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The War Over Foreign Policy

A titanic conflict is now raging over the soul of the Carter Administration in the vital realm of foreign and military policy. The outcome of that struggle will affect each and every one of our lives: for the consequence will either be aggravated militarism and a possible nuclear holocaust, or a cutback in militarism and a significant step toward international peace.

Since the Carter Administration is new and still unformed, it is understandable that a war for its soul is taking place at its very birth, to try to shape the course of the next four years. In effect, what is being attempted is a massive counter-revolution against the wise if halting steps toward detente (i.e. peace) taken by the Nixon-Ford administrations, a counter-revolution mounted by the right-wing in the Pentagon, the intelligence agencies, Congress, and the intelligentsia, the latter focussed on the aggressive Social Democrats who form what Alexander Cockburn has trenchantly labelled "the military-intellectual complex."

The assault began in force during the necessarily chaotic days of transition between administrations. The war-hawk assault suffered a setback when their hero, James Schlesinger, was defeated for the post of Secretary of Defense by the centrist Harold Brown. But then the war-crowd quickly regrouped with the deliberate leak to the press of the rabid "National Intelligence Estimate" led by one of its authors, the febrile outgoing head of Air Force Intelligence, Major General George Keegan. The NIE warns of current Soviet military "superiority" over the U. S.; the egregious Keegan, who has been predicting an imminent Soviet attack for many years within the corridors of power, then went public with an update of his old hysterical warnings. Keegan and the hawks had been able to outflank the moderate realists within the intelligence services by wangling an agreement to bring in a group of leading warhawks, the "B Team", to write their own estimates and to override the moderates. The war-hawk B Team was able to bludgeon their way into framing the NIE.

The Keegan-NIE concerns are, to put it bluntly, dangerous hogwash. It is irrational to prate about nuclear "superiority" when both the U. S. and the Soviet Union have the invulnerable second-strike capability, guaranteed by existing nuclear submarines if nothing else, to destroy one another many times over ("overkill.") The aims of the Keegan-NIE-warhawks are manifold and pernicious. One is to push for such wasteful and expensive military boondoggles as the pointless B-1 bomber. As Newsweek reports: "some extreme hard-liners in the Pentagon are talking of budget increases that could add up to nearly \$40 billion a year." Another aim is to sabotage any success of the SALT agreements in pursuing President Carter's announced goal of reductions in nuclear and conventional arms. A final, and most pernicious goal of the war crowd is to prepare for the United States a "counterforce" first-strike nuclear capability, that is, a capability of launching a nuclear attack on the Soviet Union. As the astute and knowledgeable *International Bulletin* puts it:

"the hawks favor development by the U. S. of a credible counterforce capability to fight and win a limited or even all-out nuclear war. Such a capability would give the U. S. strategic superiority and thus the ability to use nuclear weapons for coercive, political purposes in a crisis—the very goal they attribute to the Soviet Union." (*International Bulletin*, Jan. 14, 1977).

The fate being prepared for us and for all of humanity by the war-hawks is, thus, the insane goal of a nuclear holocaust. Contrast to that the rational views of such "doves" as Carter, Vance, and Brown: "that nuclear war is unwinnable—that both sides would sustain unacceptable damage—and that limited nuclear war would almost inevitably escalate to all-out war." Former hawk Harold Brown joined the rational dove view in the early 1970's; in a speech in Moscow in 1975, Brown called for both the U. S. and the U. S. S. R. "to reject counterforce strategy aimed at attaining the ability to win and fight a nuclear war or to use nuclear weapons for coercion in a crisis." (*Ibid.*) It should be noted here that the United States has persistently refused to accept the Soviet proposal for both sides to refrain from being the first to use nuclear weapons in any crisis.

The war crowd achieved its first big victory with the virtual mugging of Theodore Sorensen as head of the CIA, in Carter's ignoble and pusillanimous surrender to the right-wing smear campaign against his nominee. Sorensen's record is hardly one of all-out devotion to liberty or peace, but the point is that the smear campaign was directed against Sorensen's virtues not his vices: for the fact of his conscientious objection during the Korean War, his announced intention to dismantle the massive invasions of privacy and aggressions of the CIA, and his support for massive cuts in the military budget. The main hypocritical handle used by the smearbund was Sorensen's affidavit in support of Daniel Ellsberg's heroic disclosure of the Pentagon Papers to the public, and his admission that Sorensen used "classified" papers in preparing his biography of President Kennedy. The hypocrisy is manifold: particularly in the knowledge by the smearbund that every thing in government is "classified", that countless ex-government employees have used such information in their memoirs without remark or censure, and that their own hero Keegan and his colleagues deliberately leaked their own classified NIE to the press in support of their war drive. The hypocrisy was compounded by Senators who expressed their deep concern for the "integrity" of an agency (the CIA) that has engaged in systematic invasions of liberty, ranging from wiretapping to assassinations to secret "experimental" plying of LSD to unsuspecting and innocent people. Particularly prominent in the smear campaign were the American Conservative Union and the Birchite Rep. Larry McDonald (D., Ga.), whose office has been the headquarters for the investigation and smearing of dissidents from the U. S. government military and foreign policy line. (A celebration of the right-wing campaign against Sorensen

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can be found in *Human Events*, Jan. 29). As the columnist Murray Kempton concludes, "And so Theodore Sorensen departs; followed by unresolved suspicions that his moral sensibilities are too tender to make him a fit director of the Central Intelligence Agency." (*New York Post*, Jan. 18).

The next looming battle is over Carter's selection of Paul C. Warnke, the most dovish of the foreign policy Establishment, as chief SALT negotiator and director of the Arms Control and Disarmament Agency. Warnke was Assistant Secretary of Defense for International Security Affairs, as well chief counsel of the Defense Department, in the Johnson Administration, and was probably the leading opponent of the Vietnam War in the Johnson government. Warnke has been pressing hard for the abolition of all further nuclear testing, and for joint reduction in nuclear arms by the U. S. and Russia.

No sooner was the Warnke nomination announced (*New York Times*, Jan. 31) when the smear campaign began again, this time in the form of a widely circulated anonymous memo trying to link Warnke with the devil-figure George McGovern, and as a believer that "it is primarily American actions which have spurred the arms race." (Tsk, tsk.) (AP dispatch, February 2).

The nefarious B Team included such prominent war hawks as Paul Nitze, former Deputy Secretary of Defense; Lt. General Daniel Graham, head of the powerful Defense Intelligence Agency until he was forced out along with his ally Schlesinger in late 1975; Thomas Wolfe of the RAND Corp.; and Harvard professor Richard Pipes. But behind the B Team is the newly reformed pro-war pressure group, the Committee on the Present Danger, three of whose members were on the B Team.

In an incisive analysis of the CPD, Alexander Cockburn (*Village Voice*, Jan. 31), points out that, of the 141 members of the committee, no less than 48 academics are affiliated with 22 universities which last year received a total of \$170 million in defense contracts from the U. S. government. Fourteen other members are current or retired directors of arms-making companies. Thus, a CPD co-chairman is Henry Fowler, former Secretary of the Treasury, now a partner of the powerful investment banking firm of Goldman Sachs; another co-chairman is David Packard, head of Hewlett Packard and Nixon's Under Secretary of Defense; still another is war-hawk union leader Lane Kirkland, heir apparent to George Meany as head of the AFL-CIO. Three of the corporations scheduled to do work on the B-1 bomber if the CPD's goals are achieved are represented on the CPD: William McC. Martin, former chairman of the Federal Reserve Board, is a director of IBM; John T. Connor, former Secretary of Commerce, is a director of General Motors; and Hobart Taylor, former director of the Export-Import Bank, and Karl Bendetsen, former Under Secretary of the Army, are both directors of Westinghouse. Also a member of the CPD is Harold Sweatt, honorary chairman of the board of Honeywell, which will help make the advanced ICBMs if their production should be approved.

Cockburn also writes: "Those cold-war intellectuals worried about the future of Israel are also represented: Saul Bellow, Nathan Glazer, Norman Podhoretz, and Midge Decter—all veterans of the military-intellectual complex."

Also a key figure on the CPD is its treasurer and co-founder Charis Walker, Under Secretary of the Treasury in the Nixon-Ford cabinets. Walker, former chief Washington lobbyist for the banking industry, is now a powerful corporate lobbyist whose clients include Bechtel and the Ford Motor Company. Among his corporate clients who are also represented on the CPD are Eastern Airlines, Proctor and Gamble, and General Electric.

Such is the unholy alliance (what Cockburn calls "Dr. Strangelove's Children") of pro-war intellectuals and corporate and academic defense contractors who help to form the greatest single threat to all of our lives and liberties.

Flash: As we go to press, it turns out that the anonymous memo was written and the anti-Warnke smear campaign directed by Penn Kemble, executive director of the Coalition for a Democratic Majority, and by Joshua Muravchik, ex-CDM staffer and aide to Senator Patrick Moynihan (D., N. Y.), the thinking man's Scoop Jackson (Mr. State). The CDM,

Recommended Reading

Leonard Liggio, "English Origins of Early American Racism," *Radical History Review* (Spring 1976). A lengthy and brilliant article, which traces early American racism and brutal treatment of the Indians to the English treatment of the Irish.

H. J. Eysenck, "The Case of Sir Cyril Burt," *Encounter* (January 1977). A sober treatment of the late English psychologist, pointing out that he committed error rather than fraud, and that in any event the case for inheritability of IQ still stands.

The Freeman, December 1976 issue. This venerable monthly, which is generally confined to ultra-elementary articles on freedom, has three excellent brief articles in this issue: two on governmental responsibility for monopolies and cartels—Brian Summers, "Cartels: Conspiracies in Restraint of Trade,"; and David Osterfeld, "The Free Market and the 'Tyranny of Wealth,'" and one by Henry Hazlitt on "Lessons of the German Inflation."

Alan Crawford, "Richard Viguerie's Bid for Power," *The Nation*, Jan. 29. A chilling expose, by a pro-free market conservative, of the drive for power by the Viguerie-Phillips-Rusher clique, and its willingness to jettison the last remnants of the pro-freedom rhetoric of conservatism in the process.

Athan Theoharis, "The Origins of the Cold War: A Revisionist Interpretation," *Peace and Change*, (Fall, 1976). A fine summation and bibliographical analysis of the origins of the Cold War by a leading Cold War revisionist scholar. While Theoharis is firmly in the revisionist camp, he probably errs by reverting to an earlier revisionist view that puts the blame on the Truman Administration, while letting FDR off the hook. □

which prominently includes the same Commentary crowd joined in the CPD, is a group of right-wing Social Democrats within the Democratic Party that aim to move the party in a Jackson-Moynihan direction.

FOOTNOTES

¹ The provos, short for provocateurs, are a group residing in Holland many of whom "own" white bicycles. These white bicycles, when not being used, are by common consent, left for anyone else's use with the proviso that this secondary user, will, in turn, allow a third person to use it when he himself finishes.

² For a discussion of why "non-used" things like inventory, vacant apartments, and "non-used" people such as frictionally unemployed people are not really wasteful, see Alchian and Allen, *University Economics*, pp. 496-503.

³ Always assuming that his property rights do not conflict with the equal property rights of others, eg. he cannot shoot his gun anywhere he pleases.

⁴ External economies are said to exist when not all production costs must be met by the given producer: he is able to "shift" some of the costs onto others.

⁵ R. H. Coase's work in the *Journal of Law and Economics* is a pleasant exception.

⁶ More exactly, he will choose the alternative that nets him the highest present discounted value: the most valuable future income stream in accordance with his time preference.

⁷ "Redwood trees" may be substituted for lakes. In this case the dispute would be between consumers who want to use redwoods for recreation and those who want to use redwoods as furniture, etc. It is not "rational" to completely prohibit either use. Clearly, an allocative mechanism must be found.

⁸ Although ineffective, indirect, slow-moving, political opposition to pollution is still possible. Political opposition, where the corporations, whose total incomes are at stake, find it profitable to bring overwhelming pressure to bear, and where the "recreation" standing to lose only small conveniences, by comparison to the corporation, finds it hard to oppose the pollution.

⁹ My treatment is indebted to Milton Friedman's essay question on page 284 of his "Price Theory", Aldine Co. 1962, Chicago.

¹⁰ Substitute for books: magazines, newspapers, movies, records, paintings, pornography in whatever form. □

Libertarianism and Property Rights

by Walter Block

I Objections To Property Rights

1. First, the "human rights versus property rights" bogey must be laid to rest. There is no real conflict between human rights and property rights. This is almost as silly as the "conflict" between people and cars that rages from time to time, centered around the assertion "Cities are for people, not cars". Clearly, the conflict is between people (in cars) and people not in cars (pedestrians) as to access on roads. What type of beast, may one ask, do proponents of "people" and opponents of "cars" think inhabit cars, for goodness sake?

In like manner, what type of beast is thought of as having property rights, if not human beings! Clearly, again, the conflict is between different human beings, each pressing their own claims as to rightful ownership.

Historically, a conflict between "human rights and property rights" arose over unionization. The libertarian view on this fiasco is, briefly, that workers have every right to associate voluntarily together in order to bargain for better wages and to quit in unison as a tactic. Anti-trust legislation should not apply to unions (nor to business, or anyone else for that matter); any use of detective agencies like Pinkertons to aggressively bust up unions is clearly contrary to libertarian strictures against the initiation of force against non-initiators.

But workers, too, have no right to beat up other workers who are willing to work for the employer at wages equal to or less than the wages that the union has rejected. I refer to the quaint practice of "beating up scabs". This, too, is in violation of libertarian prohibitions of aggression.

2. Secondly, let's consider the "Property is theft" claim. If by this is meant that presently, property is theft, or that the present distribution of property has resulted (largely) from theft, conquest, etc., then this could be a perfectly legitimate claim. That theft and aggression have resulted in illegitimate property titles is a focal point in much libertarian writing. (There is some evidence that the statement "Property is theft", made famous by Proudhon, was meant in exactly this way.)

But "Property is theft" might well (and oftentimes has) been interpreted as "Property, by its very nature, is theft" or "Property, of all kinds, always has been, is, and always will be, theft". To this claim, two objections must be made:

Property rights give their holder the right to dispose of or use that which is owned: the property. If property rights are, by their very nature, theft, then mankind would be prohibited from using objects on this earth and would soon die. More unintelligibly, man would also seem to be prohibited from using his own body, since his body is his property, and he would presumably have to deliberately commit suicide even before he could starve so as not to use his body that he has "stolen" (from whom?) one second longer than necessary. But how could he commit suicide? He couldn't use a rope or a gun because use of such property would be theft. He couldn't even strangle himself because, in order to do so, he would have to use "his" fingers, and he has no right to do this!

This position cannot be saved by recourse to the following argument: "Mankind can use objects on this earth (and his own body as well) and this need involve no recourse to so-called property rights: use of objects (and one's body) can be based on the need for survival, or the attainment and preservation of human life."

But what this argument translates into is that property rights can be based on survival, human life, etc. This is because all that is meant by property rights is the right to use objects (and one's body). Referring to property rights by any of its synonymous phrases like right to use objects does not and cannot invalidate this point. Property by any other name is still property.

Why this tie to the terminology of private property on the part of libertarianism? Surely there is nothing holy about the word "property" and maybe it would be better to drop it like "capitalism" seems to have been dropped. (With "friends" like the conservatives, these words

haven't needed enemies.) But "ownership" has a bad tinge of its own and "right to use objects" is rather awkward.

The second objection that must be made to interpreting "Property is theft" to mean that property, by its very nature, is theft, is that this interpretation involves the acceptance of a logical contradiction. For what is theft but the taking of something that is rightfully owned by another (another's property)? It is not theft if what is taken is unowned or is owned by oneself! But if there is no such thing as a valid concept of rightfully owned property, then there cannot be a valid concept of theft, and property cannot be theft, because there cannot be any such thing as theft in the first place!!!

3. Let us now consider the view that private property is theft (or at least quite suspect) whereas commonly owned property is not theft (and is not even suspect). This view can be interpreted in a "weak" and in a "strong" sense. In the "weak" sense, this view merely voices concern as to whether communes, cooperatives, kibbutzes, or provo'-white-bicycle systems would be allowed to function under libertarianism. The answer is a very definite, yes. There is nothing in libertarianism inconsistent with any type of voluntary commune nor is there anything in libertarianism that gives preference to communal over individual forms of ownership. All that need be done is that each member of the commune contribute his own possessions with any (or no) agreement as to how the commune is to divide "its" property if or when "it" decides to break up. As long as no recalcitrant prospective member is forced to join or contribute, there is nothing about a commune inconsistent with libertarianism.

In the stronger sense, this view would hold that only communal ownership claims (and not private or individual ownership claims) can have validity. This group would thus allow all that follows from the property rights doctrine (exclusive right to use), but would substitute "communal" property rights for private property rights.

One argument against this doctrine is that it breaks down when human beings are considered as property. If only groups of two or more are allowed to determine people's actions, instead of each person deciding what he himself shall do, all sorts of problems crop up. How would the commune consisting of Mr. A, Mr. B, and Mr. C decide what actions to take? It would seem that if Mr. A and Mr. B vote that Mr. C should commit suicide, Mr. C would be morally obligated to do so, since Mr. C, by himself, could have no property rights over his own person whatever.

If people can be owned "in common" but not by themselves then Mr. A can own Mr. B but not himself and likewise Mr. B can own Mr. A but not himself. There is a contradiction here because Mr. A, the owner of Mr. B, can order Mr. B to order himself (Mr. A) in a manner pleasing to himself. Mr. B can also do this. But then, except for the inconvenience of having to order one's slave to tell one what one would have done in the first place anyway, each man really owns himself! So communal ownership breaks down into individual ownership.

There are troubles for "strong" communal ownership in the case of objects. By what magic can a group of "miserable" individuals, who separately cannot own the smallest thing of value, be transformed into a group, who can? A group, after all, is no more and no less than a mere collection of individuals. If no one in the group can have any property rights at all, how can the group have property rights?

Alternatively, consider a group of homesteaders who legitimately own the land, according to this doctrine. Suppose they decide to disband and divide their territory among the individuals comprising the group. They would be rudely shocked to learn this would not be permissible since "no individual or private ownership claims can have validity." But if a group cannot give its property to whomever it pleases (themselves as individuals, in this case) in what sense can they be said to have really owned the property in the first place? Thus we see that strict communal ownership implies no ownership at all.

The value of private property is that it allows "rugged individualists"

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and hermits as well as the more socially or cooperatively minded to "do their own thing": the "strong" communal property doctrine allows scope only for those who wish to own property in common.

4. A doctrine which I have dubbed "the no hogging theory" allows for private property rights, but transforms the idea behind the provo white-bicycle system in an interesting way. The idea behind the provo white-bicycle system, it will be recalled, was that anyone else can use the white bicycle when the "owner" isn't using it. The "no hogging" theorist transforms this into the view that no one can fully establish ownership rights in a piece of property because property rights were only established in the first place, as based on use of the piece of property in question, and no one can continuously use any piece of property, if for no other reason than that he must fall asleep eventually. In other words, private property rights are valid, all right; they are just of a very temporary nature. They last until the owner stops using the object and when he goes to sleep he loses all property (except perhaps his pajamas and his bed).

At this point the "no hogging theory" breaks into two schools of thought: According to the first, all people can use the object when the owner is no longer using it, free of charge, of course, but they have to bring it back to the "owner" when he wants to use it again. This may be called the "no hogging but strong property rights" school. According to the second school, the "owner" completely loses his rights to an object when he ceases to use it and may only regain possession when others cease using it and his turn to reuse it comes around again... This may be called the "no hogging and weak property rights" school.

How will it be defended just which people are "next in line" to receive the soon to be unused property? Money prices could not be used to ration these scarce goods because no case can be made out for giving the money to third parties and, anyway, according to the "no hogging theory" the ex-user of the object is hardly entitled to financial remuneration (rent) for it.

It is easy to see that there would be little incentive to produce anything of lasting value under the "weak" school. If anyone could come along and take all one's hard-earned possessions the minute one ceased continual use of them, it would be a miracle, indeed, if much were produced (and hence many people kept alive). The "strong" school fares little better. Suppose, under the "strong" school Mr. B used Mr. A's property while Mr. A was not using it and damaged it before returning it to Mr. A. Would Mr. B have to pay for repairs? If no, then the "strong" school supplies no more incentive to produce than does the "weak" school. If yes, the whole "strong" system is unworkable, because every wronged "Mr. A" could always justifiably claim psychic income loss when his property was taken out of his possession. After all, physical, visible breakage of objects is not the only kind of damage that can be incurred by the aggrieved property owner. If the "strong, no hogging theorist" then claims that Yes, payment must be made, but that this is akin to a rental, the no hogging position is reduced to a rule that all unused property must be rented out (presumably to prevent wasteful non-usage). What will the rental price be? If it is to be non-arbitrary it must be a rental price willingly agreed upon by both rentor and rentee. But this is precisely what would occur under libertarianism, where "hogging" is allowed.

Another advantage of permanent private property rights over temporary private property rights is that under "permanent" property a group of people may voluntarily band together to try to apply the "temporary" property theory to whatever "permanent" property they may happen to own. Under "temporary property" a group of people could not voluntarily band together to try to apply the "permanent" property theory to whatever "temporary" property they may happen to "own". They cannot do this with their "temporary" property because under "no hogging" or "temporary" theory, it can be taken from them when they cease to use it.

5. Some people might be disposed to agree with the libertarian concept of absolute property rights, so far, but would insist upon an exception for inheritance. Property rights are all right, according to this line of thought, but the right to dispose of property after death through

inheritance ought not to be allowed. There are, commonly, two reasons given for this: inheritance leads to large concentrations of wealth; inheritance is unfair because those who receive it get an unfair "start" in life. There are two objections to this:

There are large concentrations of wealth and then there are large concentrations of wealth. Some men amass large fortunes because of munificent creativity. If the benefactor who brought the world the light bulb, the telephone, etc. or the benefactor who brought the world the airplane, became fabulously wealthy through production, trade and voluntary exchanges, the libertarian can do nought but wish him well and rejoice that such men make his life easier. Any attempt to relieve these men or their heirs of their fortunes would violate libertarian strictures against the initiation of violence against non-initiators.

The large fortunes of the Rockefellers, Morgans, Lyndon Johnsons, etc. stolen of, by and through government depredation, should be "taxed" away by an irate citizenry, even before there is a chance for them to be passed on to heirs.

Many large concentrations of wealth would be reduced in one fell swoop by the institution of the principles of libertarianism. All subsidies, tariffs and privileges, government supported monopolies and cartels would immediately cease. There would be much less concentration under libertarianism with no prohibitions of inheritance than presently with so called progressive taxation on income and inheritance.

There is a natural limitation in concentration due to production and trade that is absent under governmental "transfer" programs. Under production and trade a fortune can only be made when the mass of people become enriched—a positive sum game, in game theory terminology. The benefactor becomes very rich in absolute terms, but less so in percentage terms because the poor get richer too. Under archaic depredation, fortunes can only be made at the cost of impoverishing the mass of people—a zero sum game. (If the costs of the transfers in terms of collection costs and inefficiencies imparted to the whole economy are counted—a negative sum game). The thief becomes very rich in absolute terms, but even richer in percentage terms because the poor becomes more impoverished.

Secondly, if we really took objections to unfair starts in life and "unearned" wealth seriously, we'd be involved in all sorts of unpleasanties. To begin with, some children are born with more happy dispositions, healthy bodies and better minds. Should the all-loving state step in and redistribute health, happiness and talent from those who have too much to those who do not have enough? A thoroughgoing opposition to unearned "wealth" would also include opposition to all gifts, not just gifts to heirs. Birthday presents, wedding and anniversary gifts, the whole bit. Also parents' gifts of their time and love to their children (and to each other) would have to be prohibited out of "fairness" to those without loved ones.

II Incomplete Vestiture of Private Property Rights

Complete vestiture of property rights means that the property rights of the owner are absolute: he can sell, lease, rent, his property at any mutually agreeable price; he can give his property away, or allow it to lie fallow, or completely destroy it, or make improvements in it. And at no time are there any "strings attached", any governmental prohibitions or encouragements impinging on these privileges.

Incomplete vestiture of private property rights occurs when any or all of these privileges are abrogated; and whenever this occurs, grief is sure to follow. Conservation is a case in point. A hue and cry is frequently made about "our" polluted lakes and streams. Politicians make fiery speeches: conservation groups mobilize irate citizens; corporations who pollute lakes and streams with industrial waste tell of their efforts, economists give fancy names to the phenomena: external diseconomies⁴; Capitalism is blamed in all beautification projects; and hardly anywhere⁵ is it realized that the cause of all the problem is not property. The cause is the lack of private property rights in bodies of water; the fact that "our" lakes are really no one's lakes at all.

Let's suppose that all lakes were privately owned in much the same way that much of the land mass is owned. The owner of the lake now has to make a choice: should he let his lake be used as a site for the dumping of industrial waste? Or should he save his lake for "recreational" uses:

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boating, fishing, swimming, etc.? He will, of course, choose that alternative which is most profitable to him; but he will realize that once a lake is polluted there is little possibility of conversion to recreational uses, while conversion from recreational to industrial uses is always open to him: that, in view of this, if his lake, presently, would be just slightly more profitable for industrial than for recreational uses, he might well be better off saving it for the latter use.*

The number of lakes saved for recreational purposes will depend on the valuations set on the alternative uses of the lake by consumers. A given lake will be "saved" if more dollars are forthcoming from consumers interested in recreation than from consumers (indirectly, producers) interested in industrial products.

Under the present system, pollution of a lake is completely free to the industry: a lake will be polluted if alternate methods of disposal cost as much as one cent even though recreational uses might be willing to pay far more. Producers are able to "push" the costs of disposal onto potential recreational users of lakes in the form of pollution. They do not have to pay for pollution, because no one owns the lake. If someone owned the lake and charged them for pollution they would have to bear all the costs of production. External diseconomies would disappear with the advent of property rights.

If lakes were owned, industry would have a cash incentive to explore alternative disposal methods such as land refill or conversion to fertilizers. Lakes would not be polluted at all, unless alternative methods

proved more costly.

Let it not be objected that under private property in lakes, swimmers, boaters, etc., would have to pay for their use of the lake, whereas lakes were free before. To make this objection is to misunderstand the allocative function of prices. According to this objection it presumably would be better to have maximum prices of zero on food and housing, for instance. People would then be able to have these commodities for "free". If this program were carried out in earnest very few resources indeed would be allocated to the production of food and housing. People would then starve and be homeless.

If land had a maximum price of zero, it could not be allocated in any rational way; and this, as we have seen, is exactly the problem associated with "free" lakes.

Another area of grief due to incomplete property rights is that vast wasteland, television*. "Owners" of T.V. stations are not allowed to charge anything to their customers, the viewers. They depend upon advertisements for their revenue. As a result T.V. programs are banal, dull and pitched to the lowest common denominator.

Suppose the ever-loving government were to decree that book¹⁰ publishing follow this rule? That henceforth no price could be charged for a book? That all publications must depend upon advertising for their sole source of revenue?

Surely book publishing would come to resemble T.V. in its dedication to the lowest common denominator! The answer is not to emasculate property rights in these areas. The answer is to institute full absolute private property rights in the area of T.V. □

One Man Against OSHA

There is no agency more despotic, more totalitarian, in the United States than OSHA (the Occupational Safety and Health Administration of the Department of Labor.) OSHA has been terrorizing small businesses throughout the country by conducting lightning raids without a search warrant to impose "safety" standards that are usually absurd and idiotic, and impose impossibly high costs on their small business victims. OSHA is bureaucratic regulation run rampant, implicitly aiding large business by imposing mammoth fixed costs on their smaller competitors. Moreover, by conducting these raids without a warrant, OSHA has been in clear violation of the Fourth Amendment prohibitions against search and seizure without use of a court warrant.

Now one heroic small businessman has risen up to challenge the dread power of OSHA, and is so far succeeding! In September 1975, OSHA inspectors tried to enter the small plumbing-heating-electrical supply house of 61-year-old Ferrol "Bill" Barlow, of Pocatello, Idaho. Barlow refused to allow the OSHA gestapo to enter, whereupon, as usual, the Department of Labor brought suit against the resisting Barlow. But Barlow pulled a dramatic switch, filing a counter-suit in Federal court charging OSHA with violation of the Fourth Amendment.

On December 30, a three-judge federal court in Idaho stunned OSHA by finding in favor of Mr. Barlow, declaring that the warrantless inspections of OSHA are unconstitutional, that the inspection provisions of the OSHA law are null and void, and issued an injunction prohibiting the Secretary of Labor or any underling from sending an OSHA inspector to any business without a warrant. OSHA was particularly stunned at the ruling on constitutionality, since it had maintained that Barlow was obliged to admit the inspectors and then appeal through its own administrative processes for relief (Ha, ha!)

Barlow was aided in his fight by the fact that his fabricating shop has a spotless safety record, and by the admission of OSHA that its visit was a "routine" one and that it had no probable cause for complaint against Barlow's business.

The reaction of the lawless OSHA is typical. Its lawyer declared that "We construe the order as applicable only in Idaho where that three-judge court has jurisdiction"; and so OSHA will continue its gestapo

tactics outside of Idaho while it appeals to the Supreme Court for a stay of the court injunction. And so the Supreme Court will now rule on the matter.

Meanwhile, we may hail, not only Mr. Barlow (on whose office there hangs a framed copy of the Bill of Rights), but also the decision of Judges Keolsch, Anderson, and McNichols, which declared: "Our only concern is the alleged affront to the Fourth Amendment Expediency is the argument of tyrants, it precedes the loss of every human liberty."

(See the New York Times, Jan. 17). □

From the Old Curmudgeon

Solar Baloney. For some reason, it is now fashionable left-liberal faith to plump for solar power — as against the bad old oil, coal, gas, etc. sources of power. Maybe the solarites feel that they are then more in tune with mystic vibrations from On High. In his desire to swing with the fashion, President Carter ordered solar heating for his stand at the Inaugural — but, fortunately for his health, hedged his bets by adding a supplementary old-fashioned oil heater, just in case. The case happened, and the bitter cold and snow this winter routed the solar forces with ease.

Not being a technologist, I'm not going to take a stand for or against solar energy. But I do know that it is highly uneconomic in relation to other energy sources, and that its wide-eyed advocates are hoping for the blessings of federal aid to offset the disadvantage. Thus, a letter to the New York Times (Jan. 31) by Mr. Gerald M. Schaflander, president of Idaho Solar Power, Inc., lets the cat out of the bag. While claiming that his own version of solar power is better and more economic than the standard EFG-method, his solution is to call upon President Carter and other government agencies to "bite the bullet" and "back" his version of solar power. The case for the prosecution rests. □

The Natural Gas Caper

As everyone knows, the bitter winter in the Northeast and Midwest has aggravated a grave "shortage" of natural gas in those parts, with attendant calls for government rationing and hysterical denunciations of the natural gas companies for allegedly deliberately creating a shortage and perversely refusing to sell oceans of natural gas. In actual fact, as virtually all economists have proclaimed, the "shortage" is a pure creation of Federal Power Commission maximum price controls, which have been in effect since 1954, and which have been increasingly below a free-market price that has been rising through general inflation in the decades since. The severe price controls have dried up incentives for natural gas producers to explore and discover new gas reserves. The culminating inanity is that since FPC controls inter-state shipments but not shipments within the major producing state of Texas, that it has become a losing proposition to ship the gas out of state.

Even the New York Times has recognized this fact; it points out the example of Antonio R. Sanchez, Jr., a Texas gas producer, who sits on an ocean of natural gas, but which is only sold to fellow Texas buyers. Why? Because Texas buyers are paying about \$2 per thousand cubic feet for gas, the market price, while federal price controls prohibit out-of-state buyers from paying more than \$1.42. As Sanchez states: "What amazes me is why people in the East cannot understand the simple economics of it. Why should I sell my gas out of state for \$1.42 when Texas buyers are waiting in line to pay \$2 for it? For \$1.42, I wouldn't even go out and drill the holes. We wouldn't even consider it. It's simply not commercial. We'd divert our funds somewhere else." (New York Times, Jan. 31)

In its fumbling attempts to deal with the problem, the Carter administration has indicated that the emergency is so great that it might be necessary to relax the price controls. Which, of course, is an implicit acknowledgement that the controls are the major culprit in creating the shortage. The controls themselves were imposed by an unholy alliance of left-liberal intellectuals and monopoly utility companies, who as buyers lobbied for government aid to give them cheap gas. They are now reaping the whirlwind.

It is usually under color of "emergency" that totalitarianism rears its ugly head. The most blatant example is the reaction of Governor Byrne of New Jersey to the natural gas shortage. From price controls comes shortage and then despotism, and Byrne has decreed that all buildings, commercial and residential, must ration gas (and indeed, all other heat sources) by holding down their thermostats to 65 degrees by day and 60 at night. How is this universal decree to be enforced? While Byrne and New Jersey officials claim that they will avoid such mass-gestapo tactics, their denials are scarcely convincing. Under the 1941 Federal Civil Defense and Disaster Control Act, and under Byrne's declaration of a state of emergency, violators of the 60-degree mandate will be convicted as guilty of being "disorderly persons" and subject to fines of \$175 and up to a year in jail. Already, state and local Jersey police have cruised neighborhoods in squad cars and knocked on doors to remind residents of the fines and jail sentences in store for those who prefer warmer homes. The governor's office admitted that the police would make "spot checks" of homes and businesses to enforce the edict. When asked whether violators would be arrested, Robert Comstock, an aide to Byrne, replied, "damn right we're going to arrest people."

Defiance of the decree quickly built up across the state, especially among poorer people who can't afford the extra warm clothing, and churchmen who balk at the decree that churches must lower their thermostats to 50 (!) degrees.

All this is reminiscent of the artificial meat shortage of 1946, created by federal maximum price controls on meat. Before removing the controls in the summer of 1946 (and thereby quickly ending the "shortage"), President Truman declared that he had seriously considered mobilizing the army and National Guard and going to the farms and seizing the livestock, but that "practical difficulties" forced him to abandon that plan, so that he was then forced to remove the controls. (Again, implicit acknowledgement that the controls were responsible in the first place.) No better example can be found of how we are always faced with a sharp alternative: free markets and abundance on the one hand, or shortages

and totalitarian despotism on the other.

In the meantime, in an unrelated natural gas caper, Cockburn and Ridgeway (*Village Voice*, Jan. 31) have uncovered a mammoth taxpayer bailout-boondoggle granted to certain elements of the natural gas industry. Just before leaving office, outgoing Secretary of Commerce Elliot Richardson approved a \$730 million U. S. government loan guarantee to the big defense contractor General Dynamics, to build a fleet of enormously expensive tankers to convey liquid natural gas from Indonesia to Japan. Of all U.S. corporations, General Dynamics is perhaps the most tied in with the government, and the least able to fend for itself on the free market. General Dynamics had been suffering severe losses in its shipbuilding operations, and now the \$730 million U. S. guarantee of its loans enables it to go ahead with this uneconomic operation.

As in all government operations, we must ask *cui bono*: who benefits, at the expense of the taxpayers and of the economic use of resources on behalf of the consumers? First, of course, General Dynamics. Second, Elliot Richardson himself, for the shipyards are located at Quincy, Massachusetts, and this would be a talking point for his prospective race for governor of that state. Third, the British government, and its inefficient and uneconomic bailee, Burmah Oil. Burmah Oil, on the point of collapse, was saved two years ago by the British government, which stepped in to guarantee its heavy debts to American and foreign banks. Of these, no less than \$500 million is in hard-to-come-by dollar loans. Burmah Oil will be using the ships constructed by GD to haul the liquid gas from Indonesia to Japan. Failure of the U. S. government to kick in the \$730 million guarantee would have probably caused the bankruptcy of Burmah Oil and a default on its loans; and where would staggering, inflation and deficit-ridden Britain have found the \$500 million to fulfill its guarantee? The British government and British banks, therefore, put intense pressure on the U. S. government to come across.

A fourth beneficiary of this deal (which totals \$3 billion in all) is the corrupt, uneconomic state-owned Indonesian corporation, Pertamina, which could easily have gone under without its share of the swag. And finally, there is the huge Bechtel corporation, the American construction company which will build the Indonesian facilities to liquify the natural gas before shipment. Bechtel stands ready to make no less than \$1 billion out of the transaction (General Dynamics get another billion, and the remainder goes to Japanese equipment companies.) Bechtel had close ties to the Nixon administration; its current president, George Shultz, was Secretary of Treasury under Nixon, and was highly touted as a "free market" economist.

To make the whole deal bipartisan, incipient Congressional resistance to the guarantee collapsed when Juanita Kreps, the new Secretary of Commerce, signified her agreement to the deal.

In addition to all this, liquid natural gas is apparently highly flammable: if any severe explosions occur, we can also chalk the human and property losses up to the same crew—the crew that so many libertarians like to think of as misguided "altruists." □

Going, Going. . . .

Every two years, the Lib. Forum binds its issues for those years in a handsome red cover, stamped with gold. Soon, the 1975-76 issue will be bound. Hurry, hurry, then, to get your copy of the 1973-74 book. Get your Libertarian Forums in permanent, book form. Some copies of the 1973-74 book are still available at the low price of \$20.

Anarcho-Capitalism and the Defense of the Nonstate

by Dave Osterfield

Anarcho-capitalists believe that it is possible to defend the non-state in the same way that they see other problems being handled: the market. Jarret Wollstein argues that private defense companies could raise capital by selling "defense bonds" and repaying the principle and interest from revenue obtained by the sale of either products or rights to invention resulting from technological spin-offs.¹ Even granting that private companies would operate more efficiently than governmentally operated defenses, it seems doubtful that the number of technological spin-offs would be enough to cover the required costs, much less to leave enough left over for profit. The same problem would probably apply to David Friedman's suggestion that all or part of the costs of national defense be funded by such devices as tipping and charitable contributions.² Another proposal is that "Because of the close natural connection between insurance companies and defense agencies, it would probably be most feasible to sell defense against foreign aggression in the form of insurance policies.³ The insurance company or companies would then provide for defense out of the proceeds from the sale of their policies. But the problem with this is, as David Friedman points out,

Since people living in the geographical area defended would be protected whether or not they were insured by the particular company, it would be in their interest either not to be insured or to be insured by a different company, one that did not have to bear the burden of paying for defenses and could therefore charge lower rates. The national defense insurance company would lose all its customers and go bankrupt, just as it would if it were simply selling national defense directly to individuals who would be defended whether or not they paid.⁴

The same problem exists in the proposal that national defense could be provided by the agreement of local police companies to pool part of their resources to finance the developments, for any agency concerning itself solely with local police protection could avoid the additional costs and force the other agencies out of business by charging lower rates. The fatal flaw in these proposals is that national defense is a collective good. It cannot be divided into marginal units and this, in turn, makes it difficult to see how it could be supplied by any of the market-oriented alternatives.

Moreover, the very concept of "national defense agencies" is difficult to reconcile with libertarian morality. Libertarians argue, of course, that these defense companies could never be used aggressively since "No army could grow beyond what the market would support, and the market would never support an army larger than was actually necessary for defense, because force is a non-productive expenditure of energy."⁵ Yet, as Murray Rothbard has pointed out, "the old cliché no longer holds that it is not the arms but the will to use them that is significant in judging matters of war and peace. For it is precisely the characteristic of modern weapons that they cannot be used selectively; cannot be used in a libertarian manner."⁶ Since the destruction wrought by modern weapons is so devastating that it could not be restricted to the aggressors, a national defense company would inevitably murder innocent individuals if it utilized such weaponry. But it would probably be unable to defend its clientele if it did not. Thus, national defense agencies are probably not only impracticable but just as immoral as the state. Would there be any means to defend the nonstate if the concept of national defense companies were abandoned?

Two means by which defense against invasion might be effected are nonviolent civilian defense and guerrilla warfare. Nonviolent civilian, or non-military, defense is defined as a strategy which "aims to defeat military aggression by using resistance by the civilian population as a whole to make it impossible for the enemy to establish and maintain political control over the country."⁷ As such it is not contingent upon the defense of physical terrain from enemy occupation but on passive resistance to enemy rule by the civilian population. It is based on the belief that all governmental power must ultimately come from the consent of the governed; that "so long as the citizens remain firm and

refuse to cooperate and obey, the real power lies with them."⁸

Gene Sharp points out that an invasion is not an end in itself but a means to a higher purpose. This purpose must be one of two things: (a) to eliminate the fear of invasion by striking first or (b) to occupy the invaded territory for economic or political purposes. Since it would be impossible to use the civilian defense for aggressive purposes, it would not only dissolve the belief by another nation that a country employing a civilian defense could constitute a threat, but it would also eliminate the possibility of a nation, desiring to wage an aggressive war against such a country, using the time-honored excuse of defending itself from an imminent attack by striking first. Consequently, any nation invading a country employing a civilian defense would brand itself as the clear aggressor for both its own citizens and all the world to see.

While a civilian defense would have no means to stop an invasion from taking place, it is designed to prevent the invader from obtaining the objective(s) for which the invasion was made. This would ostensibly be done by the refusal to cooperate with the invader and/or by the use of such obstructionist tactics as mass strikes in such occupations as communications and transportation, the blocking of highways and airports with thousands of abandoned automobiles, the refusal of police to make political arrests, etc.⁹

This would have a number of ramifications. First, it would force the invader either to abandon the invasion or to crack down on the resistance. If he chose the latter he would lose even more support in the world community. But more importantly, the increasing use of repression and violence against individuals who were clearly innocent and nonviolent could well provoke a moral and psychological disorientation among the invader's soldiers charged with executing the repressions against the civilian population. This could not only cause the soldiers to question the justice of their cause and, ultimately, to refuse to carry out their orders, but also prompt others, perceiving the clear immorality of the invasion, to join the resistance. Second, the cost of the massive numbers of soldiers required to contain and crush the resistance could well outweigh the economic or political benefits of the invasion, particularly if the population refused to work for the invader. In such a case, the invader could be faced with no alternative but going home. This is not to suggest that nonviolent defense is easy. On the contrary, death tolls could be considerable, although no doubt well below those wrought by a conventional military defense. And the fact that all of the casualties would be suffered by the civilian population would no doubt take a heavy psychological toll on the members of the civilian defense. This is a problem unique to nonviolent defense and one that must be taken into account by any proponent of such measures. But, as Gene Sharp has noted:

There are many instances of effective non-violent action, including: the early resistance by American colonists, 1766-1775; Hungarian passive resistance vs. Austrian rule, especially 1850-1867; Finland's disobedience and political noncooperation against Russia, 1898-1905; the Russian 1905 Revolution, and that of February 1917 (Before the October Bolshevik coup); The Korean nonviolent protest against Japanese rule, 1919-1922 (which failed); the Indian 1930-1931 independence campaign; German government-sponsored resistance to the Franco-Belgium occupation of the Ruhr in 1923.

Later examples include: resistance in several Nazi-occupied countries, especially Norway, the Netherlands, and Denmark; governmental and popular measures to nullify anti-Jewish measures in several Nazi-allied and Nazi-occupied countries, such as Belgium, Italy, France, and Denmark; the toppling by popular noncooperation and defiance of the dictators of El Salvador and Guatemala in 1944; the 1963 and 1966 campaigns of the Buddhists against

(Continued On Page 8)

Anarcho-Capitalism —

(Continued From Page 7)

the Saigon regimes in South Vietnam.¹¹

While civilian defense has no guarantee of success, it should not be cavalierly dismissed. It has, unfortunately, been given scant attention by the anarcho-capitalists although it could prove the most practical means of defending the nonstate, as well as the method most in accord with their moral principles.

A second possibility, guerrilla warfare, should also be considered. While guerrilla forces seldom win military battles they are capable of winning wars and ousting invaders, provided they are at least able to retain the support of the community. Guerrilla wars are not won militarily but, as Andrew Mack has observed, by means of the progressive attrition of their opponent's political capacity to carry on the war.¹² This is accomplished by means of a protracted war, in which the insurgent's goal is to provoke the invader into escalating his military commitment. As the war drags on and increases in cost, both human and material, the fact that the war would not only not provide any additional material benefit but could actually force cutbacks in the production of consumer goods at home, together with the fact that it was being fought against a country that posed no threat, could result in the emergence of political divisions in the invader's home country. These political divisions could not only hamper the war effort but, in time, sap the invader's will to prosecute the war to a successful conclusion. The guerrilla has a fairly good chance of winning provided he is able to fight a protracted war for, as Henry Kissinger has aptly put it, "the guerrilla wins if he does not lose: the conventional army loses if it doesn't win."¹³

This too might prove to be a method for defense of the nonstate. While in contrast to civilian defense guerrilla warfare would employ violence, the fact that it would be limited and could be directed against the actual invaders would mean that it could be justified as self-defense and thus reconciled with the anarchists' moral code.

Which of the two, if either, the anarcho-capitalist might choose to adopt would depend on their practicality, which in turn could vary from situation to situation. It seems unlikely, however, that the two could be combined. Nonviolent civilian defense is designed to sap the will of the invader by forcing him to use violence and other repressive measures against nonviolent and clearly innocent people, thereby unmasking the immorality of his actions. Guerrilla warfare, on the other hand, is designed to sap the will of the invader by dragging out the war and therefore making the accomplishment of his task seem hopeless. The attempt to combine the two would probably prove unsuccessful for assassinations, sabotage, and other guerrilla tactics would seem to

provide just the excuse the invader would need to justify, at least to himself, his repressive measures against the population. Thus, on the surface at least, the two seem mutually exclusive.

The problem of national defense presents a most difficult problem for the anarcho-capitalist. The belief in some sort of national defense company is not only difficult to reconcile with the libertarian moral code but is also based on the misperception that national defense can, like any other good, be broken down into marginal units. Some hope does seem to lie in reliance on either nonviolent civilian defense and/or guerrilla warfare. But there is the additional problem of choosing and coordinating a defense policy in the absence of a state. Presumably, this could be handled prior to an invasion by such methods as community meetings, newspaper articles, and radio and television appearances by respected members of the community, and after an invasion by underground newspapers, wireless radios and the like. Whether either civilian defense or guerrilla warfare could provide a viable mechanism for defense of the nonstate is an area that requires additional research.

It is time that we came to grips with this serious issue and it is hoped that this article will help to stimulate that research.

Arts and Movies

by Mr. First Nighter

Bogdanovich's *Nickelodeon*, dir. by Peter Bogdanovich, with Ryan and Tatum O'Neal and Burt Reynolds. Movie critics tend to run in packs, and critical approval or hostility in cycles. His personal arrogance, combined with such disastrous films as "At Long Last Love" where his infatuation with Cybill Shepherd overrode his critical judgment, has gained Bogdanovich the enmity of the movie world. And so *Nickelodeon* is duly roasted by one and all.

And yet, *Nickelodeon* is a fine, funny picture, keenly directed and fast-paced, a joy to behold. Yes, it is true that Bogdanovich is derivative, that his love for the classic movies of the 1920s and 1930s is far greater than his admiration for the far inferior culture and films of today. *Nickelodeon* is indeed evocative of *The Sting* and his own *Paper Moon*, and it is also true that Bogdanovich is hardly a tragedian. But so what? One can do worse things than emulate the motion pictures of the old days with a fine comic sense and a swift directorial pace. *Nickelodeon*, a story of the adventures of the early days of film-making, is a heart-warming and funny comic valentine to the original movie era. □

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