

# THE LIBERTARIAN CHALLENGE

DAVID BOTSFORD

The world is gradually rejecting the idea that state control over the economy is the road to economic progress. Western governments, including socialist ones, are breaking up inefficient state monopolies and partially freeing the private sector from the straitjacket of state 'regulation' and interference. Even the communist regimes of Hungary, Yugoslavia and China have largely abandoned central bureaucratic planning and allowed a wide degree of decentralisation, incentives, small business and private agricultural trade.<sup>1</sup> In what is called the 'third world', those far eastern countries with predominantly market economies are leading the world in manufacturing and technology, and even President Julius Nyerere, of Tanzania the 'father of African socialism', has admitted the failure of the collectivist policies that brought his people to famine, and has begun to move away from them.<sup>2</sup> While all of these developments are to be welcomed, it must be recognised that a government which permits greater scope for market forces within an economy does not necessarily do so because of any belief in the individual's rightful ownership of his own life and property, but more likely because the rulers seek to increase their own power by being able to draw upon a stronger and more productive economy.

## ECONOMIC LIBERALISM AND SOCIAL AUTHORITARIANISM

In Britain, for instance, government ministers argue for a greater degree of economic freedom while putting into practice policies that extend the power of the state over the individual in areas traditionally seen as 'non-economic'.<sup>3</sup> They apparently see no contradiction in abolishing exchange controls or privatising state owned industries while at the same time introducing compulsory fluoridisation of the public water supply, which, in a sense, is the most total measure of them all, when one remembers that water comprises over 90% of the human body.<sup>4</sup> In Britain it is accepted that the state is to interfere in every area of human life, and political debate almost always concerns how, precisely, such interference is to be carried out, rather than whether it should be done at all. When the latter question becomes the basis of political discussion, half the battle for a free society will have been won.

## THE MORAL SQUALOR OF STATISM

In the meantime, unfortunately, almost everybody is trying to use the machinery of the state to grab as much as possible of the taxes paid by everybody else. Quite apart from the disastrous economic results of such a system, the effect on public and private morality has been particularly deleterious: Britain no longer has the lowest crime rate in western Europe, but the highest. After all, if an individual's honest work is punished by massive

taxation, why should he not emulate the government and rob his neighbour, there at least being no taxes on stolen goods? And if one gets into the habit of lying to the taxman to keep even a small portion of one's honest earnings, does it not become easier to become dishonest in the rest of one's dealings.<sup>5</sup>

Libertarianism — the view that the individual rightfully owns his own life and property, and that unrestricted, voluntary co-operation and exchange is the only way in which human problems can be solved has practically no 'natural constituency' in such a society. Almost the only people who live truly libertarian lives in Britain today are the Romany gypsies, who pay no rates or taxes, are unaffected by the plans of bureaucrats, educate their own children and provide their own health and welfare, and who make their living by trade with the settled population, along with a bit of fortune telling.<sup>6</sup> The growth of the tax-free 'black economy', which was recently estimated at £50 million a year, is also a most encouraging development.

## LIBERTARIANISM AND BUSINESS

So libertarians must avoid the error, if I may say so, of apparently unqualified praise for business tycoons, who are not in fact independent entrepreneurs, taking all the risk and all the profit from their ventures. On the contrary, the government often gives them large sums of taxpayers' money to set them up, and the taxpayer also foots the bill when such projects lose money. Not only is it unjust that we have to finance such projects — and equally unjust that their creators should be taxed if they make a profit — but the very fact that these operations require public money and cannot raise enough privately means that they are unlikely to have a sufficient market to succeed. Why not let the taxpayers keep their money and spend it on what they want, rather than on what some bureaucrat or subsidised businessman thinks they ought to want? Northern Ireland, where unemployment is very high, has become a graveyard of such taxpayer-financed 'private' projects in recent years, the latest being the disastrous Lear Fan operation; and each time one of these collapses, this is called "the failure of private enterprise". If, say, all taxes were to be abolished in Northern Ireland, people would have more money to spend and invest, providing both demand and the capital to supply it. Businesses would rapidly expand, and new ones appear, and unemployment would practically disappear as people found jobs serving the demand given effect by this new purchasing power. Businessmen do indeed have many admirable qualities, but surely it is the oldest libertarian principle that they should not receive taxpayers' money — or themselves be taxed to the bone if their projects succeed. Did not Adam Smith warn of the dangers of putting the powers of the state under "the mean rapacity, the monopolising spirit of merchants and manufacturers, who neither are, nor ought to be, the rulers of mankind"?<sup>7</sup>

## THE GROWING ATTACKS ON LIBERTARIANISM

I do not need to point out any of this to libertarians, and I am not seeking to split hairs, but I do think that the most accurate presentation of our views is fundamental in view of the hostility which we are beginning to face from the establishment. The attack on libertarianism from the socialist press over the past year resembles the "Two Minutes Hate" in George Orwell's novel 1984 in its irrationality, deception and malice.

The *New Statesman* ran a piece about the Cambridge Liberator, a Cambridge University libertarian paper run by LA student mem-

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www.libertarian.co.uk email: admin@libertarian.co.uk

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Director: Dr Chris R. Tame

Editorial Director: Brian Micklethwait Webmaster: Dr Sean Gabb

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ber Andrew Fox, falsely accusing it of carrying “articles condoning South African apartheid” and saying, without evidence, that “Cambridge ‘libertarians’, seemingly unable to resolve their vital contradictions, are coming increasingly to be identified with elements of fascist ideology.”<sup>8</sup> And in a *Guardian* article we learn of Libertarian Alliance student supporters that “Their attitude towards black students is blatantly racist”, that the LA “advocates the hanging of Nelson Mandela and Arthur Scargill”, and that the LA Secretary has patrolled with the Contras in Nicaragua!<sup>10</sup> No evidence, of course, given for these charges. The paper refused to publish any correction of these lies. These are merely two examples from a large number of similar smears.

### THE UNINTENDED CONSEQUENCES OF HOSTILE ATTACKS

In a sense, Libertarians should welcome such attacks from socialists, because it means they feel unable to argue against our ideas, and have to resort to lies and slander as a political weapon. The rest of the press has made much of the libertarian view that heroin should be legalised, with no mention of the arguments used to support this view. Fortunately a law of diminishing returns sets in with this sort of attempt to horrify readers. The first time a reader learns that some people support the legalisation of heroin, he may be shocked, the second time, less so; by the third, he may be curious enough to discover *why* people believe this, and will therefore be receptive to libertarian ideas on this and other issues. Such ‘shock-horror’ treatment of our views on heroin not only makes people accustomed to at least the idea that there might be an alternative policy on drugs, and therefore makes a more rational discussion of the issue possible, but it may also bring converts to the libertarian cause.

### EXPLAINING OUR IDEAS

For the record, the legalisation of heroin is a question of property rights. If an individual is the rightful owner of his body, he may inject into it any substance he chooses, no matter how harmful it may be. Meanwhile, the fact that heroin is banned actually causes a far *greater* use of it than would be the case if it were legal. Because heroin is illegal, it is very expensive, and the profits from selling it very high. So it is in the interests of pushers to get as many people addicted as possible, so as to maximise profits. And because heroin is so dear, addicts often have to steal to get enough cash to buy it. If heroin were legalised, its price would fall dramatically, and the profits from selling it would be greatly reduced. So the pushers, who are the last people to want heroin legalised, would not have the present incentive to get people addicted, and would transfer their entrepreneurial talents to some other trade, and the number of addicts would fall. Theft by addicts to pay for their fix would practically disappear, and of course the thrill of doing something illegal, which is particularly attractive to the young, would disappear from the act of taking heroin. But to believe that heroin use should be legal does not imply approval of it: I regard addicts as fools and pushers as the most reprehensible scum in the private sector. But neither I nor the government have any right to use violence to prevent them plying their trade.

Libertarianism is probably the most rapidly growing of the world’s political ideas. Already it has the support of millions of Americans, especially in the western states, where legislators now have to reckon with a strong, vocal and specifically libertarian challenge to their coercive schemes from a citizenry fed up not only with paying for disastrous statist social and economic policies, but also of such things as a police force that spends tens of millions on catching marijuana growers while the chances that an adult burglar will be convicted for a given act of burglary are less than 1%. They are demanding change and getting it: recently the state of Alaska, the only state to have two Libertarians in its house of representatives,<sup>11</sup> was pressured into abolishing its income tax and returning a whole year’s taxes to its citizens.

Interestingly, support for libertarianism is stronger where the role of government is already somewhat restricted, and it will thus be some time before it becomes a mass movement in Britain. But as massive state control is increasingly recognised not as a solution but the major cause of Britain’s ills, the libertarian movement will grow, and the sort of hysterical attacks it has been subjected to in recent months will have the long term effect only of enhancing that growth.

### NOTES

1. The western, and especially American, media has greatly exaggerated the importance of the Chinese reforms, even alleging in some cases that the regime has “abandoned Marxism”. In fact no political liberalisation is accompanying the economic changes (which are themselves opposed by the powerful “conservative” faction within the Communist Party), and the regime is actually becoming more repressive against dissent. If these changes appear to threaten the party’s control over society, they can be rapidly reversed.
2. The example of Tanzania shows how western aid to “third world” governments actually harms the common people there. Nyerere, an admirer of Stalin, appealed for western aid to finance the collectivisation of Tanzanian agriculture. This was duly handed over and collectivisation was carried out, resulting in mass starvation. This was itself relieved only at the expense of western taxpayers.
3. There is a sense in which every issue is economic. With fluoridisation of the water supply for instance, our taxes pay for the fluoride compounds themselves, and the wages of those who mix them, those who add them to the water supply, the bureaucrats who administer the programme, and so on. All this money could be spent on productive economic activity. And I have just heard Mrs Thatcher on television announce that she is to spend £900 million on “improving” the water supply.
4. It is believed that flouride compounds in the water reduce the incidence of cavities in children’s teeth. The Tories argue that they should be added to the water supply on the grounds that “working class” parents do not encourage their children to clean their teeth and the latter should be forced to do so by their “elders and betters”. Now flouride compounds are a lethal poison in large quantities (and are used as the toxic agent in many insecticides), and studies suggest that the artificial fluoridisation of water increases the incidence of Down’s Syndrome (mongolism) in unborn children. But that is not the central point. The question is whether government ministers should have the authority to force each of us to take “medicine” in the water supply we are made to pay for. In a libertarian society, water supplies would be privately owned, and people could choose to pay for pure water, fluoridised water, Perrier water or strawberry-flavoured water, and would not be forced to take anything. But if we are not permitted private water supplies just yet, is it too much to ask a government supposedly committed to individual liberty to allow us some freedom of choice in this most fundamental part of our lives?
5. By contrast, during the 19th century, while the population was growing very rapidly, the crime rate fell *absolutely* as well as relatively.
6. Unfortunately gypsies have obtained a bad reputation through the anti-social activities of some relative newcomers to the roads, such as the Irish tinkers who caused so much trouble on Hamstead Heath a couple of years ago. But the traditional Romany people place a great importance on honesty and good relations with the gadje, or settled population.
7. *The Wealth of Nations*, London, 1776, p. 210. I optimistically thought that the *New Statesman* had seen the light a few months ago when it ran a cover story on “The Grants Scandal: Handouts Under the Counter”. The article described how billions in taxpayers’ money was given to “big profitable companies” at the discretion of officials with close links to these companies. Did this mean that the *New Statesman* wanted a fully independent private sector of the sort advocated by Smith? “The objection to discretionary grants is not, of course, to the principle of public assistance for innovation and exports, but to the close relationship between those giving and receiving public money, and the secrecy surrounding this relationship.” But of course. *New Statesman*, 31st May, 1985, p. 8.
8. See Chris Cooper’s, *Against the Right of Reply*, Political Notes No. 18.
9. *New Statesman*, 1st February 1985, p. 10.
10. *Guardian*, 29th July 1985, p. 8.
11. The Libertarian Party is the third largest political party in the United States, but whether or not to engage in such electoral politics is a major subject debated among American libertarians.