



Episode 954: Tom DiLorenzo Smashes Nancy MacLean's Book on the "Radical Right" – a Term That Includes You and Me

Guest: Tom DiLorenzo

WOODS: All right, I just told everybody about the Nancy MacLean book, and you've smashed it – smashing this thing has become an interesting pastime for people we – well, our friend Phil Magnus, for example, and David Gordon has written against it. And then other people whose paths we don't cross all that often are spending a lot of time attacking it as well. You knew James Buchanan, didn't you?

DILORENZO: Yes, I was a student of James Buchanan's at VPI, Virginia Polytechnic Institute in graduate school. In 1977 I took his public finance course, and I saw him almost every day for three years in graduate school at VPI.

WOODS: All right, so you are sort of in a position, given that you knew him personally, and secondly, that you've read almost everything there is to read presumably in these areas and you've been in libertarianism for a long time – certainly enough to know that, regardless of what claims Nancy MacLean is going to make about him – and we'll get to those in a minute – whatever the scope of his achievements were, I don't know of anybody who, looking through the annals of libertarianism as a school of thought, thinks James Buchanan. I just don't see that. I don't think he even thought of himself that way.

DILORENZO: No, he was sort of a fellow traveler. And his work was once described by his colleague Viktor Vanberg as creating a theory of a voluntary theory of the state. And so that's really at odds with a lot of libertarianism, as you know, Tom. There's nothing voluntary about states, about government. But that was Buchanan's enterprise. And then he was sort of a very wide-ranging scholar. He did a lot of good things and applied microeconomics, just analyzing government regulations and things like that, public finance. But his main enterprise was this theorizing about how the state really is voluntary after all. It's called constitutional economics and sort of a branch of public choice.

WOODS: Okay. And I don't know if the – Yeah, you know what? Explain public choice briefly, just so we can say we've covered it.

DILORENZO: Well, microeconomics is basically a study of incentives, of human incentives, and when we teach it, we teach about the incentives that consumers have in responding to price changes and things like that, what incentives businesses have, what incentives anybody has in the economic world. And all that theory is just used to

analyze the incentives of politicians, bureaucrats, voters, special interest groups. So it's the application of economics to the study of political decision-making.

WOODS: All right, so somehow she takes from this and from extremely thin to nonexistent to outright invented evidence that Buchanan had a master plan to do — what? What is the sinister thing that he's up to?

DILORENZO: In the book, if you read between the lines, it kind of reads like a James Bond novel, where this sinister person, James Buchanan, plots to destroy America. I guess that's very common in the left. Everything is conspiracy theory. It's really — when I was reading this, it was Marxism through and through, because the Marxists never really made a serious attempt to engage their opponents in debate; they would name call. "You're a capitalist tool," things like that. So this is just a different version of the old "You're a capitalist tool" argument of 20th century Marxism, really.

And as far as Buchanan is concerned, she starts out with a weird stretch. You start reading the book, and there's this big, long-winded discussion of the resistance to desegregation in Virginia in the 1960s. And it's one big post-hoc-ergo-propter-hoc fallacy, is what it is. After this; therefore, because of this. The rooster crows in the morning; the sun comes up in the morning; therefore, the rooster crowing caused the sun to come up in the morning. And I'm reading this wondering, Why is she talking page after page about desegregation and Brown v. Board of Education? Well, she wants to say that Buchanan got to the University of Virginia in the '60s. There was resistance to desegregation in Virginia in the '60s. Therefore, Buchanan must have had something to do with it — not only something, but a lot to do with it.

And she tries to make the argument that his invention, along with Gordon Tullock, of the public choice school was really a veiled attempt to support opposition to desegregation, which is preposterous on its face. One of the other reviews — I think it was Phil Magnus' review — of this book points out that the late great William H. Hutt was invited by James Buchanan to spend several years at the University of Virginia during this time. And Hutt had just spent 30 years at the University of Cape Town in South Africa as the most outspoken and most famous opponent, intellectual opponent of apartheid in South Africa. And so this is not the kind of man Buchanan would conceivably have anything to do with this plot that MacLean think he was a part of.

WOODS: Yeah, I thought that was an excellent point, and I also wonder if Hutt even figures in the book, if there's even an index entry for him. I would bet not.

DILORENZO: No, I don't think so.

WOODS: Yeah. So that's fairly revealing, I would so. But then also, Phil digs up other stuff too. Like for example, she's talking about the Vanderbilt Agrarians and Donald Davidson in particular, and takes for granted these are terrible, segregationist, racist people, and that this is where Buchanan is getting a lot of his inspiration. But it turns out in his 20 volumes of published work, there's not one solitary reference to these people. Davidson apparently used the word "leviathan," so when Buchanan uses the word "leviathan," he must have gotten that from Davidson — even though most people

would realize he got it from Hobbes, especially given in his collected works there are many, many scores of references to Hobbes.

Likewise, she says that he was influenced by Calhoun – which there's nothing wrong with. I show in my *Nullification* book, even the abolitionists freely mentioned him and cited him by name in support of their justification for nullifying the Fugitive Slave Act. So there's no real problem there, but again, Calhoun is not mentioned anywhere in his 20 volumes. So she makes this stuff up. Where else would she get it from? And meanwhile, she's being praised all over the place. So anyway, is Hutt in the index?

DILORENZO: Yeah, Hutt is in the index on one page, but it's only mentioned that she got a list of visiting scholars to the University of Virginia, to the Thomas Jefferson Center for Political Economy, which James Buchanan founded. And she just merely lists his name. She doesn't say anything –

WOODS: I bet she doesn't know who he is.

DILORENZO: Well, she obviously doesn't know – she couldn't – If she does know who he is, she's very dishonest, because he was a famous anti-apartheid activist who James Buchanan brought to the University of Virginia right in the middle of the resistance to desegregation in the state of Virginia. And so you would think that Buchanan would have had a lot of severe criticism for that by the segregationists in Virginia if they knew about this and if they knew anything about who William Hutt was.

WOODS: Right, so there's no third option. Either she knows full well and is just a liar by omission, or she is ignorant. And neither one reflects particularly well on her. Now, for whatever merits Buchanan has from our point of view, we also need to point out that when she's going to portray him as a boogeyman who's not only really engaged in a veiled effort to maintain segregation and white supremacy – I mean, first of all, just the absurdity of this, I can hardly even say this with a straight face. But beyond that, it's not like he's just trying to make sure that the rich can hang on to all their stuff. There are some proposals by Buchanan that are quite scandalous to a lot of libertarians.

DILORENZO: Oh yeah. Like I said, James Buchanan was my professor in graduate school and I knew him very, very well. I knew most of his writings that I read. And I actually published an article in *The Review of Austrian Economics* years ago that mentioned – and a few other journal articles criticizing him for his view on inheritance. Buchanan was in favor of heavy taxes on inheritance or bringing back laws of primogenitor – that is, the oldest son gets everything. And it was in the rent-seeking literature. He wrote an article in *The Journal of Law and Economics* years ago arguing that if there's a large amount of wealth that's going to the children when mom and dad pass on, then the children will spend endless hours being nice to mom and dad trying to be the one that gets the lion's share of the inheritance. And I thought that was sort of morally dubious to begin with, and I thought the economics of it was bad also.

But Buchanan had this thing – I heard him say many times how resentful he was of the fact that in World War II when he went into the Navy, that all the plum positions were given to the Ivy Leaguers and he had this degree from Middle Tennessee State

University and he was discriminated against. And that seems to stick with him until the day he died, this resentment of the wealthy, the Rockefellers of the world. And so he was anything but libertarian on that issue.

WOODS: I also find in David Gordon's discussion of this book that — first of all, what's great about David Gordon's reviews is that he digs up every little error all through the book. You and I know that well, reading a lot of his reviews over the years, because he knows everything, so he digs up every tiny little thing. So nothing ever gets by him. So he points out that she — and these are just almost throwaway lines in the book. But for instance, she makes an offhand remark about John Stuart Mill supposedly being a big supporter of public education, when the fact is you can just read in *On Liberty* that, although he wants parents to educate their children, he was an outspoken foe of public education. So there's simple, basic things that you would expect somebody to know if you're going to write a book like this, she doesn't seem to know.

But also that Buchanan, although he does like private schools, he also does argue that you can make a case for public funding of education, of public education. And David also digs out a passage where redistribution of wealth can be made acceptable to Buchanan. So there's a lot of stuff that seems to run counter to how she's trying to portray him.

In fact, David digs up an article called "Equal Treatment and Reverse Discrimination," and in there, Buchanan says that, "Even in the absence of discrimination as usually defined, acceptance of the equal treatment criterion or precept for justice is sufficient to provide a possible basis for what is often referred to erroneously as reverse discrimination." So he's not even prepared completely to rule out the possibility of affirmative action. This is not — I mean, I don't remember George Wallace saying that he favored affirmative action. I don't remember a lot of these people saying that. So again, in order to make this case for Buchanan, you simply have to leave out things he said and wrote.

DILorenzo: Right. I don't think she's capable of reading — she's a historian — a lot of what Buchanan wrote, because it was part philosophy, part economics, and she was lazy about it, obviously. Another thing she says repeatedly in the book is that the whole public choice literature is void of empirical testing, which is what is done in all the rest of the economics profession. She says over and over again that the rent-seeking literature is not based on facts; it's just a bunch of storytelling, which is preposterous nonsense. That's why Buchanan won the Nobel prize in 1986, is that public choice had gone mainstream and by that time there had been literally thousands of econometric tests of all sorts of hypotheses in the field of public choice. I wrote in my review that as a graduate student, I sat in on every single public choice seminar. They were held once a week for three years, and at least 90% of all the papers presented by professors from all over the world had some kind of empirical test attached to it. That was the method in those days.

And I mentioned in my review, all she had to do to learn that, while she spent weeks in Buchanan's office on George Mason University's campus, was to pick up one copy of *Public Choice* off of his bookshelf and look at a couple of the articles, and she would have seen that it's unequivocally false that there's no empirical data or facts

involved in it. But so I think she's just being dishonest here. She had to have known that.

WOODS: I'd like to read maybe my favorite passage from your review and then get you to comment on it. It's a lengthy passage, but folks, you're going to enjoy this one. This is unvarnished Tom DiLorenzo right here:

"In Nancy MacLean's mind, there's nothing wrong with America's government establishment employing vast resources educating people how to use the levers and processes of government to expand its size, scope, powers, and budgets. This is accomplished today with the help of the vast university system which has become one giant taxpayer-financed think-tank for statism with only a handful of exceptions; through a 'mainstream media' that seems every bit as propagandistic as Pravda was during the Cold War; hundreds of thousands of government bureaucrats at all levels of government, every one of which is a propagandist/lobbyist for bigger government; a K-12 school system that is thoroughly embedded with leftist political correctness; huge armies of political consultants, lobbyists, and paid propagandists; a popular culture that endlessly repeats anti-capitalist, anti-libertarian, and pro-statist themes; and thousands of government-funded nonprofit organizations, from the AARP to the Wilderness Society, that promote more interventionism and less freedom. On top of that are private foundations like Ford, Carnegie, and Rockefeller that have showered leftist academics with foundation grants for decades, not to mention the contributions of socialistic billionaires like George Soros, Ted Turner, and Bill Gates. For years, the Capital Research Center in Washington, D.C. published an annual study entitled Patterns of Corporate Philanthropy that documented that for every \$1 corporate foundations gave to a conservative or libertarian organization, between \$2 and \$3 was given to a left-of-center group."

Now, this is a rather important point if we're going to balance out the hysteria of Nancy MacLean about a couple of foundations and a couple of billionaires in the libertarian camp, when the vast majority of absolutely every other aspect of American society is in her camp — which goes to show the totalitarian mindset of people on that side, that when 98% of something is for them and 2% is somewhat against them, their every waking moment is consumed by crushing, humiliating, and lying about that 2%.

DILorenzo: That's exactly right. It's all about censorship, Tom. And coming from a political operative, a Paul Begala or somebody like that, you expect these characters to be in favor of destroying the opposition. But Nancy MacLean is an academic. She's supposed to be an intellectual. And what this is is an attempt to censor opposing viewpoints with name calling, this phony association with opposition to desegregation in the 1960s. It's attempt at censorship. And of course, that's what political correctness is all about, is to censor all opposing viewpoints. And so this book is just yet another attempt at censorship of opposing viewpoints to the socialistic left dressed up as scholarship. She listed in the back dozens and dozens of archives and references and there are hundreds of footnotes, so on the outside, it looks very scholarly. But when you get down to it when you read it, it really is just another attempt at political correctness run amok.

WOODS: Is there anything of value in the book, in your opinion? Is there anything that you yourself either learned or thought, Well, she really did get this guy good?

DILORENZO: Well, at the end of my review, I talk about the last several chapters, she looks at Charles Koch and the Koch Foundation, and of course that's her conspiracy theory, was that somehow these two men, James Buchanan and Charles Koch got together to plot, she says, to destroy America. But she talks a lot about it, and she sat in Buchanan's office in George Mason, and it had apparently been abandoned and all his files were there not in any order. And she seems to have done a good job of going through all of them very meticulously.

And she found a letter – some interesting gossip. She found a letter that Buchanan wrote in September 17th, 1998 to Richard Fink, who at the time was the head of the Koch Foundation. And I arrived at George Mason University early in my career the same year that Richard Fink did. He was an assistant professor, as I was, in 1981. And so I knew Richie, as he was known. I'd known him all these years. And then he left academia and became Charles Koch's right-hand man for his foundation.

But this letter that she found, under Buchanan's signature it said – and I'm quoting Buchanan to Richard Fink – "Quite frankly, I am pissed off. What is being done under his name," Buchanan wrote – he said, "verges on fraud and surely at a minimum amounts to exploitation of me, you, and of the James Buchanan Center." He was talking about a \$10 million grant that the Koch Foundation gave to George Mason University to create this James Buchanan Center. And what James Buchanan was upset about was that a lot of the resources were being used basically to pay lobbyists, apparently corporate lobbyists who were not even academics, to put on seminars for Capitol Hill staffers and congresspeople and others to try to spread these ideas to them. And I think Buchanan was very upset over the fact that there was nothing really academically oriented to this whole scheme and they were just using his name for it. And he did not like that, and he retired shortly after that and just left and went back to his farm in Blacksburg, Virginia.

And there was another letter that she ran across. This was on the late Charles Rowley's blog. And Charles was an old friend of mine. I was at George Mason University in the '80s, and James Buchanan brought Charles Rowley to George Mason from England because he was a prominent public choice and law and economics scholar at the time. And on his blog, he quotes Charles Rowley saying that Richie Fink, Charles Koch's top strategist, was "a third-rate political hack and a man who is very appropriately named." And so some of these people who I respected, James Buchanan and Charles Rowley, were very upset with how Richard Fink and Charles Koch had sort of bastardized the George Mason University programs and their name – not that there aren't a lot of good scholars there. There are. But I think Charles made a good point here. And that was an eye-opener to me that she actually found those letters.

WOODS: Yeah, I found that part – that was what I was driving at with the question. I found that part of your review interesting, and I think I had heard it from somebody else.

Let me add something that Jeff Deist said. Did you happen to see his blog post on this, by the way?

DILORENZO: Yes, I did.

WOODS: Okay, because he makes the point that of course everybody in that orbit is up in arms about this book – rightfully so. But these folks who are so upset that there'd be somebody who could just, on the basis of almost nothing, come up with this bizarre theory and smear all kinds of people, it's funny that they're not quite as outraged about the way the Mises Institute is treated because they're the ones doing this to the Mises Institute. These very people who are upset at Nancy MacLean are constantly accusing the Mises Institute of all kinds of wickedness on the basis of nothing.

In fact, these people have never – in my opinion, they have never visited the Mises blog, because all the things I heard that the Mises Institute supposedly believed all during the presidential campaign and where the Mises Institute's loyalties supposedly were were contradicted every single day on that blog without fail. Every single day they were contradicted. So these people are absolutely making things up that it takes one mouse click to refute, and they do this constantly. They've done it to me. They've done it to you. They've done it to Lew Rockwell. Some of the braver ones have sheepishly even done it to Ron Paul. It's amazing what they get away with.

And then I'm not saying they therefore deserve what Nancy MacLean is doing. You would think this would be a moment for them to stop and think, Hmm, you know, maybe smearing people for no good reason is a bad practice. But I'm not optimistic enough that that's going to happen.

DILORENZO: Yeah, probably not, probably not. Yeah, you and I have put up with this for years and years now, Tom, and it's kind of disgusting. And it's not everybody, of course. We're not naming names, but it's a small subset of people there that – if I were to guess where this comes from, you know, they see the Mises Institute and Ron Paul, for that matter, as competitors. A good friend of ours said that he heard from a good, reliable source that Charles Koch himself was outraged and extremely upset at Ron Paul's success and his popularity when he ran for president, because here he was spending hundreds of millions of dollars all these years on all these organizations with nothing to show for it, really, and then Ron Paul comes along, just gives a lot of very articulate speeches, and gets millions of people behind him. And so I wouldn't be surprised if there were some sort of wink-wink going on between Fink and the Koch Foundation and some of the people who are on their payroll to smear competitors like us, and they know full well what they're doing. They know that they're lying.

And they really do the same sort of sleazy thing that the Southern Poverty Law Center does. They'll say there's somebody at the Mises Institute who wrote something in favor of decentralized government, whether it's nullification or anything like that. And then they'll say, Well, John C. Calhoun also said something similar to this and he was a slavery defender. Therefore, they must be secret slavery defenders. That's the sort of thing that what I call the Soviet Poverty Law Center does. And some of the people associated with the Cato Institute and the Beltway libertarians and even George Mason have done the same thing, as you say.

WOODS: Yeah, and as you say, we know some people in this orbit who are okay and who don't do these things, but man, the idea that – I mean, look. Look at what you've

written, Tom, and what I've written about economics, about liberty, all these topics. It is exceptionally implausible that I would hold all those views; however, the one exception that I make to liberty is I favor chattel slavery. I mean, that makes no sense at all. So of course they know that's ridiculous, because nobody favors slavery in the year 2017. They know that. And they do do — they sound like the Southern Poverty Law Center, these so-called libertarians. They do this to us as a way of virtue-signaling to the mainstream media that, You know, we're libertarians, we're a little out of the mainstream, but we're not like those people.

DILORENZO: Yeah. Well, yeah, a lot of these people are not really libertarians. They're libertines. And they define freedom very differently than the traditional definition of freedom that a Murray Rothbard or even a Thomas Jefferson would say, as far as freedom goes. They look at it as a license — you're supposed to be an advocate of their lifestyle, and so if you don't toe that line, they seem to hate you. But like you said, there are some good people. I've been using the textbook by Tyler Cowen and Alex Tabarrok at George Mason for about ten years, their *Principles of Economics* book. So yeah, it's not everybody associated with them, but it's some people.

WOODS: Well, Tom, let me ask you something a little bit different then. If somebody wanted to read a history of, let's say, the libertarian movement, just to try to get a sense of who the people were and what happened and how it came about, that was written by somebody more evenhanded, is there one that you can recommend? Is there any good one? If not, should there be?

DILORENZO: Oh no, there really should be. I can't off the top of my head — Murray Rothbard's name always comes first when you talk about that, because there's so much about the history of libertarian ideas, and just reading his essay "Anatomy of the State" will give you a good idea of where these ideas come from. But I think that book has yet to be written about that, because you know it goes back to — Lord Acton was a historian of liberty in the 19th century, and so as far as the history of these ideas, that book I don't think has been written yet.

WOODS: Yeah, so there, if we have young folks thinking, "What can I do? Everything's already been written," we don't even have a decent history of our movement, really. I mean, I can think of one or two titles, but they have flaws in them. And secondly, with all the papers and publications of Murray Rothbard, it's scandalous that we don't have a really sophisticated biography of Rothbard.

DILORENZO: Yeah, I guess we'll have to put Guido Hülsmann to work on that.

WOODS: No, I think he's retired from that [laughing]. After that Mises project, he's probably retired from that, but we sure have the sources and the papers for it.

Well, anyway, I'll link to Nancy MacLean's book — why not? — at TomWoods.com/954 if people would like to take a look at it. Don't buy it, of course, but if you want to flip through it at the library or something, have a look and you can see that we are not making this stuff up. And I'm also going to link to Tom's just absolutely epic takedown that I was waiting for, and man, it did not disappoint, Tom, so thanks for doing that and I'm looking forward to seeing you next week.

DILorenzo: Okay, Tom, I'll see you in Auburn, Alabama, our libertarian Mecca on Sunday.

WOODS: Absolutely.