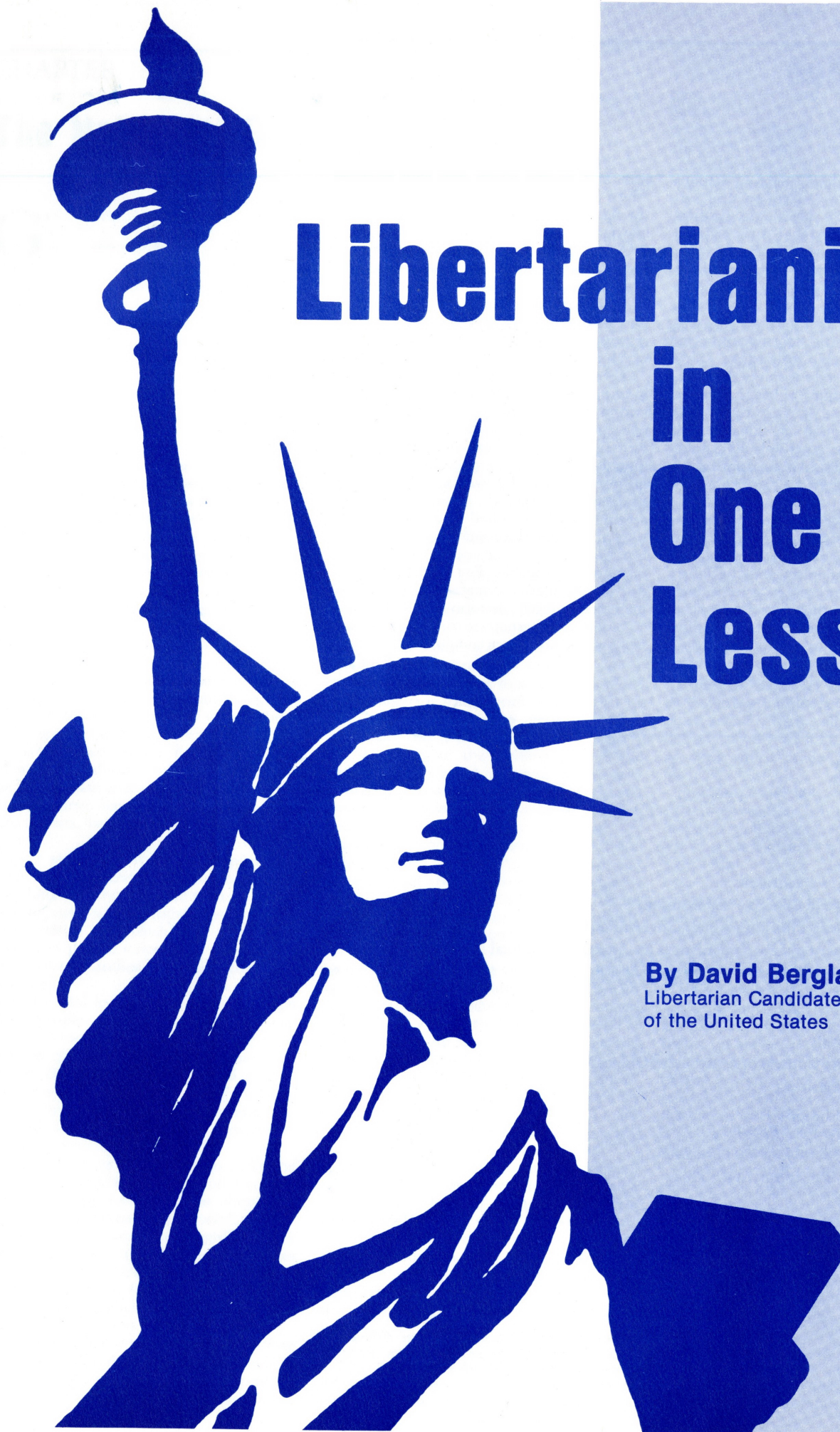


\$1.95

Libertarianism in One Lesson

By David Bergland
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Introduction

Many people hold mistaken notions about the American political system, political ideas and political parties. Many have heard that America has a "two-party system" and assume that the only choices are the Democratic and Republican parties. Some mistakenly believe that the Constitution requires a limit of two parties. Errors such as this make it difficult for new political groups or parties to grow and compete with the old, established parties.

Another common error involves the traditional political "spectrum" of left to right, or liberal to conservative. If one's thinking is limited to left or liberal on one side and right or conservative on the other, it is difficult for one to deal with a political philosophy which does not fit on this limited, one dimensional spectrum.

This booklet provides students, teachers and anyone with an interest in political freedom an introduction to the political philosophy of libertarianism and the Libertarian Party. In the author's experience, high school and college textbooks and courses in political science and government often suffer from a lack of accurate information regarding libertarianism as an alternative to political views such as liberalism, conservatism, fascism, Marxism, etc. Also, parts of such

texts and courses which deal with so-called "third parties," frequently do not mention the Libertarian Party or, if they do, the information is often inaccurate.

One purpose of this booklet is to assist the instructor in political science or government who desires to supplement available course material with accurate, up-to-date information about America's third largest and fastest-growing political party and the philosophy on which it is based.

A second and broader purpose of this work is to make available to students some basic information about libertarianism, some relevant history about the libertarian movement, the history of the Libertarian Party and how the Libertarian Party and its philosophy fit into the modern world. For advanced students of political science, additional research will be required to deal adequately with the issues discussed briefly here. Fortunately, there is a wealth of relevant scholarship available. For the person who desires sufficient information to be able to make an intelligent decision among the available political alternatives in America today, material included here should suffice.

David Bergland
Costa Mesa, California
August, 1984

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CHAPTER 1:

The Nature of Government

Government is not an entity or thing which exists independently of the people who make it up. At any time there are a number of people in our society who constitute government. They include the President, senators, governors, policemen, judges, congressmen, state legislators, county commissioners or supervisors, city councilmen, jailers, building inspectors, fire inspectors, library managers, street maintenance men, rubbish collectors, social workers, teachers, etc. The point to remember is that they are just people, like you and me.

The essence of government action is this. Some people, called legislators, make rules of conduct, and attach penalties for violation of the rules. When the rules are broken, they send men with guns (policemen) out to round up the wrongdoers and impose the penalty. This may sound like an over-simplification, but it is not.

For example, Congress has established the rule that young men must register for the draft. Any young man who fails to register is subject to criminal penalties. He will be arrested, brought to trial and sent to jail.

Congress has made tax laws requiring citizens to deliver a portion of their incomes to the government's collection agency, the Internal Revenue Service. Failure to comply will make one subject to criminal prosecution. The IRS can also seize the property of citizens who, it claims, have not paid taxes. If the citizen resists, he can be put in jail just for resisting.

Many state legislators have passed laws which make it a crime for parents to teach their children at home rather than delivering them to state school authorities. In those states, parents who teach their children at home or in private schools not approved by state education authorities will be criminally prosecuted.

On the local level, city councils pass rules telling people what businesses they can conduct, what kinds of buildings they must have for their businesses, and where the business can be located. Any violation of these rules will result in men with guns being sent out to issue citations, make arrests, and otherwise proceed with criminal prosecution against the violators.

The people in government who make the rules and regulations for the rest of us are not very imaginative. Law making is always the same. The legislature (city council, county board of supervisors, state legislature, or congress) considers a "problem," establishes rules of conduct for people, includes a criminal penalty for failure to comply with the rules, and establishes a procedure for the arrest and prosecution of wrongdoers.

Many government programs might at first appear not to fall into this pattern, such as Social Security, national defense, the postal service, operation of schools, road main-

tenance, sewage treatment, etc. However, the method of financing these various operations shows that nothing is really different. The financing method is coercive. Citizens are compelled by tax collectors to deliver portions of their earnings or other property in order to pay the costs of providing a wide range of government "services." Anyone who does not pay the tax will be put in jail under the laws as they are written today.

When anyone says, "there ought to be a law," or "the government ought to do something," what they are saying is that legislators should make certain rules, attach penalties to them, and if people do not comply, men with guns should enforce compliance by imposing criminal penalties on those who have broken the rules.

It has been said that the people of a nation or a society have entered into some sort of "social contract." Usually this is part of an argument that people must submit to the controls of government and the collection of taxes as the price for living in a peaceful, orderly and secure society. But a contract requires knowing persons who voluntarily enter into an agreement to accept obligations in exchange for some benefit they expect to receive. The essence of a contract is that individuals can choose to enter it or not.

The history of the development of the state, i.e., government, shows us that governmental organizations arose out of conquests. One tribe or group would conquer another and exact tribute (taxes) in exchange for allowing the conquered peoples to continue to live. Usually the ruling tribe would provide protection for the conquered people against other marauding tribes. Rather than a "social contract" the relationship is more accurately described as a "protection racket."

Even if we look at the American experience, which is different in that our nation was born from a revolution against British tyranny, the relationship between American citizens today and the different levels of government in our country is still not a social contract. How many people do you know who voluntarily signed the United States Constitution, or the constitution of the state in which they live, or the county charter, or city charter where they are residents? How many even know what those documents say?

The reality is that *there is no social contract*. Government as an institution should be perceived for what it is — a group of people who have substantial power at their disposal which they can and do use to control the rest of the citizenry in a great variety of ways.

The ultimate question then is, "What is the legitimate use of government power and what standards should be used to determine when government power is being employed legitimately or not?"

The use of force by an individual in self-defense against an attacker is certainly legitimate in the minds of almost everyone. The

basis for this is the libertarian principle that individuals own themselves and have the right to control their own lives, their own bodies, and their own property. Because each person has such rights, we also each have the obligation to respect the equal rights of other people. In light of this combination of rights and the corresponding obligation to respect the equal rights of others, it would be absurd if a person whose life, body, or property were threatened by another were not within his rights to defend them with any and all necessary force.

If I have the right to defend myself, then it is proper for someone else to assist me in defending my rights when that is necessary. This provides the answer to the question, "What is the legitimate use of government force?"

The people in government should be considered agents of the citizens. Government should be limited to assisting the citizens in defending their rights against anyone who might violate or threaten them. Therefore, rules of conduct passed by legislators which penalize such things as murder, rape, robbery, theft, embezzlement, fraud, arson, trespass, pollution (a form of trespass) kidnapping, battery, etc., are valid uses of government force because such activities involve someone violating the rights of another. By contrast, any activity which is peaceful, voluntary and honest should not be subject to criminal penalties or other government interference. Therefore there should be no laws, for instance, which penalize people for declining to be in the military, for offering goods and services to willing consumers in the market place, or for possessing types of property which others may find objectionable.

Too frequently it is assumed that when a person moves from being a private citizen to being a government employee he or she becomes some sort of super human, acquiring rights that ordinary human beings do not have. But there are no superior human beings or inferior human beings where rights are concerned. The people in government have the same rights as the citizens. They have the same obligation as each citizen: to respect the equal rights of all people.

I have the right of self defense and I can authorize my agent, the public servant in the government, to assist me in defending my rights. However, I have no authority to violate someone else's rights and, therefore, I cannot authorize the person in government to do so for me. Therefore, people in government must carry out their legitimate functions in a way which respects the rights of the citizens and does not violate them.

In conclusion, it cannot be emphasized too strongly that the essence of government is the use of force by the people in government against the citizens. When is the use of that force legitimate? The libertarian answer is that government power must be used *only* to protect the citizens from those who would violate their rights. The presumption should always be against the use of force and, therefore, the burden should always be upon those who call for government action.

We must never fail to remind ourselves that when we call upon government we are asking the people in government to send out the

men with guns to control our fellow citizens; to take part of their earnings and property in taxes; to enforce rules of conduct against them; and to impose penalties such as fines or jail for failure to comply with the rules.

CHAPTER 2:

The Alternative to Coercive Government

There are two, and only two, ways for people to deal with one another. One way is by force, the other by voluntary cooperation.

The pervasive institution in our culture which is grounded in force is government. In the not too distant past here in America, we had another institution based on force: slavery before the Civil War. But even this institution was backed up by government power recognized in the U.S. Constitution and in the Fugitive Slave Acts.

The essential element in the characterization of government as an institution based on force is the fact that government does not produce anything and the people who make up the government receive their pay from the citizens through the coercive financing method called taxation. Further, people are not given the choice to decline government operations, services, or activities and shop elsewhere.

Government can be thought of as a "service" business. Government employees provide many different services to the citizens. Libertarians raise these questions: Must these services be provided by government employees? Must these services be paid for through coercion, by taxation? The answer to both questions is: No, not necessarily.

The alternative to coercion as the basis for a relationship between people is voluntary cooperation. In our society we see many examples of voluntary cooperation in institutionalized form. The largest and most widespread is commercial activity. People as individuals and organized into companies produce, buy and sell literally millions of different products and services. In the marketplace no one is forced to buy any particular thing, or from any particular seller. No one is forced to go into any particular line of work or to provide services or goods to any customer.

In a free market transaction each person enters it because, in his or her own judgment, the result will be beneficial. This is the key to economic development and increasing productivity through free trade. Each participant in a transaction that is freely entered into is better off according to his or her own values.

Contrast this to a transfer of property made under compulsion when a person is forced to give up something at the point of a gun. Such a victim will not likely think he is better off when this happens.

That is a dangerous power, and we should never ask for it to be exercised except when it is clearly necessary to defend our rights or those of our fellow citizens.

When peoples' rights are respected and protected by the legal/political framework under which they live, then all can freely trade in the marketplace with no government intervention except in the case of someone's rights being violated by such things as theft or fraud. The basis for productive trade relationships is respect for the rights of other people and the conduct of trade on a peaceful, voluntary and honest basis.

There are a great many other institutions in our society based on voluntary cooperation, such as: church and temple, the family, charitable institutions, medical research efforts, civic betterment organizations, etc. There are literally thousands of groups and associations Americans enter into voluntarily to accomplish goals of their own choosing.

The premise underlying all of this successful activity based on voluntary cooperation is the libertarian premise of respect for the rights of all people. Most people most of the time operate on the libertarian premise of respect for the rights of others. Most people do not want to control others and do not want to be controlled themselves. As private citizens in our dealings with each other we almost always are peaceful and honest and expect only voluntary cooperation from our fellow citizens, not submission to force.

The legal foundation for this libertarian

approach, which protects the expectations of citizens in their dealings with each other, is the system of private property rights developed in English and American law. The most fundamental element of this private property system is the concept of self-ownership, that is, each person owns himself or herself. When we speak of property we usually think of real estate or tangible personal property, such as, automobiles, books, money, computers, or whatever. In simplest terms, any person can acquire property in addition to his or her own body by working to produce it or by trading peacefully and honestly with other owners of property. A legal system which recognizes and protects the right of citizens to produce, acquire and exchange property rights is an essential requirement for peaceful and productive relationships among people. The more clearly defined private property rights are and the more dependable the legal protection for property rights, the better able people are to plan for their own futures and the less occasion there is for disputes to arise over who can do what with any given tract of land or item of personal property.

The distinction between relationships based on force and those based on voluntary cooperation is extremely important. The crucial question is: who should be able to decide what you can do with your life, your body, and your property? The libertarian answer is that each person has the right to make *all* of the decisions about his or her own life, body and honestly acquired property. Voluntary cooperation with others is never a threat to a person's right to control his or her own life, body and property. It is only the coercive mechanism of government (or the activities of habitual criminals) which constitutes a threat to the rights of the citizens. Therefore, a major goal should be to confine government to its legitimate function of assisting the people in defending their rights. Only if this is done will the people have the maximum opportunity to develop the most rewarding and productive relationships based on voluntary cooperation.

CHAPTER 3:

Obstacles to Clear Thinking About Government

If one listens carefully to discussions or arguments over political issues, there are a number of fallacies or obstacles to clear thinking which frequently emerge. Following is a brief discussion of five of the most common fallacies.

1. *The reification fallacy.* This fallacy involves the treating of a concept or a label as something that actually exists. "Government," for instance, does not exist as a thing separate from the people who make it up. Certainly it is necessary to have a term like "government," just as we have terms like church, school, army, union, corporation,

family, etc. This does not mean that any of these labels have an existence apart from and greater than the individuals who make them up.

Whenever we hear someone talking about what the government did, or the bureaucrats, or the big corporations, or the unions, what we should always ask is, "Which individuals did what things?" Only individuals can act and they should, of course, be responsible for their own actions.

One purpose for engaging in this fallacy is to depersonalize those people who are being mistreated. It is much easier to call for regula-

tion or heavy taxation of "the big oil corporations" than it is to call for reducing the dividends of the pensioners, widows, and orphans who are major shareholders in many of the big corporations through their pension funds.

2. *The PANG (People Are No Good) premise.* This fallacy is found in almost every argument for government regulation or involvement in peoples' lives. The unstated premise is that people are weak, stupid, helpless, incompetent, dishonest, and dangerous to themselves and others. Consider these examples: Social Security programs are necessary because people would not otherwise provide for their own future; the draft is necessary because not enough people would be willing to defend America; drug laws are necessary because without them we would be a nation of stoned-out people incapable of doing anything; pornography laws are necessary because the social fabric would be destroyed by sexually explicit material; compulsory school attendance laws are necessary because parents wouldn't bother to educate their children.

The problem with the PANG premise is a logical one. People who use it, of course, always exclude themselves from the characterization of "people" as being weak, stupid, helpless, incompetent, dishonest, and dangerous to themselves and others. If the PANG premise were valid, then government personnel making the rules for the rest of us and exercising power over us would necessarily have to do so in a weak, stupid, helpless, incompetent, dishonest, and dangerous manner. If the PANG premise were valid, the last thing anyone would want is a large, powerful government being managed by such people.

3. *The utopian fallacy.* This fallacy is encountered frequently in political discussions. Those who object to greater freedom often argue that freedom does not guarantee that everyone will be able to achieve anything they want, some will be disappointed or frustrated and there will still be murderers, thieves, rapists and other criminals. No advocate of freedom can guarantee utopia.

So what?!

No advocate of any other political view can guarantee utopia, either.

Utopia is not one of the options. It simply is not available.

There are three options in politics in America today. The first option is the status quo: government and politics as we have become accustomed to it in the last 20 or 30 years, and a continuation of the trends developed during those years. Most people complain a great deal about the status quo. Different people have different complaints, but the level of dissatisfaction with the status quo among Americans today is quite high.

The second option is to move toward larger government and more government involvement in more aspects of our lives with all the accompanying cost in terms of taxation and loss of liberty. Most Americans find that option less appealing than the status quo.

The third option is to move significantly in the direction of reducing the size of government, reducing its involvement in our personal and business affairs and reducing its

costs as reflected by taxes. The effect of such reductions would be to maximize or increase the amount of personal freedom and each person's control over his or her own life. Most Americans prefer this option to the others.

It bears repeating: utopia is not one of the options. When you hear someone object to arguments for greater freedom by saying, for example, "Yes but, you cannot *guarantee* that all children will get a good education if we eliminate compulsory school attendance laws," you are hearing the utopian fallacy in one of its most common manifestations.

4. *The fallacy that laws work.* Some people believe that all that is necessary for people to change their conduct is that legislators pass a law making such conduct a crime. (We make a distinction here between criminal laws which penalize conduct which violates the rights of another, such as murder, theft, etc., and laws which penalize peaceful, honest conduct which does not violate the rights of another. Unfortunately, between one-third and one-half of our current law enforcement efforts and expense fall into the latter category.)

The Prohibition experiment in America is most instructive. During the 1920's and early 1930's, a constitutional amendment prohibited the production, sale and use of intoxicating beverages, activities which violated the rights of no one. The results were disastrous.

The use of intoxicating beverages actually increased. Prohibition spawned organized crime. The price of the legally restricted commodity increased, creating great opportunities for tremendous profits for anyone willing to engage in the illegal activity. People of a criminal inclination were the primary beneficiaries of such a law.

Prohibition made people lose respect for the law, and criminal profiteers added to this by corrupting the criminal justice system, buying off police, courts, and jailers. Unlike a free, competitive market, smaller competitors were often disposed of by violence. They could not seek protection from the police because they were in an illegal business.

This general pattern is repeated any time the law imposes criminal penalties on peaceful and honest activity. People simply do not quit buying the products and services they desire just because of the criminal penalties. The other predictable result is the creation of a "black market" which will have most, if not all, the characteristics of the illegal market for alcoholic beverages that developed in response to Prohibition.

It is amusing to hear people argue that if there were no drug laws "people would smoke

marijuana," when the current estimates are that between 25 million and 40 million Americans do so regularly anyway. This absurdity is repeated in arguments for other laws. For instance: if we didn't have laws against immigration, thousands of immigrants from Mexico and Central America would come here; without laws against prostitution, people would sell sexual services; if the Internal Revenue Code did not contain criminal penalties, people would cheat on their taxes. These are just a few examples among thousands which daily prove the proposition that attempts to suppress peaceful conduct with criminal penalties never work.

5. *The free lunch fallacy.* The most basic rule of economics has been stated: "There ain't no such thing as a free lunch." Although ungrammatical, the proposition is true and indisputable. Unfortunately, where political matters are concerned, many people seem to believe there is a free lunch.

Frequently we hear that people have a right to a free education, or free medical care, or that justice should be free. Any person who has read his property tax bill or federal income tax return certainly knows that these things are not free. The people who build government buildings, for instance, are well paid for what they do. Neither teachers, police, nor senators work for nothing. Government employees generally are fairly well paid and would be outraged at the suggestion that they take a pay cut. And the source of payment for all government services is the earnings and property of tax payers.

Anyone who receives some subsidy or service from government is doing so at the expense of other hard working Americans. Nothing is free. The only question is whether or not people receiving government services are the ones who pay for them, or whether they — with the assistance of government force — are able to make *others* pay.

There are a great many fallacies and mistaken ideas which are believed or accepted by many people, especially concerning politics. The foregoing discussion involves five of the most commonly encountered fallacies and obstacles to clear thinking. For the careful observer who stays alert to detect these fallacies in arguments over political issues, the effort will be rewarding. In any discussion of ten minutes or more, each one of the five is quite likely to appear more than once.

Keep this in mind. If an argument is substantially based on a fallacy, the argument is either partially or completely invalid.

CHAPTER 4:

The Development of Libertarianism as an American Political Movement

In the year 1776, a small group of British subjects living on the eastern seaboard of the North American Continent decided to break the bonds of British

tyranny. They gave notice to the world that they were doing so, and the reasons why, in one of the most important political documents in human history, the Declaration of

Independence, written by Thomas Jefferson. The opening paragraphs of the Declaration of Independence state:

We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That, to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that, whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute a new government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness. Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes; and, accordingly, all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But, when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security.

These words from the Declaration of Independence are the opening salvo in a long history of direct libertarian political action. The American revolution has rightly been called the first libertarian revolution.

From the words of the Declaration emerge two propositions. The first is that mankind (men and women) have rights which are derived from the natural order of the universe and the nature and characteristics of human beings. We do have a specific nature and that is the basis for the rights we have. The second proposition is that the institution of government is something created by mankind to protect these rights. Thus, rights do not come from government. Government is merely a mechanism created by people to help protect their rights.

Libertarianism is grounded in what has been called the "natural rights" tradition in western culture. The signers of the Declaration of Independence were well educated men who were familiar with, and strongly influenced by this natural rights tradition. One major contributor to their thinking and the mainstream of libertarian thought was John Locke.

Locke's major contribution was in the area of property rights. He elaborated upon the concept of "homesteading" as the basis for acquiring property rights. As men go out into nature yet unclaimed, in order to establish a just claim of ownership over any portion of it, one would have to "mix his labor with the land." The obvious example would be to clear land of stones and brush for farming. Once acquired, property was subject to the control of the owner who could use it for his own purposes and, most importantly, exclude others from it. The institution of private property and the legal framework that developed in English and American law to protect private property has continued to be a central concept in the libertarian political philosophy.

After the successful completion of the

Revolution, the thirteen new states in North America created a level of government separate from their state governments, establishing it in a document called the Articles of Confederation. Subsequently, the state governments replaced the Articles of Confederation with the Constitution which is the charter for the United States government of today.

The framers were justifiably concerned about the creation of a potentially powerful national government which might be a source of new tyranny. A result of this concern was the addition to the Constitution, immediately after its ratification, of the first Ten Amendments to the Constitution, known as the Bill of Rights. The basic premise of the Constitution was to create a national government with certain specified and limited powers. The framers of the Constitution and political commentators of the day all knew that governments have a tendency to grow and become more powerful and tyrannical. The Bill of Rights was to be a safeguard against future encroachments by the national government.

The language of the amendments constituting the Bill of Rights shows how concerned the framers were that the new national government not interfere in the areas of peoples' lives which were precious and sacred to them:

Article One: Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

Article Two: A well-regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed.

Article Three: No soldier shall, in time of peace, be quartered in any house, without the consent of the owner, nor in time of war but in a manner to be prescribed by law.

Article Four: The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the person or things to be seized.

Article Five: No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall he be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

Article Six: In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witness against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

Article Seven: In suits at common law, where the value of controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise reexamined in any court of the United States, than according to the rules of the common law.

Article Eight: Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

Article Nine: The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

Article Ten: The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

The purpose of the Ninth and Tenth Amendments is to emphasize the idea that the United States government has no power over the people except those powers expressly set forth in the body of the Constitution. Unfortunately, in the two centuries since the adoption of the Constitution, the decisions of the United States Supreme Court have essentially rejected the idea that the national government has only those powers expressedly stated in the Constitution. Today one must find a specific limitation on government in the Bill of Rights to prevent federal or state government encroachment.

During the first half of the 19th Century, the most significant libertarian political activism was the abolitionist movement aimed at eradicating slavery. Perhaps the U.S. Government policy during the 19th Century most in accord with libertarian views was the foreign policy of non-intervention. As Jefferson stated it: "Peace, commerce and honest friendship with all nations, entangling alliances with none."

From the administration of Washington to that of President Monroe, the U.S. policy was non-intervention in the affairs of other countries, no military alliances and free international trade. This beneficial policy was partially rejected with the establishment of the Monroe Doctrine which stated that the United States would not allow interference by European powers in the Western Hemisphere. Unfortunately, by the end of the 19th Century the United States government was involved in substantial interventionist activities in Central America and the Pacific.

A major element in the development of the libertarian philosophical movement is the science of economics. Adam Smith and his book *Wealth of Nations*, published in 1776, are usually credited with the beginning of modern economics based on an understanding of markets, prices, production and so forth. There were a number of other writers and economic theorists, but Smith's work was most widely known in the English speaking world.

During the first half of the 19th Century, economists who advocated free markets — and especially the elimination of trade barriers between nations — were in the ascendancy. Parliamentary leaders such as Richard Cobden and John Bright in England led the movement for free international trade and demolished for all time the arguments for protectionist trade barriers.

Free trade was, and still is, a powerful inducement to peaceful relationships between

countries. Indeed it was shown that government interference with free international trade was likely to lead to war. As the French economist Frederic Bastiat put it: "If goods are not allowed to cross international borders, soldiers will."

The rise of Marxism was a powerful counter force to libertarianism, especially in economics. Even so, libertarian theoretical work and scholarship continued. The most important influence was the development of the "Austrian" school of economics which, on issue after issue, demonstrated the validity of grounding economic theory in the acting individual. The logical result is that the acting individuals must be free for economic prosperity to result. The political implications of that insight are obvious.

Clearly the most significant figure in the 20th Century in Austrian economics was Ludwig von Mises. During the 1920s Mises published one of his many important works, titled *Socialism*, in which he demonstrated the impossibility of economic calculation in a socialist economy. This work showed that any centrally planned or managed economy could do nothing but flounder continuously. Without a free market for goods and services there is no market pricing mechanism to tell producers and entrepreneurs what consumers desire most.

The influence of the libertarian position in American politics was perhaps at its lowest during the 1930s depression and the 1940s war period. One of the great erroneous myths of American political history is that the collapse of the stock market and the following depression was the result of a failure of the free market. The historical evidence is otherwise.

The U.S. government's inflationary monetary policies during the 1920s created an artificial boom which economists such as Mises predicted must be followed by a bust. It was.

The New Deal programs under Franklin Roosevelt during the 1930s and other U.S. government actions, such as stealing the gold of the people, simply delayed the economic corrections that would have occurred if the government had not intervened in the economy.

As Randolph Bourne stated: "War is the health of the state." During World War II, as in all wars, the U.S. government grew dramatically in size. Controls over personal and economic activities increased as Americans were mobilized for war. Libertarian ideals of individual rights, governmental respect for the rights of people, due process, free markets and non-intervention in foreign wars were swept aside. Libertarian voices were among the few raised to defend the rights of Americans of Japanese descent who were incarcerated and had their property taken without due process or concern for their right to be presumed innocent until proven guilty.

During the post World War II period the libertarian movement in America was literally a handful of free market economists and scholars, among them economists like Mises; Henry Hazlitt; Murray Rothbard; Friedrich Hayek (later to win a Nobel Prize in economics); novelist Ayn Rand (*The Fountainhead*, *Atlas Shrugged*); Leonard Read,

founder of the Foundation for Economic Education; and R. C. Hoiles, editor and publisher of the *Freedom Newspapers*.

In addition to the Austrian school of economics, a new free market oriented approach to economics was developing at the University of Chicago led by Milton Friedman, another Nobel Prize recipient. It came to be known as the "Chicago" school of economics.

The number of people who, in a knowledgeable way, came to call themselves "libertarians" during the '40s and '50s grew at a slow but steady pace. At that time there was no organized political movement to implement libertarian ideas in the American political arena. But in the early '60s a combination of factors sowed the seeds and fertilized the ground for an explicit political movement in the cause of freedom.

Ayn Rand had published her novel *Atlas Shrugged* in 1957. This novel sparked a movement among young intellectuals to explore further the philosophical concepts of individualism and to challenge the prevailing political situation. There was such interest in Rand's ideas that by the early 1960s there were groups on college campuses and elsewhere throughout the country studying Rand's novels and their philosophical implications.

During the 1960s, many young Americans became concerned about the U.S. Government's involvement in the Vietnam War. Although most of the leadership of the Vietnam anti-war movement were from the left wing and some of them outright socialists, many participants were motivated by deeper concerns for human rights and the effects of the war and domestic security measures on personal liberties within America. Although libertarian numbers were relatively small, they spoke out against the war, opposing the draft and opposing domestic surveillance of American citizens by the C.I.A. and the F.B.I.

The coalition for liberty which ultimately became the Libertarian Party was developed during the 1960s and the early 1970s. Many young people came to their fundamentally libertarian orientation by study of free market economics and by the writings of Ayn Rand. The other major group were those involved in anti-Vietnam War activity or the civil rights movement based upon a commitment to the rights of individuals to live their private lives without government harassment. To them the right to engage in "alternative lifestyles" free from police harassment for their skin color, hair length, clothing styles, or living arrangements was the primary motivation. People in both of these groups were not comfortable with the traditional "right wing" and "left wing" labels. They finally began to get together at about the close of the decade of the 1960s.

Ironically, Richard Nixon created some of the motivation for the formation of a new political party which would work consistently for everyone's liberty on every issue. As we entered the decade of the 1970s the harassment of anti-Vietnam political organizations by the U.S. Government under the direction of Richard Nixon was becoming well-known, certainly among those who were the objects of that harassment.

In 1971, Richard Nixon imposed wage and price controls. This one act demolished any hope that Nixon or the Republican Party could be counted on to reduce government intervention in the marketplace. As a result, a number of young people throughout the country who were committed to freedom met and decided that the American political system needed a new political party which would promote freedom in a consistent fashion.

The founding convention of the Libertarian Party was called by David Nolan and held in December of 1971 in Colorado Springs, Colorado. It resulted in the naming of John Hospers, head of the Philosophy Department at the University of Southern California, as the Party's first presidential candidate.

The founders of the Libertarian Party, consistent with their desire to create a political party committed to libertarian principles, adopted a Statement of Principles which has continued, virtually unchanged, since 1972. Dr. Hospers drafted the Statement of Principles, the basis for all of the other libertarian platform planks, which reads as follows:

We, the members of the Libertarian Party, challenge the cult of the omnipotent state and defend the rights of the individual.

We hold that all individuals have the right to exercise sole dominion over their own lives, and have the right to live in whatever manner they choose, so long as they do not forcibly interfere with the equal right of others to live in whatever manner they choose.

Governments throughout history have regularly operated on the opposite principle, that the State has the right to dispose of the lives of individuals and the fruits of their labor. Even within the United States, all political parties other than our own grant to government the right to regulate the lives of individuals and seize the fruits of their labor without their consent.

We, on the contrary, deny the right of any government to do these things, and hold that where governments exist, they must not violate the rights of any individual: namely, (1) the right to life — accordingly we support prohibition of the initiation of physical force against others; (2) the right to liberty of speech and action — accordingly we oppose all attempts by government to abridge the freedom of speech and press, as well as government censorship in any form; and (3) the right to property — accordingly we oppose all government interference with private property, such as confiscation, nationalization, and eminent domain, and support the prohibition of robbery, trespass, fraud, and misrepresentation.

Since governments, when instituted, must not violate individual rights, we oppose all interference by government in the areas of voluntary and contractual relations among individuals. People should not be forced to sacrifice their lives and property for the benefit of others.

They should be left free by government to deal with one another as free traders; and the resultant economic system, the only one compatible with the protection of individual rights, is the free market.

In 1972 John Hospers, the first Libertarian Party presidential candidate, was on the ballot in two states and received approximately 2,500 votes. Since that modest beginning the Libertarian Party has become the third largest party in the country and the fastest growing.

By the 1976 presidential election, the Party's presidential candidate, Roger MacBride, was placed on the ballot in 31 states and received approximately 175,000 votes. In 1980, the Libertarian Party had clearly emerged as the country's third largest party. It was the only nationwide political party other than the Democrats and Republicans with state party organizations in every state.

The 1980 presidential candidate, Ed Clark, was on the ballot in all 50 states — the first time that any party's presidential ticket other than Democrat or Republican had been on 50

state ballots in U. S. history. (John Anderson, an independent candidate, was also on the ballot in 50 states in 1980.) Ed Clark received nearly a million votes in 1980.

In the 1982 elections, several hundred Libertarian candidates ran for office throughout the country and over five million votes were cast for them. Libertarian activists have played major roles in projects such as Proposition 13 in California and other similar initiative and referendum efforts to reduce taxes and government control of the people.

In addition to the Libertarian Party, the libertarian movement in areas other than political activism is growing in importance. There are a number of libertarian oriented "think tanks" or public policy institutions such as the Center for Libertarian Studies, The Mises Institute, the Institute for Humane Studies, the Reason Foundation, the Cato Institute, the Council for a Competitive Economy and The Pacific Institute for Public Policy Research. *Reason* magazine is an influential libertarian oriented periodical. An increasing number of libertarian scholars hold teaching positions in colleges and universities throughout the country.

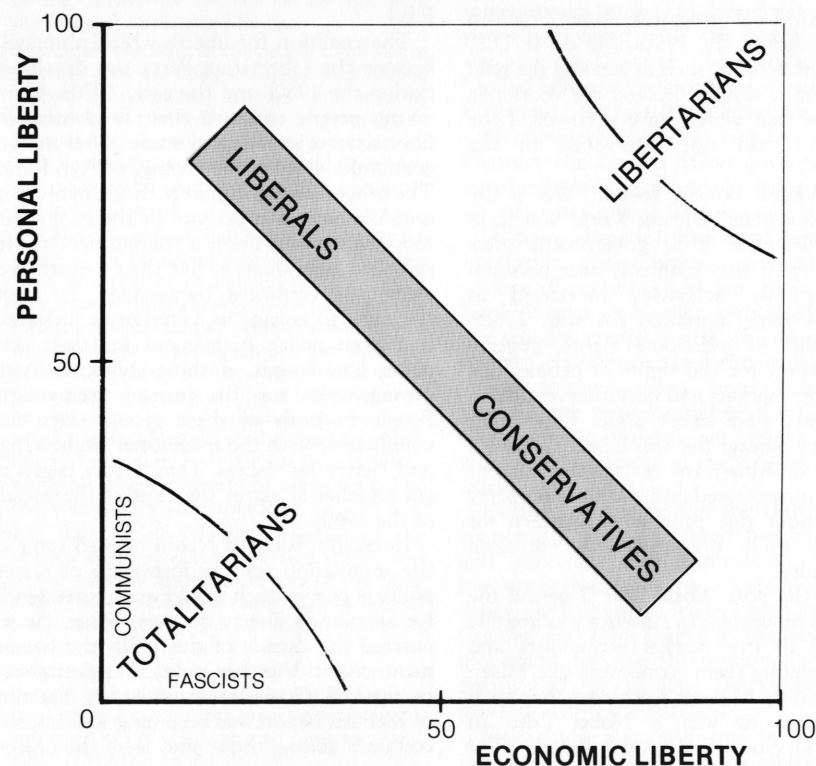
connection with platforms from previous years.

While the Democratic and Republican parties have no underlying philosophical principles, they *do* share a basic attitude and motivation. The statements and conduct of the leadership of both the Democratic and Republican parties manifest an attitude of no respect for the rights of the people. They look at you and me as if we were means to their ends; as if we, our lives, our earnings, our bodies, and our property were national resources which they in government can use for any purpose they desire. By contrast, the libertarians always act with respect for the citizens' rights and hold that people in government must carry out their legitimate functions accordingly.

Democratic and Republican party leaders seek only to control the machinery of government, to use it to do favors for themselves and their friends. Since there is no free lunch and the government does not produce anything, the only way government favors can be handed out is if the resources to do so are first stolen from the remaining citizens — you and me. By contrast, libertarians seek to reduce the size and scope of government activity, confining it to assisting the citizens in defending their rights against anyone who might violate them.

Libertarians recognize that governmental favors cannot be handed out without first ripping off someone else. This is the basic reason libertarians advocate an end to the coercive method of financing government functions through taxation, and replacing taxation with voluntary methods of governmental financing.

A mistake frequently made is to attempt to locate libertarians on the traditional political spectrum of left to right. The following chart helps illustrate the confusion that comes from such a misguided attempt.



CHAPTER 5:

The Libertarian Difference

There are major differences between the Libertarian Party and philosophy on one side, and traditional parties and views on the other.

First, the Libertarian Party is a political organization created to implement a particular political philosophy. All Libertarian Party positions on the issues are derived from and are consistent with basic libertarian principles. In capsule form, the libertarian philosophy begins with the idea of self-ownership. Each person owns himself or herself. Therefore, each person has the absolute right to control his or her own life, body, speech, actions, and honestly acquired property.

Each person has these rights. Therefore, each person also has the obligation to respect the equal rights of every other person.

From this beginning point it is possible to derive a position on any political issue which is consistent with those principles. A person has the right to defend his own rights, but cannot justifiably violate another's rights when doing so. Further, no one can authorize another person to violate someone else's rights. Thus, I cannot authorize my representative in government to violate the rights of another no matter how much good I think that might accomplish.

Contrast the Libertarian Party and its consistency to the situations of the Republican Party and the Democratic Party. It is impossible to discover the underlying philosophy of either. They have none.

The label "Democrat" or "Republican" tells nothing about how a person will stand on any

The foregoing chart divides human affairs into two major areas: issues of personal liberty and issues of economic liberty. 100 on either scale indicates advocacy of 100% economic or personal liberty, and 0 indicates advocacy of complete government control. The lower on the scale, the less liberty and more government control would be indicated.

Taking the typical person who thinks of himself as a liberal, we can see that the liberal tends to call for a greater amount of personal liberty (higher than 50%) but also calls for severe restrictions on peoples' business, economic, and commercial affairs. Therefore, the liberal is located below 50% on the economic liberty scale.

The typical conservative has priorities different from the liberal. The typical conservative talks about free enterprise and reducing government regulation of economic affairs, so he is higher than 50% on the economic liberty scale. However, the typical conservative also calls for much government regulation of the personal and private aspects of peoples' lives so he falls lower than 50% on the personal liberty scale.

We can see from this analysis that the traditional left-right political spectrum is located on the chart as indicated by the long rectangle that slopes downward from left to right. It should also be clear that:

THERE IS NO PLACE ON THE TRADITIONAL POLITICAL SPECTRUM FOR ANYONE (A LIBERTARIAN) WHO IS CONSISTENTLY COMMITTED TO THE RIGHT OF PEOPLE TO CONTROL THEIR OWN LIVES IN ALL RESPECTS.

This is why, as indicated on the chart, the Libertarians are located in the upper right-hand corner. This leaves one other significant location on the chart, the lower left-hand corner. In that location we put people of collectivist persuasions such as, Marxists, Populists, Fascists, Communists, etc. The lower left-hand corner is for anyone who believes that all or nearly all aspects of peoples' lives should be subject to government control.

It should be clear from the foregoing that libertarianism is not some variation of left wing or liberal thinking, nor some variation of right wing or conservative thinking. Nor is it a combination of positions taken from left and right.

All libertarian positions on all issues are derived from the basic libertarian principles that have been discussed. Obviously on any given issue at some time, the libertarian position could be about the same as that held by some Democrats, some Republicans, some liberals or some conservatives. That is pure coincidence, nothing else.

Indeed, to know the position of any Democrat, Republican, liberal or conservative on any given issue at any time you will have to ask them. They have no consistent approach for dealing with issues because they have no fundamental principles. The best you can do is compile a list of positions they hold on issues and check from time to time for any changes.

By contrast, because libertarians do have a basic set of principles, you can predict that a libertarian will always come out on the side of

any issue which maximizes personal liberty and responsibility and which reduces government control over the individual citizen. The libertarian approach is to look at the people involved in any situation and ask whether or not they are dealing with each other in a peaceful, voluntary, and honest way. If they are, then no one should introduce force into that situation. None of the participants should start using force on the others because that would violate someone's rights. No uninvited third party, including anyone from government, should bring force into the situation to make people act in ways in which they would not voluntarily act.

This does not mean that one should decline to offer assistance, help, or advice which people might accept voluntarily. In fact, libertarians support the idea of offering assistance to people who have problems. But the political issue is this: when is it legitimate to use force? We must continually ask ourselves that very important question.

Following is a list of frequently asked questions about political issues. After each question is a typical response from a liberal, a conservative and a libertarian.

Because liberals do not all think alike and conservatives do not all think alike, the responses listed for them are naturally subject to challenge by any liberal or conservative who might disagree. However, the liberal and conservative responses are based on the experience of the author who has heard or read the statements and positions of thousands of people who described themselves as either liberals or conservatives. The libertarian responses are based upon the Libertarian Party platform, the writings of libertarian scholars and the author's personal views.

1 Inflation seems to be a problem, what should the Federal Government do about it?

Liberal: Wage and price controls should be imposed, as well as limits on interest rates.

Conservative: The Federal Reserve Board should increase the money supply at a slow and steady rate rather than allowing wide fluctuations.

Libertarian: The government money printing press should be stopped. Return immediately to a fully convertible gold standard for the American dollar and ultimately remove government control of money by abolishing the Federal Reserve system and repealing the legal tender laws.

2 Should the U. S. Government intervene militarily in other countries?

Liberal: Yes, if it will advance the cause of human rights.

Conservative: Yes, if it will help contain the spread of communism.

Libertarian: No. The U. S. government has no authority to intervene in the affairs of other countries.

3 Should the United States Government send foreign aid to other countries?

Liberal: Yes, to help the poor in third world and developing countries which have good human rights records.

Conservative: Yes, to help those governments which are trying to resist communism.

Libertarian: No. American taxpayers

should not be forced to pay to support other governments at all.

4 Should the United States Government continue to participate in and support the United Nations?

Liberal: Yes, because it is the last best hope for peace.

Conservative: Yes, but only if it will take a more pro-American stance.

Libertarian: No.

5 Should there be a draft for military purposes?

Liberal: Yes, but not in peace time.

Conservative: Yes, elimination of the draft would send the wrong signal to the Soviets.

Libertarian: Absolutely not, never under any circumstances. The draft is slavery. Slaves make poor defenders of freedom.

6 Should young Americans be compelled to serve in some capacity in the name of "national service?"

Liberal: Yes, everyone has the obligation to serve others for social welfare.

Conservative: Yes, when it can be justified for national defense purposes.

Libertarian: No. Slavery is slavery regardless of whether it is masked by the euphemism "draft" or "national service."

7 Should the United States have become involved in the Vietnam conflict.

Liberal: No, because it was a civil war, there were no U. S. national interests at stake, and the U. S. backed a series of right wing dictators.

Conservative: Yes, because otherwise the communists would have destroyed a pro-western government and initiated the fall of many other pro-western governments in the area.

Libertarian: No. The only proper foreign policy for the U.S. is neutrality, non-intervention, and free trade.

8 Should the United States continue its involvement in the Middle East?

Liberal: Yes, because Israel needs our help and the U. S. can help the combatants negotiate peace.

Conservative: Yes, because Israel needs our help and the western world needs OPEC oil.

Libertarian: No. The only proper foreign policy for the United States is neutrality, non-intervention and free trade.

9 Should the United States be involved militarily or otherwise in Central America?

Liberal: Yes, to try to improve human rights conditions and help the impoverished people there.

Conservative: Yes, to prevent the spread of communism.

Libertarian: No, the proper foreign policy for the United States is neutrality, non-intervention and free trade.

10 Should the United States Government intervene in other countries to protect vital national interests?

Liberal: Yes, it is in the interest of the U. S. to help the development of third world countries and to punish governments that have poor human rights records.

Conservative: Yes, communism must be contained and U. S. business interests abroad must be protected.

Libertarian: No. The only legitimate vital national interests are the interests of individual citizens in America in security from foreign attack, maximum personal liberties, and opportunity for prosperity.

11 Should the U. S. Government bail out major American banks by giving money to other governments so they can keep current on interest payments?

Liberal: Yes, particularly third world governments need this financial assistance to help develop their countries.

Conservative: Yes. If third world governments and others do not make their interest payments there will be a financial collapse due to failure of major financial institutions.

Libertarian: No. U. S. taxpayers should not be compelled to bail out banks or other businesses which make bad investments.

12 Should the U. S. Government help U. S. business through hard economic times with low interest loans?

Liberal: Yes. This will save jobs and American workers need all the help they can get in these hard economic times.

Conservative: Yes. Government should help business stay in business. That's free enterprise.

Libertarian: No. Government can only help some businesses by stealing from taxpayers and other businesses. No one has the right to be subsidized at the expense of others.

13 Should the U. S. Government protect American businesses from foreign competition with tariffs, quotas, and other legal trade barriers?

Liberal: Yes, if it is necessary to save jobs.

Conservative: Yes, if it is necessary to protect industries vital to national defense.

Libertarian: No. Trade barriers violate the rights of Americans and foreign people who desire to trade. Trade barriers cut everyone's productivity and cost more jobs than they save.

14 Should U. S. immigration barriers be maintained?

Liberal: Yes, because immigrants take jobs from poor Americans.

Conservative: Yes, because so many foreigners cannot be assimilated and will undermine the American way.

Libertarian: No. Immigration barriers should be removed because human beings have the right to travel and seek opportunity wherever they desire, so long as they will take responsibility for themselves.

15 Should the minimum wage law of \$3.35 per hour be maintained, raised, or lowered?

Liberal: The minimum wage law should be maintained or increased so that employers will be forced to pay a decent wage to workers.

Conservative: The minimum wage should probably be lowered for teenagers because many of them don't have the work experience or skills to work at jobs at the current rate.

Libertarian: There should be no law interfering with the right of employers and employees to agree upon any wage. The minimum wage law should be completely repealed because it causes massive unemployment

among the unskilled young and, particularly, minority teenagers.

16 Should the U. S. Government continue regulation of agriculture through acreage allotments, etc., and subsidies of farmers?

Liberal: Yes, farming is a very risky business and farmers need help.

Conservative: Yes, national defense needs require continuing government supervision of the production of food, especially limitations on its export to communist countries.

Libertarian: No. Food producers have the right to produce and sell without government interference and other working Americans should not be required to subsidize people in the agricultural business.

17 The Social Security system keeps going bankrupt and the Congress keeps raising taxes to bail it out. Is there a long-term solution to the problem of the Social Security system?

Liberal: We will have to keep increasing the taxes because older people are entitled to retire with dignity.

Conservative: We need to reduce benefits, make the system more efficient, and make the age of retirement later in order to salvage the system.

Libertarian: The Social Security bankruptcy requires an end to the system by granting older workers and retirees the choice of a lump sum payment or private insurance annuity to replace future Social Security benefits. Ending the bankrupt system will relieve younger workers of the tax and avoid an economic collapse which would surely result if the Social Security taxes continue to increase as they must under the present system. (See Chapter 11 for more on Social Security.)

18 Should children be required by law to attend schools?

Liberal: Yes, otherwise parents would not provide for their children's education.

Conservative: Yes, otherwise children will not be educated as required for national defense and to compete effectively in business with foreign companies.

Libertarian: No. Compulsory attendance laws violate the rights of parents and children to decide for themselves on educational programs.

19 Should prayer be required in the public schools?

Liberal: No. Prayer in school violates the principle of separation of church and state established in the First Amendment.

Conservative: Yes. Founders of the Country did not mean in the First Amendment to deny children the right to pray in school. They were religious men.

Libertarian: The prayer in school issue is only a problem because the government is operating the schools. We should have a separation of education and state, just as (and for the same reasons) we have a separation of church and state.

20 Should parents be allowed to teach their children at home rather than having them attend schools approved by the state?

Liberal: No. Some parents would teach their

children bigotry and unscientific, bizarre religious doctrine.

Conservative: No. Some parents would fail to give their children the proper moral education and might even teach them Marxism.

Libertarian: Yes. The government has no proper role in education. There should be no government penalties or regulation of parents who prefer to teach their children at home.

21 Should the U. S. Government continue to regulate the broadcast industry through the Federal Communications Commission?

Liberal: Yes, otherwise broadcasters could not be trusted to give equal time to divergent views and would cater to the lowest taste of the American audience.

Conservative: Yes, otherwise the liberal media establishment could not be trusted to provide time for conservative views and would offer immoral programming.

Libertarian: No. People in the broadcast business should be operating in an open competitive marketplace just as other businesses do.

22 Should the ownership of firearms be prevented or restricted by law?

Liberal: Yes. No one but law enforcement and the military should own guns.

Conservative: Some limitations on hand guns would be appropriate, but not otherwise.

Libertarian: Ownership of a firearm does not violate anyone's rights, and therefore should not be subject to any criminal penalty or government restriction. It is the aggressive use of firearms that should be punished, not ownership.

23 What should government policy be toward abortion?

Liberal: A woman has the right to an abortion, and if she can't afford it, taxpayers should subsidize her abortion.

Conservative: Abortion is murder and should be subject to appropriate criminal penalties.

Libertarian: Government should stay out of this area, neither imposing criminal penalties on a woman for terminating a pregnancy, nor forcing anyone to subsidize another's abortion.

24 Should laws against the use or sale of marijuana be maintained, made more severe, or reduced?

Liberal: Criminal penalties for the use of marijuana should be reduced somewhat for personal use of marijuana, but not for those who sell it.

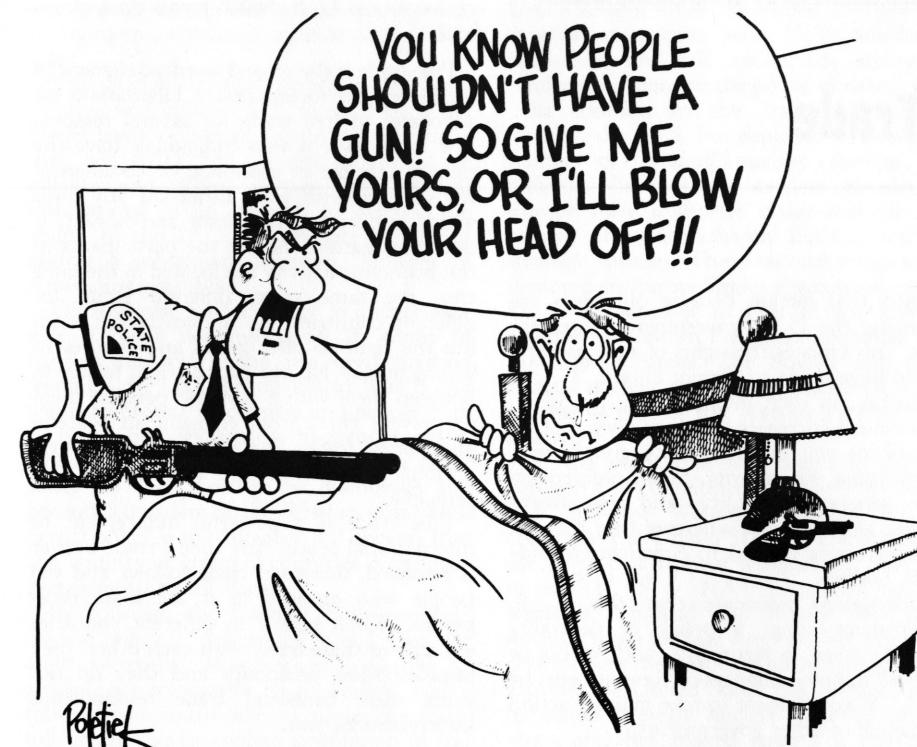
Conservative: Criminal penalties for marijuana use and sale should be more severe.

Libertarian: The possession, use or sale of marijuana does not violate anyone's rights, and therefore should not be subject to criminal penalties or other governmental restrictions.

26 Should criminal penalties or other governmental restrictions on the production, possession, use, or sale of sexually explicit magazines, books, or motion pictures be maintained, made more severe or reduced?

Liberal: Kept about the same. But violent scenes should be more severely penalized.

Conservative: Criminal penalties and laws should be made much more severe for pornography.



Libertarian: The production, possession, use, or sale of sexually explicit material does not violate the rights of any person and should therefore not be subject to criminal penalties or other governmental interference.

27 What should be done to improve the Federal Income Tax?

Liberal: Soak the rich more. Close the loopholes so the upper-middle class and wealthy pay more.

Conservative: Try to simplify the tax code and establish tax rates which will increase tax revenues and create incentives for production.

Libertarian: Abolish the Federal Income Tax and the Internal Revenue Service. Replace taxes with voluntary financing methods for legitimate government functions.

28 What is the best approach for dealing with problems of pollution?

Liberal: Bigger and better bureaucratic management paid for by tax dollars.

Conservative: Tax financed cleanup of industrial waste.

Libertarian: Respect for private property rights and legal protection against pollutants and polluters through traditional common law remedies of injunction and damages for trespass.

29 What is the best way to deal with the problem of budget deficits?

Liberal: Raise taxes and reduce military spending.

Conservative: Raise taxes and reduce social spending.

Libertarian: Reduce all federal spending. Confine the federal government to national defense and the protection of constitutional rights from violations by state and local governments.

CHAPTER 6:

Libertarian Analysis of the Issues

In examining any particular issue from a libertarian point of view, there are two basic considerations. The first of these is the "moral" question. The libertarian first examines the status of the people in the situation to determine whether they are dealing with each other in a peaceful, voluntary, and honest manner. If they are, no one's rights are being violated, and it would be

immoral for anyone to bring force into the situation. If some force (or threat of it) is being used, then someone's rights are being violated and the use of force should end. It would be moral to use government force to assist the person whose rights are being violated.

Traditional politicians almost never deal with the question of whether government force is being used properly (to assist citizens

in defending their rights) or improperly (in a way which violates the citizen's rights). A libertarian will always ask that question and argue against the use of government force in any instance other than to assist the citizen in self-defense.

The second consideration is the "practical" issue. This issue involves considerations and predictions of what people will do in response to a particular law, regulation, or government policy. Most political discussions today deal only with the practical issue and completely ignore the moral issue.

The "practical" analysis only asks whether, if a specific law is passed, people will do what the legislators intend. Consider these examples: If the law imposes criminal penalties on employers who hire illegal aliens, will employers discriminate against all aliens, legal and illegal? If taxes are reduced, will that induce greater productivity on the part of business and workers? If the minimum wage law is lowered from \$3.35 per hour to \$2.50 per hour will that induce employers to hire more unskilled teenagers? If ownership of handguns is made illegal, will that reduce crime? If criminal penalties for possession of marijuana are eliminated, will that reduce crime or induce millions more to become marijuana users? If trade barriers are reduced or eliminated, will that hurt or help the U. S. economy?

Typically, political discussions about proposals for new legislation or repeal of legislation deal only with "practical" considerations. We have all become accustomed to politicians and political commentators limiting themselves in this way and so it sounds odd when someone, usually a libertarian, raises the moral question of whether a proposal to use government force in a given instance is legitimate.

It is rare when the moral issue becomes part of the general public discussion. The issue of the morality of the draft for military purposes is one of those rare instances. During the Vietnam War, and today with the legal obligation to register for the draft, some people are raising the question of whether it is moral to impose criminal penalties on young men who refuse to register or be drafted. Prior to the Civil War, the morality of an established legal institution and practice was challenged by the libertarians of that day. This was the abolitionists' challenge to the moral legitimacy of slavery.

The following chapters contain a series of brief discussions on a number of important political issues for today. These discussions are presented from a libertarian point of view and the analysis will contain both moral and practical considerations.

One of the nagging questions in many peoples' minds, even if they find the morality of freedom appealing, is whether or not it is practical. People want to know if freedom will work. With fewer governmental restrictions, will people be able to deal effectively with the problems that will arise in their lives?

Libertarians are working for freedom, not only because it is morally right, but also because freedom is infinitely more practical than the political conditions prevailing today. In other words, the more freedom we have, the greater is the opportunity for each of us to achieve goals and values of our own choosing.

Foreign Policy, Free Trade and Nuclear Arms

Libertarian foreign policy can be summed up in this phrase: "neutrality, free trade and nuclear arms reduction." Compare this to the bipartisan policy followed by the leadership of the Democratic and Republican parties for the past several decades. Their bipartisan policy is foreign interventionism, nuclear arms buildup, and a variety of legal restrictions on trade.

A foreign policy should be based on and tested by some relevant criteria. In the author's view there are three considerations: 1) the effects on the security of Americans from the possibility of an attack by a foreign power; 2) the effects on the personal liberties of Americans from governmental measures taken in the name of national security; and 3) the effects on the prosperity of Americans resulting from high taxes, military spending and trade barriers.

The first element in the Libertarian foreign policy is neutrality. The U. S. government is not the government of the world and has no authority to act as a government (militarily, economically, or otherwise) in other parts of the world. The world is covered with governments of sovereign nations, each of them having authority over its own area.

In recent decades, Democratic and Republican leaders of the U. S. government have apparently thought that they could go anywhere in the world and do anything to anyone so long as they could get away with it. A reversal of the situation demonstrates how absurd and dangerous this idea is. If some citizens of Libya, for instance, were to be travelling in America and were jailed for breaking the law in Chicago, and if Libyan soldiers were to invade Chicago to rescue those Libyan citizens, all America would be in an uproar declaring that this was an act of war justifying the most serious reprisals from the U. S. government against Libya. Those objections would be valid. The U. S. government's interventions in other countries are equally unjustified.

But, it might be argued, what if the U. S. is requested to come to the aid of another country, such as the government of El Salvador requesting U. S. assistance against Marxist rebels in that country? Such an event would still not justify U. S. government intervention on behalf of the group requesting the aid. In any dispute in a foreign country there will be at least two factions, and more often several, as was the case in Lebanon. The existing "government" is just one of those factions.

If given the choice, some American citizens would back one faction, some would back others, and some, probably the great majority, would prefer not to be involved at all. But, if the U. S. government intervenes to help one faction, it forces all Americans to

support that faction because our taxes are financing the U. S. government's intervention. This violates the rights of all those who would have made a different choice.

Further, in such interventions, the U. S. government increases the possibility that all Americans will be drawn into greater war, jeopardizing our security. Such intervention also generates hostility and resentment toward all Americans wherever they may be, thus increasing the risk to Americans outside U. S. borders.

Libertarians advocate that the U. S. government adopt a policy of neutrality toward other governments and withdraw from all military alliances or commitments by the U. S. government to take military action on behalf of other governments.

The U. S. government's primary legitimate function is to provide security for Americans from the risk that some foreign power, or powers, will attack them. American defense should provide security for the American people at home.

Yet currently, the U. S. government has approximately 500,000 military personnel overseas, 300,000 of them in Western Europe. The military budget for this year is about 300 billion dollars, over 70% of which is for military expenditures in other parts of the world, primarily in Western Europe and the Pacific. The average working taxpayer in West Germany or Japan pays less for the defense of his country than the average working taxpayer in America pays for the defense of Germany or Japan. American taxpayers are being forced to support a military welfare program for other wealthy countries. (This obviously affects the ability of American companies to compete in international markets with Japanese and German companies.)

American military personnel should be brought home to defend Americans and their property here. And that can be done with substantially reduced numbers. A look at a map of the world and the realities of the world situation demonstrate that there is no probability of a conventional military attack against the United States. No country or group of countries has any plan whatsoever to invade the U. S. If any such attempt were made, it would surely fail. The only military risk which faces the United States is the possibility of a Soviet nuclear attack, which we will address later.

U. S. surface naval forces should also be returned from their deployments around the world to American coastal areas. The recent U. S. Naval buildup, based on the policy of interventionism, is designed to enable the U. S. to be involved in several wars concurrently around the world. That policy should end, and with it the deployment of

conventional U. S. Naval forces on a global scale.

Free trade is the second essential element in the Libertarian foreign policy. Libertarians are advocates of free trade for several reasons. The most basic is that individuals have the right to engage in economic or commercial transactions with each other on any basis which is peaceful, voluntary and honest. It does not matter whether the participants in this economic activity are located in the same city, the same state, different states, or different countries. As human beings, each has the right to offer goods and services to willing buyers. No one has the right to step in between them with a gun and penalize them or prevent them from engaging in peaceful and honest trade. The existence of an international boundary does not change this principle.

Free trade is a powerful inducement to international peace. Any time a trade barrier is removed, increased trade follows and the people who engaged in it are more prosperous. When people in different countries are able to trade freely with each other, they improve their prosperity and they do not want their beneficial trade relationships interrupted by war.

It is an interesting historical fact that the U. S. government has never gone to war with another government while free trade relationships existed between them. History also shows us that governments tend to follow the lead of other governments where trade barriers are concerned. If one government lowers its trade barriers, others tend to respond in kind. If one government raises trade barriers, others tend to reciprocate. Thus, if the U. S. government seeks to induce other governments to reduce their trade barriers, the most practical policy is immediate removal of all U. S. trade barriers (tariffs, quotas, etc.) which limit peaceful, honest trade between Americans and people in other countries. Removing trade restrictions would be the single most effective way to improve the prosperity of Americans and others, and to improve the relationships between Americans and people of all countries.

It should also be noted that a capable defense for any country depends upon a prosperous economy to finance that defense. To the degree that other countries, such as those in Central America, become more prosperous as a result of increased trade with Americans, they will be better able to defend themselves. Further, as prosperity and friendly relationships with Americans improve due to increased trade, the appeal of Marxism will be reduced.

The only significant military risk to the American people is the possibility of a nuclear attack from the Soviet Union. Most people want to see a reversal of the nuclear arms race. Unfortunately, the leaders of both the Democratic and Republican parties seem unable to agree on an analysis of the situation, or on policies which will even slow the increase in nuclear arms.

Both the U. S. and the Soviets have huge strategic nuclear arsenals. Both sides maintain and continue to increase these nuclear arsenals on theories which aim toward avoid-

ing nuclear war, or if it cannot be avoided, surviving in a condition superior to the other side.

The Soviet strategic policy is the "pre-emptive first strike." This means that if the Soviet leaders perceive a great risk of attack, they will strike first, aiming at the U. S. missiles and other military and political installations in an attempt to destroy the ability of the U. S. to retaliate or defend against a subsequent invasion. Millions of Americans would die.

Expansionist Soviet policy is understandable (though not justifiable) in terms of Russian history. Russia has been invaded (even by the U.S. during World War I) and wants to protect its country and people from such terrible devastation happening again. The Soviets seek to maintain a buffer of client states on their borders to discourage any potential invaders of the Russian homeland. Soviet policy is to strike first if it appears that any country or group of countries is seriously preparing to attack Russia.

By contrast, the United States' strategic nuclear policy is "deterrence" based upon the ability to retaliate after a Soviet first strike, to retaliate so completely as to destroy everything of value in the Soviet Union. The death toll on the Soviet civilian population in the event of such a retaliatory strike would be many tens of millions, a circumstance which Libertarians find morally unacceptable. It also explains why the Soviets commit a great deal of resources to civil defense, that is, protection of the Soviet population, to insure the highest possible survival rate after a U. S. nuclear attack.

The U. S. strategic nuclear arsenal is made up of three types of missiles: land based, submarine carried, and bomber carried. Any one of these three components is maintained in sufficient numbers to destroy the Soviet

Union several times. Therefore, it is possible to eliminate a great many U. S. missiles of each type and still retain the ability to retaliate pursuant to the policy of deterrence.

In addition to the "strategic" nuclear missiles, the U. S. has deployed in Europe a number of "tactical" nuclear missiles. The difference is that the tactical missiles in Europe have a shorter range and are not capable of intercontinental flight as are the strategic missiles. These tactical missiles are deployed in Europe under the control of the U. S. government as part of the NATO alliance of Western European countries and the United States. The Soviets also have tactical nuclear missiles stationed in Eastern Europe as part of the Warsaw Pact military arsenal.

In the event that war begins in Europe between the communist Warsaw Pact countries and the Western European NATO countries, the United States is committed to use its tactical nuclear weapons. In addition to the U. S. - NATO tactical nuclear weapons, England and France also have medium range nuclear weapons. Because of its control over these tactical nuclear weapons in Europe, the United States has deviated from its stated strategic nuclear policy of deterrence and has moved toward a policy of limited nuclear war fighting. In other words, U. S. military and political leaders believe that it will be possible to engage in nuclear war on a limited scale and "win" it!

The author happens to believe that this is governmental folly more dangerous than any other in history. It is much more probable that when the first U. S. or Soviet tactical nuclear weapons are used, the rest of the U. S. and Soviet missiles will also be used.

Another significant element in the current nuclear arena is the continuing research and development on defensive anti-ballistic missile

systems. In 1983, President Reagan gave what has come to be known as his "Star Wars" speech in which he advocated the development of space based anti-missile systems. The argument in favor of this development is that defensive anti-ballistic missile technology would be a beneficial replacement for weapons of mass destruction. The arguments against such a system are that technologically it is always easier and less expensive to develop the offensive capability to penetrate a defense shield, the expense would be astronomical and the Soviets would probably perceive such developments as effectively disarming them so they would likely make a pre-emptive strike while it would still be effective.

In light of the current circumstances, the author advocates the following policies regarding nuclear weapons:

1. The U. S. should declare a policy of "no first use" of nuclear weapons. This applies primarily to the tactical nuclear weapons in Europe and should be done in connection with a withdrawal from the NATO alliance.

2. Terminate U. S. control of tactical nuclear weapons in Europe. If the Western Europeans feel that tactical nuclear weapons are necessary for their defense, they should develop them and take full responsibility for them. The U. S. finger should not be on the trigger of nuclear weapons in Europe.

3. Immediately begin the elimination of all land based missiles in the United States while continuing to rely for strategic deterrence on the submarine and bomber carried missiles. This would make Americans more secure for two reasons. First, it would remove land based missiles in America as potential targets for a Soviet first strike. Second, it would constitute an unmistakable commitment to the process of nuclear arms reduction.

4. Negotiations with the Soviets to participate in nuclear arms reduction should begin immediately. In 1983, before the United States proceeded with the deployment of Pershing II and cruise tactical missiles in Europe, Soviet Premier Andropov proposed to President Reagan that if the United States would not proceed with that deployment, the Soviets would remove some of their tactical missiles from Eastern Europe. Sincere or not, it was a Soviet offer toward arms reduction which the U.S. could have accepted.

Arms reduction negotiations with the Soviets have bogged down, in part, due to the unwillingness of either side to make any reductions without precisely equal reductions on the other side. Thus, negotiations have been agonizingly slow due to arguments over whether elimination of a given warhead or launching device was technologically equal to something the other side was willing to eliminate. The U. S. does not have to lock itself in to demands for precise equality in arms reduction. The security of Americans can be improved by implementing the policies discussed here even though Soviet nuclear reductions lag somewhat behind.

In the context of implementation of libertarian policies of neutrality, of conventional military withdrawal from around the world, of free trade, and of nuclear arms reduction, tensions between the Soviet and the U. S. governments would be



reduced substantially and the risk of a pre-emptive first strike from the Soviets greatly diminished.

In such a context it would make sense to accelerate the research and development on defensive anti-ballistic missile technology, but only in such a context. Unfortunately, the current advocates of Star Wars defenses or the "High Frontier," as advocated by President Reagan, seem to want to develop and add defensive systems to the existing and expanding U. S. nuclear arsenal. This would more likely increase the apprehension of the Soviet leaders and increase the risk of an attack from them.

Now let us compare the existing bi-partisan Democratic and Republican foreign policy of military intervention, nuclear arms proliferation, and protectionist trade barriers, to the Libertarian policy of neutrality, military withdrawal, nuclear arms reduction and free trade. Consider the relevant criteria: the effects on the security of Americans, the effects on the personal liberties of Americans, and the effects on the prosperity of Americans.

Under libertarian policies the security of Americans would greatly increase because of reduced tensions between the U. S. and Soviets, and due to the development of peaceful and friendly relations between Americans and people in foreign countries resulting from increased trade. Regarding our personal liberties at home, the most significant effect would probably be elimination of the threat of a military draft and draft registration, thus, freeing millions of young men from that particularly vicious violation of their liberties. Further, as we reduce military involvement of the U. S. government abroad, we reduce government surveillance of American citizens in the name of national security. (During the Vietnam war, the C.I.A. and the F.B.I. infiltrated and disrupted political organizations opposed to U. S. involvement in that war.)

The improvement in the prosperity of Americans from adopting a Libertarian foreign policy would be tremendous. First, reductions in military spending would mean much lower taxes. Recall that more than two-thirds of the current military budget is spent abroad. The distortion of the economy due to so much American productive effort being directed toward military matters would be reduced. Obviously, the prosperity of Americans would greatly increase due to improvement in trade relationships with other productive people throughout the world.

By comparison, the bi-partisan interventionist policies of the Democrats and Republicans have been a disaster for American security. The greatest disaster is the waste of lives of young Americans.

The pattern of U. S. foreign intervention is typically as follows. In some part of the world different factions are involved in a dispute. The U. S. government decides to assist one faction and send U. S. military personnel to the area. A number of young Americans are killed. A number of other people are killed. Eventually, the U. S. military is pulled out and then things go back to the way they were before.

In addition to the death and maiming of

many young Americans, U. S. interventionism typically generates resentment and hatred toward the U. S. government and innocent American citizens. Finally, the American taxpayer bears the tax burden for the operation, and sometimes for a long time afterwards.

Many people are concerned that if the United States were to withdraw from military commitments around the world this would create a vacuum which the Soviets would immediately fill. As pointed out above, the defense of the wealthy countries of Europe,

CHAPTER 8:

Taxation as Theft

Libertarians do not make a distinction between people in government and people outside government. The topic of legitimate government functions, such as national defense and protecting constitutional rights, is a separate topic from the method of financing these functions.

The traditional financing method for government is called "taxation," and taxation is as old as the institution of the state. In his book, *The State*, Franz Oppenheimer showed that the development of the state as an institution was based on tribal conquests and the exaction of tribute by the conquerors from the conquered people. Invariably one tribe or group would conquer another and require the conquered peoples to pay in crops, labor, or other property on a continuing basis. In return, the conquerors would typically protect the conquered people from other marauding tribes. The protection money paid by the conquered peoples came to be called taxation.

Libertarians are willing to call taxation by its accurate name: "theft." Taxation is simply some people using the force at their disposal to steal the earnings or property of other people. The taxpayer-victim is threatened with fines or jail if he refuses to pay. If the taxpayer resists the government force, the tax enforcing officials have the power (not the moral right) to crush the resistance with whatever force is necessary, including lethal force.

If a man with a gun came to your house or place of business and told you to deliver to him a portion of your weekly earnings upon penalty of being locked up or shot if you resisted, you would consider that a clear violation of your rights and properly label it "armed robbery." You would be incensed at the injustice of such an action.

If the robber told you he intended to do good things with the money such as, defending you from other robbers, or providing tutors for poor children, or feeding hungry refugees overseas, you would be justified in rejecting these rationalizations. Regardless of what a thief plans to do with the loot, theft is immoral and cannot be condoned in a sane society.

The underlying facts and principles do not

change when the process of theft is obscured by politics and legalisms. Just because a group of legislators say you must submit to their thievery, and just because they have men with guns at their disposal to compel you to do so, does not change the immoral nature of the process called taxation.

One important libertarian goal is to show that taxation is based on coercion, and to encourage people of good will everywhere to join in efforts to eliminate coercive taxation as the method for financing legitimate government functions. There are alternatives for financing government which do not involve coercion, but rather are based upon respect for the rights of the people and voluntary cooperation.

One particularly damning indictment of government is that it enforces the tax code with criminal penalties. People who do not file tax returns or pay taxes according to the code may be jailed. A taxpayer, even one without assets, cannot file bankruptcy and discharge tax liability in the same way private debts are discharged.

As private citizens, we cannot threaten those who owe us money with jail. We can only bring civil lawsuits and collect after a trial and judgment. And if our debtors are insolvent, they can file bankruptcy and eliminate their debts. An immediate, interim reform to our tax laws should be to remove the criminal penalties and put government tax collectors in the same status as any private citizen trying to collect a debt.

Now, let us consider the Federal Income Tax, the most familiar tax to all of us. The Sixteenth Amendment to the U. S. Constitution was adopted in 1913, making it possible (according to questionable Supreme Court decisions) for the U. S. government to tax the incomes of the citizens directly. The income tax went into effect in 1914.

During the debates in Congress over whether to have a federal income tax, some argued that since there was no upper limit on the tax Congress could impose, the income tax might go as high as 10% of a person's income. They were hooted down as alarmists, but they were right. Income tax rates have gone as high as 70%. The U. S. Supreme Court has held that there is no constitutional

impediment to Congress imposing an income tax of 100%, and that for Congress to leave the citizens with any portion of their earnings is merely a matter of "legislative grace."

The federal income tax has been part of our law since 1914. Before that time the people of America prospered. By the year 1900, Americans were first in the world in per capita wealth and standard of living. Since 1914, and especially since World War II, the federal government has grown fantastically and the federal income tax has risen to astronomical proportions. The federal income tax accounts for between one-third and forty percent of the total amount of money that the federal government spends each year. If the federal government were confined to its legitimate functions of national defense and the protection of constitutional rights, the federal income tax could be eliminated. And, of course, if that were accomplished, it would also be possible to abolish the one federal agency most feared by Americans, the Internal Revenue Service.

The logical question to ask at this point is: "How would government be financed if taxation were not available?"

The current proposed federal budget is 925 billion dollars and, of that, military spending accounts for about 300 billion dollars. Also, there is a budget deficit anticipated of between 180 billion and 200 billion dollars. That deficit will be financed by the U. S. government borrowing money in private financial markets. If the federal government were confined — as libertarians advocate — to providing national defense and protecting constitutional rights, federal expenditures could be reduced radically, at least by two-thirds and probably more. So the amount of voluntary financing necessary would only be a fraction of the current method of taxation and deficit financing.

There are many possible methods for voluntary financing of the legitimate functions of the federal government. Private organizations in American raise over 100 billion dollars per year in money, material and services from people who are willing to support their efforts. We can learn from the voluntary fundraising methods these organizations use.

Most people agree that national defense and protection of constitutional rights are very important and would voluntarily support them. But most are also understandably reluctant to support many of the other things the U. S. government does. This is the main reason so many people object to paying taxes.

One proposal for voluntary financing is to create a "national defense endowment fund." The U. S. government owns one-third of the land in America. It also owns a great many other valuable assets (Tennessee Valley Authority, other power plants, Amtrak, the Post Office resources, gold, silver, etc.) none of which are necessary for the government's legitimate purposes. Portions of these assets could be sold off in order to raise the necessary sums to initiate a national defense endowment fund. Of course, all citizens would be encouraged to voluntarily contribute to the national defense endowment once it was established.

Another possibility would be support from private insurance companies. Assume that insurance companies would write insurance to cover the risk of death, injury, or property damage resulting from an attack on the United States. Persons who bought such insurance would pay premiums to the insurance companies. When insurance companies write insurance to cover a specific risk they also often take other steps to reduce the possibility of having to pay off on that risk. For instance, fire insurance underwriters do research on fire safety, write building standards and codes, and inspect private and commercial occupancies, all as part of a continuing program to reduce the amount they will have to pay due to fire loss. In the national defense area it is probable that insurance companies would engage in a number of activities designed to improve the prospects for peace and effective defense against attack, such as contributing to research and development of defensive tech-

CHAPTER 9:

Education: State Control or Freedom of Choice?

Everyone agrees that it is important to provide young people with opportunities to develop their minds and learn about the world. It is also obvious that all children, from the youngest age, are eager to learn and continually seek intellectual stimulation. There is no way to stop children from developing their minds and learning about the world. The question is: "What will they learn, from whom, and in what circumstances?"

Most adult Americans have attended public schools and most American children are now attending public schools. Unfortunately, there is a great deal of fault to find with the government operated schools, both on moral grounds and on the basis of poor results. It is no mere coincidence that the operation of the public schools is morally bankrupt and the results deplorable.

Libertarians seek to remove coercion as the basis for all human relationships. The relationship involving education is between suppliers and consumers of a service, just as in other market situations. On the one side in public schools are the suppliers: administrators, teachers, custodians, building contractors, textbook publishers, etc. On the other side are the consumers: parents, children, and taxpayers.

The educational relationship in government schools is loaded with coercion. First, we have compulsory attendance laws. These laws make it a crime for parents to fail to deliver their children to school from age six to 17. Second, we have compulsory financing through taxation. The existence of these two laws, compulsory attendance and compulsory financing, establish a protected monopoly

nology, subsidizing military training, intelligence gathering regarding potential enemies, and negotiations with foreign governments to improve international relations.

Several state governments operate lotteries to raise money voluntarily, as an alternative to taxes. Thus, a "national defense lottery" is one more possibility for voluntary financing.

The foregoing suggestions are not intended as a complete list of possibilities. They merely illustrate that it is possible to develop voluntary methods of financing legitimate government functions as an alternative to taxation. The important point is that we, as compassionate and rational human beings, should acknowledge that the coercive method of government financing by taxation is immoral; and therefore, our goal should be to replace the coercive method with voluntary methods more consistent with proper moral behavior. We may or may not be completely successful in reaching that goal, but it is the right goal.

service business. Therefore, it should not be surprising that, as with all protected monopoly business, the public schools are terribly inefficient and expensive and not much concerned for the desires or welfare of the consumers.

Third, we have coercion regarding the subjects to be taught in the public schools. This is why there are continuous battles over such things as prayer in school, sex education, creationism versus evolution, which books will be allowed in school libraries, and the contents of textbooks. Current textbooks tend to be a hodge podge of bland materials which are the result of textbook editors and school authorities trying to satisfy a variety of interest groups.

Fourth, we have coercion regarding who can teach. Only certain persons with certain characteristics are allowed to teach under the current laws. For instance, a public school teacher who is homosexual, if discovered, is likely to be quickly out of a job. In many states parents who prefer to teach their children at home are harassed by state school authorities. The same is true in many cases for people who desire to provide religious schooling for their children.

Recently in the State of Nebraska seven fathers were jailed for contempt of court for educating their own children in a church school. The children were tested and scored higher than public school grade level and were willing to be tested regularly. However, the parents simply refused to submit to the State's legal requirement that the operators of the school obtain the State's permission. State school authorities seem less interested in educational opportunity than in establishing

their power to control the mental development of the young.

There is no proper role for government in education. One of the most valuable contributions to a peaceful and free society was made by the founders of this country when, in the First Amendment to the U. S. Constitution, they established the principle of separation of church and state. They were aware of centuries of religious war and persecution that resulted from attempts to establish state religions.

The right to freedom in the area of intellectual development and personal philosophy is fully as important as freedom of religion. Thus, there should be a separation of education and state just as there is a separation of church and state.

What are the results of government operating schools? In the last 20 years the cost of operating government schools has increased between 400 and 500 percent, during a period of declining enrollments and declining student performance. Today, approximately one out of five young people either dropping out of or graduating from public schools is a functional illiterate.

Children of poor and minority parents suffer even more. Illiteracy in ghetto schools is as high as 40%. Across the nation, the average cost per student per year in public schools is about \$3,000. In private school the average is about \$1,500 and private schools do a better job of educating. In public schools, violence and drug abuse is considerably higher than at private schools.

As an interim measure (so long as the federal income tax exists), libertarians advocate tax credits for anyone who pays for the education of any student. Educational tax credits will improve education by introducing competition into the education marketplace. A tax credit against federal income tax means a dollar reduction in tax liability for every dollar paid for education. The author specifically proposes a \$1,500 per year, per student tax credit for anyone or any company who pays for the education of any student, or any number of students at any school, public or private.

Not only the parents of students, but also any wealthy individual or company could provide educational scholarships to students to broaden their educational choices at no out-of-pocket cost due to the tax credit. This would bring competition into the educational marketplace, ending the protected monopoly position of government schools.

At first, we would expect to see a substantial move away from government schools and toward private educational alternatives. The government schools would have to respond by becoming more efficient, cutting their costs, and by being more responsive to the desires of the consumers of educational services, the parents and the students.

This is as it should be. In a free, competitive marketplace, only those who do the best job of responding to consumer demand will survive.

The children of the poor and minorities would benefit most from this educational tax credit. Under the present system only the wealthy can afford to send their children to private schools while they also bear the tax

burden for public education as well as all other taxes.

It may seem odd but, when libertarians make such proposals to improve educational opportunity by increasing freedom of choice, some people object that, if free to do so, some people might not send their children to school and those children would grow up ignorant. Or, that some poor people could not afford education for their children.

Such objections ignore the fact that compulsory attendance laws only require attendance, and that many youngsters are so frustrated by what goes on in public schools that they not only do not learn themselves, they disrupt the learning process for other children. These objections also ignore the high rate of failure, frustration and func-

tional illiteracy among American youth as a result of government operation of schools. Further, many poor parents are right now making tremendous sacrifices to provide educational opportunities for their children outside the public schools. And further, the libertarian educational tax credit proposal is not limited to parents; it is designed to encourage wealthy individuals and business to support education for poor students. Finally, let us never forget that most important lesson: utopia is not one of the options. Our options are education based on coercion, or freedom of choice in education.

For anyone with any honest concern and compassion for the young and their mental development, freedom of choice in education is the only reasonable answer.

CHAPTER 10:

Prohibition Revisited

The use of alcoholic beverages is as old as recorded history. At some times and places some people have sought to prevent others from producing, buying, selling or consuming alcoholic beverages. One such experiment was the period referred to as "Prohibition" in America from 1920 to 1933. The Prohibition experiment is instructive because it shows so clearly the disastrous results of attempting to suppress peaceful activity with criminal law.

Possession of an alcoholic beverage does not violate the rights of any other person. To grow the grapes or grain from which liquor is made does not violate anyone's rights. To engage in the process of production of alcoholic beverages in a peaceful and honest manner does not violate anyone's rights. Nor does drinking the liquor, nor buying or selling it, violate the rights of any other person.

Libertarians say there is no justification for imposing criminal penalties on anyone who produces, buys, sells, possesses, or uses any intoxicating liquor. This conclusion naturally follows from basic libertarian analysis which recognizes that people own themselves and have the right to control their own lives, bodies, and honestly acquired property. People have the right to deal with each other in a peaceful and honest manner including the production, use, and trade of alcoholic liquor. (This does not imply that libertarians say people should do any of these things. It means that individual rights must be respected, and that to impose criminal penalties on people for such conduct is not justified.)

What happens when criminal laws penalize people for peaceful activities? The experiences during Prohibition are a classic example.

1. **The law does not work.** If people want to engage in a peaceful and honest activity, they will do it regardless of the law. Prohibition did not stop anyone from drinking alcoholic beverages. Today's drug laws do not prevent people from purchasing whatever drugs they want. Gun control laws do not

prevent anyone who wants one from having a gun. Immigration laws are not stopping illegal immigrants from coming to the United States. Laws against homosexuality do not prevent homosexuals from having the relationships they desire.

2. **Lives are ruined by making criminals out of peaceful people.** Prohibition made Americans a nation of criminals. The current laws against drugs, prostitution, gambling, pornography, etc., have made criminals out of millions of peaceful Americans who are no threat to anyone. One effect of this is that people who are already labeled as criminals may be willing to engage in other criminal activity.

3. **The price of the criminal commodity is much higher than it would be in a competitive market.** The economic laws of supply and demand work in legal markets and illegal markets. By making a substance or a service illegal, the supply is restricted and the shortage causes higher prices. Consider this example from today's illegal drug market. Morphine and heroin are both opium derivatives, basically the same substance. An amount of morphine which costs \$1.50 in the legal pharmaceutical market is equal to an amount of heroin that costs \$100.00 in the illegal drug market. The difference in price is due solely to the difference in the law relating to the two opium derivatives.

4. **Huge profits encourage criminal profiteers.** Because of the high profits to be made in illegal markets, people willing to engage in a life of crime are attracted to these illegal markets. Prohibition spawned organized crime in America. Organized crime continues to exist, supported by illegal markets in drugs, prostitution, gambling, and pornography.

5. **The existence of illegal markets results in corruption of the criminal justice system.** Because of the huge profits to be made in illegal markets created by the criminal law, the people in these markets protect themselves by buying off police,

courts and jailers in order to escape the effects of the law. It is ironic that drug users inside jails seem to have no problem getting illegal drugs so long as they have the money to pay for it.

6. **Law enforcement is more expensive for the taxpayer.** Between one-third and 50% of the tax dollars spent for law enforcement and the criminal justice system is spent on the suppression of peaceful activities, i.e., on "victimless crimes."

7. **The products and services in illegal markets are of a lower quality than in legal markets.** During Prohibition, people were sometimes made very ill or even died from impurities or defects in the liquors they purchased. "Bathtub gin" was the name for this inferior quality liquor. Today consumers of illegal drugs, illegal sexual services, or participants in illegal gambling are jeopardized in a similar manner. In illegal markets the quality of products or services is usually not known by the consumer. In legal markets businesses provide information about products and services available, such as, *Consumer Reports* and all of the magazines which rate automobiles and other consumer products. In illegal markets consumers do not have the protection of the law against fraud or shoddy products. You cannot complain to the authorities about being ripped off if what you bought was illegal in the first place.

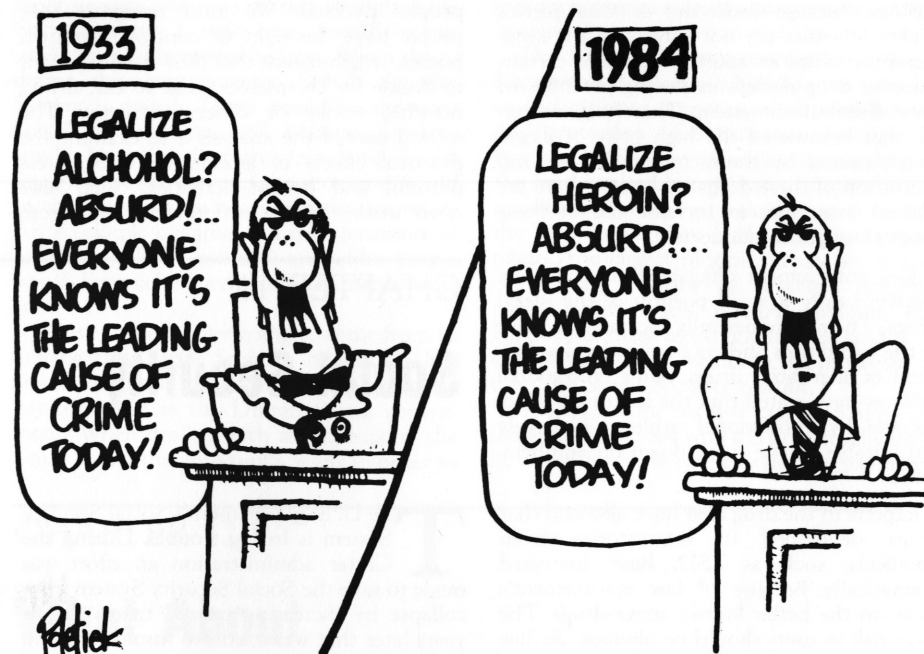
8. **Competition in illegal markets is based on violence as opposed to offering the consumer better quality products in honest trade.** Prohibition was known for its violent gang wars over territories. Similar situations exist today, especially in the illegal drug markets. Another example is the prostitution market where women are victimized by violence and must seek the protection of violent men in order to continue in their line of business. Those victimized by violence in this contraband market cannot seek protection from law enforcement because their activities are considered illegal.

Let us now turn our attention to today's "drug laws." For purposes of this discussion let us define "drug" as any substance which, when ingested, has a short term or long term effect on a person's body or mind. There are thousands of such substances. Some are legal and available to anyone without government permission, such as caffeine, aspirin, nose drops, etc. Other substances are legal but available only through regulated pharmacies, usually as medicines prescribed by licensed physicians to deal with ailments both mental and physical. Many of these substances escape legal channels and become part of the illegal drug market.

Then there are substances which are illegal completely, such as marijuana, heroin, cocaine, LSD, PCP, and a variety of other manufactured substances. Those who advocate strong drug laws typically argue that such laws are needed to suppress crime associated with drug use.

But such arguments have cause and effect exactly reversed. The crime associated with drugs is a result of the criminal law that makes them illegal and generates all of the results discussed above.

Before the year 1914, there was virtually no limitation or regulation on drug use. Opium and its derivatives were freely avail-



able in a variety of forms. There were no significant criminal problems or social problems associated with these substances. Many people used a variety of drugs, including alcohol, regularly and lived normal, productive lives.

One group of such people, Chinese immigrants in the western part of the country, played a larger role in the passage of drug laws. Many Chinese immigrated in the latter 19th and early 20th century to the western part of the U. S. where they worked building railroads and on other jobs. They used opium as their recreational drug.

The hard working Chinese were viewed as a threat by the organized labor movement in America, led at that time by Samuel Gompers. In an effort to discredit the Chinese and limit their immigration, Gompers and other labor leaders attacked the use of opium by the Chinese, referring to the hard working immigrants as the "yellow peril." These attacks were a major contributing factor to the passage of the Harrison Narcotics Act of 1914 which outlawed opium and its derivatives.

In the late 1930s Congress passed a law against marijuana use and possession. During Prohibition a large force of federal law enforcement officials had developed to deal with the illegal alcoholic beverage industry. With the end of Prohibition, these law enforcement bureaucrats were looking for jobs. Some of them chose marijuana, which had never been viewed as a social problem before, as a potential target. Their propaganda described marijuana as a great scourge of mankind and they finally succeeded in having it criminalized. The people seeking to outlaw marijuana were quite willing to engage in the most outrageous, false propaganda to achieve their ends, as anyone who has seen the film *Reefer Madness* can attest.

Today marijuana is acknowledged as the number one cash crop in several states in the country. Thousands of ordinary people

supplement their earnings by growing and selling marijuana. Estimates are that between 25 million and 40 million Americans use marijuana from time to time. Of course, the street price of marijuana would drop dramatically if the market were legal, and the variety and quality of marijuana would surely increase in response to legal consumer demand.

If the laws against drugs were removed, would Americans all become drug addicts and our society go down the drain? This frequently asked question is based on a fallacy. Remember, the current laws do not work. Anyone willing to look at the facts realizes that anyone who wants illegal drugs can get them. Millions of Americans use alcohol regularly but only a very few are socially impaired by it. Drug abuse (regardless of the drug) is a treatable illness. By removing criminal law, we will be better able to assist those who have drug abuse problems that they are now fearful of disclosing because of the potential for criminal prosecution.

In England, drug addicts can go to official sources for their drug so that they can deal with their problem without having to resort to crime to finance high-priced drug habits. In America, addicts with high-priced habits do sometimes turn to burglaries to finance their habits. You will recall that a \$100.00 heroin habit could be satisfied with morphine equal to the heroin, at a cost of only \$1.50.

Another interesting observation is that people who sell alcoholic beverages do not hang around high schools or junior high schools trying to interest the youngsters in liquor. Why is it that we hear so much about illegal drugs like marijuana, cocaine, and heroin on high school campuses?

What we find is this pattern. A person who is a regular drug user has a high-priced habit. One easy way for him to finance his habit is to develop a group of customers who buy from him. Such a person thus has a motivation to give free samples to his young friends in order to make regular customers of them.

Further, because under our criminal justice system juveniles are not subject to the same heavy penalties as adults, there is a certain value to drug dealers in having juveniles in their distribution system. Therefore, we can see that because of the high price of illegal drugs, caused by the fact that the use and possession of these drugs is a crime, there are natural incentives to increase use of these drugs throughout our society.

Law enforcement officials admit that they intercept only a small portion of the illegal drugs. Their activities only increase the price of the substances and encourage the development of alternative drugs. Some professional athletes have stated that the increased use of cocaine by professional athletes is largely attributable to the crack down on amphetamines.

Experts in the drug area have also said that drugs developed in laboratories from chemicals, such as LSD, have increased dramatically because of law enforcement's focus on the better known street drugs. The great risk to users should be obvious. As law enforcement drives consumers away from well-known drugs with predictable effects, venturesome drug consumers take greater risks with their minds and bodies by trying untested and unpredictable substances.

A libertarian analysis of the drug law issue begins with concern for the rights of the

people involved. We must recognize that people have the right to control their own bodies, which means that they have the right to decide for themselves what to eat, drink, breathe, smoke or otherwise ingest. The second part of the analysis is to examine the practical effects of attempting to suppress peaceful and honest activities. Such laws never work: they do not prevent people from

getting what they want. If we consider all the negative results of attempting to suppress peaceful activities, any reasonable person must conclude that just as Prohibition was a disaster, so are criminal laws against other drugs, gambling, prostitution, pornography, gun ownership, immigration, refusal to pay taxes or any kind of peaceful and honest economic activity.

CHAPTER 11:

Social Security

The U. S. government's Social Security System is in big trouble. During the Carter administration an effort was made to save the Social Security System from collapse by increasing payroll taxes. A few years later that was found to insufficient and more changes were made to save Social Security, again by raising payroll taxes. But Social Security has not been saved, and most people know it, especially younger Americans.

Today, many older Americans think of the old age benefits under Social Security as the

primary source of their retirement. But the system was not designed to serve that purpose.

Unfortunately, the government has put out much misinformation about Social Security, how it works and what it can do. We have been told that Social Security is some sort of insurance, investment or pension plan. People think that they have paid "into" Social Security. This is a mistake. The Social Security System is only a program whereby working people are taxed and the money is immediately paid out to people who are



retired. There is no pool of money that anyone paid "into" which still exists as a retirement or investment fund.

The Social Security System is insolvent; it should be viewed in the same way as a bankrupt company. The system has about \$8 trillion in unfunded liabilities. This means that, under current estimates, all of the money which must be paid out in the future — if the system continues unchanged — would equal \$8 trillion. The only way to accumulate the money to pay it is to increase taxes on working people in the future.

Another very important factor is that our society is growing relatively older. As time goes on there will be more older people, living longer, receiving benefits, and fewer younger working people to pay taxes. A person now retiring at age 65 who has worked at average wages for the last 40 years, will receive from Social Security an amount equal to all Social Security taxes he paid, in about two years.

Experts estimate that because of the advancing age factor in our population, by the year 2030 the average working person will have to pay over 40% of his or her earnings, just for the Social Security tax, in order to maintain benefit levels as they are now. The system cannot survive under such circumstances.

There will be a major intergenerational conflict. Younger working people will find ways to evade the system just as many people work in the "underground economy" now to evade excessive taxation. Further, tax levels of that magnitude would be such a depressant on the economy as to cause a complete economic collapse. Thus, rather than providing security, the existing Social Security System is a prescription for disaster and loss of security, not only for older people but for everyone.

The way to a solution begins by facing up to the hard realities. We must recognize that we are dealing with a bankruptcy situation and the best we can hope for is to end the problem and cut our losses. There is no "fair" way or perfect solution. The following proposal is designed to solve the problem in the least burdensome way, but does not claim to be perfect. Utopia is not one of the options.

We begin with those people age 56 and older, including those 65 or over already receiving Social Security old age benefits. People in this group will receive 100% of the payout under the proposal. Those in the age group from 52 through 55 will receive a percentage of the proposed payout based upon their age: 52 = 20%, 53 = 40%, 54 = 60%, 55 = 80%. For everyone in the total category (age 52 and older) it will be possible to do an actuarial analysis, much as an insurance company would do, to determine the present discounted value of the future Social Security benefits such persons would receive if they lived to the average life expectancy. In simple terms, this would be the amount of money one would need to invest at current interest

rates in order to make the Social Security benefit payments to the average person after age 65. This gives us a lump sum figure for each person in the class.

Each such person would choose between taking the lump sum or purchasing with it a

life insurance annuity contract to replace the Social Security benefits they would receive under current benefit schedules. When this is done, the government's Social Security System is ended. There would be no more Social Security tax. All younger workers would be relieved of the increasing Social Security tax burden and the economy would receive a great boost because of that tax relief. An economic collapse and intergenerational conflict would be avoided, and older people would be much more secure than they now are.

Where is the money going to come from to finance this Social Security buyout? It has previously been noted that the system is bankrupt. So is the United States government. When dealing with a bankruptcy, the aim is to use the bankrupt's assets in order to

CHAPTER 12:

What About the Poor People?

The federal and state governments manage a large number of programs whereby taxes are extracted from working people and the proceeds of those tax collections, after taking out a sizable portion for bureaucratic overhead, are distributed in a variety of ways to people considered needy and deserving. Social Security is one example, but there are many others: food stamps, aid to families with dependent children, medicare, unemployment insurance payments, etc.

It is true that in America there are millions of people who are poor, temporarily unemployed, permanently unemployed, disabled and unable to support themselves. Infants who have lost their parents, the mentally incompetent, very old people and others are unable to support themselves and, therefore, it is indisputable that somehow, someone will help them. The question is not whether, but how best to help those who need it.

The political issue is: "What is the legitimate use of force?" Government welfare programs are financed by taxation, a coercive method whereby some people — those in government — use the force at their disposal to take the earnings and property of other people to carry out programs they think best. Government welfare programs also cost a great deal of money. It is valuable to compare the results of such programs to the results of the thousands of private organizations which also provide assistance to people. That comparison is amazing.

Most people receiving welfare or who are chronically unemployed would prefer to work and be self-supporting rather than be in the demeaning position of receiving public assistance. The first thing to do to help the poor is to eliminate all of the governmental laws, regulations, restrictions, and obstacles to people who would be self-supporting if they

pay his creditors at least some percent of what is owed.

The United States government holds a huge amount of assets which are not relevant to its legitimate purposes of national defense and protection of constitutional rights. In fact, the U. S. government owns one-third of the land in the United States. It also owns a multitude of other very valuable assets such as the Tennessee Valley Authority, other power plants, the largest motion picture studios in the world, millions of vehicles, Amtrak, postal service assets, NASA, satellites, etc. Portions of these assets ought to be sold, in a fashion which will maximize the proceeds, to fund the Social Security buyout.

Finally, anyone entitled to receive payment under this proposal who did not actually need it, would be encouraged to decline payment.

had the opportunity. In other words, decriminalize work.

A perfect example of a counter-productive law is the so called "minimum wage law." Currently, the minimum wage law is \$3.35 per hour. Therefore, it is a crime for two people to agree that one will work for the other at \$3.34 an hour or less. This law clearly violates the rights of such people. The effect of the minimum wage law is make unemployable those whose current job skills are not sufficient to persuade a willing employer to hire them for at least \$3.35 an hour. The effect falls most heavily on the inexperienced young people who may be poorly educated in public schools. With no skills or experience it is unlikely that they will find employers to pay them \$3.35 an hour, although many potential employers would be willing to take them on a \$2.00 or \$2.50 an hour as trainees. As trainees, they could acquire work experience at the first rung of the ladder and move up later. But, with the minimum wage law, such youngsters never get started in the job market and many of them will be unemployed forever.

Congress is aware of the effects of the minimum wage law and from time to time considers a lower minimum wage for teenagers in order to open up those beginning level jobs. Why doesn't Congress repeal the minimum wage law altogether? The law really has the purpose of protecting people already working from the competition of younger, newer workers. Since organized labor can deliver many more votes than can the younger, less organized people, it is likely that Congress will continue with the minimum wage law.

Some people argue that a high minimum wage is required to prevent employers from grinding down the workers and paying them very low wages. Such an argument ignores the

fact that most working people in this country earn much more than the minimum wage. How could that be if employers can grind down the workers to the lowest possible wage?

The answer is that there is a great demand among employers for skilled workers. Because of this competition, workers with skills can demand and receive very good pay, much higher than the legal minimum. The only real effect of the minimum wage is to cause unemployment among the unskilled and, particularly, the youngest minority job-seekers in our society.

Licensing and permit restrictions prevent many people from going into a variety of occupations. The Interstate Commerce Commission, for instance, has for years limited entry into the trucking business, as well as limiting where truckers can ship their goods or what they can carry. This reduces competition among trucking companies and has a serious racist effect, preventing black owned businesses, in particular, from getting started.

The Civil Aeronautics Board is another example. This federal agency has regulated air transportation since its beginning. Until recently, the C.A.B. has prevented new airlines from going into business in competition with established ones. Fortunately, there is a movement toward deregulation within the Interstate Commerce Commission, and the Civil Aeronautics Board may soon be phased out. It is informative that the older, established companies want to retain the regulatory system because it protects them from competition, and that the smaller, newer, independent companies want to see an end to regulation so that they can offer their services to more people.

Within states there are similar regulatory bodies that make it difficult for people to start in business of various types. Most states limit the number of companies which can offer their services in trucking or moving services. In most cities which are large enough to support taxi service, city governments limit the number of people in the taxi business. The libertarian approach to these situations is simply to eliminate all legal obstacles to anyone offering their goods or services to anyone else. This provides the greatest opportunity for people who are poor or just getting started to offer services in their communities that are not now being provided because of the regulatory obstacles.

Zoning or other laws which make it a crime for people to work in their homes should be repealed. The City of Houston, the fourth largest city in the United States, does not have zoning. From time to time a proposal is put on the ballot in Houston to allow a vote on whether to institute zoning. Each time the zoning proposition has been voted down. The greatest vote against zoning in Houston always comes from the poorest part of the city, because the people there know that with zoning will come restrictions on their ability to work in their homes and to provide a living for themselves in that way.

One of the most effective ways to put people back to work is to reduce federal taxation and regulation of business. The higher the tax burden, the more difficult it is for a business to open, or to expand or to survive. The same is true for government

regulation of how business must be conducted. Surveys of small businesses show that the greatest obstacle for a small business to expand beyond one or two employees is the additional paper work and government red tape burdens that the employer would incur as a result of expanding.

Elimination of the federal budget deficits will also help put people to work. A federal "budget deficit" refers to the difference between government revenues from taxation and the amount of money spent by the federal government. At the present time anticipated budget deficits are between \$180 billion and \$200 billion per year for the foreseeable future.

Where does the money come from to pay for this federal government spending in excess of the money raised by taxes? The federal government borrows money from banks, other lending institutions, and individuals. At the current level of federal budget deficits, about two-thirds of the available financing capital is borrowed by the federal government. The government's borrowing increases demand for money for borrowing, which increases market interest rates — interest being the price that people pay for borrowing. It also means that businesses in the private sector have less available capital for their own purposes. The result is that businesses which would otherwise start up cannot do so, and businesses that would otherwise expand cannot do so. The final result is less employment in the private sector.

Another factor which causes unemployment is the unstable monetary system caused by the federal government's manipulation of the money supply. The U. S. government controls the monetary system in America through the Treasury and the Federal Reserve System, and because of this the government can virtually print money, manufacturing it out of thin air. This is what is meant by the term "inflation." The federal government can simply "inflate" the money supply, which it does to pay for projects which the people would be unwilling to pay for through direct taxation on a pay-as-you-go basis. The effect of this inflating of the money supply is to reduce the purchasing power of the money in the pockets of the citizens.

The government's manipulation of the money supply makes the price structure unstable, so that we have rising and falling inflation rates and rising and falling interest rates. An unstable monetary system causes unemployment because business operators have great difficulty making long range plans in an unstable monetary climate. Business operators shorten their time horizons and do not open businesses or expand them due to the inability to plan reasonably for an uncertain monetary future. An immediate return to a gold standard for the U. S. dollar would be an important first step to stabilization of the monetary system. It would encourage people in business to make their business plans on a longer range basis, thus, increasing employment opportunities.

Most people not now working could return to productive employment if the many obstacles created by government intervention into the economy were removed. This does not mean that everyone's employment problem would be solved, but it would

certainly be an improvement. If the people in government would only recognize and respect the rights of all people to offer their goods and services in a peaceful and honest way to others willing to trade with them on that basis, then the opportunities for productive employment would be increased tremendously for all people.

The second approach to providing assistance for the truly needy is to privatize welfare.

Massive government welfare programs, especially at the federal level, have been with us for the last 20 to 30 years. During that time the cost to the taxpayer has increased and the number of people receiving assistance has also increased. Economist Walter Williams has observed that if all the tax money taken to pay for government welfare programs were simply divided up among the poor, each family of four would receive approximately \$40,000 per year. Obviously, they do not receive it. The question is: who does?

The answer is that the government employees administering the welfare programs receive most of the money. Government welfare programs are terribly inefficient and certainly do not guarantee that those truly in need are taken care of properly. Many slip through the cracks.

A comparison should be made between government welfare programs and programs of assistance conducted by private organizations such as churches, temples, the United Way, the Salvation Army, the Red Cross, Goodwill, organizations that raise money for medical research, etc. These private groups raise over \$100 billion per year in money and services from people willing to support their efforts. They are also much more efficient, their administrative overhead expenditures averaging about 10%.

Government welfare programs have a number of significant negative effects. First, the hundreds of billions of dollars per year in tax money taken from working people to pay for government welfare programs is a substantial drain on the economy. If that tax burden were removed, the economy would receive a boost and many of the people on welfare would be able to go back to work — something the great majority of them would prefer.

Government welfare programs tell the rest of us certain incorrect things about ourselves. They tell us that we have no compassion, that only bureaucrats have compassion. They tell us that we do not know how to help people effectively. They tell us that we would be unwilling or unable to provide assistance to the needy unless we were forced to do so. Government welfare actually interferes with our ability to express and implement our own compassion in our own way for members of our family, people in our communities, and needy people throughout the world. Because of the heavy taxes working people pay, they have little left to use in their own way to help people about whom they are concerned.

Would you stand by and do nothing if your neighbors or people in your community were starving or in some dire need? Of course you wouldn't.

You would help people like that, but perhaps you are not so sure *anyone* else would.

Libertarians believe that we must respect the compassion that others have, which is the same as the compassion we experience within ourselves. Most people recognize that government welfare programs are terribly inefficient but still continue to support them, precisely because they all do have compassion. People don't want to see others in distress. We all want to live in a world where people do look out for each other when it is necessary.

Government welfare induces people to have someone else take care of the problems of assistance. It becomes easier to put grandma in an institution and let taxpayers pay for it, rather than to provide help for grandma in the family home. When it appears that someone else is paying for a service, people tend to overuse that service. But there is no free lunch, and the bill always comes back through increased taxes.

Government welfare programs are demeaning. Social workers pry into the personal lives of welfare recipients because taxpayers are naturally concerned about welfare fraud, about people who are not "entitled" under the welfare rules to receive assistance.

CHAPTER 13:

Economic Freedom: Personal Freedom

A libertarian discussion of the economy begins, as always, with a concern for the rights of all persons to do what they desire with their own lives, bodies and property. When people are engaged in business, commercial, or economic activities, they are still human beings. They do not fall into some sort of second class category simply because they are engaged in making a living.

People have the right to deal with each other in any peaceful, voluntary and honest manner. This includes producing, selling, buying, and using the great variety of commodities and services available in the market place.

It doesn't matter whether people are Americans or live in other countries, the principle is the same. Production and trade are necessary for people to sustain their lives.

Where the right of all persons to engage in peaceful and honest production and trade is recognized, the resulting economic system is called a "free market." Libertarians advocate the free market because it is the only system based upon and consistent with individual rights. The free market also happens to be the most productive economic system by far.

Fascism is a political-economic system in which people are allowed to own property but government officials make most of the important decisions about the use of that property, such as wage and price controls, limitations on what products may be produced, who is allowed to be in what businesses, etc. The political system in which government owns all or most of the major

Combine this with the natural motivation of welfare workers to perpetuate the system because they are its primary beneficiaries, and we have a situation best described as a "welfare plantation," ever growing and expanding and designed to keep the poor in that condition.

The best thing that we can do for the disabled, the needy and deserving is to privatize welfare, to eliminate government assistance and welfare programs. The savings in taxes will help the private business sector expand and increase employment. Working people will have much more left in their paychecks because of reduced taxes and will, thus, be better able to work on assistance programs of their own choosing.

More people will be able to do more, working with others of like mind on real problems of real people in their own communities, so that the most effective assistance can be provided to the truly needy and deserving. This will not create utopia, of course, but the private way of providing assistance is far superior to the inefficient government welfare programs.

with each other it is because each figures that he will be better off by doing so than by not doing so. For instance, if I offer to sell you my cow for \$1,000 and you decide to buy, this means that I would rather have \$1,000 than a cow, and you would rather have a cow than \$1,000. By going through with the deal, each of us is better off than we were before, according to our own judgment.

Recognizing people's rights and not interfering with their peaceful and honest economic activity increases productivity for everybody. We have an expanding economic pie. This explains why, since the beginning of the industrial revolution in those parts of the world with relatively greater economic freedom, there has been a great increase in productivity and a rising standard of living — at the same time that there has been a tremendous increase in population.

Where government interferes least in the economic activities of citizens, economic productivity increases more rapidly than where government controls economic activity. In Hong Kong, for instance, the British government intervenes very little in the economic affairs of the people and this small island, with no natural resources, is able to support millions of people.

A laboratory example is provided by East Germany and West Germany. After the devastation of World War II, Germany had to rebuild. East Germany was under communist rule and West Germany was governed by people who followed the advice of free market economists and established a relatively free economic system. The productivity of West Germany, since World War II, is viewed as an economic "miracle." The East Germans have no personal liberties and their economic productivity is very low due to a centrally planned economic system.

Every reduction in taxes and every reduction in government control over the economic activity of the citizens will improve America's productivity and increase employment. This would mean an increased standard of living for everybody in the country, and would also mean a much wider variety of choices and opportunities for all persons, of whatever means, to find the best opportunities to improve their own conditions.

Why is it that tax reductions are good for increasing economic productivity? When people can enter transactions and negotiate freely regarding the terms of any economic activity, then all deals consummated improve the conditions of the participants, from their own point of view. Obviously, some investments don't turn out well and sometimes businesses fail. However, when such things happen to private individuals or companies, the loss is their own and others are not obligated to bail them out. By contrast, government, viewed as a service business, can force people to pay for its services. It is not subject to a profit and loss statement, and does not have the incentive of market competition to make it more efficient.

Government waste is a well known phenomenon and is a necessary consequence of bureaucracy which is not subject to the discipline of the marketplace. This is why, when people in the private sector of the

economy are taxed and their wealth is used by bureaucrats in a less efficient manner, the economic pie shrinks. Therefore, reducing taxation and the number of government functions will be a net economic benefit,

productivity will increase, and more people will be able to find work doing the things which appeal to them most and which give them the greatest opportunity to improve their conditions over time.

CHAPTER 14:

Pollution and Environmental Values

Everyone these days expresses great concern about "pollution" and "the environment." Most have only a hazy grasp of what they are talking about, but the level of concern is quite high. It would be helpful, therefore, to define these terms for purposes of the present discussion.

"Pollution" refers to the act of some person (or company) removing from his own property something he does not want and dumping it elsewhere without the consent of the owner of the property on which it is dumped. There is general agreement that pollution is bad and should be stopped.

"Environment" is a confusing term as it is commonly used, because it means "everything out there." It will clarify matters to think of the environment as a combination of all the property in the world, whether owned by individuals, companies or the government. It will become clear that the difference in the way property is treated depends a great deal on whether it is privately owned or is under government ownership.

Usually, when environmental issues are under discussion, the concerns are about pollution of air or water, wilderness, protection of endangered species or other wildlife, timber or grazing lands, water rights and mining. There is no dispute that all of these things have great value to most people. There is dispute, however, over priorities and how best to accommodate them.

The choice to be made is between two different sets of legal institutional frameworks. The first is the bureaucratic management system best represented by the federal Environmental Protection Agency and the Bureau of Land Management. Most Americans assume that without these agencies all our water and air would be hopelessly fouled and private developers would have long ago bulldozed the National Forests and replaced them with condominiums. The alternative legal framework is based upon the traditional Anglo-American concepts of private property where private citizens can acquire, establish, protect and trade rights in property of all forms and the government's function is to protect the citizens' property rights.

Neither one of these options is perfect. There is no utopia. But the private property based system, if allowed to work, does a much better job of protecting "environmental values."

There are several widely shared, but erroneous, assumptions about our present situation and how it works. First, it is

assumed that polluters can only be stopped by regulatory officials working for the EPA or similar state agencies. Second, it is assumed that private owners of property have some perverse motivation to destroy its value in the pursuit of short range profits. Third, it is assumed that only public-spirited bureaucrats can manage forest, grazing lands or wilderness in a manner which does not jeopardize their long-term value. Each one of these assumptions is false, as we shall see.

To understand pollution, it is best to start with a simple example. If a person takes his trash to the fence located on the property line and dumps it over the fence into his neighbor's yard, that conduct is clearly a trespass and the law should provide a remedy.

It does. The injured party can bring a civil action for an injunction to prevent any further such conduct and can also recover damages for any injury already done to his property. Pollution can and should be analyzed as a matter of common law trespass; that is, one person or company dumping his trash on his neighbor's property without consent.

The pollution problems we hear about are just somewhat more complex factual situations. Air pollution involves some persons or companies putting trash into the atmosphere which travels to and invades the property of others, including their most fundamental property — their bodies. Water pollution involves some persons or companies dumping trash into water that doesn't belong to them. A major contributor to the problem of water pollution is that the government owns the waterways; private ownership of rivers, lakes and streams no longer exists in America, for all practical purposes. Government has allowed polluters to foul the water, whereas a private owner of water rights in a river would have much greater incentive to bring appropriate legal action to stop polluters.

Toxic waste is also a problem best analyzed as a trespass. If toxic chemicals are buried and then travel underground to the property of other persons, the victims should have legal redress against those who did the dumping which resulted in the trespass.

Sometimes persons who do wrongs to others become "judgment proof" by going bankrupt or just disappearing. This occurs in many situations, not just where toxic wastes are concerned. But if a person's property is damaged by toxic waste, that does not justify having the government force other people to

pay — through taxes — to clean up the mess, even where the wrongdoer is judgment proof. The so-called federal "Superfund," designed to pay for toxic waste clean-up, is really a subsidy for companies which have dumped such wastes and for people whose property has been affected by them. Once again, the average taxpayer gets stuck with the bill.

Acid rain should be dealt with in the same fashion. The current thinking is that acid rain which is falling in the East and Northeast is caused by the burning of coal with a high sulphur content in factories in the midwest. The problems of evidence and proof may be complex, but if factories which burn high-sulphur coal can be shown to be a substantial contributing cause of acid rain falling on other people's property, then they should stop. Traditional legal remedies should be available. Unfortunately, they are not, because the pollution arena has been usurped by the Environmental Protection Agency.

Pollution problems are magnified and aggravated by bureaucratic management. Bureaucracy is political. When decisions are made politically, the people with the most political clout tend to get their way. Often these are the same people the bureaucracy is supposed to control.

It should be no surprise that the automobile manufacturers and the United Auto Workers have been able to slow down the development of clean, non-polluting auto engines. If the courts would recognize the right of private citizens to bring actions against air polluters on the basis of trespass against their bodies and other property, the air would be much cleaner than it is today.

A second aggravating factor is the principle of "sovereign immunity." This legal principle protects the government from legal actions by citizens, except where the government has consented to be sued. Government-owned power plants and sewage treatment facilities are some of the most significant polluters, but private citizens have no legal redress against them. Respect for private property rights in the legal system and the end of the doctrine of sovereign immunity would provide the people with the tools to accelerate the job of cleaning up the environment.

Some people mistakenly think that moving away from the bureaucratic management system toward the private property based system would generate a great deal of litigation over environmental issues. The mistake here is to forget that our current bureaucratic system engages the services of hosts of lawyers both within the agencies and on the staffs of all the regulated companies. Environmental lawsuits are right now a great drain on productivity. By contrast, where property rights are clearly delineated, there is less litigation because potential litigants can more easily determine what is permissible and what is not.

The United States government owns approximately one third of the land in this country, most of it in the West and the Southwest. Some of it is Indian Reservations, some National Parks such as Yellowstone, some forests and grazing lands, some wilderness — and we even have the outercontinental shelf, an underwater shelf off the coast which contains much mineral wealth. Environmentalists express great concern

about these assets, usually concern that if private owners were to get their hands on any of it, terrible things would happen. But those concerns are largely misplaced. More environmental damage occurs as the result of government management than from private ownership.

As with any bureaucracy, government land managers have no effective way of determining the respective values of different uses of the land, because no market pricing system can develop. Thus their decisions are political, and that means the people with political clout will probably prevail. For instance, if some "strategic material" necessary for national defense were to be found in Yellowstone Park, is it likely that the environmentalists could fend off the bulldozers of the Pentagon?

The horror stories about overlogging and overgrazing from the past (and present), upon examination usually turn out to be stories of bureaucratic mismanagement. To be sure, private companies would purchase the right to log or graze on government land for a short term and overuse it. But that was the result of an agreement that created just such an incentive. The government land managers did a poor job of protecting the public trust.

Contrast those situations with privately owned and managed forest lands. The private owner has a strong incentive to replenish the forest crop to maintain the land at its highest value in perpetuity. It is no accident that timber companies like Weyerhaeuser and Georgia Pacific do a more efficient long-term job of using their forestlands than federal and state governments do with theirs. Such efficient use includes not only logging, but the maintenance of game preserves and camping and hiking facilities.

In addition to profit-making businesses which own forestlands, there are a number of environmental and conservation organizations which own forest and wilderness land which is of value to them. The National Audubon Society, for instance, owns 75 wildlife sanctuaries and 100 more are operated by its local chapters. The Rainey Wildlife Sanctuary in Louisiana is a 26,000 acre sanctuary for otter, mink, deer, reptiles and hundreds of thousands of birds. The Audubon Society pays for this operation from royalties from oil and natural gas wells located in the preserve which are operated so as to accommodate the primary values of the preserve and its owners.

The Nature Conservancy is another organization which has seen the value of privatization for environmental protection. This organization identifies areas of unique value and raises the money to purchase them from voluntary contributions. One recent purchase was Santa Cruz Island in the Santa Barbara Channel. It would probably surprise most people to learn that the major contributors to the Nature Conservancy projects are the very same "big corporations" that so many target as polluters and environmental destroyers.

For anyone concerned about pollution, wilderness, endangered species or other environmental issues, privatization holds much more promise than a continuation of management by bureaucracy. Neither bureau-

cratic management nor the free market system based on private property rights which are legally protected and exchangeable provides the perfect solution to all of the issues. But the private property framework

Conclusion

The Libertarian Party is the one nationwide organized political movement in America today working consistently for *everyone's* liberty on *every* issue. It is unique in American politics because it is a party created to promulgate and implement the political philosophy of libertarianism. The purpose of the Libertarian Party is perhaps best stated in the Preamble to the Party's Platform:

As Libertarians, we seek a world of liberty: a world in which all individuals are sovereign over their own lives, and no one is forced to sacrifice his or her values for the benefit of others.

We believe that respect for individual rights is the essential precondition for a free and prosperous world, that force and fraud must be banished from human relationships, and that only through freedom can peace and prosperity be realized.

Consequently, we defend each person's right to engage in any activity that is peaceful and honest, and welcome the diversity that freedom brings. The world we seek to build is one where individuals are free to follow their own dreams in their own ways, without interference from government or any authoritarian power.

In the following pages we have set forth our basic principles and enumerated various policy stands derived from those principles.

These specific policies are not our goal, however. Our goal is nothing more nor less than a world set free in our lifetime, and it is to this end that we take these stands.

In the foregoing chapters we have seen something of the history of the development of libertarianism as a uniquely American

provides the *best* opportunity for the most rational and productive use of all portions of our environment to satisfy the most urgent demands of all the citizens, now and in the future.

political philosophy. Although its roots are in the centuries old natural rights tradition in western culture, it was the American revolution which translated libertarianism into practical political action with magnificent success for the first time in history. The modern libertarian movement, within which the Libertarian Party is included, is a continuation of that first libertarian revolution.

This book has only scratched the surface of the great body of libertarian analysis and scholarship. It is probable that those who have read this book as their first introduction to libertarianism will have many more questions to ask. That is to be expected. The author is well aware of the fact that most Americans have learned much "history" and "political science" which the contents of this book contradict. For that reason, an extensive bibliography of additional readings on many of the subjects addressed briefly herein has been added for those who are interested in learning more.

Most of the books in the appended bibliography can be obtained from:

Laissez Faire Books

206 Mercer Street
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Telephone (212) 460-8222

Additional information about the Libertarian Party may be obtained from:

Libertarian Party National Headquarters

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Houston, TX 77024
Telephone (713) 686-1776

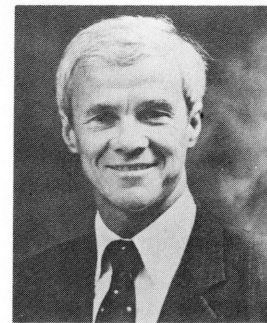
About the Author

David Bergland has a unique talent for explaining how Libertarian principles can be applied to real world problems. And he has spent a great deal of time during the past decade doing just that — first as the Libertarian Party's vice presidential candidate in 1976, next as a candidate for State Senate in California in 1978, and again as a candidate for U.S. Senate from California in 1980. He also served two terms as national chairman of the Libertarian Party from 1977-81.

Bergland won the Libertarian presidential nomination at the party's national convention in New York City, where more than 2,000 people gathered to participate in the continued growth of this dynamic new political movement. Bergland and his running mate — Jim Lewis of Connecticut — will appear on the ballot in over 40 states, leading

a field of more than 500 candidates for local, state and federal offices throughout the United States.

Bergland, 49, holds a bachelors degree in English and economics from the University of California at Los Angeles (UCLA) and a Juris Doctor degree from the University of Southern California (USC) School of Law. He has three adult daughters and two grandchildren. He and his wife, Sharon Ayres, reside in Costa Mesa, California, where he maintains a private law practice.



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