



Episode 924: Mises on Nationalism, the Right of Self-Determination, and the Problem of Immigration

Guest: Joe Salerno

WOODS: Very interesting article you wrote. I'm linking to it at TomWoods.com/924, "Mises on Nationalism, the Right of Self-Determination, and the Problem of Immigration." Now, obviously, Mises didn't live to see the massive movements of peoples of our particular time and the particular composition of those peoples, but he had written about the general phenomenon of polyglot empires and of national minorities and trying to figure out what's the best arrangement for everybody. So everybody reads Mises – or at least a lot of people read Mises, they walk away thinking, Well, of course he just has a facile view that the best solution for everybody is just to have free migration wherever people want to go. But in fact, when you look more closely, whatever his policy prescription would have been I don't know, but he is talking about very real problems that can arise from these types of movements. So let's just dive in right there.

SALERNO: Sure. Well, Mises' main point is that the liberal revolutions of the 19th century were really incomplete. They did institute to some extent laissez faire, but as he points out, there's a second tenet of the liberal revolution, and that is national self-determination. So what Mises points out is that when the various national groups – the Greeks, the Serbs, the Spanish, and so on – rebelled against the royal despots – the Italians, throughout the Bourbons and throughout the Hapsburgs – part of the movement, or a big part that supported the movement was the fact that they engaged in national unity, that they came together as a people, because they had the same language, they thought in the same terms, their politics and ideology had spread throughout the area of the linguistic group, and so that national unity was sort of a natural outcome of this rebellion.

But what Mises pointed out was that once these rebellions were successful and the despotic states were abolished and the kings were thrown out, what happened was that they didn't consistently and universally apply that rule of national self-determination. So there were, in other words, minority nationalities living in Italy, living in the areas of the Slavs and Serbia and so on; Germans living in what was Czechoslovakia. And even though they instituted in many cases a liberal constitution, the differences in language causes understandable conflicts and understandable reprisals, because what the majority did was – because they still believed in public schools – the most important thing that Mises points out is that public schools were used as a way to alienate people, alienate the minority from its culture and its language, in particular, and this caused a lot of friction.

WOODS: Okay, so that's a problem he's talked about, and then there are language problems and so on. But I want to read this little passage here where you're quoting Mises and he says, "[T]he nationality principle includes only the rejection of every overlordship; it demands self-determination, autonomy. Then, however, its content expands; not only freedom but also unity is the watchword. But the desire for national unity, too, is above all thoroughly peaceful...[N]ationalism does not clash with cosmopolitanism, for the unified nation does not want discord with neighboring peoples, but peace and friendship." And I think in the current climate, people think that if anybody uses the word "nationalism," they think they know what that person means. But Mises obviously meant something quite different by it. He certainly did not mean that it had to carry any bellicose connotation.

SALERNO: Yeah, that's exactly right. For Mises and for many Europeans, the nation was not the state. The nation were the peoples who shared something in common – culture, language, religion – who self-identified as part of that group. So for Mises, that was a real entity. Even though in many cases it was spiritual and ethnic, it was an entity that depended on individual choices. So in this case, what Mises saw there was that you could not have polyglot democracies, because it would be natural that the different nationalities would disagree with one another. But on the other hand, if the self-determination went to the extent that all nationalities had their own state, then there would be peace and friendship and there would be free trade, because all of them were pretty much economic liberals.

WOODS: Right, okay, so that that's why there was at least a broad compatibility between liberalism and nationalism, if the terms are properly understood, understood in that way. You mentioned schooling, by the way, and that just made me think of the current situation. Now, in the old days, you can indeed imagine how national governments would use education as a way of trying to blend peoples into one, trying to minimize differences, whether it's in dialect or language or culture or whatever, and instead get the minorities to assimilate. But today, it looks like we have something like the opposite. It looks like that in the schools, it's not that the majority is trying to cajole the minorities into assimilation. This would be viewed as oppressive. To the contrary, the majority learns in the schools about all of the sins of its ancestors, and the minorities are exalted. It's an interesting inversion of what Mises experienced.

SALERNO: Yeah, I think in today's world, we have a self-identified political class comprising people from both parties that see their road to further aggrandizement of power in really dividing the country among gender lines, among national lines, ethnic lines, racial lines. They want division so that they can step in as the great mediator and impose more laws and so on to give everyone equal rights and all of the other nonsense that we've heard.

WOODS: You have in here – in fact, I'm looking for it right now – an example from Mises where he talks about Australia, and he says, just as a thought experiment – Yeah, okay, I found it.

So he says, "As regards Australia" – because he says these fears about being inundated with peoples of other cultures – "These fears may perhaps be exaggerated with regard to the United States. As regards Australia, they certainly are not...If Australia is

thrown open to immigration" – this is Mises – "it can be assumed with great probability that its population would in a few years consist of Japanese, Chinese and Malaysians...The entire nation [not just workers] is unanimous, however, in fearing inundation by foreigners. The present inhabitants of those favored lands [the U.S. and Australia] fear that some day they could be reduced to a minority in their own country and that they would then have to suffer all horrors of national persecution to which, for instance, the Germans today [1927] are exposed in Czechoslovakia, Italy, and Poland."

Well, that's a striking passage. What would you say about it?

SALERNO: Yeah, what Mises is getting at there is that a national minority, however it arises – a national minority in a majoritarian democracy is no different than colonized peoples. So Mises at some point says that it doesn't matter whether it occurs through an election or through military conquest; once a national majority comes into power, it inevitably and perhaps unwittingly persecutes the minority because it has control of the schools, the courts, and the administrative offices. And so that unconscious or conscious bias enters into all decisions, all decisions touching on very sensitive areas of the individual's life. And he says that the minority becomes a second-class citizen, and he even goes so far as to say a pariah. And he says even under laissez-faire liberalism, a liberal constitution, this would be the case.

WOODS: And so the reason that a people might fear being transformed into a national minority is partly that, under current circumstances and under what everybody considers to be legitimate prerogatives of states, all kinds of things can be done to them. The way their kids are educated and whether there's preferences in employment or however they're treated, or whether they're treated disparagingly in culture and all these sorts of things, do actually happen, and every single one of these things is aggravated by the state.

SALERNO: Right, so if the state becomes more and more interventionist, then these things become completely intolerable. And Mises says at one point, Look, there's only one choice in this kind of a mixed nation state: you're either the hammer or the anvil. And so everyone seeks to be the hammer; that is, to grab control of the state. All national groups.

WOODS: And so this is why I find it so unhelpfully naive to think that all we're really faced with is people who outwardly have different physical characteristics but all of whom are equally committed to the idea that we will all live together according to certain abstract principles laid out in the 19th century by Frederic Bastiat. There's no such thing as that. That is not how it works out. Most people have no idea what those principles are, and even if they did, most people I think don't live according to abstract principles. They want to advance their group. And so when you have a bunch of groups together and each one wants to advance itself and each one realizes there is a mechanism of coercion that can accelerate that advancement, they're each going to fight over using it. That does not sound like a path to peace. And that's not a crazy, unreasonable thing. That's the sort of thing that was just normal and common sense to everybody up until about ten minutes ago, it seems to me.

SALERNO: [laughing] That's true. In fact, Mises even points out, even though people in some abstract sense all hold the same ideas – political, cultural – because of differences in language and differences in religion, there are different currents. The ideas vary and they can clash. He points out that German socialism is much different than French socialism, that the German Romantic movement was very different from the French Romantic movement because of the ideology and the cultural things that are embodied in each language.

WOODS: So if Mises sees this as a problem, though, yet at the same time we don't see him, to my knowledge, saying, Therefore, there needs to be some way to prevent large-scale movements from one country to another. I don't see him saying that. So then what – is he implicitly saying something about policy?

SALERNO: I think what he's trying to do is to take the long-run view here, and that is that he believes that by extending consistently and universally the right of self-determination right down to the level of districts and even villages, that this would be the long-term solution. In other words, there would no longer be any immigration; there would just be migration, because nation states would not have to be contiguous. In other words, if you have laissez faire, then it doesn't matter if a village or a district is in the middle of some other national group but not subject to their state, so that there would be peaceful nationalism. The alternative is militant nationalism in which they're in one state and everyone is trying to get control of the state and the majority's oppressing the minority nation.

WOODS: Now, Joe, I know that a lot of times economists will write an article because they're interested in the subject and they just feel compelled to do it out of intellectual curiosity. But we're not always purely platonic in our approach to these questions. Sometimes we write things because we're deeply passionate about them, or because there's a grotesque error that needs to be corrected, or something like that. So I'm curious about why this paper right now, if you get what I'm saying.

SALERNO: I do. From my point of view, I think there was a facile belief that Mises was for free trade in every sense, including open borders, including free movements of labor across national borders, and that he thought that this was always an improvement in welfare and prosperity and so on. But Mises thought very deeply about these problems, so what I wanted to do was sort of to bring out Mises' thinking on the free movement of labor when you have national boundaries, when you have mixed nation states that harbor different national groups and peoples and people who identify with these different groups. So I wanted to show that Mises didn't simply accept free movement of labor as an unalloyed benefit.

WOODS: Okay, and that is an important thing, because it helps us understand better that Mises' views are nuanced here and they can't be encapsulated in a bumper sticker slogan. But I could imagine somebody who looks at the state of the world and is concerned about demographic upheavals looking at Mises and saying, Well, that's all well and good that you recognize there are problems, but if you're not going to spell out a practical solution to me, then this is a lot of yammering about nothing.

SALERNO: Yeah, Mises sort of gives a practical solution, but almost by default. He mentions that, for example, the Chinese may have inundated – in the 19th century,

they may have come in waves and submerged the populations of the Western states had they not been stopped by immigration laws. But then he doesn't make any normative statement. He just leaves that hanging as a positive statement. And he I think at one point also points out that, well, it's clear that Australia is not going to allow this — native Australians are not going to allow this to happen — that is, a free influx of people from China, Malaysia, and so on. So he does not want to say something that's anti-liberal, and I think part of the problem is that Mises isn't himself a consistent libertarian to the extent of anarchocapitalism where there would actually be no problem if everyone was in voluntary communities and they could determine who was to visit, who was not to visit, who was to work and for how long, and so on. There would be no voting; there would be no state. But that's going a little far afield for this particular article. But you're right; there is a lacuna there in Mises' thinking. He doesn't really give a short-run solution.

WOODS: Okay, all right, fair enough. But yeah, it is interesting to note that he wrestles with this, sees it's a potential problem, and so he doesn't just say everything will just somehow work itself out. It would work itself out if we didn't have states as we understand them. It would work itself out. Property would work it out, and the lack of a welfare state would work it out, but the thing is we're not in that place, so what happens in the meantime becomes the problem.

SALERNO: Right, and I think Mises does sort of give an answer to that. He says that a laissez-faire regime, a completely liberal constitution would not artificially aggravate these conflicts, so that's the best that he's hoping for. So what he's focusing on, then, is pushing for domestic laissez faire to get the state out of as many areas as possible. And he names specifically education. He says it's better to have some uneducated — he uses the term "boys" — who are of the minority group rather than have them maimed, because I guess things that he saw in Central Europe had gotten to the point where there was actually violence, a lot of violence by the majority against the minority. So yeah, I think he does have a solution, and it's laissez faire as far as we can push it domestically.

WOODS: Let me just go back to the beginning of your paper. Just share with us for a minute Mises' view of imperialism by the Europeans.

SALERNO: Yeah, Mises sees that as just a bloody episode, a stain on European history, that Europeans took advantage of their military superiority to kill, to enslave, and to expropriate the native peoples in Africa and Asia. And I put that in there, Mises' strong views, strong anti-colonialist views, to show that he wanted to extend national self-determination — in fact, he cheered for it whenever they were successful — to all peoples: Asians, Africans, and so on. And he says there's no extenuating circumstance at all for colonialism.

WOODS: Yeah. Yeah, I mean, for a guy who in his economic writings is so, most of the time, scientific and in his idiom, let's say, he is just boiling with moral outrage over the crimes of the imperialist powers.

SALERNO: Yes, that's right. It is uncharacteristically polemical what he says about imperialism and colonialism.

WOODS: Okay, yeah, so I was going to say, when I first read the paper really quickly, I went back and I wondered, okay – I didn't immediately see what's the connection between imperialism and the rest. But of course the idea is that nationalism in each case, that there should be national self-determination, and then the idea that we should bring that down to the lowest level we can bring it to so as to minimize the problem of national minorities. But of course, again, he's not an anarchocapitalist; I get that. But you still see that, no matter how small you bring it down, there'll always be some little minority somewhere that's still being oppressed by somebody, which goes to show the whole experiment, the whole approach is off. And if we could – now, I know this isn't what you wrote your paper about, but I have plenty of listeners who are relatively new, and when we keep saying, Well, if we had anarchocapitalism things would be totally different – how would they be different? What would that look like?

SALERNO: I think that in anarchocapitalism, you would have a fully contractual society, where people who wanted to live in a certain area would – for example, think of a cooperative in New York City where you are interviewed and you have to give your financial records before you're allowed to live in the building because it's a commonly owned building. I think you would have similar things, where the government didn't own the roads – and that's really a big problem – where neighborhoods would have certain bylaws and have consent about who is to be admitted, who's not to be admitted. Whatever their criteria may be, it would always be contractual. So anyone who's anywhere, whether as an inhabitant or someone who's a visitor, would always have the permission of those people who lived in the area.

WOODS: What were the primary books you used to glean Mises' views on these topics?

SALERNO: *Liberalism*, which is also known as *The Free and Prosperous Commonwealth*; *Human Action*, there are some things on the labor market that are very important there. And there's a third book – oh yes, *Nation, State, and Economy*. So most of what he says about these topics are in those three books. Now, I've recently – since I'm making this into an academic article and I'm making it a little bit longer, I've gotten some helpful hints from other people who point out that in his memos, which have been published – there are volumes of his memos which have been published by Liberty Fund, that he talks about these matters, and I'm about to delve into that. So I am going to expand the paper.

WOODS: Okay, so I'll look forward to reading that, and as I say, we're going to link to the existing piece that you did at TomWoods.com/924. Did I leave anything out, or do you feel like you got the argument out successfully?

SALERNO: No, I think I got the argument out successfully. One thing I did want to say was that the other reason why I put the part on imperialism and colonialism in the paper is that Mises explicitly makes a comparison of a national minority to a colonized people.

WOODS: Oh, okay, yeah.

SALERNO: That's why that's in the paper.

WOODS: Okay. But that really – again, it really is such an interesting development that we've had, though, because here we are talking about the fears of becoming a national minority, whereas today, although there are majorities who have that fear, what really is interesting is how much the culture and the academics of Western countries are really being driven by an excess of concern, I think, for minorities. I mean, it's to the point of absurdity that it must be bad will that there aren't more black women physics professors when the number of – there have been like 1.5 black women PhDs in physics per year for the past 40 years. Where are we supposed to get them from?

SALERNO: Right, yeah.

WOODS: You know? So I mean, it's all crazy. It's the opposite of what Mises was experiencing, really. It's not so much a majority oppressing the minority; it's an elite from a majority oppressing its own people in the name of those minorities.

SALERNO: That's exactly right, Tom. There's a political class now that's really separate from the nation. I think you see that in the response to Trump, that the nation feels that, look, these people that have been ruling us – the Democrats, Republicans – since World War II have become a nation unto themselves, and they are manipulating various minorities within the U.S. so as to aggrandize themselves, so as to have more power and wealth and so on. And I think it's good that that's being exposed today.

WOODS: Well, Joe, thanks again for writing this and for taking some time with us today. I look forward to seeing you in a couple of months at Mises University.

SALERNO: Okay, Tom, I look forward to seeing you too. Thank you.