

A close-up, high-contrast portrait of an elderly man with a white beard and glasses. The image is dominated by warm, reddish-orange tones, particularly around the eyes and beard. The man's face is the central focus, with his eyes looking slightly to the left. The background is dark and out of focus.

ROBERT HIGGS

TAKING A STAND

Reflections on Life, Liberty, and the Economy

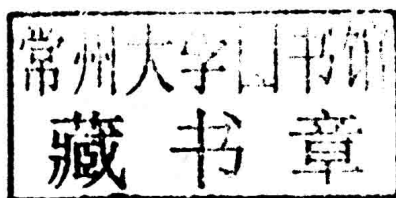
Foreword by Judge Andrew P. Napolitano

INDEPENDENT INSTITUTE

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Reflections on Life, Liberty, and the Economy

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INDEPENDENT
INSTITUTE

OAKLAND, CALIFORNIA

Taking a Stand: Reflections on Life, Liberty, and the Economy

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Praise for *Taking a Stand*

“Robert Higgs begins *Taking a Stand* by thanking his students. But his list is much too short, for we are all his students. Often funny, and usually subversive of the conventional wisdom, this book spans a short period (2009–14) in Bob’s marvelously productive life. Chapters range from serious engagements with economic affairs to heartfelt eulogies—Bob’s ‘goodbye’ to Manuel Ayau cannot be read without tearing up—to parodies of the rock song ‘American Pie’ and the poem ‘The Raven.’ It is hard to convey the depth and value of this timely yet timeless book. But if Francis Bacon could be crossed with P. J. O’Rourke, that would come close.”

—**Michael C. Munger**, Professor of Political Science, Economics and Public Policy, and Director of the Philosophy, Politics, and Economics Program at Duke University

“More than anyone in our time, Robert Higgs wrestles with ‘James Madison’s Dilemma,’ that is, if we have created a government powerful enough to protect our rights and liberties, what is to prevent it from taking away those very rights and liberties? One may not agree with all of his recent musings in *Taking a Stand*, but they are invariably thought-provoking and admirable.”

—**Richard E. Sylla**, Henry Kaufman Professor of the History of Financial Institutions and Markets, New York University

“No voice today for peace and liberty is as clear, as consistent, as learned, as insightful, and—this is important—as passionate and resonant as that of Robert Higgs. The pages of *Taking a Stand* prove me correct.”

—**Donald J. Boudreaux**, Professor of Economics and Director of the Center for the Study of Public Choice, George Mason University; Co-Editor, *Café Hayek*

“Robert Higgs has been pounding Leviathan since before most of today’s libertarians were born. He has awakened new generations of students to the perils of unleashed politicians and lawless bureaucrats. In *Taking a Stand*, his passion and principles continue to fire folks up to stand up for their rights and liberties.”

—**James Bovard**, author, *Freedom in Chains*, *Lost Rights*, and *Terrorism and Tyranny*

“In his latest book *Taking a Stand*, Robert Higgs laments that his mother should not have let him become an economic historian. That’s the only error he makes in 99 pithy chapters that debug a virtual database of statist fallacies for government controls. For example, World War II is not proof that astronomical government spending fixed the economy after decades of New Deal spending failed—but it is proof that when one-fifth of the population is forced to fight in a war or to work to support the war effort, the statistical unemployment rate goes down. Everyone interested in freedom should read this book to understand clearly how economic reasoning and political realism apply to ongoing debates over the ever-increasing control that government exerts on our lives.”

—T.J. Rodgers, Founder, President and Chief Executive Officer, Cypress Semiconductor Corporation

“Full of fascinating insights, *Taking a Stand* illuminates Robert Higgs’s life-long search for the true causes of economic and social problems, by utilizing all possible means: theory, history, literature, and his own experience. Higgs’s emphasis on the crucial value of liberty has substantial implications for the future role of government in Asian countries and worldwide.”

—Yuzo Murayama, Professor and Vice President, Doshisha University, Japan

“Robert Higgs writes with passion and wit. No one cuts to the chase with more precision. Higgs’s engaging style makes *Taking a Stand* a pleasure to read.”

—Lee J. Alston, Ostrom Chair, Professor of Economics, and Director of the Vincent and Elinor Ostrom Workshop in Political Theory and Policy Analysis, Indiana University

“In *Taking a Stand*, Robert Higgs dissects the myth of democratic government, juxtaposing it with the realities of the nation state and its systematic accretion of power, perquisites of office, and control over assets. He strips away comforting illusions of the beneficence of government, pointing out that customary justifications for its existence often conceal a lust for control. He explores the nature and legitimacy of government, its tactics and motivations, and the uncertainty and risks it injects into economic choices of the governed, with specific reference to the prospects for economic recovery in the current political environment. The book is highly readable and accessible to non-economists.”

—Charlotte Twight, Professor of Economics, Boise State University

“With immensely readable vignettes from a life well lived, Robert Higgs’s *Taking a Stand* is a wonderful book.”

—Julio H. Cole, Professor of Economics, Universidad Francisco Marroquín, Guatemala



TAKING A STAND



INDEPENDENT INSTITUTE

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*To my Ph.D. students at the University of Washington
and the Universidad Francisco Marroquín*

Ted Meeker (in memoriam)

Bob McGuire

Lee Alston

Yuzo Murayama

John Wallis

Price Fishback

Charlotte Twight

Julio Cole

Fritz Thomas

You have made your old professor very proud.

Foreword

IN THE ANNALS of academic fidelity to the Jeffersonian ideal that government is best which governs least, no one commands and deserves more respect than Dr. Robert Higgs, Senior Fellow in Political Economy at the Independent Institute. Bob's masterpiece, *Crisis and Leviathan*, remains the standard scholarly critique of the growth of the federal government from the Roosevelt/Wilson to the Carter/Reagan years. In all of the presidencies encompassed by those bookends, including the bookends themselves, the federal government grew radically and well beyond the boundaries envisioned by the Founders.

I know that while many of my conservative brethren will join gleefully in any critical characterization of the Progressive years as those of rampant government interference in private behavior—behavior not even arguably delegated to the feds by the Constitution—most will blanch at the juxtaposition of the names Carter and Reagan in the same phrase and to prove the same point.

But not Bob Higgs. Bob is utterly faithful to the simple belief that the Declaration of Independence means what it says: our rights come from our God-given humanity and not from the government; and to the natural-law observation that since men and women in or out of government are not angels, we need a universal rule of law—not subject to the vagaries of popular whim—to restrain their impulses to use the coercive powers of government in controlling how others live and to guarantee that there remain areas of human behavior that are immune from governmental surveillance and regulation.

Prior to the War Between the States, the feds largely stayed out of the private affairs of private persons. From the Reconstruction Era to the Progressive

Era, the feds moved in and out of private affairs, started printing money legally, taxed personal income, redistributed wealth, regulated private property, engaged in the least moral, least useful, and most catastrophic of modern American wars—World War I—and set the stage for the post-Progressive Era which has brought us the Welfare State, the Warfare State, and the Administrative State.

From the Roosevelt/Wilson years up to the present day, every President, notwithstanding his public utterances and the adulation of his supporters, has held the view that the Constitution unleashes the federal government to use the powers of government, which are not reason but force, to address any need the President and congressional leaders want to address, using any means they choose, subject only to the express prohibitions in the Constitution, and subject, of course, to what they can get away with politically.

In his lectures all over the world and in his scholarly writings, no one has chronicled all this with more intellectual credibility and using more cogent reasoning than Bob Higgs. Indeed, to legal and economic scholars and to historians who challenge the modern-day behemoth in Washington, D.C., Bob's work is the standard against which others should be measured, and one to which we all refer on a regular basis.

Of the three lamentable governmental states that progressivism has brought upon us, the least understood is the Administrative State. It is here—in the darkness of the perpetual bureaucracy that never changes even when different parties control the White House or Congress—that much mischief to liberty and secret lawmaking is done, all well beneath the radar screen. Why is the pressure in your home shower so weak? Why do office chairs—except in the White House—need to have five legs? Why can't the makers of aspirin describe its uses in advertisements? How can a product be lawful, yet its marketing prohibited? Why can't you catch five lobsters from the oceans for your neighbors' use? Surely Congress never debated and legislated on all those things. Surely water pressure and chair legs and lobsters are not areas of regulation delegated by the Constitution to Congress. Well, who did regulate these things, if only Congress can write federal laws? Doesn't the first article of the Constitution begin "All legislative Powers herein granted shall be vested in a Congress . . . "?

In his academic work, Bob has dissected the government's shrewd secret excesses using its administrative arm; and no one has done so more clearly or more pleasingly. In the pages that follow come similar arguments, but often in a non-academic vein. Be prepared for Bob with his hair let down; for here are essays that show a whimsical, introspective, and personal Bob Higgs. Who would have expected this towering intellect to write about whether the dead can be brought back to life? Who knew that he loves (as I do) Edgar Allen Poe's "The Raven" and Don MacLean's "American Pie" and Leonard Cohen's "Everybody Knows"?

From the myth that the government has derived its powers from the consent of the governed to the role of independent experts in formulating monetary and fiscal policy; from the government's duplicity in announcing the unemployment rate in a given month to how the state entraps us, if you want to see a true polymath at work, a humble giant thinking out loud about whatever thoughts that great mind found worthy of contemplation, these lofty, serious, sad, and illuminating essays will do the unthinkable—they will educate you beyond *Crisis and Leviathan*.

In my own television and academic work, I have attempted to use Bob's fidelity to first principles as a model. I have not always succeeded. Yet, what a joy it has been for me to see that fidelity from a different angle; one just as faithful and beautiful, yet bound to create additional admiration for a good and fearless man's mind and work that I love so much.

Judge Andrew P. Napolitano
New York City

Preface

THIS BOOK COLLECTS almost a hundred short pieces that I have written in recent years, mainly for the Independent Institute's group blog *The Beacon*. All but three of them appeared in 2009 or more recently. Most of them are only a few pages in length.

The topics range widely, reflecting my varied interests and experience. As someone trained in economics, specializing in economic history and political economy, I have had to familiarize myself with a multitude of facts, concepts, theories, and modes of analysis in economic analysis, history, politics, law, and related subjects. As someone who not only taught in universities and colleges at the graduate and undergraduate levels, but also consulted from time to time in law cases and regulatory proceedings, I have acquired more first-hand familiarity with the intersection of government and the economy than I would have gained if I had spent my career entirely in academia. After spending twenty-six years as a full-time professor, I have spent the past twenty-one as an editor, writer, lecturer, and consultant outside the walls of academe (except for brief stints abroad as a visiting professor). The wide range of the subjects dealt with in the pieces collected here reflects the diversity of my own teaching, research, editing, writing, and consulting.

In 2008, my friend and colleague Anthony Gregory approached me about contributing to *The Beacon*, which he was just getting off the ground. At the time, I did not foresee that I would have much to offer, but I agreed to join several others who were contributing, to do my small part. It turned out, however, that I greatly underestimated how much I would end up writing for *The Beacon*. During the past six years, I have made more than 300 posts there,

some of them being fairly substantial. The present collection brings together more than a quarter of them: those that seem most substantial, provocative, and out of the ordinary.

The pieces are organized under nine headings, although many of them might have fit just as well under one of the other rubrics. Most of them may be described as analytical commentaries or observations. Most are substantive, dealing with definite actors and events, but a substantial number are more methodological, focusing on how various analysts have dealt with particular subjects or how, in my judgment, analysts can deal most effectively with certain subjects. A substantial number of these pieces pertain to the nature and functioning of the state; many with the economy, both as a whole and in regard to particular sectors or specific aspects of its operation. One section pertains to commentaries on libertarianism, an ideology I have long embraced, though the precise nature of my embrace has changed over the years. Fifteen pieces are obituaries or reminiscences, most of them in the nature of homages I pay to my parents, teachers, and colleagues, as well as to professional peers and ideological comrades with whom I have worked in a common quest. Throughout the collection, I make more personal references to my own experiences and endeavors than would be appropriate in more formal writing; thus the collection has an autobiographical aspect, as well.

Because the pieces were originally written to stand alone, the reader may skip from one to another anywhere in the collection without loss of necessary background. The references and graphical displays add some documentation, but no attempt has been made to provide the same type of citation that one finds in scholarly articles and books. The bite-size commentaries I present here are not simply a hodge-podge of ungrounded opinion, testaments to my idiosyncrasies, but neither do I purport to offer them as scholarly fare. Nevertheless, there is no gainsaying that as a scholar of forty-seven years' standing, I often express myself in a way that reflects that background and learning.

The collection ends with three pieces that I wrote just for fun. If the reader should find these amusing—and perhaps find reasons to smile elsewhere in the book, as well—I shall be especially pleased. Life is grim enough without our burrowing constantly into its darkest recesses.

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