

CHAPTER 1

Murray Rothbard

The Murray Rothbard wall poster depicts a graying professor pecking at a typewriter. His words rise magically from the machine and blend into a black flag of anarchy rippling above his head. Beneath the drawing is the caption: “Murray N. Rothbard—the greatest living enemy of the state.” The poster, like almost everything else relating to politics, causes Rothbard to laugh. He has a penchant for humor that, in his younger days, let him to write an Off-Broadway play, *Mozart Was a Red*, which poked fun at the Ayn Rand cult of the individual. Today he still laughs very easily. If someone mentions the name of almost any establishment economist or political figure, Rothbard will respond with a nasal guffaw. Abe Beame, Jerry Ford, Hubert Humphrey, John Kenneth Galbraith, Alan Greenspan, Ronald Reagan—they all receive the same response: a laugh followed by a theoretical disputation in which Rothbard employs buzz-saw logic to rip into these persons he views as enemies of liberty, prosperity, and the common good.

Rothbard’s freewheeling style and strong opinions have gradually earned him a public following. Today he is regarded as the chief theorist and spokesman for the new libertarian philosophy—a role he relishes after years of obscurity spent writing economic tomes and articles in scholarly periodicals. Now he frequently appears on national television, and he is

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much in demand as a speaker on college campuses. His many books, some of which were long out of print, are reappearing in new editions issued by major publishers. And they have begun to sell. The first two volumes of Rothbard's five-volume history of Colonial America and the Revolution, *Conceived in Liberty*, have become "best-sellers" among scholarly books.

Of course, not everyone is pleased with the new interest in Rothbard's thought, which synthesizes both liberal and conservative ideas. Chief among his detractors are many of his professional economist colleagues, with whom Rothbard has been feuding for twenty-five years. The main outlines of the dispute are simple. Rothbard doesn't think that most of them know what they are talking about. They have retaliated by, so to speak, exiling him from his own profession. For a long time he has paid for his outspokenness by earning what must be regarded as a very narrow living for someone with a Ph.D. from Columbia. Instead of being invited to serve on a prestigious university faculty, he has had to settle for commuting by subway from his Manhattan home to the New York Polytechnic Institute in Brooklyn. Rothbard has also lost out on lucrative private consulting work, which makes economists rank among the highest paid of all professions. Instead of encouraging firms and government agencies to hire him, Rothbard wrote books and articles disputing the value of most economic advice. His contention that the charts and graphs and tables are mostly misleading dampened the demand for his services. Only one firm—a mushroom factory—has called on him for consulting advice in the past twenty years.

Although Rothbard may have disputed the commercial application of his work, others, such as Harry Browne (see the *Penthouse* interview with Browne, February 1975), have made fortunes in the financial-advice field by popularizing concepts developed in Rothbard's early books on depressions, such as *The Panic of 1819* and *America's Great Depression*. Browne and many lesser prophets of "doom and gloom" are earning thousands of dollars per day telling clients to "head for the hills" because the government-controlled economy is doomed to fail. What does Rothbard think of such advice? Not much. He refuses to comment directly on Browne to avoid the appearance of personal animosity. But his general feeling about dropping out is that taking such a step would be disastrous. "Besides," Rothbard says, "there aren't that many hills to fly to."

Penthouse interviewer Jim Davidson questioned Professor Rothbard about his controversial views. The conversation shows why the fifty-year-old economist has been described as the one political theorist who is

“to the Left and the Right of everybody.” Attacking the current political leadership and virtually every element of government policy, Rothbard explains why he still has confidence in the future of America.

Penthouse: If you had a magic wand for correcting what’s wrong in America, what would you do?

Rothbard: I would get the government out of the lives and the properties of all American citizens. I would first repeal all the legislation that’s been undertaken and all the administrative edicts of the last century or so.

Penthouse: Even the laws have been designed to help the poor, to protect consumers, and to provide for the young, the ill, and the aged?

Rothbard: Yes. The laws to help the poor are phony. The poor don’t really benefit from the welfare state.

Studies were made of a ghetto district in Washington, D.C. After estimating the taxes those people paid to the federal government and balancing that figure against the money the federal government gives back to them, it turned out that they are getting less from the government than they are giving. They’re paying for the welfare state just as much as everybody else! The money is simply siphoned off into the military-industrial complex, into bureaucratic salaries, and so forth.

Penthouse: If welfare programs don’t benefit the needy, why are they continued?

Rothbard: Because they build up a constituency of government employees for the rulers of the country, for the state apparatus, and for the people who benefit from it. Also they build up a façade of altruism, behind which the people who actually benefit from the state—the people who get the contracts and the subsidies and the monopoly privileges and so forth—are able to operate.

Penthouse: Can you be more specific?

Rothbard: For example, the Civil Aeronautics Board, which regulates the airline industry, was created because of lobbying pressure from the big airlines: Pan Am, United, and others. It was created in order to raise the rates, not to benefit the consumer. And that is how the CAB has functioned. It creates monopolies, restricts airline service on various key routes, and

keeps rates up. The result has been the inefficiency and the high costs that the consumer has had to live with. The CAB put out of business quite a few small airlines that were operating very efficiently and very safely but that were undercutting the rates of the big airlines. The CAB just stopped issuing them “certificates of convenience and necessity,” I think they’re called. That’s just one example of the sort of thing the government does on the federal, state, and local levels.

Penthouse: Then you are advocating that all governmental functions be abolished.

Rothbard: I think all these functions could be performed considerably better by voluntary means—financed by the consumers who actually use these services, not by taxpayers who are forced to pay for something they don’t personally receive. The income of the policemen, the firemen, and the civil servants should be equivalent to the efficiency of their service to the consumers, not based on political manipulation and coercive taxation. Then they wouldn’t be an entrenched bureaucracy anymore. Government employees would have to shape up like everybody else. All other goods and services are provided by businesses or individuals who receive their compensation because they have efficiently supplied a product that consumers want. The government supplies services through coercive taxation and therefore doesn’t have to be efficient.

Penthouse: But how could the free market provide such services as the police?

Rothbard: There is no difference between saying that and saying, “How can the free market provide shoes?” In the present society, wealthy people can hire private guards—and they do just that, it’s the poor people who have no choice but to rely on the public police.

Right now almost everybody has some kind of medical insurance, Blue Cross and that sort of thing. I see no reason why police insurance would be more costly than that. People would pay premiums every year for having police on retainer, so to speak, in case anything happened.

Those people who couldn’t afford such payments would still be provided police aid. We now have legal-aid societies that provide indigent prisoners with free legal counsel, and in a libertarian society the same thing would happen regarding police protection.

Penthouse: If you did away with government and every service was provided by free enterprise, how would the poor be able to survive?

Rothbard: Well, in the first place the poor are only helped by free enterprise. It is private-capital investment and private entrepreneurship that have raised the standard of living from what it was in pre-industrial times to what we have today. This has all been done through private investment, not by government. The government is a drag on the system; it is an impoverishing device and a parasitic burden on the productive system, not the opposite. Government doesn't help the poor; it hurts them.

Penthouse: We had private charity up through the nineteenth century. Dickens described the horrors it caused. Is that what you wish to return to?

Rothbard: No, the guiding aim of private charity has always been to get people on their feet so they wouldn't have to depend on charity. And private charity was largely successful in doing that. Today the Mormon church has a system of private aid, so that no Mormons are on welfare. The same is true of other ethnic groups that are opposed to any kind of welfare dependency. Albanian Americans in New York are very poor. They're virtually on the lowest income level, and yet none of them is on welfare because they think it's demeaning and degrading and they help each other out, voluntarily.

Penthouse: But if private charity is to work, the economy must be healthy; and many economists feel that an unhampered free market leads to recessions and depressions, which are cured only by government intervention.

Rothbard: Depressions and recessions are not brought about by a free-enterprise system. They are brought about by the government and its process of inflationary counterfeiting. It's the government's banking system that creates inflation, recession, and depression. The government distorts the economy and creates unsound investments. These investments have to be liquidated, and the result is a period of depression. Then the more the government intervenes in the depression—as it did in the 1930s—the longer the depression lasts. In a truly free market system, there would be no depressions.

Penthouse: So the New Deal actually prolonged the depression of the 1930s?

Rothbard: Exactly. Before the New Deal was instituted, there was a federal policy not to intervene once a depression was under way. As a result, depressions didn't last more than one or two years. But when the 1929 crash came, President Hoover, and then President Roosevelt, intervened extensively in a misguided attempt to keep wages and prices up and to shore up unsound companies with federal aid and with other kinds of assistance. The result was to prolong the depression for eleven years, a duration unprecedented in American history. We got out of it only because of World War II, which is a heck of a way to get out of depression.

Penthouse: What's the difference between your position and that of the conservatives, who for years have been talking against big government?

Rothbard: Well, the conservatives and President Ford often employ free-market rhetoric, but people's actions speak louder than their words. President Ford, when his actions are fully scrutinized, comes up with a deficit of about \$75 billion in fiscal year 1976, although Arthur Anderson and Company made an accounting of the government finances and have arrived at the conclusion that the deficit is really nearer to \$150 billion. Also, President Ford, despite all of his talk about eliminating or reducing government intervention, has proposed a \$100 billion subsidy for private-energy sources.

The conservatives tend to favor subsidies to corporations, especially in the military-industrial complex. They tend to favor military expenditures. The same conservatives who would call for a \$2 billion cut in welfare, let's say, would also favor a \$20-billion expansion of wasteful military spending. They have a blind spot regarding militarism. They tend to be in favor of high tariffs. In a broader area, they tend to be opposed to personal liberty—religious, civil, and so forth. So their rhetoric is totally divorced from their actions. Their libertarian credentials are fairly suspect if you look at the whole picture.

Penthouse: How does the libertarian position differ from that of the liberals, of whom you are so critical?

Rothbard: Well, the libertarian position, basically, is that no person or group should be allowed to use force or violence against any person or his property. Everybody should have complete freedom in all activities of his life, both personal and economic. So this means that libertarians are in favor of economic freedom. Laissez-faire capitalism seems close to the conservative position in many ways. But we're also in favor of complete

civil liberty, which, in many ways, is close to the liberal position. Liberals, however, are almost as inconsistent regarding the civil-liberties questions as the conservatives are regarding the free market. Many liberals who favor personal liberty also favor incarcerating mental patients, supposedly for the patients' benefit. Or they favor compulsory seat-belt buzzers, which I personally found extremely obnoxious!

Penthouse: You have said that you are in favor of any sort of capitalist acts between consenting adults. Are you also in favor of any other acts between consenting adults?

Rothbard: Any actions, capitalist or personal or of any other nature, performed by consenting adults should be permitted. Whether any of us personally approves of them is another story and is really irrelevant to the political question of their legality. This goes across the board. Incidentally, many supposed civil libertarians who would favor legalization of drugs or legalization of liquor or alcohol—which I would favor—are somehow opposed to the legalization of cigarette advertising, which should be just as much a civil-liberties question as the other issues.

Penthouse: Don't you feel that the people have a right to make a decision about the form that society should take? Isn't this why we have elections?

Rothbard: I think a person should have the right to have whatever he wants just as long as he doesn't impose his wishes on somebody else. Now, if those people want to vote to support a certain system or a certain person, that's fine. However, the problem is that they're imposing this system and this person on the rest of us.

These elections do not *really* mean that the public gets together at some sort of town meeting and chooses a certain system or a certain group of politicians. As you know, what actually happens is, first, most of the eligible people don't even vote; and, second, they are getting a package deal, a very narrow choice between two parties, which are more or less indistinguishable in their policies and image and cannot be counted upon to honor their promises. Nobody sues a president or a congressman for fraud if he violates his campaign promises—it's considered part of the game. It's called campaign oratory, which nobody pays attention to. A consumer, on the other hand, votes all the time, in a sense. He votes for groceries or clothing or hi-fi sets or other things by buying or by refusing to buy. He's the complete master of his fate. He doesn't have to make a choice between only two products.

Penthouse: And what about you—will you vote in the next election?

Rothbard: I haven't voted for a long time.

Penthouse: If you don't vote, don't you deserve what you get?

Rothbard: Oh no! On the contrary. It's those who *do* vote for the winning candidate who may deserve what they get, not the ones who don't vote for anybody.

Penthouse: But isn't the government the people, in the sense that it is the only institution that represents everybody, as opposed to selfish interest groups?

Rothbard: No. It represents only a fraction of the people. Let's say 45 percent of the people vote. If there's a close election, it means that only 23 percent voted for the winning candidate. That's hardly all the people. So the government is not the people. The people are the rest of us who are *not* in government. They're not *us*. There is just a group of people out there who call themselves "the government." When we see a worker moving to a better job because he will make more money, or when we see a businessman moving into an area where he can make more profits, everybody says, "Oh, he's moving to another job or he's going to another industry to make a higher income." And yet when somebody becomes a *government* employee, suddenly we assume that his objective is completely different. His motivation suddenly becomes "the public interest," "the common good," "national security," or whatever other clichés are handed out. It would be a very useful exercise for everybody to think about the government, not as purveyors of the public good, but as people are bureaucrats trying to maximize their own income. Then see what kind of coherent explanation of the world you then come up with.

Penthouse: Can you give us examples of the way government officials act to "maximize their own incomes"?

Rothbard: For one thing, every government official increases his income in proportion to the number of people who are working under him. So the tendency is to increase the number of people working in one's organization. And this then leads to an increased budget. Suppose that the official doesn't really need 80 percent of his budget. He can't afford to spend only 2 percent, because Congress will cut his budget next year. So he has to spend

at least as much as the budget allows. That's how the bureaucracy becomes a cancerous growth on the system.

Penthouse: Isn't there bureaucracy in private life and on the free market? Why criticize only the government?

Rothbard: Yes, there's bureaucracy in private life, too, but there are a couple of key differences. First, private bureaucracy is limited by profit and loss. If a firm doesn't make a profit and suffers losses, it will go out of business. The government doesn't have to make profits or avoid losses. The government can peg along at the most inefficient rate possible, creating deficits because we the taxpayers, pick up the tab. Because there's no profit-and-loss test for the government bureaucracy, it can proliferate *ad infinitum*.

Penthouse: Many people would probably agree that the government is too large and that it's doing many things poorly. However if we just chop off government programs and services with one swoop, that would create enormous hardships. Many persons depend on jobs that would not exist in the free market. So how would the adjustment to a free society be carried out?

Rothbard: The only way is to allow the free society to operate without government interference. For example, when we demobilized after World War II, more than 10 million people were released from the armed forces. Most economists predicted a massive depression and massive unemployment. How could the economy adjust to all these people suddenly thrown on the labor market? Well, what happened? There was no massive unemployment, and within six months the adjustments had been made very smoothly. If you allow the free market to operate, it works with remarkable speed and efficiency. If you try to tax the public more, supposedly to ease the adjustment, you're going to have a lingering, chronic disease instead of a short, swift end to the problem.

Also, you're going to perpetuate the vested interests, and they're going to be more and more in a position to try to continue their rule and to continue the "emergency" aid forever. We'd never get rid of it. It's very much as if you had sort of a short, brief surgical operation rather than allowing a chronic cancerous disease to continue along on its lethal course.

If government interference were eliminated, private citizens would have the money that has been taken away from them—expropriated by the state—and they would spend the money on what they wanted. Instead

of more extensions to the Pentagon, there would be more hi-fi sets, more clothing, and other consumer goods. There would be more jobs in the private sector. The transition would be very rapid.

Penthouse: Many analysts have argued that big government is necessary to provide leadership in foreign policy. What do you say to that?

Rothbard: Big government is no more beneficial in foreign policy than it is in domestic affairs. It is precisely because the world economy and the world society are interconnected and interdependent that individual governments mixing in the situation create conditions leading to war and conflict.

When the government tried to subsidize foreign investments or grab raw materials or correct the so-called balance of power, it creates conditions of conflict that cause war and mass murder.

Penthouse: What about the argument that if the United States did not provide protection, dictators would impose their systems upon peoples and tyranny would enslave the world?

Rothbard: We've been going along with this idea of interventionist foreign policy since about the time of Woodrow Wilson's administration. We began by going to war to make the world "safe for democracy," as Wilson put it. After five or six decades of ubiquitous government intervention, we have a world that is much *less* free than ever before. Obviously, something must be wrong with this kind of policy.

The Vietnam War has shown that in the long run we cannot prevent the people of the world from controlling their own affairs, whether they're doing so badly or not. Whether they have dictatorships or not is their own business. It's not the business of the United States to deplete our treasures and sacrifice the lives of citizens in order to impose our solution on these countries.

Penthouse: Eldridge Cleaver has recently said that critics of American military and America's foreign policy have been mistaken and do not understand the nature of communism. What about that?

Rothbard: Well, I think Eldridge Cleaver has just about as much wisdom in his present incarnation as he had in his previous one—not very much. The danger is statism. I don't think communism is any particular danger *except* insofar as it is statism. We've got enough statism to try to roll back

here, and part of that rolling back is the sort of foreign policy and anti-military policy that I advocate. I don't think that anybody really thinks Russia or China or Albania are out to conquer us militarily. If you press the cold warriors hard enough, they will admit that. But they're worried about so-called subversion. In other words, they're worried about *internal* communism, either here or abroad. And what I'm saying is that the internal problem we have to worry about is statism. The main objection I have to communism is that communism is statism. And American statism is what's oppressing us.

Penthouse: If American statism were abolished, wouldn't that action enable an enemy to move in and completely subjugate the American people?

Rothbard: I don't think there's any real threat of conquest. Conquest and wars evolve from reciprocal conflicts. In other words, one state threatens another state or moves in on another state, and the one reacts to the transgression. If you didn't have a state apparatus in this country, it would remove that kind of provocation for attack. Second, if any country did attack us, it would find that a voluntary defense, a free-market defense, would be much more efficient than a state defense. When the state army is conquered, the conquering army can run the system through the defeated but still existent state apparatus. Britain ran India—despite the fact that the British population was much smaller than the Indian—by simply conquering the army of the Indian monarchs and then giving orders to the monarchy. If there's no American state apparatus to give orders to, what's the occupying force going to do? It would have to set up an entirely new state apparatus in the United States, which is almost impossible, considering the size of the country.

And third, private defense is much more efficient than government defense because the military is prone to making blunders. It is not subject to any kind of market test to efficiency.

Penthouse: The present American military budget is in excess of \$100 billion. What amount of money would be needed to defend the country through your free-market system?

Rothbard: Well, I'm really not a military expert, but as I understand it, we could do without the rather enormous overkill, which would enable us to destroy the entire Russian population many, many times over. I also understand that all we really need to defend the country against a nuclear attack is the Polaris submarines. If that's so, we can scrap all the spending

on everything else. I don't know how much the reduction of the budget would be, but I imagine it would be enormous.

Penthouse: Marxists have said that excessive military spending proves that capitalism doesn't work. How do you react to that argument?

Rothbard: Of course, state capitalism, or statism, has failed. But the free-market hasn't failed. If you look at the history of Marxist economies, there is no evidence that they have anything which is an improvement over the free market. Not only have Marxist planners caused uncounted murders, tortures, and the expropriation of untold sums, but also they haven't delivered the goods, even in the sense of running a viable economic system. One of the reasons why they are able to accomplish anything is the vast black-market network. Despite planning policies in Russia and Eastern Europe, there's still an enormous black-market that manages to deliver goods and services, though in a crippling way, despite all the state can do.

Penthouse: What about environmental arguments against growth?

Rothbard: The answer is that the pollution of the environment has not been caused by the free market. The culprit is conscious government activity. For example, during the 1950s and perhaps the 1960s too, the Department of Agriculture was spraying vast areas of farmland with DDT from helicopters even though individual farmers objected. You also have municipal government sewage-disposal units dumping sewage into the rivers and onto land areas, polluting those areas without any kind of check. So much of all environmental damage has been done by the government itself. Also, the government hasn't fulfilled its supposed function of defending property rights. It has allowed the invasion of private property by other firms or individuals. An example of this is the smoke that destroys orchards. Under the common law or any kind of libertarian legal code, this would not be permitted. But the government has consciously allowed it for a hundred years or more.

Penthouse: Without strict environmental pollution standards established by the government, isn't there a danger that nuclear power plants would pollute the environment?

Rothbard: Well, in the first place, nuclear power plants are subsidized by the government; so if you eliminate the subsidies much of the problem might disappear. Second, the government subsidizes the *insurance* of

nuclear power plants, against liability. If that were eliminated, it might reduce the nuclear power problem to manageable proportions. But, in general, I think the point is that the government shouldn't set any kind of standards in advance of activity, in advance of production and sale, because the government doesn't know much about what standards should be set and doing so inhibits the voluntary actions of people. Also, much of the time this means the standards of goods and services will be worse than they would be if the government had kept its hands off. Quality tends to go down to the lowest allowable minimum, to the government standard. Also, people tend to get lured into thinking that because the government sets the standard, everything is safe and acceptable. This is often not the case. What should happen is that if any kind of product injures the consumer—let's say you buy something and it turns out to be poison—then the consumer should be able to go to the courts and sue the seller or manufacturer for severe damages. But what tends to happen now is that if, for example, a building is certified as safe by a government inspector and then collapses and injures somebody, the victim *can't* sue, because the structure has already been certified as safe! The best solution, I think, would be to go through the regular court system to recover damages for injury.

Penthouse: What about efforts to socialize medicine in America?

Rothbard: That would be a monstrous development. In countries with socialized medicine, for instance, Britain, the result has been a tremendous decline in the quality of the medical service and a huge burden of taxes on the public and on the economy. The usual advance estimates of how much socialized medicine would cost are always extrapolated from the current number of people going to doctors and other statistics. What most people don't realize is that if a visit to a doctor were free, then many people would consult a doctor all the time. There would be an enormous increase in demand for medical services, most of it unnecessary, and then the doctor's time would have to be rationed in some way and the quality of medical care would decrease. That happened in England, with the result that the people who can afford to do so avail themselves of private medical care. They have to do this in order to get decent treatment.

The current government intervention in the medical field in the United States has created most of the problems that now exist. By creating licensing requirements—state regulations restricting the number of doctors and medical schools—the government creates a medical monopoly and increases the cost of medicine. In the last decade or so, the government has

created the Medicaid-Medicare program, which has enormously increased the cost of doctors and hospitals by an almost indiscriminate disbursement of money to doctors. At first everybody thought the program would be a big bonanza. “Now we’d be able to get most of our medical bills paid,” they thought. But what actually happened? Medical bills simply increased, and so we’re really no better off than we were before.

In fact, we’re worse off. Any further government intervention would compound the damage. And I advocate the elimination of licensing requirements for doctors and hospitals and the loosening of restrictions on other aspects of medicine. The cost of drugs could be cut by eliminating the requirement for prescriptions, which creates a pharmacy monopoly so that people have to go to licensed pharmacies in order to get their drugs. I don’t think there’s any real need for that.

Penthouse: You’re saying that anybody, whether he has gone through medical school or not, should be able to put up a shingle and say, “I’m practicing medicine” or, “I’m a healer,” or some similar form of quasi-medical self-advertisement.

Rothbard: Right. Of course, now you can be a *spiritual* healer without a license, but you can’t say you’re engaging in medical service. You can’t employ medical techniques. I think that if I had a hangnail, I should be able to go to a local old crone on the corner and pay fifty cents or so to have the hangnail removed. I shouldn’t have to go to a Park Avenue doctor and spend something on the order of fifty-five dollars to have it removed.

There are all sorts of degrees of injury and illness. Each individual should be able to decide for himself who he wants to administer to him, whether licensed or unlicensed—whether an old crone or a Park Avenue physician.

Penthouse: Do you see it as a major problem that many people have a vested stake in the state system and would be quite reluctant to see the regulations and subsidies removed?

Rothbard: Yes, there is a whole network of vested interests. And you’re stepping on corns when you try to reduce their power. On the other hand, the mass of the public is not tied up in vested interests. They’re the ones who are being exploited by the system. So, really, we would have a majority of the public on our side if they became interested and aware of this exploitation.

Penthouse: Do you believe the vested interests in America form a “ruling class,” in the Marxist sense?

Rothbard: Yes, there is a ruling class that runs the state apparatus at the expense of the rest of us, who are the *ruled* classes. But I think the Marxists are definitely wrong in believing that all *businessmen* or *employers* are part of the ruling class, whether or not they have a leading role in the state. Simply hiring someone does not make a person part of the ruling class. I would say that there is no rule involved in any kind of voluntary employer-employee relationship on the free market.

The element of rule begins—and with it exploitation—when someone, or a group, gets hold of the state and starts to operate it. It could be a big businessman—often it is—or some groups of big businessmen. And it also could be members of the Communist party or whatever. In other words, any group—whether businessmen, labor union, or a king and his retinue—any group that manages to get control of the state naturally becomes a ruling class because of that overall control.

Penthouse: Who, then, constitutes the ruling class in America today?

Rothbard: Well, I would say it’s a coalition of several groups. Obviously, the ruling politicians and bureaucrats are part of it. And in it, too, are those particular big businessmen who are aligned as allies of the state. Now, clearly, the Rockefellers and corporations like General Dynamics, which get most of their income from the state, would be included. And, as junior partners, so to speak, the unions, like the AFL-CIO unions, are a part of this grouping, particularly the leadership of these unions. Those are the basic elements of our ruling class.

Penthouse: Do you think things will get better or worse, insofar as our system and its ruling class are concerned?

Rothbard: It’s a paradoxical thing, but I think things will get better *because* they’re getting worse. In other words, we’re now in such a crisis because of big government, because of government intervention, that the only way we can get out of it is through eliminating, or vastly reducing, government intervention.

I’m optimistic that we will do that. The public will see clearly now. I think that big government has caused us to get into this whole mess and can’t get us out of it; therefore, there must be some other way out—and the

only way is the libertarian way. So, I'm optimistic because we're in such a bad fix.

Penthouse: Is there any prospect that there will ever be another American Revolution, one which could get us out of the "bad fix" you talk about?

Rothbard: Well, the Founding Fathers were libertarians, basically. And recent histories have shown, incontrovertibly, that they were animated by libertarian visions. Jefferson said that if the American government became too tyrannical, another revolution would be needed to overturn it.

One would hope that as the American public becomes apprised of the situation in this country and becomes increasingly, sufficiently libertarian, peaceful measures will be sufficient to reduce or eliminate the power of the government.