

THE

Libertarian Forum

Joseph R. Peden, Publisher

Murray N. Rothbard, Editor

VOLUME XIII NUMBER 3

MAY-JUNE, 1980

US-ISSN0047-4517

Opportunism, Nukes, and the Clark Campaign

OK folks, this is it. For several issues of the *Lib. Forum* I have been a Jeremiah warning of the structural and power conditions within the LP and particularly within the upper strata of the Clark campaign which make them ripe for opportunist betrayal of libertarian principle. This supposedly groundless warning was, indeed, a crucial reason for the purging of my "Plumb Line" column from *Libertarian Review* (See inside, "Fired from LR"). Now, unfortunately, this warning is coming true.

The crunch came, as luck would have it, with the famous nuclear energy issue. From its inception, the Clark campaign established a five-man publications review committee, a broad spectrum within the movement, consisting of myself, Dave Bergland (national chairman), John Hospers, Bill Evers, and Bob Poole. All Clark campaign communications with the outside world: brochures, releases, scripts, whatever, were supposed to be cleared in advance with the review committee, which could veto any statements which deviated from libertarian principle.

For several months, communications (under the direction of Ed Crane) were issued, but the review committee never saw them — even *after*, much *less* before, publication. Much apologies were delivered by the campaign director, Ray Cunningham, with the explanation that the computer wasn't working yet. After several months, the releases arrived — *after* publication — with the assurance that from *now* on, we on the committee would receive all publications of any importance to be cleared in advance.

Nothing arrived, but presumably that was because the campaign was still in early stages. The previous literature turned out to be all right, with some minor problems. The Publications Review Committee awaited the turn to play its supposedly appointed role.

Then, we heard, over the grapevine, that the Clark campaign has issued an anti-nuclear brochure. Not only wasn't this brochure cleared with the committee, as far as I know none of the committee has officially *gotten* the pamphlet. The communications people sent the leaflet to campus groups, who of course are nothing if not anti-nuclear, and, we find, also to press kits of state parties where Clark is to speak. As of this writing, none of the committee has been officially sent the brochure; my own copy is a Xerox sent by another committee member who in turn got it informally.

Not only does the anti-nuclear Clark brochure violate solemnly agreed-upon procedures — in short, violates a solemn contract by the Clark campaign people. But the committee made known to the Clark campaign as early as *last fall* our unanimous decision that anti-nuclear sentiments, the anti-nuke propagandist John Gofman, and support or attack on any energy forms per se, must have no

part in the Clark campaign. This was agreed by the campaign director, who repeated his assurances both on the anti-nuke content and the procedural clearance with our committee at the California LP convention a few weeks ago. Furthermore, Clark himself joined in these assurances.

But now the Clark campaign has violated all of these solemnly pledged guidelines, in procedure and in content. The brochure glorifies Gofman, quotes his anti-nuclear views (with picture yet), and then these views are seconded at length by Clark himself.

Gofman's quote is headed by the proclamation that "a founding father of the anti-nuclear movement" endorses Clark. Gofman proclaims also that "aggression is integral to the nuclear power industry", and that he supports Clark because the latter's fundamental beliefs are in accord with Gofman's position. There then follows, like a roll of the drums, all of Gofman's titles, including such of his books as "Poisoned Power: the Case Against Nuclear Power Plants."

There then follows a page of quotations from Ed Clark. Clark begins with what he thinks a crucial point: "The nuclear industry is lock, stock and barrel a creation of government, and it depends to this day on massive government subsidies." The Mueller-creation of government-line is totally irrelevant; radar was a creation of government, but that does not mean that any private use of it from then on is somehow morally tainted and illegitimate. Modern roads and highways are a creation of government, and were built and are maintained on massive government subsidies. But that does not mean that highways should be shut down or destroyed; they should instead be privatized.

And while Clark is perfectly correct in calling for an end to government subsidies to nuclear energy, he fails to recognize that the federal Nuclear Commission cripples and restricts, as well as subsidizes, nuclear energy. Federal regulations have raised nuclear costs, created inefficiencies, and delayed the construction of nuclear power plants. Libertarians should recognize that the government both restricts and subsidizes nuclear energy, and that *all* aspects of regulation should be abolished. Which is empirically more important — the subsidizing or the restrictions? We won't know for sure, until they are all abolished, and the nuclear power industry is set free to achieve whatever level it can on the free market. Which, of course, is precisely what Libertarians should be calling for, no more and no less.

Clark then goes on to say that he favors an end to all restrictions on the development of alternative energy sources, such as solar

(*Opportunism, on page 2*)

Opportunism — (from page 1)

power. Implicit in his discussion is that solar power, which from all indications is inefficient and uneconomic — certainly for the generation of electricity — is somehow better than nuclear or other forms of energy. If not, then there should be some recognition that nuclear power is restricted as well as subsidized by government. Also, there should have been mention by Clark of *other* forms of energy than solar; for example, what about coal and oil? Why are they not mentioned, as well as a call for their liberation from government control?

Furthermore, in his discussion, Clark indicates that he buys the unproven Gofman line that nuclear energy is unsafe. He first twits the government for stating that nuclear radiation is safe, and then

talks about "when the dangers of nuclear power became known . . ." Clark concludes that the "Libertarian position" is to "forbid aggression against innocent bystanders through the release of harmful radiation." This smear that nuclear power radiation is harmful is precisely the point at issue; it is unproven and is repudiated by almost all people knowledgeable in nuclear physics, engineering, or medicine.

Among all the nuclear physicists and engineers, most of whom work and live, along with their families, near nuclear power plants, Gofman is one of a tiny handful that claims that nuclear radiation is unsafe, and his methodology is based on unsound extrapolations from the admitted dangers of high-level radiation to the supposed dangers of far lower levels. It's as if Scientist A points out that drinking ten gallons of milk at once

(*Opportunism, on page 3*)

Fired from LR

As has been disclosed in *frontlines*, I was fired by Roy Childs from my supposedly valued "Plumb Line" column in *Libertarian Review*. The column suppressed by Childs, and which precipitated the firing, is presented to our readers below ("Following the Leader"). Childs indicts both the style and the content of the article as "terrible" (a rather cheeky denunciation of style considering the source). The "terrible" content from my "outrageous and destructive" claim that there are powerful forces in the Libertarian Party who are trying to attack or suppress any criticism of the LP structure or the Clark campaign. Ironically, of course, Childs' suppression of this and all future of my columns is proof positive that the charge in my article is correct.

And so, continuing our policy of pursuing truth without fear or favor, we hereby publish the suppressed column and allow the readers to make up their own mind. Do all of you also believe that this column was so subversive that it should not have been run?

I must admit, however, that I do not regret no longer being associated with *Libertarian Review*. In addition to its various peccadilloes that we have detailed in our pages, LR has, in recent months, become windy, flatulent, and boring. It is beginning to reach the exalted status in my eyes of flipping through a new copy to see if I am attacked, and then tossing it in the nearest wastebasket.

LR is a perfect example of a problem which has gotten more and more out of hand in recent years in the libertarian movement: of institutions where money and personnel have far outstripped the talent available.

The offending column follows:

FOLLOWING THE LEADER

One of the most disturbing aspects of the Iranian crisis has been the alacrity with which Americans of all stripes have rushed to Follow the Leader — to unite behind the President and to follow sheeplike wherever he may lead. We are told at every hand that there must be Unity in this crisis — as we have been told in every foreign policy crisis in this century. Unity, of course, means following loyally and uncritically behind our constituted Leaders; any other option is shouted down immediately as being divisive, disloyal, trouble-making, and counterproductive. Gone and forgotten are the foreign policy disasters as recently as Vietnam, that followed from Trusting the Experts and obeying the President uncritically.

Already, at the time of writing, there is much in Carter's policy open to severe criticism if such were to become once more part of acceptable discourse. For example: the attempt to deport innocent Iranian students in America, over a third of whom are opponents of the Khomeini regime and none of whom is guilty of any crime; the confiscatory freezing of Iranian deposits in American banks; the threatened embargo of trade with Iran; and the even direr

threats of naval or military warfare, which could only inflict murder and aggression on innocent Iranian civilians, endanger innocent American civilians, and would not even do a thing to get the hostages back — in fact, would endanger their lives. The bank freeze also involves a possibly sinister Rockefeller connection with the Administration. First, David Rockefeller and his satrap Kissinger pressure Carter to admit the Shah into the U.S.; then, after the hostages are seized, the confiscatory freeze is followed by Rockefeller's Chase Manhattan Bank declaring its loan to Iran to be in default (since the freeze conveniently prevented Iran from paying interest), enabling Chase to confiscate Iranian assets under its control.

Yet, the unity hoopla has prevented these questions from getting any sort of full airing; even when Kennedy simply stated the truth in attacking the depredations of the Shah, he was hooted down by everyone and fell drastically in the polls.

But it is not simply that following the leader allows him to take us on a gravely wrong path. There are even worse consequences. Stifling criticisms means that freedom of thought and expression are crippled, and that the healthy debate needed for both a free society and for a democratic polity is suppressed. Foreign policy then slips back to being what it was before Vietnam, "bi-partisan", deadly and therefore potentially disastrous because operating without the check of a vibrant public opinion.

These strictures against following the leader in the name of a stifling unity apply not only to government, but also to the libertarian movement itself. There is great danger that, amidst the euphoria of the exciting 1980 presidential campaign, everyone in the Libertarian Party will submerge his or her independent critical judgment in the name of a simple-minded and oppressive "unity." Already there are voices denouncing any attempt at criticism of the LP structure or the campaign as being divisive, disloyal, trouble-making, and counterproductive. And if these voices are heeded, we will have a legion of contented followers ready to follow their leaders into whatever grave errors or compromise of libertarian principle the leaders might find expedient. And since not even the best of men are infallible and all of us are bound to make errors, a lack of critical vigilance will mean that error will be compounded, and libertarian principle might fall prey to the temptations that opportunism and surrender of principle always brings to a party on the brink of seeming success.

Besides, one would hope that libertarians, of all people, are individualists and would never surrender their independent judgment to any person or group. If we should abandon our hard-won personal independence of State propaganda only to fall prey to the same sheeplike syndrome within our own party, then the cause of liberty would be in sad shape indeed — despite the golden opportunities that the real world now offers to liberty as never before in this century.

Opportunism — (from page 2)

will kill you, and Scientist B then extrapolates this downward to the assertion that one glass of milk will cause you considerable damage.

The effect of the entire brochure, then, is to adopt the Gofman-Mueller-Childs-Crane line attacking nuclear and favoring solar energy. This is a betrayal of libertarian and free-market principles in a transparent and cynical attempt to suck in liberals (especially in the media) and leftists (especially on the campus) to support the LP and the Clark ticket. It is an attempt to play on the moronic counter-cultural attitude that "artificial" (nuclear) is BAD while "natural" (solar) is GOOD. This attempt must be repudiated forthwith, and in no uncertain terms.

The publications review committee has already launched this repudiation, and unanimously so. The committee has demanded the immediate withdrawal of this reprehensible brochure, along

with a written guarantee from the campaign director that this high-handed violation of clearing procedures with the committee will never be repeated, and that we will review in advance all future communications by the Clark campaign with the public. We also demand an investigation into what went wrong here, and how this gross violation could occur. The committee has decided to go public with this protest, and we are unanimously determined to stick to our guns, and to refuse to serve as window-dressing or to give our sanction to violations of agreed-upon procedure and of libertarian principle.

Already, the Executive Committee of the California LP has voted *unanimously* to back this stand, to demand immediate recall of the brochure, and to turn investigation of this violation to the Judicial Committee of the party. Let us hope that other state parties, and the National Committee, will follow suit. We must make it crystal clear that we tolerate no further violations of principle or procedure from the Clark campaign and its power elite.

Evers for Congress

One of the most exciting and important Libertarian political races in this country has not — oddly enough — gotten any play from national party headquarters. Bill Evers, that rare combination of a brilliant theoretician and effective activist and organizer, is running for Congress on the LP ticket from his long-time home base in Palo Alto, California. Taking off from his lengthy career as student activist at Stanford, Evers has gained formidable media attention and considerable aid and interest for his campaign. The campaign is at one and the same time wedded to hard-core principle and focussed effectively on the vital political interests of the time and place. Tactics are effective and on target, but always subsumed under consistent libertarian principle. Libertarians throughout the country should take heart: *Evers won't sell out.*

Recently, Bill Evers was fired from *Libertarian Review's* sister — or cousin — publication, *Inquiry*. Under Evers' leadership, *Inquiry* has become by far the best political magazine in the country, of any ideological bent. In appreciation for these services, Evers was unceremoniously dumped. He will, in the long run or even in the short run, be better off. He will be at liberty to pursue his doctorate in political theory, and is also now free to plunge fulltime into his Congressional campaign. Sometimes, too, unemployment can liberate the soul. At any rate, one prediction we can make flatly and with absolute certainty: *Inquiry* Magazine will suffer far more than Bill Evers from his enforced departure.

At any rate, Evers has a golden opportunity to make hay for

Libertarianism in this campaign. The incumbent Congressman is Pete McCloskey, a leader of the vanishing breed of liberal Republican. In addition to that, the handsome McCloskey is one of the leading advocates of the draft in Congress. Two years ago, McCloskey got a whopping 75% of the vote against his wimpy Democratic opponent Kristen Olsen. Olsen is running again this year, which means that the Democrats will be swamped once more. Here is a splendid opportunity for the formidable Evers to come in second to McCloskey. Evers is expected to attract three large groups: Stanford students opposed to the draft; Democrats who are disgusted with the mediocre quality of Ms. Olsen; and conservative Republicans eager to dump the hated McCloskey.

We would like to urge our readers across the country to contribute what they can to the Evers for Congress campaign. For four basic reasons: because here is a marvelous opportunity to win votes and support for the LP; because it would support a model campaign fusing correct principle and strategy; because Bill Evers stands as a rock for libertarian principle and against the rising tide of opportunist betrayal in the Libertarian Party; and, finally, as an expression of personal support for a man whom these same opportunist forces have been doing their best to lay low and oust from any leadership role in the party or the movement.

Send your checks to:

Bill Evers for Congress Committee
1357 Pitman Avenue
Palo Alto, CA 94301

‡

Some Thoughts on Supply-Side Economics

by Richard M. Ebeling

When Keynes' *General Theory* was published in 1936 there was no reason to believe that it would soon serve as the framework for 40 years of economic theory and policy. Almost to a man, every important economist of that era condemned the book and its message as confused, inconsistent and dangerous. Joseph Schumpeter compared Keynes' proposals with the types of economic policies pursued by France's Louis XV, which lead to the bloodshed of the French Revolution.¹ Friedrich Hayek angrily insisted that Keynes was asking us to abandon 200 years of economic theory and return to the crude and naive idea that somehow the more money you create the wealthier you become.² And Kenneth Boulding declared that, "Mr. Keynes' economics of surprise, like Hitler's, may be admirable in producing spectacular immediate success. But we need Puritan economists like Dr. Hayek to point out the future penalties of spendthrift pleasures and to dangle us over the hell-fire of the long-run."³

Yet, by 1946, only 10 years after the appearance of *The General Theory*, all that had changed. Keynesian economics had swept the

field and those who refused to accept the new vision were considered as-out-of-date and antiquated as those who still believed that the sun revolved around the earth. Paul Samuelson could prayerfully give thanks that Keynesian system had given economists, "a Gospel, a Scripture, a Prophet."⁴ And Gottfried Haberler, who had once been one of Ludwig von Mises' most promising students in the 1920's and early 1930's, could insist that, "Only a dullard or a narrow-minded fanatic could fail to be moved to admiration by Keynes' genius."⁵

Promising price stability, Keynesian monetary policy produced 30 years of ever worsening inflation; pledging an era of full employment, Keynesian contra-cyclical manipulations created severe fluctuations and distortions in employment and output, particularly in the last 10 years; and assuring the public that the secret to ever greater investment and productivity lies in the government's fiscal ability to stimulate aggregate demand, the last 20 years has seen productivity increases falling rapidly and capital investment

(*Economics*, on page 4)

Economics — (From page 3)

become ever more erratic.

With such a widening margin between promise and performance, a revolt against the Keynesian system was inevitable. The first step in this revolution was the rediscovery of the quantity theory of money. Both Austrian and Chicago economists hammered away at the public and their fellow economists that a prolonged and accelerating rise in prices could never happen without an ever increasing expansion of the supply of money and credit.

How successfully has this truth been learned? James Meade, a leading British Keynesian and Nobel Laureate, gave a lecture in Vienna last year in which he said that a "system of uncontrolled [trade union] monopoly power" combined with a "Keynesian governmental undertaking that, whatever happens to the level of money wages, demand will be stimulated sufficiently to avoid any General Unemployment", has created a "set of institutions which might well have been expressly designed to set in motion and maintain [a] process of explosive inflation . . .".⁶ When one of the leading intellectual advocates of the British Welfare State and the Keynesian system begins to show such grave doubts, we can hope that the era of naïve but highly dangerous rationalizations for monetary expansion may be coming to an end.

Another major blow against the Keynesian paradigm is now being leveled by those who call themselves the "supply-side" economists. Pointing to the low rate of savings in the United States (approximately 3%), and the low rate of (real) investment and productivity increases, the "supply-siders" have lifted from a bookshelf long neglected by the Keynesians, the old 19th century classical works that had so cogently argued that only that which has been produced can be consumed and only that which has been saved is available to be invested. With great articulation they have helped bring back to Say's Law the respect it always deserved and should never have been denied.

All exchange has as its purpose the fulfillment of human wants and desires. We offer to trade something we possess for something held by another because we believe that that which the other person presently has title to would give us greater satisfaction than that which we presently own. Yet, unless we have been the beneficiary of a magnanimous gift-giver, the only way to acquire what we want is first to produce or participate in the production of something that other individuals might possibly desire.

That too much of one thing and too little of another might be produced is almost inevitable in a world where the future is uncertain and *present* production must be guided by *anticipations* of future wants. But through the process of profit and loss, incentives are always being created for producers to supply greater quantities of some goods and less of others. Thus, while a perfect balancing of supply and demand may never exist at any moment in time, that is the tendency that is at least always at work in the system.

The "supply-side" economists have not only repeated these arguments but have also attempted to analyze under what conditions it is worthwhile to trade or not to trade, work or not to work and save or not to save. Individuals, they point out, must compare the relative advantages of doing one thing rather than another and the alternative that offers the highest anticipated gain will be the one chosen.

In the market place, relative advantages come to be expressed in terms of prices. We enter the supermarket and, given our income, we allocate our expenditures so as to maximize utility or achieve the highest level of satisfaction possible. If the relative prices of some goods change, we reevaluate our estimations of them and most people will tend to buy a relatively or achieve the highest level of satisfaction possible. If the relative prices of some goods change, we reevaluate our estimations of them and most people will tend to buy a relatively smaller amount of the products that have risen in price and a relatively larger amount of those which have gone down in price. Relative prices, and any changes in them therefore, in-

fluence and guide the allocation of income on the part of consumers and the allocation of production activities on the part of producers.

The same tools of analysis, the "supply-siders" argue, can also be applied to a study of fiscal policy. Tax rates, for example, represent some of the relative prices that an individual has to take into consideration when making a decision. If an individual is considering working additional hours or is contemplating a new investment or a new device for improving productivity, he must compare the additional revenue or gain that he would receive from carrying out this plan with the additional costs — including taxes — involved. Thus, they conclude, progressively rising marginal tax rates that take a greater and greater proportion of one's income will tend to dissuade work, create incentives to move into barter or cash transactions that can avoid the leering eye of the tax collector, and diminish the incentive for saving and investment.

How could work, productivity, saving, investment and greater division of labor be stimulated? By lowering the marginal tax rates, so that at every level of income the proportion remaining in the hands of workers and producers would be larger. Then the relative cost of making a work or saving or investing decision would have fallen and these activities over time would probably be expanded.⁷

Now, if the "supply-side" argument was left at that, the main thrust of their argument could be considered unobjectionable in its general outline, with few grounds for major disagreement. They would have only more or less supplied the basic tools of price theory to some aspects of fiscal policy.⁸

An additional ingredient in the tool kit of some "supply-side" theoreticians, however, is the concept of the "Laffer Curve," named after Arthur Laffer, a USC economist. Laffer argues that there are two possible tax rates that will generate the same level of government revenue. If taxes are zero, government revenue is zero and the people retain 100% of their income. If taxes are 100%, government revenue would again be zero because, Laffer says, nobody would bother to work if they were not allowed to keep any of what they had earned and produced. If the rate of taxation is lowered from 100%, individuals would have an incentive to work, since they could now keep some of what they had produced and government revenue would rise from zero to some positive number. Every lowering of the tax rate would continue to induce more and productivity, with greater government revenue besides. Greater government revenue, that is, until some point at which any further lowering of the tax rate would, in fact, generate less of a government take rather than more. Hence, the "Laffer Curve."

What, then, is the goal to which economists and politicians should direct their efforts? In *The Way The World Works*, Jude Wanniski, one of the leading gurus of the "supply-side" school of economics, gives as an answer, the discovery of the actual shape of the "Laffer Curve." That part of "The Curve" at which government revenue is maximized should be pinpointed and fiscal policy implemented to assure that the economy is moved to that point without further delay.⁹

The obvious question is, how do we ever find out the actual shape of "The Curve" and where we are on it? If, for sake of the argument, we accept that such a "Curve" exists somewhere out there, it is important to realize that it would be nothing more than the cumulative subjective estimations of a multitude of individuals about the relative advantages of work vs. leisure, consumption vs. savings, etc. "The Curve" would be no more fixed or stable than the expectations and preferences of the individuals in a particular community. Changes in people's valuations, revisions in expectations about the political, social or economic climate and new discoveries of cost-saving production techniques would all work to make any hypothesized "Laffer Curve" a shifting, shadowy entity whose position and shape would be as fluid and erratic as the imaginative minds of the individuals who comprise the elements living under "The Curve"

(Economics, on page 7)

Abortion and Self-Ownership: A Comment

by George H. Smith

The Right to Abortion: A Libertarian Defense, co-authored by Sharon Presley and Robert Cooke, was published recently as a "Discussion Paper" for the Association of Libertarian Feminists. In most respects it is one of the most persuasive defenses of the right to abortion yet to appear. But it contains a rather peculiar twist: the monograph criticizes not only libertarian anti-abortionists, but also pro-abortion libertarians, such as Murray Rothbard, who defend a woman's right to abortion on the ground of self-ownership (i.e., the argument that a woman has a right to dispose of her body as she pleases). I wish to comment briefly on this aspect of the paper, pointing out, first, the misunderstanding by Presley and Cooke of the self-ownership model¹; and, secondly, the serious inadequacy of their proposed alternative.

Presley and Cooke write:

'(W)e have found that serious problems arise out of the proprietarian model. In particular, the question of abortion does not resolve itself unambiguously under the "self-ownership" model.

... For instance, we recognize that any kind of physical property — be it animal, vegetable, or mineral — is a *thing*, not a *person* ... Yet, the Lockean theory of rights holds that we are, in fact, property. To be sure, we each own ourselves; this still leaves us with the curious equation that self-slavery equals liberty.

This seems a small matter practically, only a detail to be cleared up, or ignored. But ... a few such loose ends may be more than the theory of self-ownership can tolerate.

... (P)roponents of the Lockean theory have clearly ment "self-ownership" literally. But why create such a concept in the first place? The physical body, after all, is not separate from the psychological self; they are both aspects of the same entity, the same process of existence. And if there is no discrete "self" owning a separate body — and short of the supernatural, there cannot be — then the concept of self-ownership dissolves in to the absurdity of a "self" owned by the same self, *ad infinitum*. We find it simpler to accept the idea of a whole person, who acts and who is not reducible to smaller selves.

After indicating that self-ownership is a plausible, if somewhat inadequate, notion ("To be sure, we each own ourselves ..."), Presley and Cooke abruptly turn about-face and declare that the concept of self-ownership "dissolves into (an) absurdity." Self-ownership, we are told, entails a bifurcation of human nature into the owner and the owned, a distinction not in accord with the integrated human being.

This objection is a common one², but it rests on a fundamental misunderstanding of the so-called Lockean tradition. The term "property" was used in various ways by seventeenth and eighteenth century political theorists. It usually referred, not to property in the narrow sense as an object or thing that is owned, but rather to *moral jurisdiction* over something. Thus, as Locke put it, "every Man has a *Property* in his own *Person*. This no Body has any Right to but himself."³

The phrasing is significant. Locke speaks of property *in* one's person, not of a person *as* property in the narrow sense. This permits him to include "Lives, Liberties and Estates" within the general category of property.⁴

Several decades prior to Locke we find a similar sentiment in the writing of Richard Overton:

To every individual in nature is given an individual property by nature, not to be invaded or usurped by

any: for every one as he is himself, so he hath a self-propriety ... and on this no second may presume to deprive any of, without manifest violation ... of the rules of equity and justice between man and man.

William Wollaston, writing in 1722, left no doubt as to the meaning of "property" in the broad sense:

To have the property of any thing and to have the sole right of using and disposing of it are the same thing: they are equipollent expressions.⁵

To have property in one's person is to have *moral jurisdiction* over one's mind, body, faculties, labor, and the fruits thereof. Perhaps "self-proprietorship" better captures the meaning of this idea than "self-ownership," but in neither case is there an implication that one aspect of the person "owns" another aspect of the person, as Presley and Cooke suggest. Self-ownership simply means that one's consent is a necessary condition for the use or disposal of one's body, labor, etc. Auberon Herbert, a great champion of the self-ownership concept, made this point well:

What is a self-owner? He is a man who retains the power of *consenting*, as regards the disposal of himself and of his property. The man who is not a self-owner has lost this power of consenting. Consent is the distinguishing mark of the self-owner.⁷

To base the right of abortion on self-ownership is to argue that the use of a woman's body falls within her own moral jurisdiction. For another person to contravene the woman's decision in this matter thus constitutes a moral transgression. It may require some argument to convince a nonlibertarian of this, but I fail to see why Presley and Cooke find it so troublesome.

Presley and Cooke offer another objection to self-ownership:

Furthermore, if rights are property, then inalienability may mean only that a person must consent to any disposal of his or her rights. As property can be alienated (in the legal sense) by consent, so may rights be when defined as property. (Many natural-rights theorists, from Hugo Grotius onward, have supported this argument.) The proposition that a person can enter slavery by voluntary agreement, though utterly repugnant to us, is not easily — if at all refutable within this frame. This, as David B. Davis concluded (in *The Problem of Slavery*), "was the fatal flaw in the traditional theories of natural rights."

This paragraph extends the confusion of earlier passages. One cannot alienate or transfer one's moral jurisdiction. One cannot, for example, "give" oneself to another person, commit murder, and then offer the defense that because one is the property of another person, it is that "owner", and not oneself, who is morally responsible. Moral rights and responsibilities do not derive from an act of choice, and they cannot be alienated. One cannot transfer one's will and faculties to another person. Neither, therefore, can one transfer the moral rights and responsibilities that devolve from one's will and faculties.

Presley and Cooke exaggerate the problem that voluntary slavery has caused for the natural rights/self-ownership tradition. (The two traditions, incidentally, are not coextensive, and the reference to Grotius is beside the point. Grotius was not a self-ownership advocate.) Self-ownership was the moral premise on which most anti-slavery agitators and abolitionists based their attack. Slavery — the ownership of one person by another — brought its fundamental alternative of self-ownership into clear relief. Slaveholders were condemned as "man-stealers" because they expropriated from the slave that which was properly his own: his person, his labor, and his freedom. Just as "the true owner has a

(*Abortion, on page 6*)

Abortion —

right to reclaim his goods that were stolen, and sold," argued Thomas Paine, "so the slave, who is the proper owner of his freedom, has a right to reclaim it, however often sold."⁸ The anti-slavery activist William Channing argued that "The right of property in outward things is as nothing compared with our right to ourselves"; and "if there be property in anything, it is that of a man in his own person, mind, and strength."⁹

The radical abolitionists were even more emphatic about self-ownership. The basis of all abolitionist organization, wrote William Lloyd Garrison, was "the right of the slave to himself as paramount to every other claim."¹⁰ The abolitionist Stephen Foster echoed the same theme:

(E)very man (has) an inalienable right to himself — a right of which no conceivable circumstance of birth, or forms of law, can divest him; and he who interferes with the free and unrestricted exercise of that right, who, not content with the proprietorship of his own body, claims the body of his neighbor, is a manstealer.

So obvious was the incompatibility of self-ownership and slavery that many Southern defenders of slavery did not even attempt to reconcile the two. Slavery apologists "usually conceded that it was of course true that man . . . could not be the property of another person." Instead, they resorted to the lame argument that one could "own another person's service or labor."¹²

We see that, contrary to Presley and Cooke, it is quite simple to refute the argument for voluntary slavery based on self-ownership. Moreover, the historical defenders of self-ownership almost unanimously defended its inalienability; this was not a "fatal flaw" in their theory. Finally, it was the self-ownership advocate who comprised the anti-slavery vanguard.

What do Presley and Cooke offer in place of self-ownership?

A contrasting view of natural rights defines them as the protectors of individual conscience rather than of property. Human beings are free moral agents and their liberties derive from the right of self-determination. Such rights, once we grant their existence, are not by nature transferable. This was the liberty of conscience of the English Dissenters, the 'inner light' of the Quakers, the 'individual sovereignty' of Josiah Warren, the 'moral accountability' of the abolitionists, and was, far more than property, a motive behind social and religious revolt from the Middle Ages onward. A person is a moral agent by virtue of having and being aware of the possibility of choice (that is, the capacity to choose and act). The whole person is the self and the actor."

Space prevents me from commenting on the fast and loose survey of intellectual history contained in this passage. I shall simply repeat an earlier point: The self-ownership theorists did not split the individual; they, too, talked about the "whole person." Indeed, the "self-determination" model outlined here is merely a variant of the self-ownership model. Liberty of conscience was viewed as a subset of self-propriatorship. "Self-determination" could easily be substituted for "self-propriatorship."

Unfortunately, the version of "self-determination" defended by Presley and Cooke is fuzzy around the edges. Granted, they do not attempt to elaborate or defend their view at length; nonetheless, there are serious problems with the summary contained in the final paragraph:

Rights, we repeat, are human artifices. Justice and morality are at best provisional constructions that attempt to summarize the wisdom gained from human experience and insight. But the results of behavioral codes are very real and final without appeal; we must have, then, the right to judge laws and morals by their

results and correlatively the right to reject principles that in practice result — however noble their intent — in human misery. No authority for any ethic exists beyond self-determination or individual sovereignty; the creation of prescriptions and proscriptions is within the capacity of each person as a free moral agent. To establish any moral authority antecedent to human conscience — be it the law of identity, God, or Marx — is to lay the foundation for despotism.

Frankly, I find it difficult to decipher this muddle. Earlier in their paper Presley and Cooke defend "A contrasting view of natural rights" based on the capacity for moral choice; now they inform us that rights are "human artifices," and that justice and morality are "provisional constructions." Let's get this straight. Is their defense of the right to an abortion, based on self-determination, a moral defense? Yes, or so it seems. But now, in virtue of their final statement, their own argument is reduced to an artifice or provisional construction. Then, as their article proceeds to self-destruct, they confuse things even more by maintaining "the right (!) to judge laws and morals by their results and correlatively the right (!) to reject principles that in practice result . . . in human misery." This appeal to concrete results is offered as an alternative to the artificial and constructivist nature of rights and justice — which makes the "right to judge" and the "right to reject" in this context bizarre, to say the least.

Presley and Cooke reject "any moral authority antecedent to human conscience" — including the law of identity! (Presumably this is to prevent reality from ruling over one's life.) The appeal to the sovereignty of conscience makes good copy but little sense. What if my conscience tells me to prevent women from having abortions? Legalized abortion, as we know, causes a good deal of anguish and misery for those who regard it as murder. So, exercising my sovereign "right to judge laws and morals by their results and correlatively the right to reject principles that in practice result . . . in human misery," I decide to eliminate the misery I perceive by bumping off all abortionists. Perhaps it will be argued that I do not have the right to violate the sovereignty of other individuals. Need I remind Presley and Cooke that, as they put it, "to establish any moral authority antecedent to human conscience . . . is to lay the foundation for despotism"? My conscience tells me to kill abortionists, and that's that.

Obviously, moral principles — specifically, *rights* — are needed in order to sketch the boundaries of human interaction. Rights define the moral sphere in which the individual is sovereign; they map out the area in which one's convenience is indeed supreme. Moreover, there is no way coherently to evaluate concrete results without moral principles. Simply to appeal to human misery is to resort to a subjective and indefinable standard. I suspect that Presley and Cooke understand this, as indicated elsewhere in their essay. Their final paragraph is therefore even more bewildering.

NOTES

1. I shall not speculate on the degree to which Murray Rothbard, a major target of Presley and Cooke, agrees with my interpretation of the self-ownership tradition. I have concentrated instead on the classical self-ownership tradition, beginning with the Levellers in the seventeenth century.

2. See the criticism of Auberon Herbert's theory of self-ownership by J. M. Robertson in *The National Reformer* (July 19, 1891). "The phrase 'I own my mind and body' is meaningless," argued Robertson; "I am my mind and body." Herbert's response, it should be noted, was less than satisfactory.

3. John Locke, *The Second Treatise of Government*, in Peter Laslett, ed., *Two Treatises of Government* (New York: New American Library, 1965), p. 328.

4. *BID.*, p. 395.

5. Richard Overton, *An Arrow Against All Tyrants* (1646), in G. (Abortion, on page 7)

Abortion — (from page 6)

E. Aylmer, ed., *The Levellers in the English Revolution* (Ithaca: Cornell Univ. Press, 1975), p. 68. I have modernized the spelling in the quoted passage.

6. William Wollaston, *The Religion of Nature Delineated* (London, 1726), p. 136.

7. *The Free Life* (April, 1897), p. 29.

8. Thomas Paine, "African Slavery in America," in *The Writings of Thomas Paine*, ed. by Moncure D. Conway (New York: Putnam's/1906), Vol. 1, p. 5. Cf. the discussion in David Brion Davis, *The Problem of Slavery in the Age of Revolution, 1770-1823* (Ithaca: Cornell Univ. Press, 1975), pp. 267 ff.

9. William Channing, "Slavery," in *The Works of William E. Channing, D. D.* (Boston: American Unitarian Association, 1890), p. 704 and p. 694.

10. William Lloyd Garrison, *The "Infidelity" of Abolitionism*, in *The Antislavery Argument*, ed. by William and Jane Pease (Indianapolis & New York: Bobbs-Merrill, 1965), p. 131.

11. Stephen S. Foster, *The Brotherhood of Thieves, or A True Picture of the American Church and Clergy*, in Pease, *op. cit.*, p. 138.

12. H. Shelton Smith, *In His Image, But . . . Racism in Southern Religion, 1780-1910* (Durham, N. C.: Duke University Press, 1972), p. 138. □

Economics — (from page 4)

But even more important than the theoretical difficulties of determining the position and shape of "The Curve" is the assumption that the goal of fiscal policy should be the maximizing of governmental revenues. The primary trade-off is not seen as that between income kept and income seized via taxation from the public. That analysis is incidental to the main purpose of discovering the tax structure that generates the most revenues for the State coffers, i.e., the incentive structure that entices and induces the slaves to produce the output that assures the maximum booty for the slave-masters and their lacky underlings. Indeed, the in-fighting and emotional hysteria in Congress over the Kemp-Roth Bill is nothing more than the politicians and the special interests arguing over whether the proposed tax cut will or will not supply the government with ever greater sums to dole out to the friends and favorites of the political court.¹⁰

"Supply-side Economics," as it has developed over the last few years and as it is usually presented when its case is being made, is not a vehicle for diminishing the size of government or expanding the economic liberty of the general public.

Having reached a dead-end in attempts to stimulate the economy on the side of "aggregate demand," the macroeconomic manipulators have now discovered there is a new set of economic equations that can be massaged on the "aggregate supply" side as well. Already the economic model-builders are busy at work revising their equations and adding more variables. Michael Evans, the designer of two of the leading Keynesian econometric models, has changed over to the "supply-side" school. Having opened a new economic forecasting business, he is designing a new "supply-side" model and is already estimating how much of a percentage cut in tax rates will produce what percentage increase in savings and work effort.¹¹ And after having slowly been shown the light, the economic forecasters working for Congress are licking their chops calculating what tax levers should be pulled, and by how much, to generate revenue and production where the government considers it worthwhile.

Rather than a means for freeing the economy from the fiscal tax burdens of the State, "supply-side" economics may very well serve

as the vehicle for what in France has long been called "indicative planning." Instead of directly ordering the movement of labor and resources from one area of the economy to another, indicative planning operates through a system of tax incentives and subsidy programs to entice business enterprises into certain parts of France and into certain lines of production that the government considers "socially desirable."¹²

Supply-side economics could open the door for systematic government manipulation of tax rates as a means to assure the "socially desirable" level of saving and investment and the "socially desirable" combination of work and leisure. Just as the old Keynesian macroeconomics has been a mechanism for distorting the economy through "aggregate demand" tools, the new "supply-side" macroeconomics will almost certainly result in economic distortions through the use of "aggregate supply" tools.

Tax cuts and lowering of tax rates are desirable. But they are desirable because they would allow those who have earned the income the right to keep and spend it as they see fit. Would savings and investment be greater if personal and corporate tax levels were lower? Probably they would, since existing fiscal actions have set up disincentives for both activities.

But individuals, themselves, should be left free to decide how much to work or not and how much to consume and save. And equally important, entrepreneurial and business activities should be free from regulations and fiscal gimmickry so production can be organized and resources can be allocated to reflect the preferences and desires of income earners in their role as consumers.

There is no "socially desirable" level of work or of saving and investment other than what individuals freely choose as desirable. And unless the case for "supply-side" economic reform is modified to reflect an argument for individual freedom, it may very well serve as a means for even greater State control over the economy and not less.

FOOTNOTES,

1. Joseph A. Schumpeter, "Review of *The General Theory of Employment, Interest and Money* by John Maynard Keynes," *Journal of the American Statistical Association* (Dec., 1936), p. 794.
2. Friedrich A. Hayek, *The Pure Theory of Capital* (London: MacMillan & Co., Ltd., 1941), pp. 409-410.
3. Kenneth E. Boulding, "Review of *The Pure Theory of Capital* by Friedrich A. Hayek," *Journal of Political Economy* (Feb., 1942), p. 131.
4. Paul Samuelson, "The General Theory," in *The New Economics* ed. by Seymour E. Harris (New York: Alfred A. Knopf, 1946), p. 147.
5. Gottfried Haberler, "The General Theory," in *The New Economics*, *ibid.*, p. 161.
6. James E. Meade, "Stagflation in The United Kingdom," *Atlantic Economic Journal* (Dec., 1979), p. 6.
7. Jack Kemp, *An American Renaissance, A Strategy for the 1980's* (New York: Harper & Row, 1979), pp. 32-76.
8. See Murray N. Rothbard, *Power and Market: Government and the Economy* (Menlo Park: Institute for Humane Studies, 1970) pp. 63-123, who draws similar conclusions, though with important qualifications.
9. Jude Wanniski, *The Way the World Works* (New York: Simon and Schuster, 1978), pp. 97-115.
10. Arthur B. Laffer & Jan P. Seymour, eds., *The Economics of the Tax Revolt* (New York: Harcourt Brace Jovanovich: 1979), pp. 45-68.
11. Michael E. Evans, "The Bankruptcy of Keynesian Econometric Models," *Challenge Magazine* (Jan.-Feb., 1980) pp. 13-19.
12. Vera Lutz, *Central Planning for the Market Economy. An Analysis of the French Theory and Experience* (London: Longmans, Green and Co. Ltd., 1969). ‡

Free Market Revisionism: A Comment

by Robert L. Formaini

This short note is not concerned with economic historians, many of whom have demonstrated the fallacies surrounding regulation, anti-trust laws, licensing, and the government's role in promoting depressions. Rather, I am concerned over a recurring argument that seems to have been invented solely to discredit the Cato Institute. In their recent attack on Cato, *National Review's* Lawrence Cott made what was, at that time, a rather unique argument concerning what is, and is not, proper and moral on a free market. Cato is bad because it is subsidized. By implication, Cato is hypocritical in its endorsing free markets and free enterprise because it is not "on the market."

At the time, I thought this was merely the ravings of a conservative lightweight, a mere aberration. Yet this "argument" has been picked up and repeated by many libertarians who oppose one or more of Cato's program's or personnel. The final straw, for me, came at the American Economic Association meetings in Atlanta last month when one of America's leading "free market economists" informed me that Cato "didn't believe in the market because we gave away books."

The hypocrisy of being criticized by *National Review*, whose subscribers are yearly dunned with a William F. Buckley direct mail plea for contributions, was actually surpassed by the gentleman in Atlanta, who works for a vast state-supported educational institution! What in the world is going on here? What sort of newspeak is this?

In a superficial sense, all money made in this economy is subject to, and in many cases profits by, government involvement. But surely there is a difference between private individuals contributing to private organizations, whether it be in the form of money or time or books, and taxation? Cato wears a white gown compared to our economist friend, for it receives no money taken by force from people.

Are we to condemn *National Review* because it can't pay all its bills with subscription monies? Are we to condemn private institutions that give things away? The Salvation Army is surely not loing the devil's work is it? And the *injustice* of it all! My economist friend may not know it, but it's a violation of IRS regulations to sell anything at conventions held by non-profit institutions! In his haste to attack Cato, God knoweth why, he simply overlooked both logic and fact.

It is time to remind many conservatives, and libertarians, that private money can be spent in private ways with no one's rights

being violated and no harm to the market. Free market theory does not maintain that one must make a profit to be moral, unless one is an extreme Randian. There is simply no way to maintain the opposite, and leave the market intact.

The economist tried with the following: if you opened a steel mill, you wouldn't be giving anything away, and you would have to have "faith in the market." Is this to be believed? No wonder the market is losing adherents. The analysis neglects several key facts of free market life:

- (a) No matter what is started, there is no guarantee of success. All original capital invested is a subsidy offered in the *hope* of making a profit.
- (b) There is a period when all businesses expect to operate in the red. There is a break-even point that is always in the *future* when a business starts up. It may *not* be reached, but that is not a violation of the free market.
- (c) Consumer utility is independent of the financial position of the organization supplying the goods and services people buy. Who cares if Chrysler is in the red or black? As long as they have cars to sell, people can profit by buying them. Is it valid to say that they have been subsidized by the shareholders? That they are free market violators? I say *no*, up to the point they ask for favors from the state.
- (d) The fact that goods and services will often trade at a zero price is not a violation of the market. The fact that new enterprises offer "get acquainted" gifts and benefits is not a violation of the free market.
- (e) All this goes *double* for non-profit organizations.
- (f) All monies made in the market can be spent any way the owner chooses so long as he does so within the laws.
- (g) Some things may make a profit . . . some may not. This is not, at any given point in time, a test of their relative "quality." Quality is subjective, and resides in the mind of the consumer. So is value. Free market economic theory is objective, and fortunately, contradicts the new revisionists.

If subsidies by private individuals are "bad", then everyone's bull is gored at some point. Those who propagate spurious arguments will, some day, be haunted by their own creations. ‡

SUBSCRIBE NOW

Please enter a subscription for:

Name _____

Street _____

City _____ State _____ Zip _____

Subscription Is \$8.00 Twelve Issues

THE LIBERTARIAN FORUM

Box 341 Madison Square Station
New York, New York 10010

The Libertarian Forum

BOX 341

MADISON SQUARE STATION
NEW YORK, NEW YORK 10010

First Class

Published Every Other Month. Subscription Rates: \$8.00 Twelve Issues.