The Conspiracy Theory of History Revisited

di Murray N. Rothbard

Anytime that a hard-nosed analysis is put forth of who our rulers are, of how their political and economic interests interlock, it is invariably denounced by Establishment liberals and conservatives (and even by many libertarians) as a “conspiracy theory of history,” “paranoid,” “economic determinist,” and even “Marxist.” These smear labels are applied across the board, even though such realistic analyses can be, and have been, made from any and all parts of the economic spectrum, from the John Birch Society to the Communist Party. The most common label is “conspiracy theorist,” almost always leveled as a hostile epithet rather than adopted by the “conspiracy theorist” himself.

It is no wonder that usually these realistic analyses are spelled out by various “extremists” who are outside the Establishment consensus. For it is vital to the continued rule of the State apparatus that it have legitimacy and even sanctity in the eyes of the public, and it is vital to that sanctity that our politicians and bureaucrats be deemed to be disembodied spirits solely devoted to the “public good.” Once let the cat out of the bag that these spirits are all too often grounded in the solid earth of advancing a set of economic interests through use of the State, and the basic mystique of government begins to collapse.

Let us take an easy example. Suppose we find that Congress has passed a law raising the steel tariff or imposing import quotas on steel? Surely only a moron will fail to realize that the tariff or quota was passed at the behest of lobbyists from the domestic steel industry, anxious to keep out efficient foreign competitors. No one would level a charge of “conspiracy theorist” against such a conclusion. But what the conspiracy theorist is doing is simply to extend his analysis to more complex measures of government: say, to public works projects, the establishment of the ICC, the creation of the Federal Reserve System, or the entry of the United States into a war. In each of these cases, the conspiracy theorist asks himself the question cui bono? Who benefits from this measure? If he finds that Measure A benefits X and Y, his next step is to investigate the hypothesis: did X and Y in fact lobby or exert pressure for the passage of Measure A? In short, did X and Y realize that they would benefit and act accordingly?

Far from being a paranoid or a determinist, the conspiracy analyst is a praxeologist; that is, he believes that people act purposively, that they make conscious choices to employ means in order to arrive at goals. Hence, if a steel tariff is passed, he assumes that the steel industry lobbied for it; if a public works project is created, he hypothesizes that it was promoted by an alliance of construction firms and unions who enjoyed public works contracts, and bureaucrats who expanded their jobs and incomes. It is the opponents of “conspiracy” analysis who profess to believe that all events — at least in government — are random and unplanned, and that therefore people do not engage in purposive choice and planning.

There are, of course, good conspiracy analysts and bad conspiracy analysts, just as there are good and bad historians or practitioners of any discipline. The bad conspiracy analyst tends to make two kinds of mistakes, which indeed leave him open to the Establishment charge of “paranoia.” First, he stops with the cui bono; if measure A benefits X and Y, he simply concludes that therefore X and Y were responsible. He fails to realize that this is just a hypothesis, and must be verified by finding out whether or not X and Y really did so. (Perhaps the wackiest example of this was the British journalist Douglas Reed who, seeing that the result of Hitler’s policies was the destruction of Germany, concluded, without further evidence, that therefore Hitler was a conscious agent of external forces who deliberately set out to ruin Germany.) Secondly, the bad conspiracy analyst seems to have a compulsion to wrap up all the conspiracies, all the bad guy power blocs, into one giant conspiracy. Instead of seeing that there are several power blocs trying to gain control of government, sometimes in conflict and sometimes in alliance, he has to assume — again without evidence — that a small group of men controls them all, and only seems to send them into conflict.
These reflections are prompted by the almost blatant fact — so blatant as to be remarked on by the major newsweeklies — that virtually the entire top leadership of the new Carter administration, from Carter and Mondale on down, are members of the small, semisecret Trilateral Commission, founded by David Rockefeller in 1973 to propose policies for the United States, Western Europe, and Japan, and/or members of the board of the Rockefeller Foundation. The rest are tied in with Atlanta corporate interests, and especially the Coca-Cola Company, Georgia’s major corporation. Well, how do we look at all this? Do we say that David Rockefeller’s prodigious efforts on behalf of certain statist public policies are merely a reflection of unfocused altruism? Or is there pursuit of economic interest involved? Was Jimmy Carter named a member of the Trilateral Commission as soon as it was founded because Rockefeller and the others wanted to hear the wisdom of an obscure Georgia governor? Or was he plucked out of obscurity and made President by their support? Was J. Paul Austin, head of Coca-Cola, an early supporter of Jimmy Carter merely out of concern for the common good? Were all the Trilateralists and Rockefeller Foundation and Coca-Cola people chosen by Carter simply because he felt that they were the ablest possible people for the job? If so, it’s a coincidence that boggles the mind. Or are there more sinister political-economic interests involved? I submit that the naïfs who stubbornly refuse to examine the interplay of political and economic interest in government are tossing away an essential tool for analyzing the world in which we live.