Institute no doubt strained Raico's five year relation with Cato. Raico distanced himself from the Cato Institute; however, he was not cut off completely as he continued to contribute papers, summer seminars, and conference lectures. Raico was even flown to Moscow in 1990 for a Cato conference entitled, "Transition to Freedom: The New Soviet Challenge." According to the Cato Institute, this was "the largest gathering of classical-liberal thinkers ever to take place in the Soviet Union."²⁰⁵

Perhaps because Raico was not part of the Cato power struggle amongst board members and management he was frequently invited back to the work of the Cato Institute, as well as the Institute for Humane Studies, where Raico was for a time, a

²⁰⁴ See Llewellyn H. Rockwell Jr., "Libertarianism and the Old Right" from *Mises.org*. August 5, 2006, <<http://www.mises.org/daily/2274> >

²⁰⁵ "Subverting Socialism" from *The Cato Institute 2001 Annual Report* (Washington, D.C.: Cato Institute, 2001), p. 46. Other Speakers at this conference included James Buchanan and Charles Murray.

senior fellow, contributing to its teaching seminars and scholarship.²⁰⁶ However, it is clear that by the early 1990s Raico's association with the Koch institutes was basically finished.

For Raico, the Cato Institute and the Institute for Humane Studies could not compare to the Ludwig von Mises Institute. Since the conception of the Mises Institute, Raico has been a member of its senior faculty and has frequently lectured at the seminars and conferences. Raico's affiliation with the Mises Institute is "an association that is very dear to me."²⁰⁷ Along with holding conferences and workshops and re-publishing books, the Mises Institute provided completely free, online archives to Austrian-school material. With the internet the Mises Institute has been an enormous resource for Austrian Economics literature, nearly all of the works of Mises, Rothbard, Hayek, Raico and others are free and downloadable at *mises.org*. In 2000, Raico explained its importance:

...the [Mises] Institute is fully exploiting the New Media--which has arrived just in the nick of time to become the alternative to the lying, corrupt Old Media. And if you followed the TV networks and the major newspapers during the outrageous, illegal, and unconstitutional war waged by the NATO killers against Yugoslavia, you know just how lying and corrupt they are...But now we have the Internet as the antidote.²⁰⁸

"For me," Raico comments, "the best is the Mises Summer University."²⁰⁹ For years, at the annual week-long Mises Summer University, Raico would lecture on history and shares stories about Mises, Rand, Rothbard, and Hayek to students from around the

²⁰⁶ See for instance Ralph Raico, *Classical Liberalism in the Twentieth Century* (George Mason University, Fairfax, VA: The Institute for Humane Studies, 1989) and Ralph Raico, "Some Aspects of Recent Historical Writing" an IHS Working Paper (George Mason University, Fairfax, VA: The Institute for Humane Studies, 1988)

²⁰⁷ Ralph Raico "2000 Schlarbaum Award Speech" (speech recorded at the Mises Institute 2000 Supporters Summit on The History of Liberty, Auburn, Alabama, January 28-29, 2000).

²⁰⁸ Ibid.

²⁰⁹ Ibid.

world.²¹⁰ In the late 1990s George Reisman, then teaching at Pepperdine University, was invited to join the Mises University faculty. The old “poster boys” of the libertarian movement got back together, at least once a year to teach together at the Mises Institute’s Summer University.

²¹⁰ See Ralph Raico “The Mises Circle”.

Part IV

1. *Anti-War Libertarian Revisionism*

Around the early 1980s, Raico settled back in Buffalo and began the most productive period of his life. From the late 1980s to the present, Raico has produced the majority of his great articles and books. During this period, he was frequently invited to participate and give addresses at conferences in Germany, Italy, France, Canada and around the United States. He also contributed essays and book reviews to *The American Spectator*, *Reason*, the *Libertarian Review*, *The Freeman*, *The Independent Review*, *Liberty*, *Cato Journal*, *The Review of Austrian Economics*, *Journal des Economistes et des Etudes Humaines* and also the German journals *Zeitschrift für Wirtschafts* and *Orientierungen zur Wirtschafts und Gesellschaftspolitik*.

It's during this prolific period, that Raico's interest in historical revisionism took hold. Interestingly, he also developed and taught Buffalo State College's course in historiography, required of all history majors. In a speech in 2005, Raico addressed the question, what is revisionism? Revisionism is:

...a revision of the standard government line, especially in regard to wars... When a war occurs, the government feels it is obliged to propound a certain line about how the enemy was totally responsible for this war...

...That's always the government line, and understandably, because wars, especially modern wars, demand such sacrifices from the people that they have to be totally bamboozled into thinking that they are fighting for the total and absolute good, and the enemy is demonic. So revisionism changes that. It doesn't have to totally reverse that, but it modifies that.

If it weren't for revisionism we'd still believe that the Spanish blew up the Maine in Havana Harbor, which there's no evidence of whatsoever and its counterintuitive... We'd believe that the United States entered World War I because of terrible violations of our rights by the Germans, rather than any plans that the administration had for getting into the war for its own larger purposes. We'd believe that every single time the United States is attacked, Pearl Harbor is

the outstanding example, but when the hostages were taken in Tehran during the Carter administration and when other things have happened in modern American history, that it's always foreigners who are just totally insane. They're psychotic, for no good reason [laughter]."²¹¹

Raico has two chapters in the 1996 book *The Failure of America's Foreign Wars*, revising the sweep of America's foreign policy entitled "The Case for an America First Foreign Policy" and "American Foreign Policy-The Turning Point, 1898-1919." They document the blunders and deception involved in America's wars. According to professor Hans-Herman Hoppe, these two essays are "marvelously insightful" and "well worth the price" of the book.²¹²

The narrative of these essays is the steady loss of the localism of the American republic, and the constant growth of the global, interventionist, American empire. Raico's approach here is consistent with the radical libertarianism of Mises's *Nation, State and Economy* (1919), which favors political decentralization, and the right of secession if necessary, even down to the individual household.²¹³

At one time, the United States was, according to Raico, "the liberal country par excellence...in this new land, government — as European travelers noted with awe —

²¹¹ Ralph Raico, "World War I: A Failure of State Elites" (speech given at the 2005 Mises University seminar, Ludwig von Mises Institute, Auburn, Alabama, 2005.)

²¹² See Ralph Raico, "The Case for an American First Foreign Policy" and "American Foreign Policy-The Turning Point," in *The Failure of America's Foreign Wars* edited by Richard M. Ebeling and Jacob G. Hornberger, (Fairfax, VA: The Furture of Freedom Foundation, 1996), pp. 21-41, 53-81.

²¹³ See Ludwig von Mises, *Nation State and Economy* (Indianapolis, IN: Liberty Fund, Inc., 2006). Mises for instance writes:

...No people and no part of a people shall be held against its will in a political association that it does not want... Liberalism knows no conquests, no annexations; just as it is indifferent towards the state itself, so the problem of the size of the state is unimportant to it. It forces no one against his will into the structure of the state. Whoever wants to emigrate is not held back. When a part of the people of the state wants to drop out of the union, liberalism does not hinder it from doing so. Colonies that want to become independent need only do so. The nation as an organic entity can be neither increased nor reduced by changes in states; the world as a whole can neither win nor lose from them... The size of a states territory therefore does not matter. (pp. 34, 39-40, 82).

could hardly be said to exist at all.”²¹⁴ This “noninterventionist America, devoted to solving our own problems and developing our own civilization, soon became *stupor mundi*—the wonder of the world.”²¹⁵ Raico laments the loss of the Founding Father’s advocacy of free trade and political isolationism. Raico recounts how America, despite the warnings of Washington, Madison, and Jefferson, chose the path of empire. “Were the Founding Fathers somehow to return,” He writes,

...they would find it impossible to recognize our political system. The major cause of this transformation has been America’s involvement in war and preparation for war over the past hundred years. War has warped our constitutional order, the course of our national development, and the very mentality of our people²¹⁶

Raico summarizes the connection between the welfare-warfare state:

Today the state presents itself under two aspects; as the welfare state, and as the warfare state. But these two aspects are very closely combined. First of all, the warfare state supports and enhances the welfare state. A victorious warfare state, as the United States has tended to be, produces in its subjects a perverted pride and infantile gratitude, which translates into a readiness to welcome state action at home.²¹⁷

²¹⁴ Ralph Raico “The Rise, Fall, and Renaissance of Classical Liberalism” accessed online from < <http://www.fff.org/freedom/0892c.asp> > (October 19, 2012).

²¹⁵ Ralph Raico “The Case for an American First Foreign Policy,” in *The Failure of America’s Foreign Wars* edited by Richard M. Ebeling and Jacob G. Hornberger, (Fairfax, VA: The Future of Freedom Foundation, 1996), p. 23.

²¹⁶ Ralph Raico, “American Foreign Policy—The Turning Point, 1898-1919” online addition published in *Freedom Daily*, February 1995, < <http://www.fff.org/freedom/0295c.asp> > (August 9, 2008). For this reason Rothbard wrote as early as 1954,

The moral policy for libertarians is to see that the scope of war is kept as localized as possible. The State must be held to its responsibility to enter no foreign war — and to provoke no war via rash and irresponsible statements, official condemnations of other governments, or inordinate armament buildups. We should not add to oppression at home in a hope to effect some sort of ‘liberation’ elsewhere. (Murray Rothbard, “The Real Aggressor” *Faith and Freedom* April 1954, <<http://mises.org/story/2800>> [April 15, 2008]).

²¹⁷ Ralph Raico, “On War and Liberty” (speech given at the Ludwig von Mises Institute’s summer university seminar, Auburn, Alabama, July 31, 2009).

He writes that “a revolutionary program of reform” to return to small, localized government, “will never be possible unless we institute a radical change in the area that conditions and shapes all the others—the area of foreign affairs.”²¹⁸

Raico asks, “Is it an accident that...historians rank American presidents who got us into war, as the great presidents?”²¹⁹ The U.S. presidency is a subject in which Raico saw a clear need for revisionism. The germination of his presidential revisionism goes back to a 1977 *Libertarian Review* article called “Our Greatest Presidents?”²²⁰ Raico is already lambasting what he calls “herds” of historians who gush over presidential power. “The most outstanding among this school,” he writes, “were Allan Nevins of Columbia University, Arthur Schlesinger, Jr., of Harvard, Eric Goldman of Princeton, and — topping them all — Henry Steele Commager of Amherst College.” The war presidents at the top of their lists – Franklin D. Roosevelt, Theodore Roosevelt, Woodrow Wilson, and Harry Truman – are predictably the leaders that Raico takes to task in his essays.

In 1999, Raico published two of his most famous historical essays in *The Costs of War: America’s Pyrrhic Victories*. John V. Denson of the Mises Institute says that, “World War I: The Turning Point” is “the best, most concise statement regarding the real causes and effects—the costs—of World War I that I have seen.”²²¹ Raico explains the origins of the Great War, the factors leading to America’s entry, and the effects the war had on American society. He explains the findings of the major books from the historiography on World War I, along with and primary sources, and especially

²¹⁸ Ralph Raico “The Case for an American First Foreign Policy” in *The Failure of America’s Foreign Wars* edited by Richard M. Ebeling and Jacob G. Hornberger, (Fairfax, VA: The Future of Freedom Foundation, 1996), p. 21

²¹⁹ Ralph Raico, “On War and Liberty”

²²⁰ Ralph Raico, “Our Greatest Presidents” originally published in the *Libertarian Review*, 1977 accessed from < <http://mises.org/daily/4447/Our-Greatest-Presidents> > (August 26, 2012).

²²¹ See John Denson’s Preface to *The Costs of War: America’s Pyrrhic Victories* (New Brunswick, New Jersey: Transaction Publishers, 1999), edited by John V. Denson, 2nd Edition.

concerning the causes of the conflict.²²² He took aim principally at Fritz Fischer's interpretation. While it is true that the Germans share responsibility for the war, there is "no evidence whatsoever that Germany in 1914 deliberately unleashed a European war which it had been preparing for years,"²²³ he argues.

Another popular myth that Raico refutes is the idea that there were legitimate reasons for the United States to enter World War I. Initially, Wilson called for neutrality, the policy in line with the tradition of the Founding Fathers. But this was "somewhat disingenuous" because Woodrow Wilson and "his whole administration, except for the poor beleaguered Secretary of State, William Jennings Bryan, was pro-Allied from the start. The president and most of his chief subordinates were dyed-in-the wool Anglophiles."²²⁴ And so, the path toward World War I, Raico explains:

...is the story of such manifold deception and credulity it would have brought the wry little smile to Machiavelli's lips that the cynical philosopher was famous for. The gullible American public was deceived by the reigning political class working in tandem with the British propaganda machine. The U.S. ambassador to England constantly deceived the State Department, which was eager to believe his lies. Above all, Woodrow Wilson deceived the people and his lieutenants as well as himself.²²⁵

Wilson ignored the policy of neutrality when he accepted British violation of American neutrality rights during the British hunger blockade of Germany. The inability of the Germans to receive supplies due to the British Naval Blockade led to mass

²²² Ralph Raico, "World War I: The Turning Point" in *The Costs of War: America's Pyrrhic Victories* (New Brunswick, New Jersey: Transaction Publishers, 1999), Edited by John V. Denson, 2nd Edition., pp. 203-247. A consensus emerged in the 1930's that none of the major European powers desired war and the war resulted from miscalculation and botched diplomacy, since the 1960's opinion has shifted back to that of German responsibility. This opinion, which is in alliance with the Treaty of Versailles verdict, was largely made fashionable by Fritz Fischer's *Germany's Grasp for World Power (1961)*. But Raico seeks to show that: "It can be stated with assurance that Fischer and his followers have in no way proven their case" (p. 213).

²²³ *Ibid.*, p. 214.

²²⁴ *Ibid.*, p. 220.

²²⁵ Ralph Raico, "FDR—The Man, the Leader, the Legacy" Parts 1-12. July, 1988-April, 2001, accessed online from < <http://www.fff.org/freedom/0798e.asp> > (October 19, 2012).

starvation, something that, Raico points out, is generally neglected by historians. “This hunger blockade,” he writes, “belongs to the category of forgotten state atrocities of the twentieth century.”²²⁶ Wilson was livid at Germany’s countermeasures to the blockade, which included submarine warfare. Through his persistence of favoritism towards the English and a massive propaganda campaign against everything German, Wilson was able to get America into the war. Raico reminds us of Wilson’s reason for why America must go to war, in order to “make the world safe for democracy.” “Given his war speech,” Raico writes, “Woodrow Wilson may be seen as the anti-Washington.”²²⁷

Worst of all, for libertarians, was the damage done against civil liberties. Conscription was, for Wilson, not slavery as the liberal tradition viewed it, but as Wilson stated, “it is, rather, selection from a nation which has volunteered in mass”²²⁸ Countless freedoms were violated with the passage of acts of national security, including the Espionage and Sedition Acts which took aim at free speech. Raico goes through the various ways in which the economy was socialized to fund the war effort. World War I ushered in the military industrial complex, grinding taxation and overall governmental control of society. Finally, Raico explains how the road to World War II had been paved by the Treaty of Versailles.²²⁹

The peak of Raico’s work in presidential revisionism is probably a series of essays re-evaluating Franklin D. Roosevelt, from childhood through World War II, called

²²⁶ Ralph Raico, review of *The Politics of Hunger: Allied Blockade of Germany, 1915-1919* by C. Paul Vincent, originally published in *Review of Austrian Economics* Vol. 3. No. 1. Accessed online from < <http://mises.org/daily/4308/The-Blockade-and-Attempted-Starvation-of-Germany> > (October 19, 2012).

²²⁷ Ralph Raico, “World War I: The Turning Point” p. 229.

²²⁸ Woodrow Wilson, quoted in Ralph Raico, “World War I: The Turning Point” in *The Costs of War: America’s Pyrrhic Victories* (New Brunswick, New Jersey: Transaction Publishers, 1999), edited by John V. Denson, 2nd Edition, p. 237.

²²⁹ *Ibid.*, 230-247.

“FDR--The Man, the Leader, the Legacy.”²³⁰ Needless to say, Raico’s description of Roosevelt is a brutal reassessment of the depression and war leader who is conventionally considered among the United States’ greatest presidents. Here Roosevelt comes across as a mediocre intellect at best, a power-mad conniver, audacious, and one who had very little knowledge of the ramifications of his policies. The overarching theme of these essays is how Roosevelt brought “fascism to America,” through the consolidation of government power both domestically (New Deal) and abroad (his intention to drag America into World War II).

The articles are a demolition of a president who has been for decades rated among the all-time greats. As with his other essays on historical personalities, Raico consistently focuses on the deeds of the men of great power and stature, rather than their words or whatever character strengths they appear to show. He is fair to Roosevelt for whatever good he did accomplish, such as the setting up of Roosevelt’s polio facility in Warm Springs, Georgia. But, F.D.R. is generally portrayed as a man without any real principles, an opportunist of the highest order, drunk with power and pride, whose most aggravating personality trait being “*his constant lying*.”²³¹

Raico’s list of Roosevelt’s destructive measures inflicted upon the original conception of the American republic is exhaustive. There is Roosevelt’s removal of the gold standard, his billions of dollars in wasteful New Deal government spending, his trouncing of the Supreme Court and Constitution, and his debacles leading up to World War II. Raico reiterates the case laid forth by Rothbard, in his *America’s Great*

²³⁰ See Ralph Raico “FDR-The Man, The Leader, The Legacy,” parts 1-12, published online by The Future of Freedom Foundation, 1998-2001 accessed from < <http://www.fff.org/toc/raicofdr.asp> > (August 26, 2012)

²³¹ See Ralph Raico’s introduction to *The Roosevelt Myth* by John T. Flynn (San Francisco, CA: Fox & Wilkes, 1948), ix.

Depression (1963); that Roosevelt did not pull America out of the Great Depression, but, a depression that would have lasted a short while was transformed into a decade-long catastrophe because of Roosevelt's destructive interventionist policies.²³²

Another article which picks up chronologically where the Roosevelt article finishes, is "Harry S. Truman: Advancing the Revolution" in *Reassessing the Presidency: The Rise of the Executive State and the Decline of Freedom* (2001). Raico points out that Truman, reviled in his day, is now another saint for both the left and right. The "revolution" in question here is, of course, the immense bureaucratic centralization of the American system that began with Woodrow Wilson. The most radical result of the Truman presidency was that it...

...saw the genesis of a world-spanning American political and military empire. This was not simply the unintended consequence of some alleged Soviet threat, however. Even before the end of World War II, high officials in Washington were drawing up plans to project American military might across the globe. To start with, the United States would dominate the Atlantic and Pacific Oceans and the Western Hemisphere through a network of air and naval bases. Complementing this would be a system of air transit rights and landing facilities from North Africa to Saigon and Manila. This planning continued through the early years of the Truman administration.

But the planners had no guarantee that such a radical reversal of our traditional policy could be sold to Congress and the people. It was the confrontation with the Soviet Union and "international communism," begun and defined by Truman and then prolonged for four decades, that furnished the opportunity and the rationale for realizing the globalist dreams.²³³

For Raico, the most revolting of all presidential acts was the atomic bombings of Hiroshima and Nagasaki. Raico goes through all the different reasons that Truman gave for the use of such force. The first reason given by Truman was that the Japanese only

²³² Ralph Raico "FDR: The Man, the Leader, the Legacy" Parts 1-12, published online by The Future of Freedom Foundation, 1998-2001, accessed from < <http://www.fff.org/freedom/0295c.asp> > (November 10, 2008).

²³³ Ralph Raico, "Harry S. Truman: Advancing the Revolution" in *Reassessing the Presidency: The Rise of the Executive State and the Decline of Freedom* (Auburn, Alabama: Ludwig von Mises Institute, 2001) edited by John V. Denson. Online edition accessed from < <http://www.lewrockwell.com/raico/raico20.html> > (November 13, 2008).

seemed to respond to force. Next, Raico shows that the idea that Truman selected at first the “military” target of Hiroshima to spare women and children to be false, as these were obviously not “military” targets. Finally, Hiroshima was selected because it was claimed to be an industrial center. Raico argues why this was not the case. It is clear, argues

Raico:

...the rationale for the atomic bombings has come to rest on a single colossal fabrication, which has gained surprising currency: that they were necessary in order to save a half-million or more American lives. These, supposedly, are the lives that would have been lost in the planned invasion of Kyushu in December, then in the all-out invasion of Honshu the next year, if that was needed. But the worst-case scenario for a full-scale invasion of the Japanese home islands was forty-six thousand American lives lost. The ridiculously inflated figure of a half-million for the potential death toll – nearly twice the total of U.S. dead in all theaters in the Second World War – is now routinely repeated in high-school and college textbooks and bandied about by ignorant commentators. Unsurprisingly, the prize for sheer fatuousness on this score goes to President George H.W. Bush, who claimed in 1991 that dropping the bomb “spared millions of American lives.”²³⁴

Predictably, Raico takes enormous issue with the “Truman Doctrine” both constitutionally and ethically. Only Senator Robert Taft aggressively fought Truman’s march into Korea and the rest of his enormous military appropriations. In the Korean war, Truman proudly overturned the American presidential tradition of asking Congress for a declaration of war. As far as the Soviet threat, Raico still cannot understand where the clear evidence was that they were planning to invade Europe and possibly America.

In 1989, Raico wrote a brilliant piece of historiography called “The Taboo Against Truth: Holocaust and the Historians”²³⁵ which surveyed the modern literature on the mass-murdering regimes of the twentieth century and points out severe institutional biases against those historians who try to place the Soviet atrocities alongside the Nazis’.

²³⁴ Ibid.

²³⁵ Ralph Raico, “The Taboo Against Truth: Holocausts and the Historians,” *Liberty* Vol 3, No.1, September 1989, pp. 17-21.

We see that there is a severe double standard in favor of those historians who focus on Nazi crimes (crimes which *obviously* need to be accounted for), and a tendency to repress historians who justifiably seek to bring to light the horrors of the Soviet regime and compare them on par with the Nazis’.

These are only a few nuggets of Raico’s hard-hitting body of revisionist writings. Raico subscribed to Lord Acton’s philosophy of “reign of conscience” in which Acton believed that liberalism is essentially a relentless, never-ending indictment of the status quo. As Acton put it, “Liberalism wishes for what ought to be, irrespective of what is.” Acton believed in a higher law to which men must direct their conscience and conform their actions. The Natural Law, to which Acton refers, sets into motion a permanent revolution that “destroys the sanctity of the past,”²³⁶ and conscience demands the historian tell the truth. As David Gordon writes,

Ralph Raico...follows the practice of his great predecessor Lord Acton. In a letter to Bishop Creighton, Acton said: “Here are the greatest names coupled with the greatest crimes; you would spare those criminals, for some mysterious reason. I would hang them higher than Haman, for reasons of quite obvious justice, still more, still higher for the sake of historical science.” Raico has taken to heart this counsel.²³⁷

This is the role of the historian as set forth by Acton and taken up by Raico: to courageously expose the bad people and their bad deeds and to bring forth the true heroes from history. A collection of some of Raico’s most famous essays on war revisionism have been published in book form under the title *Great Wars & Great Leaders: A Libertarian Rebuttal* (2010), dedicated to the memory of Murray Rothbard who died in 1995.

²³⁶ Murray Rothbard “Left and Right: The Prospects for Liberty” *Left and Right*, Spring 1965, p. 6.

²³⁷ David Gordon, review of Ralph Raico’s *Great Wars and Great Leaders: A Libertarian Rebuttal* (Auburn, AL: Ludwig von Mises Institute, 2012) in the *American Conservative* accessed from <<http://www.theamericanconservative.com/articles/the-indispensable-raico/>> (August 26, 2012)

2. *In Search of Authentic Liberalism*

Throughout his career, Raico's libertarian revisionist writings have included much more than the topic of U.S. wars and the presidency. He strongly challenges standard interpretations on such topics as: the prejudices towards Germans,²³⁸ the psychiatric profession,²³⁹ and the theory of economic development.²⁴⁰ But perhaps Raico's major intellectual contribution is his revisionist interpretation of classical liberalism.

Raico's view of John Stuart Mill, normally thought of *the* premier nineteenth century classical liberal, is significantly modified. Raico writes:

J.S. Mill's *On Liberty* (1859) actually deviated from the central line of liberal thought by counterpoising the individual and his liberty not simply to the state but to "society" as well. Whereas the liberalism of the early Wilhelm von Humboldt and of Constant, for example, saw voluntary intermediate bodies as the natural outgrowth of individual action and as welcome barriers to state aggrandizement, Mill aimed at stripping the individual of any connection to spontaneously generated social tradition and freely accepted authority.²⁴¹

According to Raico, Mill is "responsible for key distortions in the liberal doctrine on a number of fronts." Free trade, according to Mill was not part of the "principle of individual liberty," and this "provided ammunition for the protectionist arsenal." Raico explains how Mill "rejected the liberal notion of the long-run harmony of interests of all

²³⁸ See Ralph Raico, "Nazifying the Germans," originally published in *Chronicles*, January 1997. Online version accessed from < <http://www.lewrockwell.com/raico/raico30.1.html> > (October 19, 2012).

²³⁹ See Ralph Raico, "Thomas Szasz and the Age of Psychiatry" in *The American Spectator* Vol. 9, No. 6., May 1976, pp.18-19.

²⁴⁰ See Ralph Raico, "The Theory of Economic Development and the 'European Miracle'" originally in *The Collapse of Development Planning* Peter J. Boettke Ed. (New York, NY: New York University Press, 1994) online version accessed from < <http://mises.org/story/2404> > (June 9, 2007) and Ralph Raico, "The Industrial Revolution" (Speech given at the 2001 Mises University seminar, Ludwig von Mises Institute, Auburn, Alabama, February 29, 2005).

²⁴¹ Ralph Raico, "What is Classical Liberalism?" in *American Conservatism: An Encyclopedia*. Online edition accessed from < <http://mises.org/daily/4596/What-Is-Classical-Liberalism> > (October 19, 2012). A much more elaborate explanation of Mill's role can be found in Ralph Raico *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012) pp. 76-79.

social classes.” And in foreign policy, “Mill repudiated the liberal principle of non-intervention in foreign wars.”²⁴²

Finally, and “worst of all,” Mill undertook a “deformation of the concept of liberty itself.” In an excerpt from Raico’s fascinating discussion, he explains:

Liberty [for J.S. Mill], it seems, is a condition that is threatened not only by physical aggression on the part of the state or other institutions or individuals. Rather, “society” often poses even graver dangers to individual freedom. This it achieves through “the tyranny of the prevailing opinion and feeling,” the tendency “to impose, by other ways than civil penalties, its own ideas and practices as rules of conduct on those who dissent from them,” to “compel all characters to fashion themselves upon the model of its own” True liberty requires “autonomy,” for adopting “the traditions or customs of other people” is simply to engage in “ape-like” imitation.

Where others see men and women choosing goals laid out for them by institutions whose authority over them they freely accept, Mill perceives the extinction of freedom. In a striking and utterly preposterous illustration, the saint of rationalism writes: “An individual Jesuit is to the utmost degree of abasement a slave of his order.” One wonders what is supposed to follow from this. Must we form abolitionist associations to emancipate the willing “slaves” of the Society of Jesus? How should we go about selecting our John Brown to lead the storming of the slave-pits of Fordham and Georgetown universities? One also wonders by what right Mill and his alter ego Harriet Taylor could ever have imagined themselves entitled to legislate on the status of members of Catholic or Orthodox orders, of Orthodox Jews and devout Muslims, or of any other believers.

His comment on the Jesuits illustrates a facet of Mill too rarely noticed: he was, in the words of Maurice Cowling, “one of the most censorious of nineteenth century moralists.” He constantly passed judgment on the habits, attitudes, preferences, and moral standards of great numbers of people of whom he knew nothing.²⁴³

Ultimately Raico agrees with the conclusions of Cowling, Joseph Hamburger, and Linda Raeder, who attribute to Mill the linkage of “liberalism to an adversarial stance vis-à-vis received religion, tradition, and social norms.” This position has “unfortunately become standard” within modern liberalism.²⁴⁴

²⁴² Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), pp. 76, 77.

²⁴³ Ibid, 77-78.

²⁴⁴ Ibid., 79.

Similarly, Raico takes issue with including economist John Maynard Keynes in the line of great liberals. “It is now common practice to rank John Maynard Keynes as one of modern history’s outstanding liberals,”²⁴⁵ writes Raico. Sure, Keynes “always *called* himself a liberal,” but lumping Keynes into the ranks of liberal contributes what Raico describes as “conceptual mayhem”²⁴⁶ surrounding the term.

In his articles on Keynes, Raico’s is amazed that Keynes could be considered a model liberal, since he advocated massive government intervention and argued that capitalism was a disaster. Raico first unravels the Keynesian system, showing it to be completely incompatible with traditional liberalism.²⁴⁷

Then Raico gives examples of some of Keynes’s most blatantly anti-liberal pronouncements. There are, for instance Keynes’s 1933 statements endorsing the social “experiments” occurring in Italy, Germany, and Russia. Also, his introduction to the 1936 German translation of *General Theory* where Keynes claimed his economic policy is better suited for a totalitarian state like Nazi Germany. Keynes also praised Sidney and Beatrice Webb’s book *Soviet Communism*, in which the Webbs wrote an apology for the Soviet state during the highpoint of the Stalinist terror. “What explains Keynes’s praise for the Webbs’ book and the Soviet system?” asks Raico. “There is little doubt that the major reason is the feeling he shared with the two Fabian leaders: a deep-seated hatred of profit-seeking and money making.”²⁴⁸ Raico says of Keynes that “his lifelong animosity to the financial motivation of human action amounted to an obsession.”²⁴⁹ But the most

²⁴⁵ Ralph Raico, “Was Keynes a Liberal?” in *The Independent Review*, Vol.13, No. 2, Fall 2008 pp. 165.

²⁴⁶ Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. 68.

²⁴⁷ Ralph Raico, “Was Keynes a Liberal?” pp.166-170.

²⁴⁸ Ralph Raico, “Keynes and the Reds” the *Free Market* April 1997, accessed from < <http://mises.org/story/891> > (June 29, 2008).

²⁴⁹ Ibid.

serious question, for Raico, is: Why are we not made aware of these comments by Keynes? Not even in Lord Robert Skidelsky's celebrated three volume biography *John Maynard Keynes: Fighting for Britain, 1937-1946*, is there one mention of Keynes's comments.²⁵⁰ Raico ultimately concludes, to consider Keynes "any authentic liberal at all, can only render an indispensable historical concept incoherent."²⁵¹

Raico sees a current state of "conceptual mayhem" surrounding the term liberalism.²⁵² With so many calling themselves liberal and fighting over the "polemic weight" of the term, what exactly is authentic liberalism? "Classical Liberalism," writes Raico, is:

...based on the conception of civil society as by and large self-regulating when its members are free to act within the very wide bounds of their individual rights. Among these, the right to private property, including freedom of contract and exchange and the free disposition of one's own labor, is given high priority. Historically, liberalism has manifested a hostility to state action, which, it insists, should be reduced to a minimum.²⁵³

In order to come to a useful definition and understanding of liberalism, Raico advocates the use of Max Weber's concept of the "ideal type." He writes:

The ideal type of liberalism should express a coherent concept, based on what is most characteristic and distinctive in the liberal doctrine— what Weber refers to as the "essential tendencies" Historically, where monarchical absolutism had insisted that the state was the engine of society and the necessary overseer of the religious, cultural, and, not least, economic life of its subjects, liberalism posited a starkly contrasting view: that the most desirable regime was one in which *civil society—that is, the whole of the social order based on private property and voluntary exchange—by and large runs itself*. For at least a century and a half, the idea that society and the state are rivals, that social power is diminished as state power grows, has been typical of those recognized as—or accused of—being the most "dogmatic," "doctrinaire," and "intransigent" of the liberals.²⁵⁴

²⁵⁰ Ibid.

²⁵¹ Ralph Raico, "Was Keynes a Liberal?" *The Independent Review*, Vol.13, No. 2, Fall 2008, p. 183.

²⁵² Ralph Raico, *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. 68

²⁵³ Ibid., p.1.

²⁵⁴ Ibid., pp. 97, 98.

A major aspect of Raico's work has been to bring to the forefront those most "doctrinaire" liberals, and give a liberal account of the development of European and American history.

3. *Liberalism in History*

"The history of classical liberalism," Raico explains, "is intertwined in the history of Europe."²⁵⁵ It is no coincidence that liberalism developed as part of Western Civilization and that the West experienced tremendous economic growth in modern history. To account for Europe's economic expansion, Raico looks to the "European Miracle" interpretation made popular by the economic historian E.L. Jones. "The "miracle" in question," Raico writes,

consists in a simple but momentous fact: it was in Europe--and the extensions of Europe, above all, America – that human beings first achieved per capita economic growth over a long period of time. In this way, European society eluded the "Malthusian trap," enabling new tens of millions to survive and the population as a whole to escape the hopeless misery that had been the lot of the great mass of the human race in earlier times. The question is: why Europe?²⁵⁶

For the answer, Raico summons highly regarded scholars, who happen *not* to be libertarians, but those who have produced massive research into why economic freedom has been a uniquely Western concept.²⁵⁷ Raico believes that one can arrive at a basic consensus, that they all approximately conclude exactly what Ludwig von Mises wrote in 1950. According to Mises:

²⁵⁵ Ralph Raico "History the Struggle for Liberty" (seminar recorded at the Ludwig von Mises Institute, Auburn Alabama, June 16).

²⁵⁶ Ralph Raico, "The Theory of Economic Development and the 'European Miracle'" originally in *The Collapse of Development Planning* Peter J. Boettke Ed. (New York, NY: New York University Press, 1994) online version accessed from < <http://mises.org/story/2404> > (June 9, 2007).

²⁵⁷ The scholars involved have included, Nobel Laureate Douglass North, Nathan Rosenberg, L. E. Birdzell, David Landes, E.L. Jones, Peter Bauer, Jean Baechler and William H. McNeill.

The East lacked the primordial thing, the idea of freedom from the state. The East never raised the banner of freedom; it never tried to stress the rights of the individual against the power of the rulers. It never called into question the arbitrariness of the despots. And, first of all, it never established the legal framework that would protect the private citizens' wealth against confiscation on the part of the tyrants.²⁵⁸

In general, the recent scholars of the 'European Miracle' have concluded that the reason for Europe's growth was due to political *decentralization*. Raico writes,

Although geographical factors played a role, the key to western development is to be found in the fact that, while Europe constituted a single civilization – Latin Christendom – it was at the same time radically decentralized. In contrast to other cultures – especially China, India, and the Islamic world – Europe comprised a system of divided and, hence, competing powers and jurisdictions...

After the fall of Rome, no universal empire was able to arise on the Continent. This was of the greatest significance... Instead of experiencing the hegemony of a universal empire, Europe developed into a mosaic of kingdoms, principalities, city-states, ecclesiastical domains, and other political entities.

Within this system, it was highly imprudent for any prince to attempt to infringe property rights in the manner customary elsewhere in the world. In constant rivalry with one another, princes found that outright expropriations, confiscatory taxation, and the blocking of trade did not go unpunished. The punishment was to be compelled to witness the relative economic progress of one's rivals, often through the movement of capital, and capitalists, to neighboring realms.²⁵⁹

It is Raico's hero Lord Acton who put his finger on the importance of the role here of the Catholic Church. "Lord Acton," Raico writes "devoted his life and his immense learning to the study and the growth of liberty. Himself a Catholic, he was sensitive to the role of his Church in this epic story." Raico cites Acton on the way Western liberty developed in part through the "ongoing struggle between the secular

²⁵⁸ Ludwig von Mises, "The Idea of Liberty is Western" originally published in *American Affairs* (October 1950) online version < <http://mises.org/story/2222> > (May 21, 2008).

²⁵⁹ Ralph Raico, "The Theory of Economic Development and the 'European Miracle'" originally in *The Collapse of Development Planning* Peter J. Boettke Ed. (New York, NY: New York University Press, 1994) online version accessed from < <http://mises.org/story/2404> > (June 9, 2007).

powers and the Church”²⁶⁰ Concerning the conflict between the Church and state, Acton wrote:

To that conflict of four hundred years we owe the rise of civil liberty...although liberty was not the end for which they strove, it was the means by which the temporal and the spiritual power called the nations to their aid. The towns of Italy and Germany won their franchises, France got her States-General, and England her Parliament out of the alternate phases of the contest; and as long as it lasted it prevented the rise of divine right.²⁶¹

With a powerful international Church which set itself up against the state, “kings also found powerful rivals...in religious authorities”²⁶² Raico provides this essential point concerning the Middle Ages:

Throughout the Western world, the Middle Ages gave rise to parliaments, diets, estates-general, Cortes, etc., which served to limit the powers of the monarch... Popular rights, above all protection against arbitrary taxation, were defended by representative assemblies and often enshrined in charters that the rulers felt more or less obliged to respect. In the most famous of these, the Magna Charta, which the barons of England extorted from King John in 1215, the first signatory was Stephen Langton, Archbishop of Canterbury... Thus, long before the seventeenth century, Europe had produced political and legal arrangements—a whole way of life—that set the stage for both individual freedom and the later industrial “take-off.” Along with and reinforcing these institutions went a discourse based on natural law, entailing limitations on the prince’s power.²⁶³

As noted above, a major principle contribution of Raico’s has been in the area of German history.²⁶⁴ It is often thought that Germany was not part of the liberal heritage.

²⁶⁰ Ralph Raico’s *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. 90.

²⁶¹ Quoted in *Ibid*, p. 91.

²⁶² Raico, Ralph. “The Rise, Fall, and Renaissance of Classical Liberalism.” August 1992, accessed from, <www.fff.org/freedom/0892c.asp>

²⁶³ Ralph Raico’s *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), pp. 92, 93.

²⁶⁴ Up until his work, research into pure free market *laissez-faire* liberalism in Germany had been neglected. Raico began his interest in German Liberalism, back at the University of Chicago, when he first published several essays on German liberalism and eventually saw his book on the topic published in 1999. *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus* translates to “The Party of Freedom: Studies in the History of German Liberalism,” was published in German by Lucius & Lucius.

However, in eighteenth century Germany, a natural law school emerged under the influence of Immanuel Kant and inspired by John Locke, which, as Raico says “provided a theory of the priority of civil society as against the State; of private property, private enterprise, and competition as the essence of the self-regulating society; and of the need to protect social life against state usurpation.”²⁶⁵

Raico brings forth the writings and career of the most dogmatic German liberals. Jakob Mauvillon was a professor of French descent teaching politics at Brunswick who was “more “doctrinaire” – a more consistent proponent of *laissez-faire* – than any of the French writers of the time.”²⁶⁶ Mauvillon had enormous influence on government policy and he was the mentor and inspiration to Benjamin Constant. Many other thinkers were influenced by the English example and had great influence in Germany, pushing for government reform. In international relations the great German advocate for free trade was an English immigrant, John Prince-Smith (1809-1874). An almost entirely neglected figure, Prince-Smith worked tirelessly to bring about a free trade movement and Raico has finally brought his life and works to light.²⁶⁷

Unfortunately by the nineteenth century, the natural law school that dominated the intellectual climate was “totally eclipsed by Hegelian and other doctrines.”²⁶⁸ In the mid-nineteenth century, the tide swelled toward socialism in Germany. Many authentic

²⁶⁵ Ralph Raico, “Authentic German Liberalism of the 19th Century” originally published by Ecole Polytechnique, *Centre de Recherche en Epistemologie Appliquee*, Unité associée au, CNRS, 2004. accessed from < <http://mises.org/daily/1787/Authentic-German-Liberalism-of-the-19th-Century> > (October 19, 2012).

²⁶⁶ Ibid.

²⁶⁷ See Ralph Raico, “John Prince Smith and the German Free-Trade Movement” in *Man, Economy, and Liberty: Essays in Honor of Murray N. Rothbard*. Walter Block and Llewellyn H. Rockwell, Jr., Ed. (Auburn Ala: Ludwig von Mises Institute, 1988) p. 341-51 and Ralph Raico, *Die Partei der Freiheit* (Stuttgart: Lucius & Lucius, 1999) p.49-77

²⁶⁸ Ralph Raico, “Authentic German Liberalism of the 19th Century” originally published by Ecole Polytechnique, *Centre de Recherche en Epistemologie Appliquee*, Unité associée au, CNRS, 2004. accessed from < <http://mises.org/daily/1787/Authentic-German-Liberalism-of-the-19th-Century> > (October 19, 2012).

liberals, like Prince-Smith and Wilhelm von Humboldt, sold-out to the authoritarian position. Too many Germans turned not only towards centralized state power, but also became racist and exterminationists. Why did things so change?

Raico makes no excuses for crimes, but makes the interesting point that the French occupation of Germany during the Napoleonic invasion gave birth to the rise of nationalism in Germany. Before this occupation, the German people had not thought of themselves as a unified country. Germany had been a conglomerate of many different small states and principalities, and people identified with their specific locality. The turn towards unification and nationalism in response to the French occupation led, of course, to enormous complications for the future of European history. As Raico explains,

The Jacobins who rose to power during the Revolution undertook to force their ideas onto Europe at the point of French bayonets. The rights of man, popular sovereignty, the French Enlightenment with its hatred of the age-old traditions and religious beliefs of the European peoples would be imposed by military might. To this end, the victorious, irresistible French armies invaded, conquered, and occupied much of Europe.

In the nature of things, these invading armies, bringing with them an alien ideology, produced hostility and resistance against that ideology, a militant nationalist reaction. That is what happened in Russia and in Spain. Most of all, that is what happened in Germany. Individualism, natural rights, the universal ideals of the Enlightenment — these became identified with the hated invaders, who subjugated and humiliated the German people. This identification was a burden that liberalism in Germany had to carry from that time on.

The lesson that one could reasonably draw from that experience is this: if you wish to spread liberal ideas to foreign peoples, in the long run *example* and *persuasion* are much more effective than guns and bombs.²⁶⁹

The progression of Metternich to Bismark, to World War I, and the Nazi movement are events intertwined with the history of Europe and Raico delves into them deeply in *Die Partei der Freiheit*. He lays forth a demolition of the economic arguments of the men

²⁶⁹ Ralph Raico, “Authentic German Liberalism of the 19th Century” originally published by Ecole Poly Technique *Centre de Recherche en Epistemologie Appliquee*, Unité associée au CNRS, 2004, accessed from < <http://www.mises.org/story/1787> > (October 30, 2006).

responsible for German economic socialization, and celebrates the German liberals who fought against state power in their own country.

But it was not just Germany that experienced a movement towards collectivism. In a monograph, written for the Institute for Humane Studies, called *Classical Liberalism in the Twentieth Century* Raico wrote:

By the last decades of the nineteenth century...the tide of liberalism had already begun to recede. More and more, in circles viewed as in the vanguard of thought, the talk was of *society*, not as liberalism conceived of it—as the sum of the relations of individuals voluntarily interacting to their mutual benefit – but as an entity in and of itself, superior to mere individuals and incarnated in the State. This doctrine is usually referred to as *collectivism*. Liberalism, with its insistence on limitations of state-power, was more and more looked upon as antiquated and obsolete, although from differing viewpoints.²⁷⁰

The belief that liberalism was “obsolete” came from all corners of totalitarian and statist ideologies: Marxism, Socialism, Fascism, and Militarism; in short, all ideologies in which the state has assumed a central place in history and thought.

Recently, however, classical liberalism is witnessing a rebirth. The Austrians, and especially its greatest representative, Ludwig von Mises, have become the popular “libertarianism” we see today. Raico writes:

Eventually, not only in Europe, but in the United States, Latin America, and elsewhere throughout the world, Mises came to be looked upon by those best qualified to judge as the great intellectual spokesman for classical liberalism in the middle decades of the twentieth century.

Mises’s works were seminal in the fields of money and credit, the methodology of economics, social philosophy and other areas. *Human Action* 1949 is his magnum opus, considered by many to be the most important general treatise on economics in this century. But his most famous contribution was probably contained in *Socialism*: the demonstration that rational economic calculation – the efficient allocation of the factors of production among all their various potential uses—is impossible in a system where private property has been abolished, that is, under socialism. With this, classical liberalism, once again went on the offensive as the doctrine that, in contending for private property and

²⁷⁰ Ralph Raico, *Classical Liberalism in the Twentieth Century* (Fairfax, VA: Institute for Humane Studies), 4.

the market system, was fighting for the single realizable means to a decent life for all.²⁷¹

4. *Final Appraisals*

By the 1990s Raico began producing the high caliber intellectual history of liberalism which has earned him the praise of being called “Mr. Classical Liberal”²⁷² and “our foremost historian of classical liberalism.”²⁷³ Raico’s work on the philosophy of liberalism has elevated him; he has become, according to professor Hunt Tooley, “one of the pillars of the modern Austrian School.”²⁷⁴

Raico’s approach to attacking conventional historical narratives has also made him a favorite among libertarian historians. Professor Thomas E. Woods Jr., probably the most well known Austrian-libertarian writer, an historian and author of several *New York Times* best selling books, said:

My favorite living historian, who really owes it to mankind to write more, is probably Ralph Raico... Everything the man writes, usually in the form of articles and book chapters, is a revelation, as well as beautifully written and carefully researched. He has had an enormous influence on my own thinking.²⁷⁵

The great economist-historian Robert Higgs says that Raico is “my favorite historian.”

Higgs wrote this about Raico’s capacity as an historian:

...Some scholars have energy, brilliance, and mastery of their fields, but they lack personal integrity; hence they bend easily before the winds of professional fashion and social pressure. I have always admired Ralph’s amazing command of wide-ranging literature related to the topics about which he lectures and writes. But I have admired even more his courageous capacity for frankly evaluating the actors

²⁷¹ Ibid., pp. 8-9.

²⁷² Walter Block “Ralph Raico is Mr. Classical Liberal,” review of *Classical Liberalism and the Austrian School* by Ralph Raico, accessed from < <http://lewrockwell.com/block/block207.html> > (August 20, 2012)

²⁷³ See David Gordon’s foreword to Ralph Raico’s *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012) p. xiii.

²⁷⁴ Hunt Tooley “An Austrian Classic: Ralph Raico and the History of Classical Liberalism,” review of *Classical Liberalism and the Austrian School* by Ralph Raico, accessed from < <http://lewrockwell.com/orig3/tooley2.1.1.html> > (August 20, 2012)

²⁷⁵ Thomas E. Woods Jr. interviewed by Robert C. Cheeks, *California Literary Review*, April 3rd 2007.

and the actions in question, not to mention the clarity and wit of his humane, level-headed judgments.²⁷⁶

Raico's 1999 work on German liberalism, *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus* is aptly summarized by professor Joseph Stromberg, who wrote that it is unique; there is "simply no other study like it." Stromberg says that it is perhaps the only full historical account of the authentic liberal movement in Germany.²⁷⁷ According to Jörg Guido Hülsmann, the great Austrian economist who translated some of the book into German:

[*Die Partei der Freiheit*] brilliantly displays the virtues of its author: his scholarship, his wittiness, his righteousness and his courage. For me it was an eye-opener. It set the record straight on the main protagonists. In particular, Friedrich Naumann, a man of underserved libertarian fame, was thrown out of the pantheon of the champions of liberty, while Eugen Richter, today virtually unknown, was elevated to his rightful place as the foremost leader of the *fin de siècle* German party of liberty.²⁷⁸

Today *Die Partei der Freiheit* continues to make a splash in Germany. Professor Hülsmann, a native of Germany, relates that

...Richter has made a comeback in the past ten years and some of his major writings are again in print. Today his words and deeds inspire a new generation of intellectuals and politicians. Thank you for that lesson, Professor Raico! If Germany returns to the tradition of true liberalism, we shall have in Berlin a Raico Straße leading to the Richter Platz.²⁷⁹

²⁷⁶ Robert Higgs forward to *Great Wars and Great Leaders: A Libertarian Rebuttal* (Auburn, AL: Ludwig von Mises Institute, 2010), iii, iv.

²⁷⁷ Joseph Stromberg, review of Ralph Raico's *Die Partei der Freiheit: Studien zur Geschichte des deutschen Liberalismus*, in the *Independent Review*, Vol. 4. No. 4. (Spring 2000), p. 20.

²⁷⁸ From Jörg Guido Hülsmann's introduction to Ralph Raico, *The Place of Religion in the Liberal Philosophy of Constant, Tocqueville, and Lord Acton* (Auburn, AL: Ludwig von Mises Institute, 2010), p. iv.

²⁷⁹ Jörg Guido Hülsmann's introduction to Ralph Raico's *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. x. This rebirth in interest has occurred, despite the striking hostility, even blind hatred, shown towards German liberalism, which continues to plague historical works. *Manchestertum* (Manchester-ism) has frequently been used by German historians, referring derogatorily to the influence of the English *laissez-faire* that insinuated itself into German thought. The most doctrinaire, authentic German liberals have been therefore the subject of the most unrelenting ridicule and neglect

Raico's life-long work is encapsulated in his 2012 *magnum opus*, *Classical Liberalism and the Austrian School*. The book covers an enormous range of topics, including Austrian Economics, Marxism, Keynesianism, French liberalism, the role of intellectuals, Church history and much much more. David Gordon calls the book "brilliant."²⁸⁰ While professor Hunt Tooley remarks,

Ralph Raico's book on the Austrian School and classical liberalism fits in comfortably among the most important and most advanced works of scholarship of the modern resurgence of the Austrian School. It is a model of the historian's craft, and it is an instant classic in the great literature of the Austrian School.²⁸¹

As professor Tooley acknowledges, today we are seeing a rebirth of interest in the Austrian school and classical liberalism, with no small part played by Ralph Raico. In his easily accessible books, essays, seminars, and lectures, Raico is increasingly becoming known as the acknowledged champion of historic, authentic liberalism.

I myself am greatly indebted to professor Raico for opening my eyes to a world of knowledge, for his incredible effectiveness as a teacher, for the crystal clarity of his thought, his wit, warmth, patience, humor and tolerance. Thankfully this great historian's day has finally come. Raico is, at last, being appreciated for his courage and genius, and his work will no doubt go down in the annals of those who dared to stand up for the truth.

²⁸⁰ See David Gordon's preface to Ralph Raico's *Classical Liberalism and the Austrian School* (Auburn, AL: Ludwig von Mises Institute, 2012), p. xiii.

²⁸¹ Hunt Tooley review of *Classical Liberalism and the Austrian School* by Ralph Raico, accessed from < <http://lewrockwell.com/orig3/tooley2.1.1.html> > (August 20, 2012)

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