Episode 354 – Is There a Case for Libertarian Optimism?
Guest: Frank Karsten
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WOODS: You are going to have a bit of a long row to hoe, as we say in the U.S., to persuade me of the long-term prospects of libertarianism. I don't know if that's really true. I do basically feel fairly good about the movement in terms of the spreading of the ideas and more and more people being receptive to them, but then on the other hand, I get so discouraged sometimes when I step outside our bubble and the people we hang around with, and I see how uninformed people are—how inclined they are to accept propaganda. And of course, I live in the United States, so I see how inclined they are to accept nationalist propaganda and war propaganda in particular. It all seems so hopeless sometimes, even though we are making progress. It still seems hopeless when so many people fall for the most preposterous brands of state propaganda. How do you see things, by contrast?

KARSTEN: Well, I must admit I was a pessimist, too, about 15 years ago, and not only about libertarianism, or liberty, but also culturally, thinking McDonald's would take over, and we would all eat hamburgers every day, and I was pessimistic about terrorism, and I must admit, there was some reason for it, but still, the chances of dying of a terrorist attack are not that high yet, so yes, I turned from a complete pessimist, annoying people with my pessimism, to a total optimist, and I have stayed there ever since. So I understand what you feel because, yes, it is true. Most people are very inclined to listen and believe the narrative of the government intervention stuff, but I think we libertarians have many reasons to be cheerful, and one of them is the growth of our movement. Maybe you know of the anecdote that Walter Block, the economist, talks about. He said, well, in the '60s we were such a small movement that if you, for instance, would say, oh, yes, I am going to Phoenix next week, and you would say that to a libertarian, the other libertarian would say, oh, in Phoenix, yes, I know another libertarian there. You should visit him. Well, we've moved past that point, and so that's a good thing. And of course, every movement thinks that they are on the losing side. If you were to talk to neoconservatives or progressives, they would all say, oh, capitalism is taking over, and these libertarians, they are blocking everything, or whatever. And that's just a natural thing.

WOODS: Now, that is definitely the case. In fact, even when I think back to my college days back in the early 1990s, it was a very, very unusual thing to be a libertarian—extremely so. I remember going to a couple of week-long summer seminars—one hosted by the Institute for

Humane Studies and another by the Mises Institute, and these were unbelievable experiences because I never spoke to anybody who thought anything like these sorts of thoughts. It never occurred to me that there would be a point—there would come a point where somebody could get to where I was ideologically by sitting in front of a computer for a few weeks when it took me years and years of stop and go and hit or miss research and reading this and following up on that and digging up that article. That definitely is an advance.

KARSTEN: Yes, I think the Internet is our great ally and our weapon of choice. The Internet makes sure that all the people that say or think the emperor has no clothes, the state or democracy, they can now get together, and the governments can't keep us ignorant anymore—not about Iraq or Syria and weapons of mass destruction. I probably wouldn't be a libertarian if it weren't for the Internet because I learned about libertarian ideas before the Internet, and it didn't really sink in because I had these questions and doubts about it, and then the Internet came, and then I could debate others regarding my doubts, and they could convince me very quickly. So that really helps a lot.

WOODS: On the other hand, there is something frustrating about the Internet, because for a long time you might have fooled yourself into thinking the human race is—potentially, anyway—a race of scholars, but they are constrained by the fact that they don't have access to books or free resources or any easy way to learn a lot of things, but if they did, boy, they would be thirsting for knowledge. And now, here we have the Internet, and are people using it get hold of classic works so that they can study the great ideas of the masters? Are they watching some of the great speeches ever delivered? No, it's cat videos or sports or whatever. Not that there's anything wrong with sports or cat videos. There is nothing wrong with either one of those. But from a percentage basis, almost nobody is using this resource for truly enriching purposes, right? We are. But look at the statistics next to YouTube videos, look at a speech by Murray Rothbard, and then look at some totally forgettable three-minute song or whatever. It's not even comparable.

KARSTEN: That's quite true, and most people, of course, are not interested in these subjects, and it's very okay that they aren't. And, of course, the thing is that people don't—generally, they don't—are not very receptive to arguments, and I would like to make the comparison between what Mises said regarding the role of the central banks of stuff and fear of money and the role of technology, and he put forward—100 years ago he put forward all of these arguments and nobody would listen, and then finally something through technology like Bitcoin comes along, and then people wake up because they can escape. They have an escape valve or a safety valve. They can do something with that information that the central bank is no good. So in my idea, technology helps us to get interested and to convince people of the correctness of our arguments. And for instance, we libertarians, we often debated regarding commercial airwaves, and it was only 25 years back that the Netherlands got its first commercial TV station, and through technology this could not be blocked anymore. So many of these state limitations—these unfreedoms are made irrelevant through technology. And I can imagine that

if you take the red pill, if you read about libertarianism in a way, you accept its principles because you can't do very much about it just like, oh, I used to think I was not in a prison, and now you are telling me I am in a prison, and I agree with that. But I can't escape from it. So, actually, you make my situation worse, and suddenly, when you provide people with the escape—not only the arguments in favor of it, but also the possibility of doing so—then people will do that and will be interested. If they can go to another supermarket and save 10 cents, they will do so. But somehow they can't escape high taxes, and so they get into this thinking that the taxes are justified or something or necessary, and I think that is a problem that many people have. They are afraid of these ideas because they can't do anything with them.

WOODS: Well, that's another question that I have. I think it is true that more people than ever are interested in central banking and in war and are more inclined to be skeptical of war propaganda. These are all good things. More people than ever are reading some of the great libertarian writers. These are all good things, but maybe I am too impatient or something, but I feel like we've got all these people doing all this reading, and yet the central bank carries on as before. The war machine carries on as before. And that's why I feel discouraged that although we've never had more success in spreading our ideas, I don't see immediately the results.

KARSTEN: No, that's quite true, and maybe we just need to reach a tipping point, and you know, things sometimes have to get worse before they get better, getting momentum. Regarding war, as you mentioned, I mean, even with the state becoming bigger and bigger after the Second World War and certainly also after the '60s when we had the Cold War fought out in the Third World like in Vietnam and Africa, peace has broken out. Fewer and fewer people die from war activities. So that's a very good thing. About 57,000 American soldiers died in Vietnam, and I think in Iraq about 4,000, and two million Vietnamese died. I don't think—it's very bad, of course, but I don't think we reached that number in Iraq, for instance. So, yes, we are living longer, healthier, and more prosperous lives on our much cleaner planet, and that is a good thing. Life expectancy has risen, but another thing is that in the last 25 years, the Soviet Union broke up. China was liberated. So I think a few billion people improved their standard of living through greater economic liberty. So that is unheard of almost, and the totalitarian regimes have all but died out, and of course, totalitarianism is now coming to us through the back door, through democratic means, but it's still not as bad as it used to be in the '40s and the '30s or in the '50s. So, yes, I think there has been enormous progress in that regard.

WOODS: And I think coming from somebody like myself who is sort of an agnostic about how we ought to feel about the future, I feel that one major—well, a couple of major things we ought to be pleased about and that we have not seen anywhere near the full workings out of would be, first, the decentralization of information transmission, that instead of three TV channels telling you what to think and two newspapers, we are going to have an increasing multiplicity of sources. This helps to keep them all honest, and it also helps to make people more critical thinkers, and they don't just have to accept what the three major outlets are telling them. We are just on the verge of this. We still have the major newspapers around. They

are still trying to, in their own clumsy way, maintain their relevance in this world, but we have not, I think, even begun to scratch the surface of what our lives will be like in the absence of these things and with decentralized sources of information. That is extremely important.

Secondly, we have already had in the United States—I know it's not quite as fashionable in Europe—but for a long time in the United States, we've had the home schooling movement, and the Internet now takes that into high gear because you can get all kinds of inexpensive resources. Also, of course, I work on the Ron Paul homeschool program, ronpaulhomeschool.com, where you can get a K-12 curriculum that is favorable toward the freedom philosophy, where you don't have to discover it for yourself or sit there and listen to propaganda on the other side. Kids can actually be exposed to ideas that are deliberately kept from them in other situations. And, of course, most of what we're dealing with most of the time are people who have already formed their ideas, and it's very, very hard once people get to a certain age to get them to rethink everything, but what if instead people got to evaluate our claims for themselves from the start, and we don't have to try to reach them when they're 45?

KARSTEN: Yes, indeed, it's fantastic. We are living in a day and age where creativity and opportunity and also beauty, I think, are exploding and mostly also through technology and the Internet. I am sure you are familiar with the Khan Academy, where you can follow so many lessons just through the Internet and just like the Internet made the state channels that we have in Europe almost irrelevant. It does probably the same with education and health care, because through the chip for instance that connects to a smartphone, we can analyze ourselves and we can get a doctor through the Internet advising on us what to do, maybe even a machine. So in that regard, state health care will become more and more irrelevant. And also, through the absence of, or, well, of medical tourism, for instance, through cheap flights you can go to Thailand, for instance, and have yourself operated upon outside of the health-care system of your government.

WOODS: All right, so what other reasons should I have—I am sorry, I am in kind of a melancholy mood today, but on the other hand, it makes it more interesting because I am giving you a little pushback, but what else occurs to you as reasons that I should look to the future with hope? I talk to Bitcoin people, and they think Bitcoin is going to change everything. Maybe it will. I don't know. I am not really sure I fully see that. But what else jumps out at you as a reason for optimism for people who hold our views?

KARSTEN: Well, I think there is a universal law. Maybe I mentioned it already, but what doesn't work will go away, and Nazism didn't work, and it went. Communism didn't work, and it went. Democracy, in my opinion, doesn't work, and it will go to because it should go, because if it doesn't work, it cannot sustain itself. It will eat itself. And what we see through history, I think, is that truth wins in the long run and falsehood wins in the short run. I think as libertarians, we have the logic and the principles, and the facts on our side, and in the long run, we cannot lose, so it is not black—it's a bit like Galileo. He didn't think, well, maybe, maybe my idea about the

sun and the earth revolving around the sun will become fashionable. No, of course, he knew that in the long run, it was undeniable, and I think the same applies to the principles we have.

We know for certain that the free market is morally sound, and creates the most prosperity, and it's very hard to deny. It's irrefutable almost, but the problem is that in the world, often the truth—facts don't rule, but personal interests, or group interests rule, but they can only rule for a certain time because they will hit the wall of reality. And I understand that once you get the idea that, of course, I have been a fool all the time by the state propaganda, and now I see the light, it's almost like a religious experience. It always takes too long for the world to change. I remember an anecdote by George Reisman, the economist. He learned the ideas of Objectivism from Ayn Rand in the '60s, and thought, oh, okay, then, you know, the truth is out now. We now know how it works, so we only need a year to change the rest of the world. Of course, he was naïve and understandably so. I felt the same way, and most of us probably feel the same way, that it's only a matter of years because our logic is so strong and our principles are so morally upright, but yes, it takes quite a long time, and there are a lot of vested interests, and people don't change their ideas—their philosophy—after they are 25 generally, so that's why I am optimistic.

WOODS: Well, you mentioned vested interests, and that does sometimes depress me because I think there's no way ideas can go up against vested interests, but the thing is we observe that happening all the time. It may not be the most frequent occurrence in the world, but it does happen all the time. Certainly with what happened in Eastern Europe, well, you think there were vested interests among the communist apparatchiks? I mean obviously there were, and yet they were swept away. Or more close to home, and perhaps more mundane, would be the case of what's going on in some of the American states with regard to marijuana legalization. Now, there are tremendous vested interest there. There are people whose whole careers are based around waging the War on Drugs. There are police departments that get special equipment and special subsidies. There is money to be had on every angle of that War on Drugs. And yet public opinion has now swung so dramatically against at least this one aspect of the War on Drugs that even the vested interests are increasingly helpless against that wave of public opinion.

KARSTEN: Yes, that's exactly—that's quite right. I was following this blog, Facebook page, and it's got about 1.5 million likes, and they expose police brutality, and this could only be possible for about four or five years because of the advent of the mobile phone, which is a camera.

WOODS: Thank you for mentioning that, because that's an unbelievable innovation. Now, if you are involved in the government's law enforcement, you have to realize that you could suddenly become the star of a video, and not in a good way.

KARSTEN: Yes, exactly, and the same applies to countries, for instance, like in Burma. People were brutalized by the regime. It's called Myanmar nowadays.

WOODS: It will always be Burma to me.

KARSTEN: All right, let's say Burma, and in previous times, you had to bring in a big camera to expose this brutality, and now they are all over the place. You can easily hide them, and even with something like Google Glass or something, and you can't keep the world ignorant of what is going on there anymore. So that applies to government, too. And, of course, it is a double-edged sword. The government can spy, and we know that through Edward Snowden, on its citizens. But I think it empowers the individual more than the state.

WOODS: And I think it also disproportionately empowers people who have heterodox ideas like ours. As I have said before, it's true that the Keynesians also have the Internet, but they had *Time* magazine, they had the *New York Times*, they had every outlet already. So they also have the Internet, that's not big deal for them, but we had nothing. We had no exposure, and now suddenly we're everywhere, and we make clear to people that there are more than two opinions you can hold on a subject. You can also have our opinion, which is the other two opinions are only trivially different, and the real opinion is to throw the whole table over and abolish whatever it is you're talking about.

KARSTEN: Exactly, the spectrum is so much wider than everybody thought, and that's fantastic. In the Netherlands, we had the three, four major daily papers, and they are all kind of like *Pravdas*—the Soviet Union paper. And now they are struggling to stay alive, and that's fantastic.

WOODS: I mean, for me to be complaining or skeptical of this when just 10, 20 years ago the idea that the *New York Times* would be struggling to get ad revenue would have been unthinkable—impossible to imagine that I could be living in a world like that, and yet that is the world I live in. The same newspaper that has smeared and condemned me over the years is desperately trying to keep afloat. That is a glorious achievement, and we need to stop and appreciate that.

KARSTEN: Yes, I think we should count our blessings far more often than we do, I think, and when was the last—last month it was the international Students for Liberty Conference, and about 1,500 people attended. It was wonderful. This was inconceivable 10 years ago that so many people would gather with libertarian-minded people.

WOODS: Oh, I know, and it really is in country after country that you're seeing large turnouts like this. To get somebody to go to a conference is actually really, really difficult. You have got an uphill battle—or to get somebody to come to a lecture. You may as well ask them to go get a root canal voluntarily. No one does that, and I see in my own cases, I see wonderful audiences. I speak at a lot of conferences, and there's definitely a lot of momentum, and this is a wonderful thing.

Before I let you go, give me your summary view on a related question: how it is that being a libertarian has—we've been talking about how libertarianism has the potential to improve the world, and we just want to know are we on the right track. Is there any prospect of seeing this actually happen, but you have also talked about how it can improve you as a person and that it

did so with your own case. So tell me about how you were a terrible Frank Karsten in the past, and you became a much better one later on.

KARSTEN: Well, I have four reasons why I think libertarianism and libertarians improved my life. Libertarians boosted my optimism because all the doomsayers are pretty much classical liberal or libertarian-minded like Julian Simon. He was—in the ’90s and ’80s—he was a complete doomsayer, and he was never acknowledged for that, and there are now others that are indebted to what he wrote and said. Also, libertarianism has increased my responsibility, because normally as a state issue, you think, well, the world is going to shambles, so other people should sacrifice themselves, and other people are at fault, and so generally libertarians tend to think about personal responsibility—don’t do evil or something. And I think that is a good thing, and I incorporated that idea. It also made me less moralistic because libertarians show that people behave in their natural self-interest, and that’s not necessarily bad. Like Adam Smith said, it’s not because of the goodness of the baker, the benevolence that he provides good bread at a good price. It’s because of the market system. And once you see that, you tend to become less moralistic. You see that free exchange of ideas and of goods helps the world more than moralism can. It also gave me a peace of mind with politics, and actually pretty much also by writing the book *Beyond Democracy* that we talked on earlier because I was frustrated with politics, and I thought that because I was frustrated, and I felt the world was going to shambles, I needed to do something about it. I needed to become politically active because all of the politicians.

They just wouldn’t listen, and maybe they didn’t hear as well, and we should have honest politicians, and then I learned that the whole system—democracy is inherently flawed. It cannot be fixed; even if you have politicians that are intelligent and are well-intentioned, it can’t work. What writing the book told me is that democracy cannot work because it reduces the diversity of the millions of individual choices to a few choices of politicians and bureaucrats. So it cannot work. So that gave me more peace of mind regarding politics. I compare it with a crocodile. Don’t expect a crocodile to be a nice animal. Be aware that it will never be nice to you. You can’t pet it, and you shouldn’t have it guard your baby. So with that, well, people would call it cynical, but I think it’s just realistic, and so that helped me.

The other thing is that libertarians changed my mind on so many issues regarding democracy, like I mentioned, or about the state of the planet, about the environment. So I am, yeah, it’s a great intellectual movement, I think.