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THE LP CONVENTION

It was an exciting, gigantic, rip-roaring extravaganza — the greatest nationwide gathering of libertarians in modern times: the “Presidential Convention” on Labor Day week, at the Statler-Hilton Hotel, New York City. Fueled by the showmanship of the New York party and by the public relations knowhow of David Grant and Laura Wertheimer, the Libertarian Party came on like a real nationwide party, gaining unprecedentedly extensive (and favorable) media coverage, highlighted by several minutes on national CBS television. It was the best of times; it was the worst of times; it was week of highs and lows, a cauldron of love and hate; but out of that cauldron emerged, at last, a great Presidential ticket (Roger MacBride of Charlottesville, Va. and David Bergland of Los Angeles, for President and Vice-President), a superb platform, and an excellent set of national officers dedicated to making an indelible Libertarian mark on American political life.

As I see it, the vision animating the new L.P. leadership is a noble and exciting one: the expansion of the L.P. into a major force and influence on American life and on the American political scene. The point is that the L.P. motto, “The Party of Principle”, involves two vital and interrelated parts: refining and cleaving to pure libertarian principle, and the spreading of those principles through a competent, professional political party structure. The idea is to expand from local kaffeeklatsches and discussion clubs to a cohesive and coherent party structure that will be as competent and as professional as possible. Only if we expand from a small sect to a cohesive and nationwide political party can we expand our political and public influence and have a decisive impact on public policy. To be taken seriously we must begin to amass votes; increased votes will of course mean increased publicity and expanded impact on the political arena. This does not mean of course that discussions of philosophy and theory are not important; but simply that the main emphasis of a political party must be on running candidates and gaining votes and influence for those libertarian principles.

It is the correct perception of the MacBride team that such a mighty effort is not in the least quixotic: that, on the contrary, the time is ripe for such a great libertarian political effort as never before in this century. As we have repeatedly been asserting in the pages of the *Lib. Forum*, America is now mired in a multiple, systemic crisis of statism — a crisis, furthermore, which more and more people, from all ideologies and walks of life, are perceiving as the consequence of statism and Big Government. The crisis is systemic: in economics, civil liberties, foreign policy, and the moral attitudes (post-Watergate) toward government itself. Only libertarianism stands ready to provide a consistent, “radical” alternative to the system of policies that has brought us to this unfortunate pass. Already, all of us have seen the attraction that the libertarian ideology and alternative holds for the media, and for citizens in all walks of life. There are a large number of Americans who are yearning for a way out, for a plausible alternative to the present system, and who would flock to our standard if they were only able to learn of our

existence. But to do so they must hear about us, and that can only be done in the context of a dedicated, extensive, professional kind of Presidential campaign, which the MacBride-Bergland ticket is prepared to undertake.

It is, furthermore, the perception of the MacBride team that libertarian ideology is a highly “radical” one — far outside the present political matrix. There are, of course, elements of libertarianism which will appeal to all parts of the ideological and occupational spectrum. But, since our political principles and program are radical, it would be folly indeed to couch those programs in a needlessly radical form. In short, it would needlessly alienate the voters and the public if the L.P. candidates came on like a bunch of “kooks”. There is nothing inherently “kooky” or nutty about the content of the libertarian position, radical though it may be; but the mass of the voters will not give us a considered hearing, will not give our ideology a fair chance, if it is needlessly clothed in a bizarre and kooky image. Hence, the great importance, for the libertarian cause, of running Real People as candidates, and of coming on like a real, seagoing political party. This twin policy may be encapsulated in the slogan: “radical in content, ‘conservative’ in form.” This is the only way to lift the L. P. out of the sect status and to make it a major force in American life.

It was a dim perception of, and fierce resistance to, this projected great leap forward of the L. P. that animated the emergence of what might be called—for want of a better term—a Left Opposition at the convention, an Opposition that provided an undercurrent of hostility to the MacBride candidacy, and then erupted in ferocity and hysteria shortly afterward, in opposition to MacBride’s endorsed running-mate, Manuel Klausner, publisher of *Reason* magazine. Whereas MacBride, clearly the superior candidate, won handily over two opponents on the first ballot (by 142 out of 244 votes cast), the Left Opposition arose to limit Klausner to 86 votes and to deadlock the convention. It was an emotional roller-coaster indeed! After the enthusiasm accorded to MacBride’s acceptance speech at noon on Saturday, August 30, hysteria and paranoia ran rampant for the remainder of that afternoon and all Saturday night, threatening to split the Party until Dave Bergland flew in from California at the last minute to become the overwhelmingly elected dark horse candidate for Vice-President.

As the Left Opposition arose and created the “firestorm” that Saturday, it animating principles and attitudes became all too clear, attitudes which echoed and expanded the outlook of the Left at the stormy FLP convention in New York, in the Spring of 1974. (For an account of that convention, see “FLP Convention: One Step Forward, One Step Back,” *Lib. Forum*, April, 1974). Let us examine some of these elements.

First, there was an undercurrent of opposition to MacBride, and later more vocally to Klausner, precisely because they are Real People. MacBride was opposed because he is wealthy—a peculiar position to take

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The LP Convention —

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for supposed believers in laissez-faire capitalism! Both were reviled because of their obvious competence, articulateness, professionalism, and conservative life-style: the fact that they wear suits and ties. Clearly "un-libertarian" from the point of view of the Left Opposition! What this syndrome starkly reveals is a pervasive egalitarianism, an envy-soaked hatred and distrust of wealth, competence, and ability to function successfully in the real world. In short, what we see in the Left Opposition is some of the ugliest aspects of modern values and attitudes: envy and revulsion against the able and the successful.

Second, and allied to the first, is a bizarre notion of what "libertarian principle" is all about. This is the view that leadership, and exercising the functions of leadership—even in a voluntary organization—is somehow "anti-libertarian" and a "violation of libertarian principle." Only among such a bizarre group would an endorsement of a Vice-Presidential candidate by the selected Presidential candidate of the party prove counter-productive, amidst hysterical charges of "dictatorship" and "rule by a Partyarchy." Once again, this is rampant egalitarianism in action, and a failure to realize that no organization can function except by a division of labor, by selecting competent leaders who are allowed to exercise their leadership function. No organization can function along the lines of egalitarian "participatory democracy" so beloved by the Left Opposition. Such people do not belong in any organization, much less a political party.

Third, and again allied to the other two strands, is a rampant sectarianism that sniffs "abandonment of principle" in every use of strategic intelligence, in any attempt to put forward principle in application to the real world. As the Marxists have long ago discovered, all radical ideological or political movements are apt to suffer from two separate and contrasting grave strategic "deviations": "right opportunism" and "left sectarianism." The right opportunist is ever willing to surrender ideological principle on behalf of coalition with other and larger forces; there are, happily, very few such in the L.P., confined to a tiny handful who wished to coalesce with either the Republican party or with some new conservative third party. Our problem at this convention was with left sectarianism — the view that any use of strategy, any attempt to go beyond mere reiteration of principle among small groups of the already-converted, is somehow a "sellout" of basic principle. It is this group for example, which is incapable of grasping the concept of "radical in content, conservative in form."

Fourth, and closely allied with the third, is another bizarre view by the Left Opposition of what "libertarian principle" is all about. Apart from hostility to the very function of leadership or the division of labor, the Left Opposition is vitally concerned with what it calls "living liberty", or with picking candidates who "exemplify liberty." Now I personally fail to understand what "living" or "exemplifying" liberty is supposed to mean; what it should mean is not being a murderer or a bank-robber, in short, not being an aggressor. Obviously, none of the proposed candidates were in that category. But, to the Left Opposition, "exemplifying liberty" means something else, from not wearing suits and ties to openly engaging in activities deemed illegal (unjustly) by the State. The idea that it is somehow the moral duty of the L.P. to select candidates who engage in such activities can only be considered absurd and bizarre—as is the idea that it somehow "violates libertarian principle" not to select candidates who would distract from libertarian ideology by alienating the public right off the bat. To push the Left Opposition thesis to its absurd — but logically consistent — conclusion, it is as if we say that, in order to prove our sincerity in advocating freedom to sell or ingest heroin, we must therefore nominate for President a junkie who shoots up on television!

Finally, the famous minarchist vs. anarcho-capitalist controversy is only dimly related to the struggle over the Left Opposition. Basically that controversy was happily settled at the Dallas convention in 1974 when it was decided that the L.P. platform should be purely and consistently libertarian, but that no stand should be taken one way or another on archy vs. anarchy, thus fostering a coalition which both sides can live with. Most of the anarchists in the party were not in the Left Opposition. On the other hand, it is true that most of the Left were anarchists with an

ALL FOUNDED

One of the important spinoffs of the L.P. convention was that it provided the occasion for the launching of a new and promising organization: the Association of Libertarian Lawyers. Organized by its President, Don Feder, ALL's founding meeting included 30 attorneys and law students, and offers of support have already been received from 84 attorneys and law students in twenty states and Canada, with student contacts at 17 law schools. Law and politics are intimately related, and the opportunities for important work by libertarian lawyers are almost endless — from trial work to defense of libertarians to scholarly research to formulating a libertarian law code.

Officers of ALL are President Don Feder, an attorney in upstate New York; Vice-President Linda Abrams, a Los Angeles lawyer specializing in civil liberties cases; Secretary Dennis Schuman, a negligence lawyer in New York City; and Treasurer Dolores Grande, legal librarian at John Jay College, New York City.

ALL has decided to have two classes of members: voting members, which includes attorneys, law students, law graduates and legal professionals; and non-voting, associate member. ALL has already

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important minority of minarchists.

The sort of confusion that cropped up on this issue was exemplified by two accusations hurled at me in the course of the convention. In the midst of pressing (successful) for expanding and radicalizing the L.P. platform (but consistent with both anarchism and laissez-faire) one of the conservative leaders accused me of using "salami tactics" (an old World War II-Cold War slogan) on behalf of committing the Party to anarchism. I replied: "Yes, I'm using salami tactics—to go to laissez-faire!" On the other hand, a day or so later, a Left Opposition delegate accused me of betraying the anarchist cause by nominating for the Executive Committee someone who didn't know what the black flag represented! I tried to reply that the point of the Party was an anarchist-laissez-faire coalition toward our vast range of common goals.

However, I do not mean to dwell excessively on the headaches and heartaches of the convention. The overwhelmingly important point is that the Left Opposition was roundly defeated, and that we have a superb team of national candidates and party officials who have the proper vision of an effective expanded Libertarian Party, and have the professionalism and the competence to achieve these great goals. We have a real Libertarian Party of and for Real People. The kooks, the sectarians, the egalitarians, are destined to fade into the background which they so richly deserve. It is their dim perception of just such a looming fate that undoubtedly accounts for the ferocity of what will turn out to be their Last Hurrah.

A final word about the Platform, which was improved and radicalized simply by applying common libertarian principles to specific and important political issues of the day. Notably, civil liberties provisions were greatly strengthened by an explicit section on repeal of victimless crimes, and by a call for abolition of the FBI and CIA. Isolationist principles were strengthened by urging withdrawal from NATO and all other military alliances, cessation of governmental intervention in the Middle East, and independence for America's colonial possessions. The call for amnesty was expanded to deserters who had volunteered for the armed forces — with a slight weakening due to an erroneous theory of contracts which holds that voluntary slave contracts should be enforced, if only by paying damages (even to the State!) A mild but important plank calling for negotiations toward mutual and general nuclear disarmament was passed after a great deal of opposition. The right of taxpayers to learn about government activities was upheld, with an exception added from the floor for secrets defending the country against invasion. The right of victims to reclaim stolen property was — if rather vaguely — upheld. And Friedmanite elements were eliminated from the platform on behalf of the Austrian, free-market, gold standard position. And a call was added for repeal of the parasitic civil service system, which entrenches a permanent bureaucracy upon the public. All in all, a magnificent platform on which to take our stand. □

DEPRESSION AND INFLATION

by
Richard M. Ebeling*

For decades the economics profession has craved recognition as a "true" science. It has desired to cast off the labels of being a "moral science" or a subject concerned with mere theory. Economists have striven to live up to the standard that Science is Measurement. Thus, all theories become only hypotheses that must be empirically tested; and even then they still remain suspect.

The error in this approach is the inability to understand the nature of the subject matter under study. The social sciences deal with complex phenomena involving the purposeful action of conscious entities. Only by gasping and comprehending the meaning of human action and human purpose can the regularity of social phenomena finally be put in a satisfactory paradigm. But this requires that a theory be developed and spun out from the axioms of human action and purpose before the "facts" of the social sciences can be made intelligible. Indeed, this was succinctly summed up by Goethe when he said, "It would be best of all to realize that all that is factual is already theory."

Almost all twentieth century attempts to explain business cycles have used the "empirical" approach. Economists have believed that by gathering data on the movement of prices, outputs and employment levels in different sectors of the economy, as well as the economy as a whole, a pattern will miraculously appear and a theory will "pop out" from the facts.

In the 1920's, one of these "theories" to emerge from the "facts" was the belief in a stable price level. If only the overall aggregate of all prices were not allowed to either rise or fall, then neither inflation nor depression would occur. The death toll of business cycles would finally be sounded. But the beautiful dream turned into a nightmare, when after a decade of monetary manipulation to keep the aggregate level of prices stable, the Great Depression struck in 1929.

Only a handful of economists had questioned the validity of this theory in the 1920's. They were the economists of the Austrian School, in particular Ludwig von Mises and Friedrich von Hayek. An exposition of this theory and its application to explain the phenomena of the 1920's and its aftermath is now once again available with the reprinting of Murray N. Rothbard's definitive work on *America's Great Depression* (Sheed and Ward, Kansas City and New York, 1975), \$4.95 (paper) or \$12.00 hard cover. The volume is the first in a series on Austrian Economics being sponsored by the Institute for Humane Studies (Menlo Park, Ca.).

Monetary manipulation by central bank authorities is the key to an understanding of Austrian Theory of the Business Cycle. On the free market, a banking system acts as the equilibrator of the desires of savers and investors. The consumer decides how much of his income he wishes to spend on present consumption and how much he wishes to save for future consumption. That part which is saved is lent out to businessmen by bankers and "invested in a mighty structure of capital, in various orders of production." This "mighty structure" is either longer or shorter depending on how much resources (i. e. how much savings) are available to build more and more complex investment projects able to produce larger quantities of consumer goods at some point in the future.

If, however, the banking system is able to expand credit without an equivalent amount of savings, then "Businessmen . . . are misled by the bank inflation into believing that the supply of saved funds is greater than it really is." The availability of larger amounts of credit at a lower interest rate will induce producers to carry out new investment projects. They will use the money to bid for resources and labor. But as the new money is received as income, the recipients will most likely spend it in their "old consumption/investment proportions" and demand will shift back to consumer goods, thus raising their value and price in relation to capital goods industries. With the resources now bid away from them, businessmen will not be able to complete investment projects they have begun.

As Professor Rothbard concludes, "businessmen were misled by bank credit inflation to invest too much in . . . capital goods" and these

investments "are seen to have been wasteful." Thus, the "boom" "is . . . a period of wasteful investment . . . The 'crisis' arrives when the consumers . . . reestablish their desired consumption-savings patterns." And "The 'depression' is . . . the process by which the economy adjusts to the wastes and errors of the boom."

This, in fact, was the exact path the boom of the twenties took. In July, 1921, the money supply was \$45.3 billion. By July, 1929 it had increased by \$28.0 billion, or 61.8% over the eight year period. Since at the beginning of the period currency in circulation totalled \$3.68 billion and at the end of the period totalled \$3.64 billion, "The entire monetary expansion took place in money substitutes, which are products of credit expansion." Between 1921 and 1925 alone the Federal Reserve allowed total bank reserves to expand by 35.6%. "Thus the prime factor in generating the inflation of the 1920's was the increase in total bank reserves." The mechanisms used by the Fed for this expansion were primarily the rediscount rate (the rate of interest at which member banks may borrow from the Fed) which was constantly kept below the joint market interest rate during the period; Bills Bought (banker acceptances) through open-market operations; and, to a lesser extent, U. S. government securities, which were also manipulated through open-market purchases.

This was a relative inflation rather than an absolute one, for the price level, as measured by several prominent indexes of the day, remained relatively constant. As Professor Rothbard points out, "Federal Reserve credit expansion . . . managed to keep the price level stable in the face of an increasing productivity that would, in a free and unhampered market, have led to falling prices and spread of increased living standards for everyone . . ."

And, as expected from the Austrian Theory of the Business Cycle, the inflation induced a disproportionate increase in the capital goods industries. Rothbard shows that both wages and prices of the capital goods industries were bid up significantly in relation to other sectors of the economy during the boom. Once the bust set in, they were the prices to fall, not only absolutely, but relatively as well, in comparison with consumer goods industries. Thus, the Austrian analysis of boom-induced

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All Founded —

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established several important standing committees.

Ralph Fucetola, a New Jersey lawyer and long-standing libertarian, heads the Constitution and By-Laws Committee, which will also formulate a statement of principles for the Association, setting forth its support of economic freedom and its opposition to victimless crime laws and to state monopolies in the practice of law. Linda Abrams is chairing a Litigation Committee, which plans to file *amicus curiae* brief in important cases, and to explore the use of the judicial system to expand individual liberty. Manuel Klausner, Los Angeles attorney and publisher of *Reason* magazine, heads the Law Review Committee, which hopes to begin publishing a libertarian law journal. Randy E. Barnett, a second year student at Harvard Law School, is chairman of the Law School Organizing Committee, which will organize law students. And Stanton Towne, a student at Columbia Law School, heads a Committee on Educational Conferences and Seminars. And last but not least, ALL is planning to publish a bi-monthly newsletter, to be edited by Dennis Schuman, to keep members informed about the Association's activities.

The Lib. Forum extends heartiest best wishes to the new organization, and wishes it a long and successful life. All those interested in information or membership in the Association of Libertarian Lawyers should contact:

Don Feder, 102 W. 1st Avenue, Johnstown, N.Y. 12095. □

ROTHBARDIANA

Several books and contributions to books by Murray N. Rothbard have recently been published. One is *Conceived in Liberty, Volume II*, subtitled "Salutary Neglect: The American Colonies in the First Half of the Eighteenth Century." (Arlington House, \$12.95). This book brings the saga of American colonial history from approximately 1710 to the end of the French and Indian War in 1763. One of the highlights of the book is the beginning of Benjamin Franklin Revisionism, Rothbard regarding Franklin as one of the major monsters of the American colonial period.

Also, the 3rd Edition of *America's Great Depression* has just been published by Sheed & Ward, including a new introduction by Rothbard — in hard cover (\$12) and paperback editions (\$4.95). (See the review by Richard Ebeling in this issue of the *Lib. Forum*.)

Moreover, Free Life Editions of New York City has done a great

service to libertarian scholarship by reprinting the first libertarian essay in modern political thought: Etienne de La Boetie's *Discourse on Voluntary Servitude*. (The title of this edition: *The Politics of Obedience: The Discourse of Voluntary Servitude*). The book is paperback at a price of \$2.95. There is a lengthy introduction essay by Murray Rothbard, "The Political Thought of Etienne de La Boetie."

Other recent contributions to published books are: "Gold vs. Fluctuating Fiat Exchange Rates", in H. Sennholz, ed., *Gold is Money* (Westport, Conn.: Greenwood Press), a critique of the Friedmanite policy of fluctuating fiat exchange rates. "Devotion to Truth", *Tribute to Mises* (Kent, Eng.: Mont Pelerin Society), in a group of memorial tributes to Mises delivered at the Mont Pelerin meeting in Brussels, summer 1974. □

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capital malinvestment was clearly shown.

Having stimulated a misdirection of resources that differed from actual demand, Austrian Theory would have the policy implication of allowing labor and capital to readjust as best it could, so a healthy recovery could begin. Instead, as Rothbard chronicles, the Hoover Administration immediately began sponsoring government-led programs to keep all wages and prices from falling to preserve purchasing power. Between 1929 to 1933, the index of durable (capital goods) manufactures fell 77%, while nondurable (consumer goods) manufactures fell only 30%. But between 1929-1933, wages fell only 23%. "Therefore, real wage rates, for the workers still remaining employed, actually increased." And this at a time when unemployment reached 25% in 1932-1933 and up to 47% in selected manufacturing industries. Professor Rothbard also relates the infusion of giant public works projects, state and Federal, and the notorious Reconstruction Finance Corporation used to prop up inefficient, bankrupt businesses that should have been liquidated following the boom. As Rothbard points out, "if we define 'New Deal' as an anti-depression program marked by extensive governmental economic planning and intervention . . . Hoover must be considered the founder of the New Deal in America."

In a new introduction for the volume, Rothbard analyzes the present economic milieu and concludes, "The current inflationary depression has revealed to the nation's economists that their cherished theories — adopted and applied since the 1930's — are tragically and fundamentally incorrect."

These "cherished theories" were developed by John Maynard Keynes and his followers during the Great Depression. The errors in the Keynesian-Macro approach are given a devastating critique by the leading Austrian Economist and 1974 Nobel Laureate Friedrich von Hayek in a new three-essay booklet entitled *Full Employment at Any Price?* (Institute of Economic Affairs, London, July 1975), L1.00.

Two of the essays discuss "Inflation, the Misdirection of Labour, and Unemployment" and "No Escape: Unemployment Must Follow Inflation." Professor Hayek explains that modern theories of what causes unemployment are totally wrong. That, the "true . . . explanation of extensive unemployment . . . (is) . . . a discrepancy between the distribution of labor (and the other factors of production) between industries (and localities) and the distribution of demand among their products." Thus, if demand shifts for different goods and services and the relative prices and wages do not, in turn, adjust to reflect the new market conditions, then those resources (including labor) which attempt to demand prices and wages above their market value will become unemployed.

But rather than admit the true cause of the problem, the Keynesians have developed the theory "that unemployment is predominantly due to

an insufficiency of aggregate demand compared with the total of wages which would have to be paid if all workers were to be employed at current rates." But this is nothing but the businessman's "age-old belief" that prosperity is dependent on keeping consumer demand high," against which economic theory had been arguing for generations."

The mistaken idea in this concept, made by both Keynesians and Monetarists, is to look only upon how monetary expansion affects the general price level for goods and services "and not to the effects on the structure of relative prices." The expansion of money and credit leads to changes in the relative strength of demand for different goods and services and "these changes in relative demand must lead to further changes in relative prices and consequent changes in the direction of production and the allocation of the factors of production, including labor." Once having been drawn into particular productive activities by this artificially created demand any "slowing down or cessation of the inflation" will result in the unemployment of these resources and labor. The choice is then not inflation or unemployment, but the realization that once inflation has misdirected economic factors of production, some of them will have to be temporarily unemployed when the inflation is ended. Professor Hayek pointed out that, "As had happened at the beginning of the period of modern finance we have again been seduced by another silver-tongued persuader into trying another inflationary bubble." Now that the bubble has burst and the disastrous consequences of macro-oriented policy have become visible, the Keynesians, having "thoroughly discredited themselves . . . ought to do penance in sackcloth and ashes."

The third essay is Professor Hayek's Nobel Lecture on "The Pretence of Knowledge," in which he elaborates further his now famous critique of "Scientism," the misuse of certain scientific methods in the social sciences. In the natural sciences, Hayek points out, we deal with events which are "directly observable and measurable." Our concern is centered around observed phenomena involving "comparatively few variables — either particular events or relative frequencies of events." But in the social sciences, we attempt to formulate a "theory of complex phenomena" referring to "to a large number of particular facts," all of which would have to be ascertained before predictions could be made. But social phenomena, being so complex and being concerned with purposive human action, can never be measured and quantitatively determined like natural phenomena. Hayek criticizes macro-economic theory for its attempt to guide policy based on the statistical relationship between monetary expenditure and employment. The Keynesians, always looking for measurable empirical relationships, fail to understand the micro-level misallocation of resources their policy brings about.

The "superiority of the market order" is precisely its ability to use "more of the knowledge of particular facts which exists only dispersed among uncounted persons, than any one person can possess." And, Hayek concludes, if the "scientific" approach is applied for social planning and policy, man "may well . . . destroy a civilization which no brain has designed, but which has grown from the free efforts of millions of individuals." □

ON THE WOMEN'S LIBERATION

OR

The Male Chauvinist Pig As Hero

by
Walter Block*

The women's liberation movement is an amalgam of different types of programs; it is composed of very different kinds of people, many with very different purposes. It should occasion no surprise, therefore, that the discriminating intellect may accept only some of the aims, purposes, motivations, and programs of women's liberation, and reject others. It can only be folly to treat as equivalent a whole host of different values and attitudes, merely because they have been packaged together. An enemy of women's liberation in one area need not necessarily reject the contentions of the women's movement in all areas. In this paper, I shall divide the views of the women's liberation movement into three broad categories, each of which will be treated quite differently.

I. Coercive actions taken against women

Perhaps the most coercive action taken against women apart from murder is rape. Yet in this male dominated society of ours, rape is not even always illegal. For instance rape is not illegal when perpetrated upon a woman by her husband! Although rape is illegal outside of the "sanctity" of marriage, the way in which it is punished leaves much to be desired. For one thing, if there was any previous acquaintance between the rapist and his victim, the presumption of the court is that there was no rape. For another, it is necessary, in order to prove rape, that there have been a witness to the proceedings. Also, if the rapist can get several of his friends to swear that they have had sexual intercourse with the victim, so that the woman can be characterized as "immoral", it is virtually impossible to obtain punishment. If the victim is a prostitute, it is just as impossible to obtain a conviction for rape. The reasoning behind the legal inability to rape a prostitute seems to be the ludicrous one that it is impossible to compel a person to do that which she (or he) does willingly (at other times). As if no one had ever forced a doctor or any other service professional to do that which he does willingly at other times!

The prevention of prostitution by the civil powers is another case of coercive action taken against women. It is a case of prohibiting trade between mutually consenting adult business partners. It is harmful to women in that it prevents them from earning an honest living. It is spiteful and discriminatory in that although prostitution is just as illegal for the customer as for the seller, it is a rare case indeed in which the male customer is also arrested, in addition to the female seller, for the "crime" of engaging in prostitution.

Abortion is another case in point. Although in this modern day and age inroads are finally being made on this age-long prohibition, abortion is still ringed in by compulsory rules. Outright prohibition of abortion and the present looser controls both deny the great moral principle of self-ownership. They are both a throwback to the old days of slavery, where barriers were put up between people and their complete and utter right of self ownership. If a woman fully owns her body (and what else is a complete denial of slavery?) then she owns her womb. This follows directly from the laws of logic once it is admitted that the womb is part of the body. But if she owns her womb, then she has the complete and full right to determine what shall live in it and what shall not. She has the complete right to decide which parasitical growths she shall allow to live there and which she shall not. And only she has this right. Since infringements upon abortion are a denial of this right, they amount to (partial) slavery.

Until very recently women did not have the same rights as men to own property or to engage in contracts; there are still laws on the books, however, that prevent married women, but not married men, from selling property or engaging in business without the permission of their spouses. Women must pass stiffer entrance requirements than men for some state universities. Then there is the infamous tracking system

engendered by our public school system which shunts young boys into "male" activities like sports and shop and shunts young girls into the "female" roles of cooking and sewing. Perhaps the most embarrassing type of aggressive activity which women have to put up with is the pinches they meet with on the streets of our cities.

It is important to realize that the problems listed above all have two things in common; they are all instances of aggressive force being used against women; and they are all inextricably bound up with the apparatus of the state. Let us dwell on this point a bit, since except for the case of rape, it is by no means obvious to most people that this claim is true. This is easy to show in the case of prostitution. For it is the state that declares prostitution illegal and then proceeds to use force against those who peacefully go about the legitimate business of prostitution. And it is the state that uses the compulsion of the jail sentence in order to enforce its will. What does it mean to say that women do not have the right to abort, or to own property, or to set up businesses? It means no more and no less than that if women were to persist in their attempts to abort, own property, or set up businesses, then the state will step in with compulsions, fines, or jail sentences.

In order to see why discrimination by the state amounts to compulsion (as in higher entrance requirements for the state university, the tracking system in the public schools, etc.) we may compare this to private discrimination, which does not amount to compulsion. When a private individual discriminates, he (or she) does so with his (or her) own resources, in his (or her) own name. When the state discriminates, it does so with resources taken from all of us. It does so in the name of all of us. In the name and with the resources of those discriminated in favor of as well as those discriminated against. Now surely here is a crucial difference. It is one thing to discriminate against someone with your own resources, but it is quite another thing to discriminate against people with their own money. Moreover, if a private enterprise such as a school discriminates, it runs the real risk of losing money and going bankrupt. At least all people who oppose discrimination have the chance to withhold funds, and to not patronize the discriminating enterprise. When the state discriminates, it is altogether different. The state enterprise that discriminates runs no real risk of going bankrupt. If people who oppose its discrimination withhold their funds from it, i.e. do not patronize it as students as in the case of a state university, this will not force an end to the discrimination. The state enterprise can make up for the short-fall in voluntary funds with funds from tax revenues; and these must be paid under threat of compulsion.

Even the pinches that women must put up with are inextricably bound up with the state apparatus. We may see this point by contrasting two different cases of pinching: one that takes place within the confines of a private place like Macy's Department Store and one that takes place outside — for instance, on the street, a block away from Macy's. When a pinch takes place within the confines of a private place, the whole force of the profit-and-loss free enterprise system comes to bear to solve the problem. For it is always in some entrepreneur's self interest to apprehend and discourage the pinching (on the assumption that women do not want to get pinched; for the case of masochistic women who enjoy being pinched, this program of protection against pinching will not be in the self interest of the entrepreneur). The reason that it is in the self interest of the entrepreneur to initiate a program to stop the pinching is that if he does not, and the pinching continues, he will lose customers to competitors. There will be a competition, as it were, on the part of all department stores, to provide this anti-pinching service. The ones that

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succeed in ridding their stores of this scourge to the greatest degree will tend to reap the greatest profits. The ones who fail, whether because they ignore the problem entirely, or are unsuccessful in implementing their programs, will tend to make the greatest losses. This is not guaranteed to end pinching once and for all time. There will always be some as long as people remain imperfectly moral. All this system will do is to encourage, by profits and losses, those who are most able to end pinching. While it is not a perfect system, (what human system can ever be perfect?), it would be folly to underestimate its effects, especially as time goes on.

Contrasted with what occurs in the public domain, however, this private system begins to look like perfection itself. For in the public domain, there is almost the complete absence of any incentive whatsoever to end the pinching. There is no one who automatically loses any paying customers whenever there is an outbreak of pinching. The city police are supposedly charged with ending this epidemic of pinching. But they must function without benefit of the automatic profit and loss incentive system. Their salaries, coming from taxation, are not tied to their performance. They suffer no financial loss from every pinch. Is it any wonder, then, that most of this type of harassment occurs on the streets and sidewalks of a city, and not within its shops and stores?

II. Non-coercive actions taken against women

Another type of pinching or sexual harassment is that between a secretary and her boss. Although to many people, and especially to many people in the women's liberation movement, there is no real difference between this pinching and the pinching that occurs on the street, the fact is that the pinching that takes place between a secretary and her boss, while objectionable to many women, is not a coercive action. It is not a coercive action like the pinching that takes place in the public sphere because it is part of a package deal: the secretary agrees to all aspects of the job when she agrees to accept the job and especially when she agrees to keep the job. A woman walking along a public sidewalk, on the other hand, can by no means be considered to have given her permission, or tacitly agreed to begin pinched. The street is not the complete private property of the pincher, as is the office. On the contrary, if the myths of democracy are to be given any credence at all, the streets belong to the people. All the people. Even including women.

There is a serious problem with considering pinching or sexual molestation in a privately owned office or store to be coercive. If an action is really and truly coercive, it ought to be outlawed. But if pinching and sexual molestation are outlawed in private places, this violates the rights of those who voluntarily wish to engage in such practices. And there is certainly nothing coercive about any voluntary sex practices between consenting adults. The proof of the voluntary nature of an act in a private place is that the person endangered (the woman, in the cases we have been considering) has no claim whatsoever to the private place in question, the office or the store. If she continues to patronize or work at a place where she is molested, it can only be voluntary. But in a public place, no such presumption exists. As we have seen, according to accepted theory at least, the public domain is owned by all, women included. It would be just as illegitimate to assume that a woman gave tacit agreement to being molested on the public street because she was walking there as it would be to assume that she gave tacit agreement to an assault in her own house, because she happened to be there.

There are many other cases of actions taken against women that are not strictly speaking, coercive. Or more exactly, there are many other instances where many women feel put upon, but where there is no coercion at all involved: such as referring to women with sex organ-linked expletives; the sexual double standard mores; many rules of etiquette, such as the ones concern who proceeds whom out of the elevator; the encouragement of the mental capacity of boys and discouragement of girls; the societal opprobrium of women participating in "men's" athletic activities; the pedestals that women are placed upon. There are two important points to be made with regard to these insults and other exacerbations which do not constitute coercion. 1) Although considered reprehensible by many, none of these actions actually constitute coercion; therefore it would be illegitimate to outlaw them. Any attempt to outlaw them would involve the mass violation of rights of

other individuals in the society. After all, it is the right of free speech that gives us the right not to utter things that everyone agrees with — which do not need free speech protection in any case, but the right to utter reprehensible things, things in poor taste, boorish things. 2) To a much greater degree than realized by many, certainly to a much greater degree than realized by many who consider themselves advocates of women's liberation, these reprehensible but non-coercive actions are engendered by reprehensible coercive activities. Were these coercive activities to cease, the free market would tend to rid us of many of these reprehensible but non-coercive acts.

Let us consider the case of bosses pinching secretaries and see how the market would tend to eliminate such unwanted activity, were the coercive and reprehensible activity of taxation to support government bureaucracy eliminated. In order to see this, we must first understand what the labor economist calls "compensating differentials". A compensating differential is an amount of money just necessary to compensate an employee for the psychic losses that go with a job. For instance, consider two job opportunities. One is in an air-conditioned office, with a good view, with pleasant surroundings and pleasant companions: The other is in a damp, dank basement, surrounded by evil-smelling fellow workers. Now there is some wage differential large enough to attract most people into accepting the less pleasant job. This will vary for different people, depending upon their relative tastes for the working conditions in the two places. There might even be a negative compensating differential for those who prefer the basement job. They would be willing to take a salary cut rather than move to the office job.

The same analysis can be applied to the case of the office pincher. On the assumption that all women would prefer not to be pinched, and that bosses vary in their desires to so indulge, there will be a whole range of wage rates paid to otherwise equally productive secretaries, depending on the proclivity of their bosses to engage in sexual harassment. There will be a positive relationship between the amount of sexual harassment and the wage rate that the bosses find they must pay. But now contrast the boss of a private business with the boss in a government bureaucracy. Even on the assumption that both bosses on the average have the same proclivity to engage in sexual harassment, it is clear that the private boss will have to pay for his little gambols, while the public one will not. The secretaries of both private and public pinchers will have to earn more than the secretaries of the non-pinchers. The compensating differential. The main difference between the private and the public pincher is that the extra money comes out of tax monies for the latter and out of his own money for the former. Even in the case of a private boss-pincher who is not the ultimate owner of the business, the same applies, only now slightly more indirectly. The ultimate owner of the business, in addition to losing money if he himself is a pincher, also loses money if any of his executives are pinchers. So in addition to having a monetary incentive to cut down on his own pinching, he also has a monetary incentive to try to stop all the bosses in his company from so doing.

This might not seem like much of an incentive to stop pinching. But it is an improvement over the public case where these disincentives are completely lacking. This way of looking at the problem, however, has more merit than might be readily apparent. One reason pinching does not come to an abrupt end even in the private market is because many women are by no means unalterably opposed to being pinched, as we have been assuming. But the analysis can be applied to the more realistic cases where women are being harassed and mistreated and do object.

III. The male chauvinist pig as hero

In this section I wish to consider in some detail, several grievous errors committed by the adherents of women's liberation. It is for his good sense in opposing these programs that the male chauvinist pig can be considered a hero.

1. Laws compelling "equal wages for equal work". The klinker in this program, of course, is, How shall "equal work" be defined? If equal work means equal work in all senses, relative to the productivity that an employer can get out of an employee, in the short run as well as in the long run, taking account of psychic differentials, the discrimination of customers and other workers, of the ability of the worker to mesh in with the likes and dislikes, the foibles and the idiosyncrasies of the entrepreneur, in short, if equal work is exactly the same thing as equal profitability for the entrepreneur, then in the free market workers with

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such equal abilities will tend to earn equal wages. If equal workers in this sense were not paid equally, for instance, if women were paid less than men even though they were equally good workers in this sense, this would set up incentives on the part of entrepreneurs which, when carried to their conclusion, would ensure equal pay. How would this work? The entrepreneur would be able to make extra money by replacing male workers with female workers. By hypothesis, the employer will be able to pay the woman less than the man and yet earn just as much from her work as from the man's work. The conclusion is inescapable. The employer will have a great incentive to fire men and hire women in their places.

Even supposing that there were employers who under no circumstances would hire women to do "men's" work, and still other employers who would only do so if the wage differential rose to a certain amount (thus only ensuring that the wage differential between men and women could not rise above a certain figure) there will still be great forces pushing the free market toward equality between men's and women's wage rates. Even if there were only a very small percentage of entrepreneurs willing to supplant men with women, this would be the case. We must realize that every employer who substituted a woman for a man would have a competitive advantage over the ones who refused to do so. The profit maximizing employers would continually earn greater profits than would the discriminatory employers. The profit maximizers would be able to undersell the discriminators, take away their businesses, and, other things being equal, eventually drive them into bankruptcy.

We can have no guarantee that the wages of men and women will ever actually come to exact equality. This process only guarantees that there will be enormous pressure exerted, day in and day out, pushing the economy toward this end. On the assumption, that is, of identically equal productivity.

In actual point of fact, however, the proponents of equal wages for equal work have no such strict equality in mind. What they seem to have in mind in their definition of equality is equal years of schooling equivalent college degrees, and perhaps similar scores on qualification tests. But people with vastly differing abilities to earn profits for employers can be virtually identical with respect to such criteria. For example, consider two workers, one male, one female, identical as far as test scores and college degrees are concerned. It is an indisputable fact that in the event of a pregnancy, it is far more likely for the woman to stay home and raise the child. Now we are not considering whether this is fair or not. Only whether it is factual or not. But if the woman stays at home, interrupting a career in midstream, she will be worth less to the employer's likelihood of profitability. In this case, at any one moment in time, the workers might well be identical as far as profit criteria are concerned. But in the long run view, which counts very heavily in present wage considerations, it is the man who is more productive than the woman.

Paradoxically, many pieces of evidence supporting the view that supposedly equally productive men and women are not at all equal come from the women's lib movement itself. Several studies have shown that while it might be true that samples of women had higher innate abilities than given samples of men when the two groups were tested in isolation from each other, when the two groups were tested together or in competition with each other, the men invariably did relatively better than the woman, and in many cases did absolutely better than the women. Again, let it be emphasized that we are not here concerned with the fairness of such occurrences; but with the effects of such situations when coupled with laws compelling equal pay for "equal work". The point is that in the world of work women will often find themselves in competition with men. If they constantly defer to the men, and cannot do their best in competition with men, they may well be of less help in procuring profits for the entrepreneur than men. And if women otherwise equal to men in test scores and such are really inferior to them when it comes to strict profit maximizing, then the equal pay for equal work law will prove disastrous for women.

It will prove disastrous to women because now the profit maximizing incentives will be all turned around. Instead of the market exerting a strong steady push toward firing men and hiring women in their place,

which tends to drive the wages of women toward equality with men, the market will give incentives to employers to fire women and hire men in their place. This will have exactly the opposite effect on wage equality. The employer, required to pay men and women the same wages, will be able to increase profits to the degree that he can supplant the highly productive men (from whom he can make a profit) for the lesser productive women (from whom he now cannot make a profit or as much of a profit). Just as in the other case, employers who refuse to go along with this, perhaps out of a desire not to pay women less than men for "equal work", will tend to make lower profits and to be undersold and sent into bankruptcy by the other firms who stick to their profit maximizing behavior. The end result will be that instead of unleashing forces toward the equalization of wages, the "equal pay for equal work" doctrine will cause instead the unemployment of women. To the extent that the male-chauvinist pig resists such a trend, he can only be counted a hero.

2. Laws compelling non-discrimination. McSorleys is a bar in New York City that used to cater exclusively to men. Until it was "liberated", that is. Under the banner of the new anti-discrimination law in New York State, hordes of presumably thirsty women trooped in to be served for the first time in the history of the establishment. This event was hailed as a great progressive step forward by our liberal, progressive, and women's liberation factions. The basic philosophy behind the law and the attendant liberation of McSorleys seems to be that it shall be illegitimate to discriminate on a sexual basis when choosing customers or people to deal with.

If the problems with this philosophy are not readily apparent, they can be made so by considering several reductions ad absurdum. A strict application of the philosophy, for instance, would not allow separate bathrooms for men at "public" places; it would not allow men's residence halls. More shockingly, at least to the "progressive"

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community, it would not even allow exclusive homosexuality. For in all these cases, there is discrimination with respect to women. Women are discriminated against. By not allowing women in men's bathrooms. By not allowing women in men's residence halls. By the male homosexual choosing only other males instead of females. This philosophy would not allow women to marry men, moreover. For, women who only consider marrying men discriminate just as assuredly as do homosexuals: they discriminate against other women whom they could have married, had they not been so hung up on men, and discriminatory. The philosophy thus also leads to compulsory lesbianism.

Of course all of these cases are "ridiculous". Ridiculous in the sense that hardly any of the proponents of the liberation of McSorleys would go along with them. But for all that, these cases are fully consistent with the philosophy they are based on is ridiculous.

It is important to realize that all of human action implies discrimination in the only sensible definition of that much abused term: picking and choosing, out of all the alternatives available, that one which, in the chooser's own opinion, best serves his interests. There is no action taken by human beings which fails to accord with this dictum. We discriminate when we choose a tooth paste, when we decide upon a means of transportation, when we decide to marry; the discrimination practiced by the gourmet or wine taster is and can only be the discrimination practiced by all human beings, although carried to a degree not attainable without much hard labor. Any attack upon discrimination, therefore, can only be interpreted as an attack upon the choice inherent in human action: as an attempt to restrict the options open to human beings.

But what of the choice on the part of women to drink at McSorleys that is closed off by discrimination? This is identical to the choice closed off to the man by the woman who rejects his sexual favors. The woman who refuses to date a man is no more guilty of violating his rights than is a group of men who wish to drink in the company of members of their own sex guilty of violating women's rights. In neither case do these rights exist, because they are the rights of other people. It is only in a slave society that this is not so. It is only in a slave society that the master can compel the slave to do his bidding without closing off any of the options of the slave, because, by definition, the slave has no options. To the extent, then, that the antidiscriminatory forces succeed in foisting their philosophy upon the general public, they also succeed in foisting upon the general public the cloven hoof of slavery. And to the extent that the male chauvinist pig succeeds in holding back these forces of barbarism, he must again be counted as a hero.

*Walter Block is associate professor of economics at Rutgers University.

RECOMMENDED READING

Hayekiana. An excellent, hard-hitting anti-Keynesian pamphlet recently published by Hayek which also sets forth the Austrian analysis of inflation and recession. F. A. Hayek, **Full Employment at Any Price?** (Reviewed by Richard Ebeling in this issue.)

Oppenheimer's The State. Franz Oppenheimer's great classic on the history and nature of the State has at last been handsomely reprinted in paperback by Free Life Editions, \$3.95, with an excellent introduction by Chuck Hamilton. (Reviewed by Rothbard in *Libertarian Review*, Sept.)

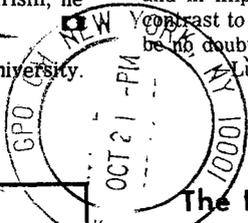
Chomsky on Vietnam. An excellent summary of the Vietnam war, and a devastating critique of liberal apologetics for that war as an American "error" rather than as an act of criminal aggression by U.S. imperialism, appears in Noam Chomsky, "The remaking of History", **Ramparts** (Aug./Sept., 1975), in Chomsky's characteristic blend of erudition with hard-hitting and relentless logic.

Grinder Column. Walter Grinder has a new monthly column, "Libertarian Cross-Currents", first appearing in *Libertarian Review*, Sept. The Grinder column bids fair to be an indispensable source of news and information on the libertarian movement, and especially on libertarian scholarship. Please send any information or announcements you may have to Walter E. Grinder, *Libertarian Review*, 410 First St., S. E., Washington, D. C. 20003.

Brozen and Competition. Professor Yale Brozen has compiled an excellent set of readings on the question of monopoly and competition. It is a paperback, Yale Brozen, ed., **The Competitive Economy: Selected Readings** (Morristown, N. J.: General Learning Press.)

"No chapter of history is steeped further in blood than the history of colonialism. Blood was shed uselessly and senselessly. Flourishing lands were laid waste; whole peoples destroyed and exterminated. All this can in no way be extenuated or justified. The dominion of Europeans in Africa and in important parts of Asia is absolute. It stands in the sharpest contrast to all the principles of liberalism and democracy, and there can be no doubt that we must strive for its abolition."

Ludwig von Mises, **The Free and Prosperous Commonwealth.**



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