
An Economist's Case for a Noninterventionist Foreign Policy



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It takes great leadership and ability to settle differences through peaceful means. Any idiot can start a war.

—Charles Adams, *For Good and Evil*

War is the health of the state.

—Randolph Bourne, *The State*

Now you can't pick up a paper without reading where the Marines have landed to keep some nations from shooting each other, and if necessary we shoot them to keep them from shooting each other. . . . Seven thousand miles is a long way to go to shoot somebody, especially if you are not right sure they need shooting and you are not sure whether you are shooting the right side or not.

—Will Rogers, in “Will Rogers Explains It All”

The twentieth century was truly the century of total war. As many as 17 million soldiers and civilians were killed in World War I (“World War I Casualties” n.d.).¹ My great aunt Ruby, who was born in the 1890s, called it the “Great War,” the name

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1. One normally should be cautious in citing *Wikipedia* data, but in this particular case the data for each country are well sourced.

The Independent Review, v. 21, n. 2, Fall 2016, ISSN 1086-1653, Copyright © 2016, pp. 199-217.

given to it before people knew there would be a World War II. I come from Canada, which lost many people, especially young ones, during that first war, and in virtually every little town in English-speaking Canada, even the towns I grew up in, which had populations of less than two thousand, you can find a monument, usually near the town hall, honoring the Canadian dead of that war. That war also led to the famous poem “In Flanders’ Fields,” written on a battlefield in Belgium by a Canadian named John McCrae, who died later in the war. It is recited all over Canada every November 11, which in Canada is Remembrance Day. I will never forget the haunting and powerful ending, which I first heard in second grade when my fellow student Nancy Kelly read it to the class:

To you from failing hands we throw
The torch; be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders’ Fields.

One of the main things I want to address is how *not to* break faith with those who died. I think it is by not purposely creating more deaths.

World War I was trumped by World War II, in which at least 60 million people but probably more than 70 million people died as a direct result of the war (“World War II Casualties” n.d.). The world population in 1939 just before World War II broke out was less than 2.3 billion: this means that more than 2.6 percent of the people in the world died. If the same percentage of the world’s population were to die in a war today, we would lose more than 190 million people.

World War II always seemed more real to me than World War I because I was born in 1950 and grew up hearing relatively fresh stories from the adults in my community, especially from my father. My father joined Canada’s army in 1942 at age thirty-two but was discharged days after winning his stripe because he had only about 20 percent hearing in each ear—a disability he had experienced from age seventeen. He had told the recruiter this fact upon voluntarily joining, but it took a few months for the army to “hear” him. My uncle Fred and aunt Jamie were civilians early in the war, making their way to the Belgian Congo to be medical missionaries. Unfortunately, the ship they were on, the *Zamzam*, was sunk by the German navy.² Almost miraculously, given that by the German captain’s count the Germans had lobbed fifty-five shells at the *Zamzam*, six of which had hit, only one of the passengers died as a result. My aunt was held prisoner in Berlin until June 1942,³ and my uncle

2. For the story of the sinking of the *Zamzam* and the follow-on events, see Gossage 2009 and “The *Zamzam* Story” n.d.

3. For my aunt Jamie’s story, see the pages listed in the index under “Henderson, Allison ‘Jamie’” in Gossage 2009.

was a prisoner in what is now Poland and later in occupied France before he escaped to Switzerland. Plus, one of my favorite kinds of movies when I was growing up was war movies—although, truth be told, my favorite type was about escapes from prisoner-of-war camps.

So World War II was always in my consciousness, and I was always aware of its tremendous cost in lives. What I wasn't aware of was its full cost in liberties, some of which was permanent.

The Government Ratchet

When I was a senior economist with President Ronald Reagan's Council of Economic Advisers, my office was in an old, exotic-looking building called the Old Executive Office Building (now the Eisenhower Building). Located right next to the White House, from which it is separated by a narrow driveway, it is the place most people actually work when they say they work in the White House. A curious type, I looked into the history of the building and found that in its first years in the late nineteenth century, it housed the War Department, the Navy Department, and the State Department. That means that this building, together with the Treasury, which occupied its own identical-shaped building on the other side of the White House, housed almost the whole executive branch of the federal government, not including the Postal Service and the Departments of Interior and Agriculture. What happened in between that led to such a massive growth of the federal government in a country that was justly celebrated as the land of the free?

A large part of what happened was war. A huge amount of the new power that the government took on in the twentieth century was power that it acquired during and due to war. When the wars ended, the power diminished but never returned even close to its prewar level. Economic historian Robert Higgs (1987) was one of the first to point out this "ratchet effect."

We generally think of Prohibition, for example, as beginning with the Volstead Act of 1920. Wrong. It began with the Lever Act soon after America entered World War I. The federal government had imposed price controls on agricultural products, including wheat, and gave itself preferential access to those products for the war effort. The predictable effect of these price controls was a shortage of wheat. With the antialcohol movement growing strong, the government rationed the wheat by refusing to allow any of it to be used in the production of alcohol. Imposing Prohibition a few years later was that much easier because people had gotten used to partial prohibition during World War I.

Other federal powers also grew during World War I. The federal government nationalized the railroads, and, although it denationalized them after the war ended, it retained stricter controls on the railroads than had ever existed before the war. The military draft was introduced during the war, and when it was legally challenged during the war, the Supreme Court did not seriously consider its opponents' claim

that the draft contradicted the Thirteenth Amendment's stricture against involuntary servitude. The Court stated, "We are constrained to the conclusion that the contention to that effect [that conscription violates the prohibitions of the Thirteenth Amendment] is refuted by its mere statement" (*Selective Draft Law Cases*, 245 U.S. 366 [1918]). After World War I ended, the draft ended, but the precedent had been established, and a peacetime draft was again imposed during the late 1930s. After World War II, the draft was retained, with a hiatus of only one year, until 1973. And then there's the income tax. It had started in 1913 as a small tax on only the super-rich of the time. The top rate of 7 percent, which kicked in at \$500,000 (more than \$11 million in 2016 dollars), was raised to a whopping 77 percent in 1918 at the height of U.S. involvement in World War I. Even the bottom rate, which had been only 1 percent on incomes higher than \$4,000 for a married couple (more than \$95,000 in 2016 dollars), was in 1918 raised to 6 percent on incomes higher than \$2,000 (more than \$47,000 in 2016 dollars) (all data from Pechman 1987, 313). Although Congress, spurred by Treasury Secretary Andrew Mellon, pushed through major cuts in tax rates at all levels throughout the 1920s, the tax rates never again came close to their prewar level. What started as a small tax on only extremely high-income people was, even by the end of the 1920s, a substantial tax on the high-income people who were the next level down.

Something similar happened in World War II. The federal government took on new powers to regulate wages and prices, and it was these powers that President Jimmy Carter used in the late 1970s to impose wage-and-price guidelines. Also, Franklin Roosevelt increased tax rates during World War II, raising the bottom rate from 4.4 percent on income higher than \$2,000 to 23 percent on income higher than \$1,000 and the top rate to 94 percent on income higher than \$200,000. To extract such large amounts of wealth from the American people, the government initiated an "installment plan," requiring employers to withhold taxes from employees' paychecks all through the year. The end of the war brought a very small tax cut, with the top tax rate falling to 82.13 percent in 1948 and the bottom falling to a still hefty 16.6 percent that same year. Withholding never ended; it was far too tempting for the government to keep this source of perpetual funds. Federal government spending, which, even with all Franklin Roosevelt's New Deal spending, had not gone higher than 10 percent of gross domestic product (GDP), hit a peak of 40.7 percent during 1944, and by 1949, the last full year before the Korean War, it was still at 14.2 percent of GDP ("Federal Net Outlays" n.d.). Of course, a large part of this postwar spending was for interest on the national debt, most of which was due to expenditures for fighting the war. But that's the point. Because Americans got used to paying higher taxes to pay interest on World War II debt, the government found it easier to extract more tax revenue from them even when the federal debt held by the public had fallen from a high of 106.2 percent of gross national product (GNP) in 1946 to a postwar low of 22.2 percent of GNP in 1974 ("Gross Federal Debt Held by the Public" n.d.). By 1974, the same year that the debt-to-GDP ratio hit a low, federal spending as a

percentage of GDP was 17.4 percent, almost twice the 9.2 percent that it had reached by 1940, the last full peacetime year before America's official entry into World War II.

More recently, one person on the left who recognized that war leads to more government control but celebrated that fact is *Nation* editor Katrina vanden Heuvel. Less than three months after the attacks on September 11, 2001, vanden Heuvel and coauthor Joel Rogers wrote:

If anything, the war on terrorism creates an opening for progressives, not closure—indeed, it presents the opportunity of a lifetime.

It is a truism of modern politics that war generally mobilizes and helps the democratic left. It does so, despite the repression of dissent that war-time also often brings, because war raises the stakes in politics and invites consideration of wider goals, including justice. War's mobilization of the populace against a shared threat also heightens social solidarity, while underscoring the need for government and other social institutions that transcend or replace the market. (2001)

In other words, government grows in wartime, displacing free-market institutions.

That government power grows during wars and fails to recede completely after wars means that the cost of war—usually reckoned as the amount spent on the war, the lives lost on the war, and the personal liberties lost during the war—has been systematically underestimated. The true cost of fighting a given war must include not just these three components but also the liberties lost and the amount spent on government due to powers that the government never gives up after the war's end.

That wars have higher costs than has commonly been thought is not, of course, enough of an argument against engaging in war. But the benefits to the United States of fighting wars in the twentieth century are not as well established as is commonly believed.

The Economic Way of Thinking

In analyzing war, most economists have been AWOL. One reason for this neglect is that to do such analysis well, one must know a great deal of history, and most economists know little history. They have therefore accepted many of the myths that the public in general has accepted.

But the economic way of thinking, as distinct from economists, has much to say about foreign policy. Three themes from economics are particularly relevant to foreign policy: information problems, incentive problems, and unintended consequences. The rest of this article weaves these themes together and applies them to U.S. foreign policy in the twentieth and twenty-first centuries.

One of the major contributions by economists such as Ludwig von Mises, Friedrich Hayek, and Milton Friedman as well as by the thousands of economists

who have studied specific markets and specific government interventions is to point out that when the government intervenes in people's economic lives, it often creates a worse situation than would have existed had it done nothing. This happens for two reasons. The first, which von Mises emphasized in the 1920s and Hayek later refined in the 1930s and 1940s, is that the government does not have—and cannot have—the information required to plan the economy. The information required cannot exist in a small number of even the most brilliant minds because the information is in bits and pieces in millions of minds. Moreover, the mechanism that comes closest to capturing and summarizing that information is the price system, the free market. The second reason government causes problems, which public-choice scholars James Buchanan and Gordon Tullock developed and emphasized in the 1960s and economists have extended in their studies of various government agencies and bureaucracies, is that government officials do not have the right incentives. Government officials, whether politicians or bureaucrats, do not bear much of the cost of their bad decisions and don't get much of the benefit of their good decisions. That same reasoning applies to government bureaucracies that are involved in foreign policy, whether they are labeled the War Department, the Department of Defense, or the Department of State.

Consider, first, the information problem.

The Information Problem: Where to Intervene and Whom to Support

One of the biggest problems with centralized economic planning (socialism), argued Hayek, is that virtually all the information an economy needs to function is held by millions of economic actors. Hayek called this information “the knowledge of the particular circumstances of time and place” (1945, 521). He argued that little of this information can be known to a small number of people at the center. Thus, socialism would fail even if there were no incentive problem.

Nothing in Hayek's argument suggests that it applies only to central planning of a domestic economy. A government that intervenes in another country's affairs faces the same problem. Indeed, in foreign policy the information problem is magnified because the small number of government policy makers at the center have even less information about the foreign country than they have about their own country. The problem then becomes one of knowing which countries they should intervene in and, beyond that, how to intervene if they appear to have good grounds for doing so.

David Friedman pointed out in the early 1970s that when a government of a fairly liberal country wishes to intervene, it often must choose between two or more illiberal dictators. He gave a concrete example from that period:

In practice, an interventionist policy almost inevitably involves alliances with the Shah of Iran, or the present government of China, or Joseph

Stalin, or Ferdinand Marcos, or, in the case of the actual policy of the US over the past 45 years, all of the above. . . .

In order for the policy to work, it is necessary to correctly figure out which countries are going to be your enemies and which your allies ten years down the road. If you get it wrong, you find yourself unnecessarily blundering into other people's wars, spending your blood and treasure in their fights instead of theirs in yours. You may, to take an example not entirely at random, get into one war as a result of trying to defend China from Japan, spend the next thirty years trying to defend Japan (and Korea, and Vietnam, . . .) from China, then finally discover that the Chinese are your natural allies against the Soviet Union. ([1973] 1989, 210, 213–14, second set of ellipses in the original)

Former *Wall Street Journal* reporter Jonathan Kwitny (1984) recounts how U.S. government officials made major decisions about foreign policy with little knowledge of the countries for which they were making the decisions, often with disastrous consequences. Kwitny tells, for example, how U.S. government officials in 1960 failed to understand that the Congo was made up of a few hundred mini-nations whose people were trying daily to avoid starvation. They instead interpreted everything with reference to the Cold War with the Soviet Union. This lack of local knowledge extended even to cultural differences. C. Douglas Dillon, President Dwight Eisenhower's undersecretary of state, judged the Congo's prime minister Patrice Lumumba to be an "irrational, almost psychotic personality." What was Dillon's evidence? Lumumba "would never look you in the eye," he claimed (Kwitny 1984, 57). Dillon did not know that many Africans are taught that avoiding eye contact is deferential. Because of these officials' negative assessment of Lumumba, President Eisenhower gave the CIA orders to have him murdered ("US Acknowledges Covert Action" 2013). Lumumba was actually murdered by another faction, but Eisenhower's opposition to him was made clear enough that the other faction knew that the U.S. government desired his assassination. Clearly, knowledge of Lumumba's true character and personality was important, and a major decision was made based on misinformation.

Unintended Consequences

The "unintended consequences" paradigm applies in spades to military action. Kwitny lists fifteen lessons to be drawn from foreign policy. Lessons four, five, and eight are directly relevant to the idea of unintended consequences. Lesson four: "Forceful intervention by a big power in a Third World country, no matter how well intentioned, is almost always dramatically harmful to the people who live in the country being intervened in." Lesson five: "Intervention by either major power [he was writing in 1984, when the other major power was the Soviet Union], regardless of what the other is

doing, usually tends to be counterproductive for the intervener.” Lesson eight: “Force creates enmity. If it creates respect as well, that is less enduring” (1984, 108).

Chalmers Johnson gives the label *blowback* to the idea of unintended consequences in foreign policy, a label that, according to Johnson, was coined by the Central Intelligence Agency (CIA). The CIA used the word to refer “to the unintended consequences of policies that were kept secret from the American people” (2000, 8). Yet even policies that are in the open can have negative unintended consequences.

With most wars, one intervention that creates unintended bad consequences leads to another intervention intended to offset these consequences. How did one of the world’s most monstrous dictators of the 1990s, Saddam Hussein, build his military machine in the 1980s? The U.S. government helped him. It wanted an ally to offset the power of Iran’s government during the ghastly Iran–Iraq War, and so it subsidized Saddam Hussein with “billions of dollars of credits” and provided Iraq with “military intelligence and advice,”⁴ presumably on the mistaken assumption that “the enemy of my enemy is my friend.” Saddam consolidated his power in Iraq and tried to take over Kuwait. Without the original U.S. aid to Saddam Hussein, he would have been less likely to invade Kuwait, and the Gulf War and its aftermath, in which only a few Americans but many more innocent Iraqis were killed, would have been avoided. Moreover, the fact that Iran was the enemy of the United States from 1979 to the present was itself an unintended consequence of U.S. government intervention. In 1953, with Operation Ajax the CIA helped overthrow Prime Minister Mohammad Mossadegh of Iran after Mossadegh nationalized some oil companies. Incidentally, although the CIA did not officially admit its role in the overthrow of Mossadegh until 2013 (see Dehghan and Norton-Taylor 2013), I got former CIA director James Woolsey to admit CIA complicity ten years earlier (Henderson 2007). This action led to the shah’s assumption of power. I do not defend a government that takes people’s private property, but local governments in the United States often do just that. If a foreign company’s assets were taken forcibly and a foreign government tried to overthrow the offending domestic government, I think most Americans would be justly angered.

The CIA also trained Savak, Iran’s secret police, which tortured the shah’s political enemies. In response, some Iranians, upset by such torture, sought vengeance by taking over the U.S. embassy in Tehran in 1979. I do not defend that action either. Rather, I would like to avoid the U.S. government sticking its hands (and our tax money and possibly safety) in hornets’ nests.

Consider a case of huge unintended consequences: World War I. Kaiser William II of Germany could well have been one of the idiots whom Charles Adams refers to in his statement that “[a]ny idiot can start a war” (2001, 338). As one of the kaiser’s biographers put it, “The last Kaiser’s most pronounced—and most fatal—characteristic

4. This is according to an affidavit by Howard Teicher, a National Security Council employee under President Ronald Reagan, quoted in Dobbs 2002.

was his habitual inclination to act almost entirely on the basis of his personal feelings” (Cecil 1989, xii, qtd. in Kagan 1995, 120). One of his most consequential moves made on the basis of vanity was his building of a powerful German navy concentrated in the North Sea. Winston Churchill called the German navy a “luxury fleet” (qtd. in Kagan 1995, 182). It served no practical purpose but threatened Britain’s dominance of the seas at a time when that was the exact wrong thing to do. Germany never had much desire to go to war with Britain, but the message communicated by building the navy was that Germany was hostile to Britain. This decision was a factor leading to World War I.

Woodrow Wilson, the U.S. president at the time, had vague ideas about making the world safe for democracy, but the connection between that goal and getting into a war allied with Russia, one of the most autocratic regimes in Europe, was never clear. Wilson did not have the information he needed to use military force to have the impact on the world that he claimed to want. His intervention set off an ugly chain of unintended consequences.

The Treaty of Versailles ended World War I but helped set up World War II, leading one historian to call the time between the start of World War I and the end of World War II the “Thirty Years War.”⁵ Early in the proceedings at Versailles, a young economist advising the British government quit in disgust when he realized that the terms imposed on the German government would be humiliating and punitive. He also pointed out that the terms contradicted the agreement that Wilson had made with the German government in late October and early November 1918, an agreement that the German government required before being willing to end the war. (Recall that Germany surrendered even though it had managed to prevent the war from reaching its soil.) This economist, who quickly denounced the treaty in his book *The Economic Consequences of the Peace* (1919), was John Maynard Keynes. In the first part of his passionate book, which was more psychology than economics, Keynes did a masterful job of explaining the interaction among three of the four major players: French premier Georges Clemenceau, British prime minister David Lloyd George, and U.S. president Woodrow Wilson (the fourth was Italy’s prime minister Vittorio Orlando). Clemenceau, according to Keynes, dominated the proceedings, Lloyd George went along, and Wilson, probably in part because of ill health, didn’t seem to have a clue. Clemenceau used his power to craft a vengeful treaty. Keynes also predicted that these measures would create resentment among Germans that would unsettle the fledgling German democracy. Some of Keynes’s specific predictions about German coal output and other economic magnitudes were wide of the mark, but he actually understated the threat from the angered German people. As Donald Kagan puts it, “[T]he determination to undo the treaty that was the symbol of that dishonor was a central goal of almost every German statesman thereafter”

5. I first heard the term used this way in 1992 in a lecture by David Hart, an historian then at the University of Adelaide.

(1995, 289). The German political parties that accepted the treaty governed the newly formed Weimar Republic until 1933, and because most Germans saw the treaty as a betrayal, these parties never won the loyalty of the German people. Germany was ripe for someone who would once more make them feel proud of their country after being beaten down for fifteen years. And such a person came along, who ruled with a viciousness that had not been seen in twentieth-century Europe outside the Soviet Union. His name was Adolf Hitler.

A number of historians have pointed out that the actual terms of the Versailles Treaty were not much harsher than terms the Germans had imposed on France in 1871 (see Kagan 1995, 289, and the references therein). That's true. But it's also irrelevant to my point, which is that the harshness of the terms and the fact that the terms contradicted Wilson's commitment to the German government made the treaty unacceptable to the German people from the outset. A key part of making any surrender acceptable is to give the vanquished a chance to save face. This was not done for Germany. One can argue that the terms were not overly harsh given the destruction that Germany had caused. But that destruction, once the war was over, was a sunk cost. The new goal should have been to prevent such destruction from happening again. This the Allies did not do.

Had it not been for the harshness of the Versailles Treaty, Adolf Hitler would have been less likely to come to power. Had Clemenceau not sought vengeance on Germany and had Wilson not been so ineffective, the treaty would have been less harsh. Clemenceau, by pursuing his own personal agenda regardless of the costs imposed on millions of Europeans—French, German, British, and other—helped cause World War II, a war in which more than 60 million lives were lost. Clemenceau's actions caused huge problems in part because he didn't understand what he was doing and in part because he didn't care about the consequences—he had the wrong incentives.

Of course, Hitler did become the dictator of Germany and built an awesome military machine that he used to attack various countries in Europe and to murder millions of people. The lesson most people in the United States, Britain, and Canada take from what happened in the 1930s is what might be called “the lesson of Munich”: the U.S. government and other democratic governments must vigilantly look for nasty dictators building military machines and must intervene to stop them before they get too powerful because such a war of early intervention is much less destructive of lives and property than a full-blown war later. In 1938, British prime minister Neville Chamberlain went to Munich to appease Hitler by negotiating away Czechoslovakia's territory in a region called the Sudetenland without even allowing the Czech government to participate in the negotiation. In short, Chamberlain conducted a highly interventionist foreign policy.

What Chamberlain got in return was Hitler's assurance that he would stop there and not carry out his conquests further. Of course, we know now that Hitler did not stop.

World War I would have been easy to avoid, and the consequences probably would have been much better had the United States avoided it. But what about World War II? If one can establish that the United States would have maintained the freedom of their own citizens without going to war against Hitler, then the lesson of Munich crumbles. Could the United States have avoided war with Hitler? I think so.

The United States has always had the good fortune of being protected from Europe's and Asia's most belligerent powers by two gigantic moats—the Atlantic and Pacific Oceans. In the 1940s, Hitler's chance of doing serious damage to the United States was close to zero. It is true that Hitler did declare war on the United States only three days after the U.S. government declared war on Japan, a move on Hitler's part that has to qualify as one of the larger strategic blunders of twentieth-century foreign policy. But he wouldn't have done so had the United States not declared war on Japan. The United States would not have declared war on Japan had Japan's government not bombed Pearl Harbor.

And now we need to take a step beyond what normally passes for discussion of how America got into the war. Why did Japan's government bomb Pearl Harbor? Emperor Hirohito and General Hideki Tojo did not just wake up one morning and decide that the bombing would be a good idea. Rather, it was a response to steadily tightening restrictions that U.S. president Franklin Roosevelt had imposed on trade with Japan beginning in 1940. In July 1940, Roosevelt, wanting to pressure the Japanese government, which had invaded China, imposed an embargo on some grades of aviation gasoline and on iron and steel scrap. As Japan's imperialism escalated, so did FDR's measures. Finally, in July 1941, in response to Japan's troops occupying southern Indochina, FDR froze all Japanese assets in the United States and announced that all trade with Japan had to be licensed by the U.S. government. The *New York Times* said FDR's actions amounted to "virtually severing trade ties with the empire" (Marshall 1995, 127). FDR's and the Japanese government's intransigence put the two on a collision course. After fruitless negotiations, the Japanese government declared war shortly after attacking Pearl Harbor (Marshall 1995). But FDR badly wanted the United States to get into the European war. He had bent the Neutrality Act to give assistance to one side in the European war. His so-called Lend-Lease program would have been more aptly named "Subsidize Britain and the Soviet Union," but that name didn't have quite the same ring. Well before Pearl Harbor, Roosevelt had already given orders to U.S. Navy ships to shoot at German submarines on the eastern coast of the United States. Given his desire to get into the war, he was willing to chance a Japanese attack. Japan's government had imperial ambitions in Asia and was being thwarted by the U.S. government. In short, it would not have been difficult for the United States to avoid war with Germany or with Japan.

Some of the strongest proponents of the need for war by the West against Hitler, such as Yale University historian Donald Kagan, point to the fact that Hitler laid out

his plans for foreign conquest in his tortured autobiography *Mein Kampf*. They are right. In *Mein Kampf*, Hitler made clear that his goal was to conquer *Russia*:

And so we National Socialists consciously draw a line beneath the foreign policy of our pre-War period. We take up where we broke off six hundred years ago. We stop the endless German movement to the south and west, and turn our gaze toward the land in the east. At long last we break off the colonial and commercial policy of the pre-War period and shift to the soil policy of the future.

If we speak of soil in Europe today, we can primarily have in mind only *Russia* and her vassal border states. (1943, 654, italics in original)

Hitler's goal, as he always made clear, was *Lebensraum*, "living space," in which the Aryan race could farm and thrive. A quick look at the map shows that the obvious place that had such space was not western Europe but eastern Europe. In his second book, sometimes called his "secret book" because it was not published in his lifetime, Hitler spelled out this goal even more specifically:

An additional 500,000 square kilometers in Europe can provide homesteads for millions of German peasants, and make available millions of soldiers to the power of the German people for the moment of decision.

The only area in Europe that could be considered for such a territorial policy therefore was *Russia*. (1961, 74)

Just as famed bank robber Willie Sutton said he robbed banks because "that's where the money is," Hitler wanted *Russia* because that's where the *Lebensraum* was. Given that Hitler's goal was to take over *Russia*, he would likely have failed or, at least, reached a stalemate even without intervention by Britain and the United States. *Russia* was simply too vast: the Germans had huge problems maintaining a supply line over a front that was seventeen hundred miles long (Glantz 2001, 7). Also, Hitler needed to wrap up the operation quickly to avoid the harsh Russian winters, something he failed to do, which cost him dearly in the first winter after he invaded, the winter of 1941–42. Finally, Hitler underestimated the tenacity of the Russian people in fighting for Mother *Russia*. It's true that if he hadn't made the strategic error of having his troops sit for nineteen days less than two hundred miles from Moscow during the summer of 1941, he might have taken it over and that, later, if he had not thrown away so many German lives on taking Stalingrad, he would have been able to focus on the real prize. But every government makes mistakes, even the most evil ones, and to carry off a victory in *Russia* would have required that Hitler make virtually no major mistakes. Moreover, even had Hitler succeeded in taking over *Russia*, it's hard to imagine a scenario in which he could hold on to it. He would have had to make *Russia*—with a population of more than 100 million people, most of

them hostile to Germany—into essentially a garrison state and would have had to use about 2 million German soldiers simply to hold on to it.⁶ Given the way Hitler treated conquered peoples, hauling Jews and Slavs off to death camps and others off to work camps, he would have likely needed all those soldiers every day.

It's understandable that we in the West think of World War II as being about D-Day, the invasion of Normandy in June 1944. Our war movies are almost all about American and British war fighters. But the reality is that most of the war in Europe happened between Germany and Russia. By definition, the eastern front was where virtually all Soviet lives were lost, losses that totaled around 35 million (Glantz 2001, 4). The number of German military lives lost on the eastern front was about 4 million (Glantz 2001, 4) versus "only" 263,000 on the western front (U.S. Army 1943–45, 202). To put D-Day in perspective, even though the Germans knew that an invasion from the West was imminent in June 1944, 62 percent of German troops were on the eastern front (Glantz 2001, 9), fighting off the advancing Russians. Historians tend to agree that by the fall of 1943, almost a year before the West's invasion of Normandy, the Russians were beating the Germans.

One could argue that the United States and Britain really needed to be in the war to prevent the Russians from taking over even more of Europe than they did and making it into a garrison state. I think there's something to that argument. But notice that it illustrates my earlier point that in foreign policy, just as in domestic policy, one bad government intervention leads to another. *Why* was Russia such a threat on the eastern front toward the end of the war? One reason was the original intervention by Roosevelt in which the United States sent more than 400,000 Jeeps and trucks, 13,000 combat vehicles, 11,000 airplanes, and other war material to the Russian government. This equipment not only helped the Russians push the Germans out of Russia but also helped them to take the war into Germany and then to take over in Poland, Czechoslovakia, Hungary, and eastern Germany. Moreover, because of the war with Britain and the United States on the western front, the Germans could not focus entirely on the eastern front. It's hard to look at the facts and not conclude that had the West stayed out, the Russians and Germans would have fought to a standstill. It's even conceivable that Poland, Czechoslovakia, Hungary, and eastern Germany would have been free forty years earlier than they ultimately were.

But doesn't my reasoning ignore the fact that Hitler murdered a few million innocent Jews? No, for three reasons.

First, the decision to participate in World War II was not about the Jews. That wasn't even a tiny part of the motive the British or the Americans had for fighting. If saving Jews had been part of the motive, there was an easier way that involved not further government intervention but less government intervention. The U.S. government could have relaxed immigration restrictions to allow in the hundreds of

6. This calculation is based on the rule of thumb that occupation of a hostile population requires about twenty soldiers per thousand residents (see U.S. Army 2006).

thousands of European Jews who were desperate to find a safe haven. You might argue that such a law couldn't be passed. But FDR didn't even try. Indeed, he refused to relax immigration restrictions, even to the point of not letting a number of desperate Jews get off a German ship, the *MS St. Louis*, and enter the United States in June 1939. The ship was given such hostile treatment from governments in North and South America that it ultimately had to return its innocent occupants to Hitler's death trap.

Second, judged solely by the number of Jews saved by the Allies' entry into the war, World War II was a catastrophic failure. Hitler succeeded in murdering well over half of the Jews in the territories he controlled. The Allies showed up only in time to free at most 130,000 prisoners from the concentration camps, not all of them Jews, and tens of thousands of them died of disease or malnutrition shortly thereafter ("Liberation of Nazi Camps" n.d.).

Third, and most important, isn't the reason we care about Jews that they were innocent victims of a bad man? That's certainly my reason. In that case, can we really justify an alliance with a man who was almost as bad—Stalin—and who killed millions of innocent people? The current count of people murdered by the Soviets is about 20 million (Courtois et al. 1999, 4). Stalin was responsible for well over half of these murders.

Now consider the Cold War. In discussing nonintervention in that context, we need to distinguish among three very different aspects of the Cold War, only the latter two of which involve an interventionist foreign policy.

The first was defense, specifically defending the United States from a Soviet attack. Unfortunately, in an era in which both sides had thousands of nuclear weapons, defense involved threatening to attack the Soviets, with all the horrible consequences that such an attack would have entailed, if they had attacked us. Although making such a threat is horrible, I do not regard it as inconsistent with a noninterventionist foreign policy.

The second aspect of the Cold War involved spending substantial funds and putting Americans at risk by extending the "nuclear umbrella" to Europe. But as even the late Cold Warrior Robert Conquest admitted in 1979, "[T]he GNP of the Western European members of the North Atlantic Alliance [North Atlantic Treaty Organization], without the USA and Canada, greatly exceeds that of the whole Warsaw Pact including the USSR. The theory that it would be impossible for Europe to defend itself against the USSR and its allies, if America for any reason became unable to help, is invalid" (53).

The third aspect of the Cold War involved getting into wars and financing wars in other countries that the U.S. government saw as important in the contest with the Soviet Union. The U.S. government financed so many allies and carried on so many proxy wars during the Cold War that a complete case is impossible to make here. But consider one of the biggest wars that the U.S. government entered: the Vietnam War. The argument that former president Dwight Eisenhower made for intervening in

Vietnam is that Vietnam was a domino: if it were to fall to communism, then other countries in the area would fall also. Even if that had been true, it is difficult to see how falling dominoes in a region thousands of miles across the Pacific could have threatened the liberty and safety of Americans.

But the case against the Vietnam War is easier to make than the case against U.S. involvement in World War II, and the person who made it best was one of the main people who carried it out, former secretary of defense Robert McNamara. McNamara tells of a meeting he had with Nguyen Co Thach, foreign minister of Vietnam and during the Vietnam war an aide to Le Duc Tho at the Paris peace talks in the late 1960s:

The former Foreign Minister of Vietnam, a wonderful man named Thach said, "You're totally wrong. We were fighting for our independence. You were fighting to enslave us." We almost came to blows. That was noon on the first day.

"Do you mean to say it was not a tragedy for you, when you lost [3,400,000] Vietnamese killed, which on our population base is the equivalent of 27 million Americans? What did you accomplish? You didn't get any more than we were willing to give you at the beginning of the war. You could have had the whole damn thing: independence, unification."

"Mr. McNamara, you must never have read a history book. If you'd had, you'd know we weren't pawns of the Chinese or the Russians. McNamara, didn't you know that? Don't you understand that we have been fighting the Chinese for 1,000 years? We were fighting for our independence. And we would fight to the last man. And we were determined to do so. And no amount of bombing, no amount of U.S. pressure would ever have stopped us." (Morris 2003)

My reading of history says that this misunderstanding of the true situation was the norm for the United States: what the U.S. government saw as a contest with the Soviets or the Chinese was typically not that unless the U.S. government made it one. Various people in previously colonial countries wanted independence and were opportunistic in dealing with the Soviets and the Chinese. Kwitny, writing at a time near the end of the Cold War, explained:

The excuse for intervention, of course, is the notion that if we don't fight, Moscow will win by default. Yet as one travels the globe, from Indochina to Cuba to Angola, one finds that the Third World countries where the Soviets are alleged to have the strongest influence are precisely those countries where we have fought. Meanwhile, in countries that weren't militarily threatened by the United States, where Soviet influence has had a chance to flunk on its own merits, it has. In Egypt, in Ghana,

in Algeria, in Somalia, in Nigeria, in Indonesia—except in occupied countries along the Soviets’ own border, the Russians have been kicked out. (1984, 107–8)

What About Terrorism?

The basic case against intervening in other countries to fight terrorism is threefold. First, terrorism is a very small threat. Second, intervening in other countries is a way to make terrorism into a bigger threat. Third, fighting terrorism the way the U.S. government has fought it reduces our freedom at home.

John Mueller notes that since the late 1960s, which is when the U.S. State Department began counting, “the number of Americans killed by international terrorism . . . is about the same as the number of Americans killed over the same period by lightning, accident-causing deer, or severe allergic reaction to peanuts” (2004, 42). This is not a large threat.

However, there is a way to make that threat larger, although it would still probably remain small: intervene with force in other countries. In December 1996, I spoke to a group of Defense Department officials. My speech was a comment on a paper by my Hoover Institution colleague Henry Rowen, a former president of the RAND Corporation. I pointed out that in his paper Rowen had taken terrorism as a given but that one should take a step back and ask why terrorism exists. I said: “What leads the Irish Republican Army to put bombs in Britain? Why don’t they, for example, put bombs in Canada or Bangladesh? To ask the question is to answer it. They place the bomb where they think it will help influence the government that makes decisions most directly in the way of their goals, and the governments in the way of their goals are usually governments that intervene in their affairs.” Then I concluded, “If you want to avoid acts of terrorism carried out against people in your country, avoid getting involved in the affairs of other countries.” In other words, don’t go around stirring up hornets’ nests.

One person in the audience, noted game theory economist Martin Shubik, sarcastically accused me of advocating that “we all love one another.” But he missed the point. A *good* game theorist puts himself in the shoes of the other person whether he loves him or not. Even if you hate your opponent, and especially if he hates you, it’s good to know what motivates him.

Interestingly, the U.S. Department of Defense’s own Defense Science Board has noted this correlation. In a report issued in 1997, the board wrote: “Historical data show a strong correlation between U.S. involvement in international situations and an increase in terrorist attacks against the United States” (15).

Ivan Eland (1998), then the director of defense-policy studies at the Cato Institute in Washington, D.C., documented this connection. The surest way to reduce the terrorist threat to close to zero is to quit intervening in other countries’ affairs so that potential terrorists no longer have a grudge and/or motive for terrorizing the

United States. The editors of the *National Review*, in defense of America's interventionist foreign policy, assert that refraining from intervening in order to reduce the risk of terrorism would be the equivalent of "preemptively capitulating to the terrorists" ("The Right Blames America First" 1998, qtd. in Eland 1998, 22). Possibly. But if so, then people who refuse to walk alone in New York's Central Park at 1:00 a.m. are capitulating to muggers. The analogy is not perfect, but the imperfection strengthens my point. If I walk in Central Park alone late at night, I put myself at risk. But if U.S. makers of foreign policy intervene in the Middle East and elsewhere, they put *all of us* at risk.

Finally, the way the U.S. government has responded to terrorism has already substantially reduced our liberty, especially our freedom to travel by airline without government permission—permission, moreover, that we get only by submitting to a very intrusive examination of our bodies.

Coda

No one article can make the complete case for a noninterventionist foreign policy. The range of issues to be covered, the small but important facts in history, and the various counterfactuals to be considered require the space of at least a book and probably a few books. But in this short space I have applied some basic economic thinking that economists have used to argue against most government intervention in the domestic economy. This basic economic thinking, along with some knowledge of history, makes a powerful case for a noninterventionist foreign policy.

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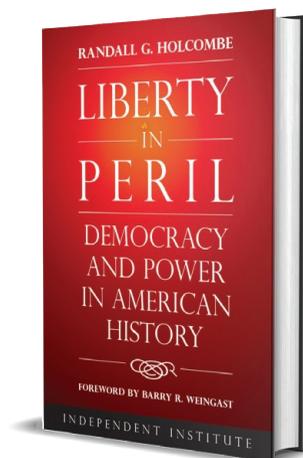
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