



Don't Hurt People and Don't Take Their Stuff

Guest: Matt Kibbe

April 22, 2014

Matt Kibbe is CEO of FreedomWorks and the author, most recently, of Don't Hurt People and Don't Take Their Stuff: A Libertarian Manifesto.

WOODS: *Don't Hurt People and Don't Take Their Stuff* is about a blunt title as somebody could ask for. So give me your overview of what libertarianism is, using these concepts.

KIBBE: You know, I had actually slogged through for the second time in my life Adam Smith's *Theory of Moral Sentiments*, and when I finished I said, "You know, I think what he's trying to say is, don't hurt people and don't take their stuff." We have this opportunity today, with so many people asking about libertarianism, trying to get the ideas of liberty, and you don't want to start them off with a 1000-page book translated from the original German. So I tried to get to its essence here. Of course, libertarians talk about the non-aggression principle, and there's thousands of iterations of it throughout Western culture, but you know, we believe that you shouldn't hurt other people. You shouldn't mess with them unless they mess with you, and then you have a right to defend yourself. You have a right to defend your family and your country. But the basis of civil society is respect for life, and it's certainly the basis of libertarian principles.

The other half of that is don't take their stuff, and everybody agrees you shouldn't steal from your neighbor. Everybody agrees you probably shouldn't rob your neighbor's bank. But when we outsource stealing to a third party, to a politician or a bureaucrat, somehow this is supposed to make us feel better about ourselves, when we allow an agent to steal from one person we don't know and transfer that to another person we don't know. My view is that there's not good government stealing or bad government stealing; there's only limited or unlimited government stealing. That's why we believe in the rule of law, not the rule of men, not the arbitrary decision-making of bureaucrats with all sorts of discretionary power.

WOODS: I bet people going through this book will note your discussion of Rush and your musical tastes—which seem to be quite close to my own—but for me the item that made me stand up and pay attention was that I didn't realize that you had not only studied at Grove City College—which is the most underrated college in America, I'm sure you'll agree—but also that you knew and studied under Hans Sennholz, who, as you mention in the book, was one of a handful of people to actually get his Ph.D. under Ludwig von Mises at NYU.

KIBBE: Yeah, it was probably one of the most important moments in my intellectual development, and as I tell in the book, it was kind of an accident. My dad got transferred to Grove City, Pennsylvania, and because I was a strange child, I had already read Rand, and I had already read a lot of von Mises, and was starting to read some of the classical liberals, and my dad got transferred to Grove City, Pennsylvania. I went to Grove City as a biology major, and it wasn't until I got into an argument over a couple of beers with a friend of mine, Peter Boettke, that he asked me bluntly: "Why aren't you in the economics department here?" And that of course changed my life. I discovered the broader community of liberty—which back then was at least 12 of us all over the country. But I think the reason why the ideas of liberty have gotten so much traction today—we are all standing on the shoulders of Hans Sennholz and Ludwig von Mises and all of the intellectuals that influence us, but today the Internet turbocharges the discovery of good ideas in a way that you're not dependent on your high school, you're not dependent on your college. That's why I am so optimistic today in a way that I have never been before.

WOODS: Let me ask you a few things. I am not in any way, nor are you, implicating FreedomWorks in this.

This is you, Matt Kibbe, speaking as an individual. We'll have a lightening round here. I am just going to ask you something, and then I want to know if you support it or not. Okay, you ready? Here we go.

KIBBE: Sure.

WOODS: Do you support any aspect of the federal welfare state?

KIBBE: No.

WOODS: Wow! Okay. What's your favored system of taxation?

KIBBE: I am a flat-tax guy, in large part because I don't know how to get back to where we were before the Sixteenth Amendment.

WOODS: So where would you want to rest that flat tax? At what percentage?

KIBBE: You know, I have always supported 10 percent and to me I would love to get 10 percent and then debate about the last—how we would get to 5 percent. But I think that to me, and I will keep repeating this answer, the most interesting question about libertarian thought is how we get from the mess we're in today to something closer resembling the limited, constitutionally constrained government.

WOODS: I agree completely that there are two different questions going on. On the one hand, we want to think about: what does libertarian theory demand of us? And on the other hand I am quite willing to support anything that moves us from where we are to where we'd like to be, and I don't think there's any contradiction between those two things

On the other hand what do you say to somebody who will say, well, if you favor, or you would be willing to live with, or are actively promoting a 10 percent flat tax, then maybe we should call your book *Don't Hurt Some People and Don't Take Some of Their Stuff*?

KIBBE: No, I understand that, and I understand where you're coming from. You know, I think that if you were to be able to rationally construct a limited government based on what the Founders envisioned, I think you're talking about something that's probably closer to 5 percent of GDP, and that would go to defense of life, liberty, and property. The problem, and the very nature of this, and I have read enough of your stuff to know where you're coming from, is how you keep that limited government in its box.

WOODS: That's the tricky question I don't think anyone has quite mastered, but as I say, I would be quite happy to be having this discussion when the tax take is 5 percent of GDP and the spending is down to 5 percent of GDP. I am quite happy to follow people on a train. You know, there's, I don't know who came up with this metaphor, but we're on a train with a bunch of people and some of them are going to want to get off that train earlier than others, but we're all on a train heading toward limiting the government, and I am happy to ride on that train as long as people are willing to go.

Now, let me ask you, is there anything, any one thing that a politician could do that would automatically make you say, "I don't care how good this person is on other things; I can't possibly support him?" Are there any issues where you would say, this is my personal line in the sand?

KIBBE: I will tell a personal story. I was personally quite radicalized during the Wall Street bailout, and I wrote about it at the time.

WOODS: Bingo! By the way, that was the correct answer. (laughs)

KIBBE: Okay, thanks a lot. Finally, I got one right.

WOODS: No, no, no! You've been doing great. Go ahead.

KIBBE: But you know, I am in Washington D.C. My organization was one of the few D.C.-based organizations that was actively lobbying against the Wall Street bailout, and I realized that all of the so-called conservatives and free-market advocates in this time generally crumbled like a house of cards, in large part because they were either panicked or some of their donors were panicked, or most importantly because it was a Republican president and John Boehner and Mitch McConnell that were pushing it forward. I realized at that moment that the emperor had no clothes, and that we needed to draw a line in the sand on that issue, and we have successfully, in a number of instances, upgraded from bailout supporters to constitutional

conservatives. I am thinking of someone like Senator Mike Lee.

WOODS: It's interesting that David Stockman says the same thing: that the event that really jolted him into more or less the views he holds now, which are a modification of his views from the '80s, was particularly the Fed's response to the bailouts. It made him realize that nobody knows what he's doing here. There's no textbook in economics that calls for anything that was done in 2008. No aspect of it is called for anywhere. They're trying to pretend as if they've got everything under control and they're following some book somewhere, but there is no such book. That made him a much, much more incisive critic of the current system than he was before.

Now chapter 6 of your book is "The Right to Know," and that reminds me: I don't know how long you've been around, and you don't have to disclose your age or anything, but I have a feeling that you have been traveling in these sorts of circles in D.C. and in limited-government circles for quite some time. Doesn't seem to you that there has been a bit of a shift in the ideology, not among the party regulars, let's say, in the Republican Party, but there are a lot more people who are concerned about not just what President Obama might be doing in terms of civil liberties, but in general don't like the idea of this dragnet government spying? How do you account for that? Because I think in the early '70s people would have said you were some pinko commie if you were worried about the government spying on you, because if you have nothing to hide, you have nothing to worry about.

KIBBE: Yeah, I agree with that trend, and we've tested it not only amongst our own membership. We have a social network, various platforms—email, Facebook, and other things, of about six million people, and they are trending very libertarian, both explicitly using the word but also when asked are you more Republican or libertarian, over 80 percent of them say libertarian now. I think that's a sea change like I have never seen before. When I talk about QE3 at a grassroots event, people know exactly what I am talking about. That wouldn't have happened five years ago, and I think that it goes back to this right to know. People are self-educating, and it probably started going back with the Wall Street bailout. People said, "What on earth is going on here? I thought Republicans were in favor of the free market, and then George W. Bush says, 'I am abandoning the free market to save it.'" I think people went out and started studying up because they realized that what they had been taught, what they had been told in the media, just wasn't true. And if you understand anything about Mises and business cycle theory, you could look at the mess of the 2008 prices and understand in fairly simple terms what exactly was going on there.

WOODS: What do you say to somebody who tries to defend the current system by saying, "We're just trying to keep you safe, and here you are in a free society enjoying the benefits of a free society, which include the ability to criticize the very people who are keeping you safe and keeping that free society alive?"

KIBBE: Well, I tell some nightmare stories about what happens in practice when you give unelected bureaucrats—I call them gray-suited Soviets—they are faceless—you don't know who they are, but they are sitting in the bowels of all these alphabet agencies, including the NSA, and all of that complexity and all of that authority gives them an ability to target you, target your political speech. I tell the story about how they went after MLK and how they sicced the IRS on his donors and his non-profit status. It sounds eerily familiar to the way they went after mom-and-pop Tea Partiers. And the fact of the matter is, as long as you see that authority, that power will be abused, and oh, by the way, there is this thing called the Fourth Amendment, which is pretty much our contract with our government. It's not negotiable. It's not something that we can just throw away for claims of safety. I am with Franklin on this, and he obviously anticipated the natural tendency of government to grab our civil liberties from us so that they can control our speech.

WOODS: I think Bruce Fein, in testimony probably before Congress, summed up his own view that in a free society there has to be the presumption that people are innocent, and you can't treat them all as if they are suspects, you can't treat the whole country this way. That's the default position of the free society.

Now let me shift gears a little bit and talk about the budget. Any time you look at a pie chart of the budget you notice there are several sectors of that budget that are much, much larger than the rest of it put together. So you look at the federal transfer programs, for example, the military, stuff like this takes up the vast majority of the budget, and most of this stuff, for one sector of the governing class or another, is completely off the table. So that leaves you with a vanishingly small sliver of so-called discretionary spending with which to balance the budget. My own view is that I would love to see people come to their senses and try and solve this budgetary problem, but I fear that because of what I have just described to you, that may come to

pass only when a severe fiscal crisis hits and hard decisions simply have to be made, but prior to that there just isn't the stomach among the general public to do anything.

KIBBE: Yeah, you know, this is—I do think that in the current fiscal year, which for budget purposes is the only year that matters, we should put all the discretionary programs on the table including defense, and one of my frustrations with Republicans is that they keep balancing the budget in the tenth year, as if we ever get to the tenth year.

WOODS: Right.

KIBBE: The bigger challenge, as you pointed out, is all of these automatic programs, mandatory spending, particularly the big entitlements: Medicare, Social Security, Medicaid, and now Obamacare. I think the answer to that stuff, and I talk about this very briefly in the book, I suggest that the new mantra should be “choice, not conscription.” If Social Security and Medicare are great deals, why don't we let young people decide whether or not they want to participate in them? The fact that they are all forced upon us—you didn't get a choice whether or not you would be conscripted into Obamacare; it was forced upon you—shows you what a bad deal it is. I think if we let people opt out of it, that exposes the unfunded liabilities and forces the government to deal with what is the most fraudulent budgeting perhaps in the history of the world.

WOODS: Now that comes out of your chapter, 12 Steps. Give us a few that might be, I don't know, the reddest meat for my audience. That they'll say, whoa, now that's a step right there.

KIBBE: Yeah, and this is one that you're far more fluent on than even I am, but I suggest we should end the Fed monopoly. This is a little bit different—well, maybe it's not—than where Ron Paul comes from, because he says, obviously, end the Fed, but he also is the guy that came up with, I think, a very important step—auditing the Fed. I think that the answer—I don't know exactly how to end the Fed in terms of our strategic process of getting from where we are to where we need to be, but I like competition. I think we could legalize gold. I think we could legalize other forms of electronic payment like Bitcoin and let the market expose the fraudulent nature of fiat money. The reason I frame it this way is because again, I am trying to figure out from where we are today, which is the most destructive generator of the business cycle—it's a transfer of wealth from the unconnected people with currency in their pockets to the connected, particularly on Wall Street. This lifts the lid, and I think markets cycle all right, I think markets work well, and I think this might be the process of getting from here to there.

WOODS: I have a diverse audience when it comes to the subject of Bitcoin. I have got people who think it's the greatest thing since sliced bread, and I have other people who think it's the biggest scam in the history of the world, and they both feel equally intensely about it. But I am sure you are aware of the semi-recent IRS decision that they were going to treat Bitcoin not as a currency, but as property, which means that basically every single transaction you engage in with it, you have to calculate what your capital gain was or whatever. It makes it very difficult to use it as a currency. I understand that there's a bill that's in the works that would recognize Bitcoin as a currency. I assume that's part of your idea, that you would favor a bill like that.

KIBBE: Yeah, I don't think we should pre-judge whether or not Bitcoin is a good idea. That's why I would like the market to sort it out. But you'd have to legalize it first, right?

WOODS: Yep, bingo! Now, you have talked to a lot of Tea Party people, right? You do an awful lot of public speaking, and like me you reach a lot of Tea Party audiences. Now there is a lot in this book *Don't Hurt People and Don't Take Their Stuff* that's going to resonate with them. If you're waving a Don't Tread On Me flag, then you're going to like this book. At the same time, when you break down the political opinions of a lot of Tea Party people and you ask them: here's a list of areas of federal spending; where would you like to see cuts? Even the Tea Party people tend to get cold feet when it's really put to them. They want to do all the cutting in foreign aid, which would buy us two hours' worth of the fiscal year. This book in large part is a way of explaining these ideas in ways that are more palatable, more understandable, and less dense than a lot of other previous iterations of this material. Is there a way you can do that when dealing with areas of the federal budget that people really cherish?

KIBBE: You know, we actually went through a really interesting experiment on this very subject, I believe in 2011, and it was called the Tea Party Debt Commission, and this is when the Republicans and the Democrats were coming up with the so-called super-committee as a way to get out of actually cutting spending in real time, and we crowdsourced a lot of ideas, and it was set up in a way that you couldn't just

cut foreign aid. You had to make tough choices. We assigned commissioners, all of whom were Tea Party leaders from various parts of the country. Our defense commissioners were former military, had served, and the plan we came up with literally put everything on the table. I think it balanced in three years. We came pretty close to the budget that Ron Paul had proposed, maybe even a little more aggressive than what Rand Paul had proposed, and they were willing to put defense on the table in a substantial way. They were willing to put entitlements on the table. So I think the challenge for people that haven't sat down and slogged through a very purposefully complicated budget, the challenge is understanding how you actually get there. Once you lay that out, and I am trying to do that in the book, I don't see any resistance from constitutional conservatives or Tea Partiers or believe me, a lot of libertarians on what it takes to get there. People should check out that road map because it actually came out in a very substantial way.

WOODS: If people want to follow your work online, where would you direct them?

KIBBE: Follow me on Twitter @MKibbe. I have a Facebook page as well, and you know, I think if you want to connect with a community of people that are struggling to figure out how they take their country back from the Republican and Democratic insiders, come to FreedomWorks.org and figure out what it is you want to do to be part of this process because I think if you're going to fight the power, you got to show up. This isn't a strictly intellectual exercise. It means doing something.

WOODS: And I want everybody to know that your last name is spelled Kibbe. Now, even though it may be that maybe I would be willing to stay on that train that I described a little bit longer than you would, the fact is as I approach middle age, I say to myself: if my extended family one day agreed with all the things in your book, I would be dancing a jig. I would be thrilled. I wouldn't be hectoring them about the last couple of small issues. I would say, "This is a miracle. This is fantastic!" So look, if this book of yours, which is already doing extremely well, if this book popularizes these ideas, then God bless you for it, and congratulations on the success and best of luck.

KIBBE: Well, thank you. That means a lot, and I do think we have an opportunity to connect to what are basic American values, and they come from the ideas of liberty.

WOODS: Well, thanks again for being here Matt, we appreciate your time.

KIBBE: Thanks Tom.