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The Laissez-Faire Radical: A Quest for the Historical Mises

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That Ludwig von Mises was the outstanding champion of *laissez-faire* and the free-market economy in this century is well known and needs no documentation. But in the course of refining and codifying his political views, Mises' followers have unwittingly distorted them and made them seem at one with the modern conservative movement in the United States. Mises is made to appear a sort of *National Review* intellectual concentrating on the free-market aspects of conservatism. While the image of Mises as an essential conservative is scarcely made up of the whole cloth, it totally overlooks rich strains of Misesian thought that can be described only as "*laissez-faire* radical." Unfortunately, these strands of Misesian thought have been all but lost. Perhaps this essay will help to right the balance.

There is no need here to try to define and distinguish *laissez-faire* "conservatism" from "radicalism." A setting forth of various radical positions taken by Mises should make the distinction clear enough.

Some anti-conservative aspects of Misesian thought are, again, too well known to require discussion. Thus, for Mises, personal liberty was required by logical consistency; for, if the government began to restrict or suppress one or a few consumption goods, why should they stop at regulating all? As a champion of consumer sovereignty and the consumer society, Mises also had no patience with aristocratic conservatives who scorned mass consumption or the rule of production by consumer demand.

1. War and Imperialism

Mises stood squarely for the classical liberal policy of a peaceful foreign policy and opposition to aggressive nationalism and imperialism. Thereby he took his stand in opposition to conservatives of his day and ours. Mises saw that internal peace through the division of labor and freedom of enterprise has as its counterpart a devotion to international peace and freedom of trade. He was proud to call himself a "citizen of the world, a cosmopolite," in contrast to chauvinist nationalism, and he touted classical liberalism "with its unconditional extolment of peace."[1]

Mises perceptively saw that the general drive toward war was a reflection of the abandonment of free trade and minimal government at home. If, for example, government is small and abstains from any interference with the economy or society, then it doesn't *matter* much which State controls which territory. But if States develop restrictions which exclude goods or citizens of other States, then which State governs matters a great deal.

Mises boldly proclaimed his "pacifism," but made clear that it was to be distinguished from the older sentimental pacifism. Instead his was the "pacifism of the Enlightenment philosophy of natural law, of economic liberalism, and of political democracy, which has been cultivated since the 18th century." This kind of pacifism

> does not arise from a sentiment that calls on the individual and the state to renounce the pursuit of their earthly interests out of thirst for fame or in hope of reward in the beyond; nor does it stand as a separate postulate without organic connection with other moral demands. Rather, pacifism here follows with logical necessity from the entire system of social life. He who, from the utilitarian standpoint, rejects the rule of some over others and demands the full right of self-determination for individuals and peoples has thereby rejected war also. He who has made the harmony of the rightly understood interests of all strata within a nation and of all nations among each other the basis of his world view can no longer find any rational basis for warfare. He to whom even protective tariffs and occupational prohibitions appear as harmful to everyone can still less understand how one could regard war as anything other than a destroyer and annihilator, in short, as an evil that strikes all, victor as well as vanquished.[2,3]

Mises also denounced the renewed Western imperialism of the late nineteenth century as the consequence of a turn away from free trade and free markets and a competing drive for exclusive State-controlled trading areas. Mises was unsparing toward the Western imperialist powers, including the relatively less dictatorial English empire, in his indictment:

> We may date the beginning of modern imperialism from the late seventies of the last century, when the industrial countries of Europe started to abandon the policy of free trade and to engage in the race for colonial "markets" in Africa and Asia.
>
> It was in reference to England that the term "imperialism" was first employed to characterize the modern policy of territorial expansion... [T]he end that the English imperialists sought to attain in the creation of a customs union embracing the dominions and the mother country was the same as that which the colonial acquisitions of Germany, Italy, France, Belgium, and other European countries were intended to serve, viz., the creation of protected export markets....
>
> In order to attain the goals that imperialism aimed at, it was not enough for the nations of Europe to occupy areas inhabited by savages incapable of resistance. They had to reach out for territories that were in the possession of peoples ready and able to defend themselves...

> [E]verywhere we see the imperialist aggressors in retreat or at least already in difficulties.[4]

If Mises was harsh on the "imperialist aggressors," he was even harsher in his assessment of the European imperialist and colonialist policies pursued since the fifteenth century. He indicted European colonialism in Asia and Africa for racism, rapine, and genocidal policies of extermination:

> The basic idea of colonial policy was to take advantage of the military superiority of the white race over the members of other races. The Europeans set out, equipped with all the weapons and contrivances that their civilization placed at their disposal, to subjugate weaker peoples, to rob them of their property, and to enslave them.[5]

Mises adds scornfully that "attempts have been made to extenuate and gloss over the true motive of colonial policy with the excuse that its sole object was to make it possible for primitive peoples to share in the blessings of European civilization." But Mises rebuts that, if European civilization is truly superior, then "it should be able to prove its superiority by inspiring these peoples to adopt it of their own accord." And he adds the passionate indictment: "Could there be a more doleful proof of the sterility of European civilization than that it can be spread by no other means than fire and sword?"

Mises concludes his radical philippic against Western imperialism:

> No chapter of history is steeped further in blood than the history of colonialism. Blood was shed uselessly and senselessly. Flourishing lands were laid waste; whole peoples destroyed and exterminated. All this can in no way be extenuated or justified. The dominion of Europeans in Africa and important parts of Asia is absolute. It stands in the sharpest contrast to all the principles of liberalism and democracy, and there can be no doubt that we must strive for its abolition.[6]

To the argument that total and immediate withdrawal of European governments from the colonies would lead to conflict and anarchy, Mises replied:

> It may be safely taken for granted that up to now the natives have learned only evil ways from the Europeans, and not good ones. This is not the fault of the natives, but rather of their European conquerors, who have taught them nothing but evil. They have brought arms and engines of destruction of all kinds to the colonies; they have sent out their worst and most brutal individuals as officials and officers; at the point of the sword they have set up a colonial rule that in its sanguinary cruelty rivals the despotic system of the Bolsheviks. Europeans must not be surprised if the bad example that they themselves have set in their colonies now bears evil fruit.... Nor would they be justified in maintaining that the natives are not yet mature enough for freedom and that they still need at least several years of further education under the lash of foreign rulers before they are capable of being left on their own. For

> this "education" itself is at least partly responsible for the terrible conditions that exist today in the colonies, even though its consequences will not make themselves fully apparent until after the eventual withdrawal of European troops and officials.[7]

As to the argument that the Europeans must remain in the colonial lands in the interests of the natives themselves, Mises heaped scorn upon such sham expressions of altruism:

> No one has a right to thrust himself into the affairs of others in order to further their interest, and no one ought, when he has his own interests in view, to pretend that he is acting selflessly only in the interest of others.[8]

2. Self-Determination, National and Individual

If it is radical and not conservative to be bitterly opposed to war and to Western imperialism, it is equally anti-conservative to be devoted to the concept of "national self-determination." In truth, national self-determination is the other side of the coin of anti-imperialism, for it means that the imperial power must be dislodged from its rule over subject nationalities.

Conservatives scorn the right of national self-determination as leading to the Balkanizing and dividing up of Great Powers and hence as inconsistent with power politics. But to Mises, self-determination of nations and nationalities was simply grounded in the rights of *individuals*. The right of self-determination of nationalities and sub-groups stems from the rights of man. Thus Mises states:

> To the princely principle of subjecting just as much land as obtainable to one's rule, the doctrine of freedom opposes the principle of the right of self-determination of peoples, which follows necessarily from the principle of the rights of man. No people and no part of a people shall be held against its will in a political association that it does not want.[9]

Mises points out that he starts his analysis with the individual, and that nationalism too is grounded on the individual. In fact, he refers to nationalism as "the national aspect of the individual person."[10] As an individualist, he is not content to leave the concept of self-determination with the national unit. On the contrary, the right of self-determination should be with individuals, the inhabitants of smaller as well as larger territorial areas, who should be able to exercise their will by means of freely-conducted plebiscites. Thus, Mises states:

> To call this right of self-determination the "right of self-determination of nations" is to misunderstand it. It is not the right of self-determination of a delimited national unit, but the right of the inhabitants of every territory to decide on the state to which they wish to belong.[11]

Each local sub-group, to Mises, has then the right to choose what state to belong to, or even to set up its own independent state. Therefore:

> The right of self-determination in regard to the question of membership in a state thus means: whenever the inhabitants of a particular territory, whether it be a single village, a whole district, or a series of adjacent districts make it known, by a freely conducted plebiscite, that they no longer wish to remain united to the state to which they belong at the time, but wish either to form an independent state or to attach themselves to some other state, their wishes are to be respected and complied with. This is the only feasible and effective way of preventing revolutions and civil and international wars.[12]

How far would Mises push the principle of secession, of self-determination? Down to a single village, he states; but would he press beyond even that? He calls the right of self-determination not of nations, "but rather the right of self-determination of the inhabitants of every territory large enough to form an independent administrative unit." But how about self-determination for the ultimate unit, *for each individual?* Allowing each individual to remain where he lives and yet secede from the State is tantamount to anarchism, and yet Mises comes very close to anarchism, blocked only by practical technical considerations:

> If it were in any way possible to grant this right of self-determination to every individual person, it would have to be done. This is impracticable only because of compelling technical considerations, which make it necessary that the right of self-determination be restricted to the will of the majority of the inhabitants of areas large enough to count as territorial units in the administration of the country.[13]

That Mises, at least in theory, believed in the right of individual secession and therefore came close to anarchism can also be seen in his description of liberalism, that "it forces no one against his will into the structure of the State."[14]

3. The Soviet Threat

If there is anything that characterizes conservative foreign policy in the twentieth century it is a persistent policy of military confrontation with Soviet Russia. No domestic political and economic system could have been more abhorrent to Ludwig von Mises than Bolshevism. Russia's totalitarian collectivism cut against the grain of all Mises' ideals of a free market, democracy and minimal government.

Yet Mises consistently pursued a foreign policy of peace and non-intervention even here. First, "Let the Russians be Russians. Let them do what they want in their own country." There should be free importation of Russian writings: "Neurotics may enjoy them as much as they wish; the healthy will, in any case, eschew them." The Russians should even be permitted, Mises went on, to spread their propaganda and bribe people throughout the world: "If modern civilization were unable to defend itself against the attacks of hirelings, then it could not, in any case, remain in existence much

longer." Further, Westerners should be permitted to visit Russia if they wish: "Let them view at first hand, at their own risk and on their own responsibility, the land of mass murder and mass misery." And capitalists should be permitted to grant loans or invest capital in Russia: "If they are foolish enough to believe that they will ever see any part of it again, let them make the venture."[15]

But the corollary of a non-interventionist policy of refraining from war or prohibitions is also refraining from artificial subsidy. The Western governments, advised Mises, "must stop promoting Soviet destructionism by paying premiums for exports to Soviet Russia and thereby furthering the Russian Soviet system by financial contributions. Let them stop propagandizing for emigration and the export of capital to Soviet Russia."

Mises wisely concluded that "Whether or not the Russian people are to discard the Soviet system is for them to settle among themselves.... The only thing that needs to be resisted is any tendency on our part to support or promote the destructionist policy of the Soviets."[16]

Writing during World War II, Mises went so far as to look benignly on the prospect of a Communist Germany emerging after the war. For communism would succeed in wrecking Germany's industrial machine and thereby weaken its potential for making war in the future.

> If Germany turns toward communism it cannot be the task of foreign nations to interfere.... The intelligent opponents of communism... will not understand why their nation should essay to prevent the Germans from inflicting harm upon themselves. The shortcomings of communism would paralyze and disintegrate Germany's industrial apparatus and thereby weaken its military power more effectively than any foreign intervention could ever do.[17]

4. Immigration Restrictions

Conservatism is invariably marked by a policy of immigration restrictions, to preserve the homogeneity of the national culture or ethnic character, and to raise the standard of living of national workers by keeping out laborers who would lower wage rates at home. Mises' *laissez-faire* radicalism was marked by uncompromising attachment to freedom of immigration. Not only that; so bitter was he at any immigration laws that at times he came close to calling for war against those nations, such as the United States and Australia, who persisted in locking up parts of the earth and keeping out other peoples.

First, Mises pointed out that immigration barriers are creatures of trade unions, who use them as a method of raising domestic wage rates by excluding foreign workers. The result is to keep foreign workers in a permanently less productive situation with lower wage rates, and to lower the productivity of human labor throughout the world. Wage exclusionism, plus racial

fears of foreigners, account for the persistence of immigration barriers in the United States and Australia.

In *Liberalism,* Mises confined himself to pointing out that immigration barriers will only be able to be removed in a classical liberal world. In a world of minimal States, what difference would it make for Americans or Australians which ethnic or racial groups were in a majority in their country?[18]

At other times, however, Mises was not so gentle. In *Nation, State and Economy* he called Australia "the imperialistic state par excellence in its immigration legislation," and linked this policy with its greater closeness to socialism than any of the other Anglo-Saxon states (in 1919).[19] What is more, he chastised the League of Nations for not doing something about the U.S./Australian policy of immigration restrictions:

> It is still more serious that the League of Nations does not recognize the freedom of movement of the person, that the United States and Australia are still allowed to block themselves off from unwanted immigrants.... Never can Germans, Italians, Czechs, Japanese, Chinese, and others regard it as just that the immeasurable landed wealth of North America, Australia, and East India should remain the exclusive property of the Anglo-Saxon nation and that the French be allowed to hedge in millions of square kilometers of the best land like a private park.[20]

Perhaps Mises' most bitter assault upon American and Australian immigration barriers came in an article for a Viennese newspaper at the end of 1935.[21] He points out that there are extensive tracts of land which are sparsely settled, notably in the U.S.A. and the British Commonwealth nations. As a result of their relatively scarce population, their productivity, and hence their wage rates, are higher than in Europe. Hence these lands

> have been the goals of would-be European immigrants for more than 300 years. However, the descendants of those earlier emigrants now say: There has been enough migration. We do not want other Europeans to do what our forefathers did when they emigrated to improve their situation. We do not want our wages reduced by a new contingent of workers from the homeland of our fathers. We do not want the migration of workers to continue until it brings about the equalization of the height of wages. Kindly stay in your old homeland, you Europeans, and be satisfied with lower wages.[22]

Mises continues sardonically that the oft-celebrated "'miracle' of the high wages in the United States and Australia may be explained simply by the policy of trying to prevent a new immigration. For decades people have not dared to discuss these things in Europe."[23] But Mises made it clear that here was *one* European who was not afraid to discuss these issues. In fact, after pointing out that European workers suffer from these immigration barriers, he warns darkly that

> it may be that one day they will reach the conclusion that only weapons can change this unsatisfactory situation. Thus, we may face a great coalition of the lands of would-be emigrants standing in opposition to the lands that erect barricades to shut out would-be immigrants.[24]

Mises concludes that the League of Nations is trying to rectify underlying conditions of conflict in order to avoid war. But he warns that simply rectifying the problem of raw materials or the colonies, or giving back German colonies, would not be enough, for

> what the European emigrants seek is land where Europeans can work under climatic conditions that are tolerable for them and where they can earn more than they can in their homeland, which is overpopulated and less well provided for by nature. Under present circumstances this can be offered only in the New World, in America and Australia.... This is a problem of the right of immigration into the largest and most productive lands, the climates of which are suitable for white European workers. Without the reestablishment of freedom of migration throughout the world, there can be no lasting peace.[25]

5. The Theory of Class Conflict

The idea that there are class conflicts in society, and that there is a ruling class or classes which governs and exploits a ruled, would seem to be Marxian concepts alien to classical liberalism. Classical liberals believe in the harmony of long-run interests of everyone in society, so that, it would seem, statist intervention is merely the product of unsound and erroneous ideas rather than the pursuit of common group or class interests at the expense of the rest of society.

It is true that the latter analysis is the dominant strain in Mises' thought. But there is another *motif*, which exists in Mises as well as in classical liberalism from Adam Smith onward. This is an attack on "special privilege," sought by various groups through the State at the expense of everyone else, pursuing what may be their short-run but is still their strongly felt advantage. Subsidies, compulsory cartels, protective tariffs and, as we have seen, immigration restrictions are among the many examples. But in that case common venality takes its place alongside error as a reason for statism.

In the history of thought, classical liberals rather than Marxists pioneered in the concept of the "ruling class"—defined not in the Marxian sense as including the hiring of wage workers on the market, but strictly as that group or groups that gets control of the State apparatus and uses it to benefit itself at the expense of the rest of the society. Perhaps the first "class conflict" theorists were the libertarian writers Charles Comte and Charles Dunoyer, in Reconstruction France after the final defeat of Napoleon.[26] The Comte-Dunoyer thesis, influenced by J. B. Say, was that "ruling class"

may be defined simply as that class which manages to rule the State, while the ruled are those dominated by the former through the State. Thus, class conflict does *not* inhere in the free-market economy or society, but is strictly *in relation of State.* Class harmony exists only on the free market; class conflict is generated by statism and by the relation of classes to the State.

The dilettantish French nobleman, Count Claude Henri de Saint-Simon, was originally a disciple of Comte and Dunoyer, and picked up his own theory of class conflict from them. Unfortunately, as Saint-Simon and particularly his followers (the Saint-Simonians) became socialists, they changed the theory of class conflict to add a fatally inconsistent element. It was this self-contradictory theory of classes that was then picked up by Karl Marx and incorporated into the Marxist structure. Briefly, it held, with Comte and Dunoyer, that the major stages of statism had been, first, Oriental despotism, in which an emperor and his tax-supported bureaucracy constituted the ruling class exploiting and dominating the peasantry; and, second, feudalism, in which landlords dominated the State and used it to expropriate the peasantry and exact rents from them. In both cases, Oriental despotism and feudalism, the ruling classes were those who managed to seize control of the State apparatus, the organized engine of violence in society. But then the Saint-Simonians and Marx added another exploitative "ruling class": capitalists who hire workers on the market. Before capitalism, in short, conflicting classes are defined as those in different relations *to the State.* In contrast, capitalists who hire workers engage in a market transaction, have nothing to do with the State, and yet for some reason are supposed to have a common interest. What the socialists overlooked is that capitalists' hiring workers is a voluntary rather than a coercive transaction; and that capitalists have no class interests in common. On the contrary, capitalists compete with each other, just as workers do. There are no common "capitalist" or worker class interests on the free market.[27]

Ludwig von Mises, while showing no knowledge of previous classical liberal ruling class theory, arrived at a very similar analysis. He distinguished early between "classes," which could logically be any grouping of people on the free market and which had no common or conflicting interests, and "estates" or what he later called "castes." Castes have common interests conflicting with those of other castes, for their relations to the State differ. In contrast to classes in the market, which have no common interests and therefore do not conflict with each other,

> estates were legal institutions, not economically determined facts. Every man was born into an estate and generally remained in it until he died. All through life one possessed estate-membership, the quality of being a member of a certain estate. One was master or serf, freeman or slave, lord of the land or tied to it, patrician or plebeian, not because one occupied a certain position in economic life, but because one belonged to a certain estate.[28]

Mises goes on to scoff at the later whitewashing of feudalism as being reciprocal and somehow voluntary, as "the higher orders gave the lower protection, sustenance, the use of the land, and so on." But on the contrary,

> such ideas were alien to the institution in its heyday, when the relationship was frankly one of violence, as may be clearly seen in the first essential distinction drawn by estate—the distinction between free and unfree. The reason why the slave looked on slavery as natural, resigning himself to his lot instead of continuing to rebel and run away... was not that he believed slavery to be a just institution, equally advantageous to master and slave, but simply that he did not want to endanger his life by insubordination.[29]

What estates or castes have in common are their superior or inferior positions before the law. Thus: "In a society divided into estates all members of the estates who lack complete rights before the law have *one* interest in common with other members: they struggle to improve the legal position of their estate. All who are bound to the soil strive to have the burden of rent lightened; all slaves strive for freedom, that is, for a condition under which they can use their labour for themselves."[30]

Mises recognizes explicitly that common class interests are a function of state intervention:

> competition is suspended by special interests only when economic liberty is limited in some way.... Liberal theory does not deny that state interference in trade creates special interests, nor that by this means particular groups can extract privileges for themselves. It merely says that such special favours...lead to violent political conflict, to revolts of the non-privileged many against the privileged few, which by constantly disturbing the peace, hold up social development.[31]

Perhaps Mises' clearest exposition of the difference between "class" and "caste" came in an article written in 1945. He points out:

> Under a caste system...[s]ociety is divided into rigid castes. Caste membership assigns to each individual certain privileges (*privilegia favorabilia*) or certain disqualifications (*privilegia odiosa*). As a rule a man['s]...personal fate is inseparably linked with that of his caste. He cannot expect an improvement of his conditions except through an improvement in the conditions of his caste or estate. Thus there prevails a solidarity of interests among all caste members and conflict of interests among the various castes. Each privileged caste aims at the attainment of new privileges and at the preservation of the old ones. Each underprivileged caste aims at the abolition of its disqualifications. Within a caste society there is an irreconcilable antagonism between the interests of the various estates....
>
> In a free-market society...there are neither privileged nor underprivileged. There are no castes and therefore no caste conflicts. There prevails the full harmony of the rightly understood (we say today, of the long-run) interests of all individuals and of all groups....

> Our age is full of serious conflicts of economic group interests. But these conflicts are not inherent in the operation of an unhampered capitalist economy. They are the necessary outcome of government policies interfering with the operation of the market. They are not conflicts of Marxian classes. They are brought about by the fact that mankind has gone back to group privileges and thereby to a new caste system.[32,33]

6. Christianity and the Social Order

One of the hallmarks of conservatism, in this century as in the last, is devotion to Christianity both as a religion and as the foundation of the social order. Christianity is supposed to be the bulwark of the rights of private property.

In his brief discussion of religion in his *magnum opus, Human Action,* Ludwig von Mises took a moderate tone. Liberalism, Mises reiterates, is not anti-religion, but combats any theocratic attempt to impose a social order according to alleged divine commands.[34] But in his earlier work, *Socialism,* he set forth a detailed critique of Christianity. Here Mises was far more caustic. Indeed, his chapter "Christianity and Socialism" is a virtual philippic against the social implications of the Christian Gospel.[35]

While he concedes that the Christian Gospels are formally neutral with respect to any social order, Mises sees several dire implications that necessarily follow from the Gospels. First, he claims that Jesus' teachings make sense only as admonitions for a Kingdom of God that was supposed to arrive imminently—hence the early voluntary "communism" of the Christians, the injunctions by Jesus to take no heed of work or toil, etc. So that at best, Jesus' teachings were supposed to apply not to life on earth but only for preparation for the imminent transmutation of the earth into the Kingdom of God. But then, when that Kingdom failed to arrive, the Gospels became disastrous if taken seriously as a social ethic. Furthermore, Jesus' teachings, for Mises, are filled with hatred and resentment of the rich—relatively harmless if earthly life is to end instantly, but fatal if taken seriously as an ethic for the world and for human society.

Hence, for Mises, the Christian Church, despite continuing attempts to come to terms with the world and to carve out a reasonable social ethic, is stuck because of its necessary groundwork in Jesus' Gospels, which Mises regards as ranging from silly to downright dangerous.

The following passage conveys the flavor of Mises' view of Jesus as nihilist waiting for the imminent arrival of the Kingdom:

> "The Time is fulfilled, and the Kingdom of God is at hand: repent ye, and believe the gospel." These are the words with which in the Gospel of Mark, the Redeemer makes his entry (Mark I, 15). Jesus regards himself as the prophet of the approaching Kingdom of God, the Kingdom which according to ancient prophecy shall bring redemption from all earthly insufficiency, and with it from all economic cares. His followers have

> nothing to do but to prepare themselves for this Day. The time for worrying about earthly matters is past, for now, in expectation of the Kingdom, men must attend to more important things. Jesus offers no rules for earthly action and struggle; his Kingdom is not of this world. Such rules of conduct as he gives his followers are valid only for the short interval of time which has still to be lived while waiting for the great things to come. There the believers will eat and drink at the Lord's table. (Luke XXII, 30)....
>
> It is only in this way that we can understand why, in the Sermon on the Mount, Jesus recommends his own people to take no thought for food, drink, and clothing; why he exhorts them not to sow or reap or gather in barns, not to labour or spin. It is the only explanation, too, of his disciples' "communism".... The primitive Christians do not produce, labour, or gather anything at all. The newly converted realize their possessions and divide the proceeds with the brethren and sisters. Such a way of living is untenable in the long run. It can be looked upon only as a temporary order which is what it was in fact intended to be. Christ's disciples lived in daily expectation of Salvation....
>
> The expectation of God's own reorganization when the time came and the exclusive transfer of all action and thought to the future Kingdom of God, made Jesus' teaching utterly negative. He rejects everything that exists without offering anything to replace it. He arrives at dissolving all existing social ties.... The motive force behind the purity and power of this complete negation is ecstatic inspiration and enthusiastic hope of a new world. Hence his passionate attack upon everything that exists. Everything may be destroyed because God in His omnipotence will rebuild the future order.... The clearest modern parallel to the attitude of complete negation of primitive Christianity is Bolshevism. The Bolshevists, too, wish to destroy everything that exists because they regard it as hopelessly bad. But they have in mind ideas, indefinite and contradictory though they may be, of the future social order.... Jesus's teaching in this respect, on the other hand, is merely negation.[36]

This is not all, however, for in attempting to establish a worldly ethic, the Church finds that the Gospels are filled with attacks on the rich. In fact, for Mises, resentment against the rich is at the heart of Gospel teaching:

> One thing of course is clear, and no skilful [*sic*] interpretation can obscure it. Jesus's words are full of resentment against the rich, and the Apostles are no meeker in this respect. The Rich Man is condemned because he is rich, the Beggar praised because he is poor.... In God's Kingdom the poor shall be rich, but the rich shall be made to suffer. Later revisers have tried to soften the words of Christ against the rich... but there is quite enough left to support those who incite the world to hatred of the rich, revenge, murder and arson.... This is a case in which the Redeemer's words bore evil seed. More harm has been done, and more blood shed, on account of them than by the persecution of heretics and the burning of witches. They have always rendered the Church defenceless against all movements which aim at destroying human society. The church as an organization has certainly always stood on the side of those who tried to ward off communistic attack.

> But it...was continually disarmed by the words: "Blessed be ye poor; for yours is the Kingdom of God."[37]

Mises then goes on to attack the common conservative idea that Christianity forms a vital bulwark "against doctrines inimical to property, and that it makes the masses unreceptive to the poison of social incitement." But much as the Church might wish to do so, it is stuck with the Gospels, which are "indifferent to all social questions on the one hand, full of resentment against all property and against all owners on the other." Hence, carried over to the real world, Christian doctrine "can be extremely destructive." For

> [n]ever and nowhere can a system of social ethics embracing social cooperation be built up on a doctrine which prohibits any concern for sustenance and work, while it expresses fierce resentment against the rich, preaches hatred of the family, and advocates voluntary castration.[38]

The notable cultural achievements of the Church over the centuries, according to Mises, were the work of the Church, and not of Christianity. "The Church's achievement," asserted Mises, was to "render them [the social ethics of Jesus] harmless," but it could necessarily do so for only a limited period of time. Therefore, he concludes, rather than the Enlightenment having cleared the way for socialism by undermining religious feeling, it is Christianity that has done so, bearing full fruit in the various forms of Christian Socialism. The Church has been harmful rather than helpful to private property and a free economy: "it is the resistance which the Church has offered to the spread of liberal ideas which has prepared the soil for the destructive resentment of modern socialist thought." The official Church tried to resist the Christian Socialist movements at first, "but it had to submit in the end, just because it was defenceless against the words of the Scriptures."[39]

Furthermore, the Christian Church is always striving to dominate society, and hence is trying to suppress individual freedom:

> As long as rationalism and the spiritual freedom of the individual are maintained in economic life, the Church will never succeed in fettering thought and shepherding the intellect in the desired direction. To do this it would first have to obtain supremacy over all human activity. Therefore it cannot rest content to live as a free Church in a free state; it must seek to dominate that state.[40]

Mises concludes, then, by being highly pessimistic about the possibility of reconciling Christianity with a free social order based on private property. "A living Christianity cannot, it seems, exist side by side with Capitalism." He finds only one slim hope for an opposite conclusion: the thin possibility that the Roman Catholic Church, threatened by chauvinist nationalism and national (Protestant) churches, may abandon nationalism

and adopt the true universalism of unconditional private property in the means of production.[41]

Neither does Mises find any more hope in religions other than Christianity; to the contrary, they are dismissed brusquely and with contempt. Eastern religions are hopelessly anti-capitalist; the Greek Church "has been dead for over a thousand years"; and the "Islamic and Jewish religions are dead." Islam and Judaism "offer their adherents nothing more than a ritual"; they "suppress the soul, instead of elevating and saving it." They maintain themselves by "rejecting everything foreign and 'different', by traditionalism and conservatism. Only their hatred of everything foreign rouses them to great deeds from time to time."[42]

7. The French Revolution

Conservatism was born in bitter reaction against the French Revolution. From that day to this, all branches of conservatism unite in hostility to that Revolution, which they castigate as the precursor of the Bolshevik Revolution and of the other totalitarian evils of the twentieth century. The American Revolution, in contrast, was the "good" revolution because it was not really a revolution at all, but simply a conservative response to defend the *status quo* against the encroachments of the British Crown.

Ludwig von Mises, in contrast, was always a consistent admirer of the French Revolution, which he perceived as a movement inspired by the American Revolution and its libertarian ideals. He regarded himself as a man of 1789, an heir of the Enlightenment.

Thus, writing after World War I, Mises asserted that "for us and for humanity there is only one salvation: return to the rationalistic liberalism of the ideas of 1789."[43] In contrast, in the "League of Nations of Versailles the ideas of 1914 are in truth triumphing over those of 1789."[44]

8. Conclusion: the Historical Mises

The purpose of this paper, in the light of the recent Mises centennial year, is to rescue the real, "historical" Mises from the image which has been generally formed of him and has been adopted by the bulk of his followers. This is the non-threatening image of Mises as a quintessential *National Review* conservative. But we find that, particularly in the years before his American "exile," Mises was virtually the diametric opposite of a modern conservative. These views were not stressed during his later American period, but neither were they repudiated. Discussion of them more or less dropped out of Misesian writings. But to ignore the earlier Mises is to ignore a basic theme of his thought, for his thought forms a remarkably consistent whole over the decades of his long and active life.

We find, then, a Mises with the following strongly held political views: a proclaimed pacifist, who trenchantly attacked war and national chauvin-

ism; a bitter critic of Western imperialism and colonialism; a believer in non-intervention with regard to Soviet Russia; a strong proponent of national self-determination, not only for national groups, but for subgroups down to the village level—and in theory, at least, down to the right of individual secession, which approaches anarchism; someone so hostile to immigration restrictions that he almost endorsed war against such countries as the United States and Australia to force them to open up their borders; a believer in the importance of class conflict in relation to the State; a caustic rationalist critic of Christianity and of all religion; and an admirer of the French Revolution.

Whatever these views were, they were most emphatically *not* conservatism. On the contrary, they were something very different and in age-old conflict with conservatism. Ludwig von Mises was truly and proudly an heir of early-nineteenth-century *laissez-faire* radicalism, of Bentham, of James Mill, Cobden, and Spencer. He was a rationalist and a libertarian.

NOTES

1. "The goal of the domestic policy of liberalism is the same as that of its foreign policy: peace. It aims at peaceful cooperation just as much between nations as within each nation.... The ultimate ideal envisioned by liberalism is the perfect cooperation of all mankind.... Liberal thinking always has the whole of humanity in view and not just parts.... Its thinking is cosmopolitan and ecumenical: it takes in all men and the whole world. Liberalism is, in this sense, humanism; and the liberal, a citizen of the world, a cosmopolite" (Ludwig von Mises, *Liberalism: A Socio-Economic Exposition* [1927; 2nd ed., Kansas City: Sheed, Andrews and McMeel, 1978], pp. 105–106).
2. Mises, "Nation, State, and Economy: Contributions to the Politics and History of Our Time," translation by Leland Yeager, of *Nation, Staat und Wirtschaft* (1919), p. 91, (Humanities Press, forthcoming).
3. Herbert Marcuse, in an attempt to smear classical liberalism with the brush of fascism and advocacy of war, engaged in a shameful distortion of Mises by wrenching a passage of *Liberalism* out of context in attempting to make Mises seem to be pro-fascist. If the context is examined, Mises engages in a fervent critique of fascism for its anti-liberalism and for its attempt to suppress ideas by violence. As for its foreign policy, fascism's glorification of force "cannot fail to give rise to an endless series of wars that must destroy all of modern civilization...." Mises' one sentence of approval of fascism was for its allegedly saving Italy from Bolshevism after World War I. Also disgraceful is Marcuse's total neglect of Mises' later *Omnipotent Government*, virtually a sustained philippic against Nazism and fascism.

   Marcuse's besmirching of Mises can be found in his *Negations* (Boston: Beacon Press, 1968), pp. 9–10. The passage from Mises (not footnoted by Marcuse) can be found in *Liberalism*, p. 51, and the full context of Mises' views on fascism in *ibid.*, pp. 47–51. Also see Mises, *Omnipotent Government* (New Haven, Conn.: Yale University Press, 1944).
4. Mises, *Liberalism*, pp. 123–24.
5. *Ibid.*, p. 125.
6. *Ibid.*
7. *Ibid.*, p. 126.
8. *Ibid.*, p. 127.
9. Mises, "Nation, State and Economy," pp. 34–35.
10. *Ibid.*, p. 8.
11. Mises, *Liberalism*, p. 109. Mises adds that it therefore grossly violates true self-determination for one nation-state to try to incorporate citizens of other territories against their con-

sent, and simply because of their ethnic or linguistic ties. In particular, he mentions the demand of the Italian Fascists to incorporate Italian-speaking Swiss cantons into Italy, and the Pan-German wishes to incorporate German Swiss cantons. *Ibid.*

12. *Ibid.*, p. 109.
13. *Ibid.*, pp. 109–110.
14. Mises, "Nation, State and Economy," p. 41.
15. Mises, *Liberalism,* p. 153.
16. *Ibid.*, pp. 153–54.
17. Mises, *Omnipotent Government,* p. 264.
18. Mises, *Liberalism,* pp. 141–42.
19. Mises, "Nation, State and Economy," p. 192n.
20. *Ibid.*, p. 97.
21. Mises, "The Freedom to Move as an International Problem," trans. Bettina Bien Greaves from "Freizügigkeit als internationales Problem" (1935), in *The Clash of Group Interests and Other Essays* (New York: Center for Libertarian Studies, 1978), pp. 19–22.
22. *Ibid.*, p. 20.
23. *Ibid.*
24. *Ibid.*, pp. 21–22.
25. *Ibid.*, p. 22.
26. See the notable article by Leonard P. Liggio, "Charles Dunoyer and French Classical Liberalism," *The Journal of Libertarian Studies* 1 (Summer 1977): 153–78.
27. The fact that Marxists say that, as a second and further step, the "capitalists" then gain control of the State, which becomes the "executive committee of the ruling class," is not enough to save their theory. For the capitalists are supposed to be a "ruling class" simply by virtue of being capitalists, and *before* their alleged takeover of the State, which is only supposed to add an extra dimension to their class rule.
28. Mises, *Socialism* (1922; 2nd ed., New Haven: Yale University Press, 1951), p. 332. Mises also points out trenchantly that Marx and Engels continually confused the concepts of class and estate, and that Marx broke off the third volume of *Capital* just when he was finally about to tackle a task he had never accomplished: a precise definition of his much-used concept of "class" (*ibid.*, pp. 328n., 332n., 336–342).
29. *Ibid.*, p. 333.
30. *Ibid.*, pp. 335–36.
31. *Ibid.*, p. 337.
32. Mises, "The Clash of Group Interests" (1945), in Mises, *Clash of Group Interests and Other Essays,* pp. 2–3, 5. In this essay, for the last time, Mises returned to his immigration theme, pointing out that, say in Australia and New Zealand, immigration laws had "integrated their whole citizenry into a privileged caste." By such immigration barriers, the workers of these countries "create those tensions which must result in war whenever those injured by such policies expect that they can brush away by violence the measures of foreign governments that are prejudicial to their own well-being" (*ibid.*, pp. 4–6).
33. Mises returned to the theme of caste vs. class in his last major work, *Theory and History* (New Haven: Yale University Press, 1957), pp. 113–16.
34. "It would...be a serious mistake to conclude that the sciences of human action and the policy derived from their teachings, liberalism, are antitheistic and hostile to religion. They are radically opposed to all systems of theocracy. But they are entirely neutral with regard to religious beliefs which do not pretend to interfere with the conduct of social, political, and economic affairs." And: "It is a distortion of fact to say, as many champions of religious theocracy do, that liberalism fights religion. Where the principle of church interference with secular issues is in force, the various churches, denominations and sects are fighting one another. By separating church and state, liberalism established peace between the various religious factions and gives to each of them the opportunity to preach its gospel unmolested" (Mises, *Human Action,* 3rd rev. ed. [Chicago: Henry Regnery, 1966], pp. 155, 157).
35. Mises, *Socialism,* pp. 409–29.
36. *Ibid.*, pp. 413–16.
37. *Ibid.*, pp. 419–20.

38. *Ibid.*, pp. 420–21.
39. *Ibid.*, p. 420.
40. *Ibid.*, p. 427.
41. *Ibid.*, pp. 428–29. For an excellent discussion of Mises as *laissez-faire* radical and particularly of Mises on Christianity, see Ralph Raico, "Ludwig von Mises," *The Alternative: An American Spectator* (February 1975), pp. 21–23.
42. Mises, *Socialism,* p. 410. Also see *ibid.*, p. 428.
43. Mises, "Nation, State and Economy," p. 239.
44. *Ibid.*, p. 238.