November 2013 marks the 75th anniversary of Kristallnacht, the Night of the Broken Glass, Hitler’s pogrom against Jews that foreshadowed the more extreme measures taken during World War II and the Holocaust. Many commentators reflect on the solemn occasion, attempting to draw lessons for the present day. But what remains neglected in almost all remembrances is the central role gun control played in the Nazi reign of terror.

The modern gun control debate did not begin in America. The same arguments for and against appeared in the chaotic 1920s in Germany’s Weimar Republic, which opted for gun registration and control. These measures restricted law-abiding persons, but they had no effect on the ongoing political violence between the Communists and the emerging Nazi party. These policies had horrific consequences.

The Weimar government’s Interior Minister warned that police must carefully secure the registration records to keep them from falling into the hands of an extremist group. But this is exactly what happened when the ultimate extremist group, led by Adolf Hitler, seized power in 1933. The National Socialists used the records to identify, disarm, and attack “enemies of the state,” a euphemism for political opponents and Jews.

Although Hitler’s gun-control policies exempted Nazi party members from some restrictions, targeting private gun ownership was part of the regime’s strategy for consolidating power. The first major “Aryanization” of a Jewish business, seen in Europe as an attack on private enterprise, occurred with the expropriation of a major firearm manufacturer owned by Jews. The Gestapo banned independent gun clubs, arresting their leaders who failed to surrender their offices to Nazis.

By 1938, the Nazis had deprived Jews of citizenship rights and were ratcheting up measures to expropriate their assets. To ensure that they had no means of resistance, the regime ordered Jews to surrender their firearms and other weapons. Police used the registration records to locate Jewish gun owners such as Olympic gold medalist Alfred Flotow, who was arrested and turned over to the Gestapo. Like countless others, he later died in a concentration camp.

In November 1938, weeks after confiscating firearms from Jews in Berlin and elsewhere, Propaganda Minister Joseph Goebbels orchestrated Kristallnacht. Nazi paramilitaries and mobs ransacked businesses, torched synagogues, and rounded up thousands. SS chief Heinrich Himmler decreed 20 years in a concentration camp for possession of a firearm by a Jew.

Diaries and other eyewitness accounts record how the Jewish victims themselves—gun owners
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THE INDEPENDENT

**President's Letter**

**The Growing Opposition to Big Government**

Do recent elections in Colorado, Australia, and Norway suggest Big Government may be stalling, and with 61% of Americans against Obamacare and 70% against a U.S. war in Syria, is the Political Class losing its grip?

More of the media are no longer dink the issue of runaway government power and spending. As a result, our Fellows are achieving a record combined reach of 4 billion across Internet and news media this year, including Fox News, CNN, CBS, NPR, C-SPAN, Wall Street Journal, The Hill, Christian Science Monitor, and National Review, among many others!

With 392,000 fans on our Facebook pages, 300 YouTube videos, and 9,000 followers of Twitter, we are reaching 3.5 million monthly! In addition, by applying our Google Ads, our work is reaching more each day, with over 403,000 new site visits generated to date.

This year we have produced 8 new books and dozens of eBooks; received 2 Eric Hoffer Book Awards and 2 IPPY Awards for Best Book; held events on finance, immigration, healthcare, and civil liberties; had Fellows testify before numerous congressional committees; conducted Challenge of Liberty Summer Seminars with students from 37 universities; and reached 300 million with our book that provides the pivotal alternative to Obamacare, *Priceless: Curing the Healthcare Crisis*, by Senior Fellow John Goodman (President, NCPA).


We are proud that the Independent Institute is among the most cost-effective organizations, with nearly 86% of every dollar going directly to Program Services. Your support is thus efficiently as well as effectively, deployed.

To build on this momentum, please join us as an Independent Associate. With your tax-deductible membership, you can receive a FREE copy of *Gun Control in the Third Reich* (p. 1), *The Terrible 10, Priceless* (p. 5), or another publication. Please see the attached envelope for more information.
In this column we highlight contributions to the Fall 2013 issue of The Independent Review by two of our senior fellows, Ivan Eland and Robert Higgs.

War and the Welfare State

James Madison warned a compatriot that standing armies pose a threat both to personal liberties and to economic liberties (due to the higher levels of taxation needed to equip and train them). Ivan Eland, Senior Fellow and Director of the Independent Institute’s Center on Peace & Liberty, takes Madison’s analysis a step further.

U.S. wars, he argues, have helped create a vast array of domestic spending programs that have pulled the United States far away from the ideals of limited government.

The biggest U.S. entitlement program—Social Security—had precedents in the pension programs for Civil War and Revolutionary War veterans. Wartime programs also contributed to the creation of public housing, the third-party health-insurance system, government interference in labor relations, and much more.

Another way that wars have contributed to the welfare state is via wartime tax changes that have funded non-military spending after the conflicts ended. Progressive taxation, tax withholding, estate taxes, and gas taxes originated as wartime measures. And the federal income tax generated significantly more revenues in peacetime as a result of tax changes enacted during the two World Wars.

Conservatives who wish to dismantle Big Government should, in logic, oppose military adventurism. “Since the rise of William F. Buckley and the neconservatives in the 1950s, however, the Right has forgotten that the best way to limit government is to have peace,” Eland writes. “That important lesson needs to be relearned.”


Understanding the Economy’s Sluggishness

Today’s economy is so vast and complex that it’s easy to see why policymakers and prognosticators often fail miserably in their efforts to make sense of it. But one need not share their hubris to believe that some economic indicators are more useful than others for explaining the economic recovery’s sluggishness.

One variable that’s essential for understanding current joblessness and low output is net private investment (i.e., spending by businesses that adds to the stock of physical capital and improves the economy’s ability to grow).

According to Robert Higgs, until the overall volume of net private investment returns to pre-recession levels, economic growth will remain lackluster. Unfortunately, data from the U.S. Commerce Department suggest that the level of net private investment in 2012 was 41 percent below its 2007 peak!

“The current situation is not simply an artifact of wounded banks’ reluctance to make new loans; many are in a position to invest in long-term projects by using low-cost internal financing, but they are not doing so,” Higgs writes.

Why haven’t business leaders resumed their normal volume of spending on capital equipment? The answer, Higgs argues, is that they are troubled by major uncertainties regarding a host of economic policies.

Ironically, the Patient Protection and Affordable Care Act (“ObamaCare”), the Dodd-Frank financial reforms, and the Federal Reserve’s “quantitative easing” policies were supposed to instill confidence. In fact, they’ve achieved the opposite.

“U.S. intervention in Syria is a slippery slope. If initial military measures don’t work, pressure will build for stronger action using the argument that American credibility is even more on the line. With a $17 trillion national debt and war fatigue from Afghanistan, Iraq, and Libya, the American public, as shown by opinion polls, has no stomach for the deep involvement in Syria that the pundits crave.”

— Ivan Eland in The Huffington Post

“Snowden was immediately made the issue to divert us from the fact that the issue is what these government officials are doing to all of us. Edward Snowden is not the issue. The messenger is not the issue here. The message is the issue. And yet, because of the way the media operate, closely with the highest powers in this country, they did not by accident turn the news on this matter into news about Edward Snowden.”

— Robert Higgs on C-SPAN2 Book TV

“The national security state and its leader demand scrutiny. In the long term, Americans should fear their own government more than foreign terrorists. The federal government is a menace not just to life but to liberty.”

— Anthony Gregory in The Daily Caller

“Congress should retire No Child Left Behind and take a fresh look at government’s role in education. … Washington needs to stop tinkering with old federal education laws and recognize that getting out of the way and allowing taxpayer dollars to fund what works for each student is the best way to improve education throughout the United States.”

— Vicki Alger in The Daily Caller

“illegal immigrants right now contribute about $36 billion a year to the economy. If they became legal, they would contribute about $100 billion a year. Over a decade that’s almost $1 trillion. So clearly that’s going to be a huge boost to the economy.”

— Alvaro Vargas Llosa on CBN TV

“…they started resorting to other ways to raise money, which was debasing their currency, and continuing to take the silver out of their coins, raising tax rates. And over time this was the downfall of Rome. It was big government that destroyed Rome. It wasn’t the Barbarians. The Barbarians came as the government was collapsing under its own weight.”

— Benjamin Powell on The Stossel Show on Fox Business Channel

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Feature

Healthcare Contract with America: The Pivotal Alternative to ObamaCare

By Lawrence J. McQuillan

In 2014, ObamaCare will take effect, but October 1 was the date to begin open enrollment and many of the subsequent changes are set to roll out over the next few months. Yet, a growing number of lawmakers are beginning to exhibit cold feet about launching the programs under their legislative tenures. They are not alone.

A national poll released in early September finds that a majority of Americans oppose ObamaCare: 49 percent disapprove of the law, 33 percent strongly disapprove, 58 percent expect it to raise their health care costs, 38 percent of Americans think ObamaCare will make access to health care worse, and 54 percent of Americans are not confident that the Obama administration will be able to operate the ObamaCare exchanges.

While the push for rejection is brewing over the scheduled implementation of the program next year, the latest calls to “defund” ObamaCare, made popular by U.S. Senators Ted Cruz and Mike Lee, fall short of specifically identifying the inherent flaws and proffering practical, free-market solutions to replace the current legislation.

The Independent Institute, drawing upon the principles proposed in our 2012 landmark book, Priceless: Curing the Healthcare Crisis by Senior Fellow John C. Goodman, has helped develop and promote a new Healthcare Contract with America, which identifies the key problems and corresponding solutions that will enable Americans to chart their own healthcare maps.

Six Reasons Why ObamaCare Will Fail
1. ObamaCare is not paid for.
2. ObamaCare promises what it cannot deliver.
3. ObamaCare mandates and subsidies will destabilize entire sectors of the economy.
4. ObamaCare creates perverse incentives that threaten the quality of care.
5. A weakly enforced mandate will undermine the health insurance marketplace.
6. A strongly enforced mandate will strain almost every family budget.

Six Principles for Reform
1. **Tax fairness**: People at the same income level and with the same health status should get the same help from government when they purchase private health insurance.
2. **Universality**: There should be some help for everyone, even those who fail to enroll in a health plan.
3. **Labor market neutrality**: Health reform should not encourage employers to avoid hiring workers, to hire contract or temporary labor rather than regular employees, to hire part-time rather than full-time employees, or to break their commitments to provide post-retirement health care benefits.
4. **Portability**: Employers should be encouraged, rather than discouraged, from offering portable insurance to their employees.
5. **Self-insurance**: The tax law should treat saving for future medical expenses just as generously as premiums paid to third-party insurance, and medical savings accounts should be allowed to be completely flexible—wrapping around any third-party health insurance plan.
6. **Real insurance**: When people switch health plans, insurers should be allowed to charge premiums that reflect real risks, but people should be able to buy the kind of insurance that protects them from premium hikes after their health condition deteriorates.

Since the release of Priceless in June 2012, the Independent Institute has been leading the charge to restore control of our health to the consumers, doctors, and patients. Dr. Goodman has been a leading spokesperson on these issues, frequently appearing on Fox News’ Special Report with Brett Baier, Fox Business’ John Stossel program, and C-SPAN, while also regularly publishing columns in Forbes, the Wall Street Journal, National Review, and the Weekly Standard, among many others.

Dr. Goodman and I are committed to achieving true healthcare reform in this next legislative battle, which requires freeing caregivers and patients by allowing them to interact in innovative ways to help individuals meet their unique medical needs. We remain firmly convinced that the time to repeal and replace is now, with just months separating us from another massive government overreach that Americans cannot afford.

Lawrence J. McQuillan is Senior Fellow at the Independent Institute and Director of the Center on Entrepreneurial Innovation. •
Growing Our Impact on the Next Generation

Wrapping up a successful summer session. Our outreach programs to young people trained students from 16 states, 7 countries, and 37 universities this year. Students learned to integrate the principles of liberty with today’s challenges in order to affect change in their schools and work in future careers. Due to the addition of a college seminar in Colorado Springs, over 50% more students attended seminars this year than last! Responding to popular demand, we filmed many of our lectures which you can watch at any time at www.independent.org/students/seminars/videos.asp.

Our internships are available year-round and are a great opportunity for students to learn to lead as they take ownership of projects in the field of their interest, building essential skills that future employers will take note of.

As Austin Buerger, Sophomore at Chapman University in Orange, California, notes:

“Working at the Institute has provided a great opportunity for me to develop my video editing skills, which will be beneficial for my Film Production major. I have mainly been editing hour-long lectures filmed during the Institute’s Summer Seminar Program, student interviews, and Anthony Gregory’s Independent Watch videos. I honestly didn't give much thought to economics or the ideas of liberty before I came here, but sitting in on these lectures and then editing them, has broadened my perspective.”

Learn more about our Student Programs at www.independent.org/students •
as well as those not remotely connected to gun ownership—described the onslaught. Jewish veterans who had served with distinction in the Great War saw their rusty revolvers and bayonets confiscated. House searches for guns became a pretext for seizing other valuables. These accounts by victims, many of them women and children, bring to life the horror of Nazis ransacking homes and arresting husbands and fathers.

A skeptic would say that a better-armed populace might have made no difference, but the National Socialists didn't think so. In secret documents discovered by Weimar Republic authorities, future Gestapo legal adviser Werner Best proposed a Nazi takeover that would deny Jews food and would execute anyone refusing to surrender their firearms.

Historians often describe the Night of the Broken Glass as the prelude to the Holocaust. They have written much about the pogrom but have ignored the firearm policies that rendered its targets defenseless. I hope to remedy this omission with the publication of my new Independent Institute book, Gun Control in the Third Reich: Disarming the Jews and "Enemies of the State."

Based on newly discovered documents from German archives, diaries, and newspapers of the time, my book presents the hidden history, in a readable but well-documented and scholarly manner, of how Hitler's dictatorship made use of gun control to disarm and repress its enemies and consolidate its power. It is the first book to address Nazi firearms law and policies that functioned to disarm German citizens, particularly political opponents and Jews.

Gun control laws are often depicted as benign and historically progressive. In fact, Nazi firearm policies, together with hysteria directed against Jewish gun owners, played a special role in laying the groundwork for Hitler's increasing belligerence and persecution of the Jews. The Nazi regime saw disarming political opponents as a categorical imperative, and aimed to reduce the threat of armed resistance by disarming domestic subjects and, in World War II, disarming victims in the occupied territories. Gun control assisted Hitler in his expansion of tyrannical power that culminated in his military invasions and ultimately the Holocaust.

Understanding how this nightmare unfolded is essential to making good on the promise: Never again. •

Praise for Gun Control in the Third Reich

“Halbrook has written an important and disturbing book. It provides a timely reminder that self defense and the right to bear arms are fundamental human rights.”
— Robert J. Cottrol, Professor of Law, History, and Sociology and Harold Paul Green Research Professor of Law, George Washington University; author, The Long Lingering Shadow

“The pioneering book Gun Control in the Third Reich tells an essential story that is central to the history of the modern Leviathan state. Highly recommended!”
— T. Hunt Tooley, Professor of History, Austin College; co-editor, Ethnic Cleansing in Twentieth-Century Europe; and author, National Identity and Weimar Germany

“Halbrook’s meticulous research in Gun Control in the Third Reich sheds new and revealing light on the consolidation of Nazi power and the prosecution of the Holocaust. Everyone, including advocates of gun controls, should find this pioneering and thought-provoking book essential reading.”
— James B. Jacobs, Warren E. Burger Professor of Law, New York University
AFTER A YEAR OR TWO of personal acquaintance, David Theroux invited me in 2006 to become a Director of the Independent Institute. Not being a person of a particular political persuasion I wondered what David felt I could contribute to his organization; it must have been his impression that as an immigrant and stalwart representative of two very entrepreneurial professions—ship owning and wine-making—that I may have some insights as to what life should be all about.

I have lived in the United States since 1959, and early on I became aware that the U.S. government in Washington had no easier task in bringing the wishes of the people in 50 states onto a common denominator than Bismarck had in managing the interests of 240 principalities in the territory of what is now Germany and its then 60 million souls. Politics is the medium by which compromise is accomplished, and that sparked my interest in keeping myself informed.

“The Independent Institute in its day-to-day activities encourages and supports writers and scholars who analyze the political events and directions of the day, and putting their views into print is enormously helpful to people who want to stay informed. My contributions to the Independent Institute go to the distribution of these independent points of view to an ever-larger readership—to help inspire the general public to stay on the course that the Founders of this great nation intended.”

As we approach our year end, the staff at the Independent Institute is so very thankful for the gifts of Dieter Tede and supporters like you who continue to make our work possible. If you would like to sponsor our work through a tax-deductible gift, please see our enclosed Membership Reply Envelope or contact Jodi DuFrane, our Development Director, at jdufrane@independent.org.