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Modern Libertarian Philosophy

An Uncertain Lineage

A Capstone Project Submitted in Partial Fulfillment of the
Requirements of the Renée Crown University Honors Program at
Syracuse University

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and Renée Crown University Honors
May 2013

Honors Capstone Project in Political Science

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Abstract

This study examines the true nature of libertarian political philosophy, avoiding reductive arguments and attempting to present these positions in a holistic manner that cuts to the core of what distinguishes this philosophy as being unique. The study then challenges the libertarian claim that many highly praised and well-respected historic political and economic philosophers are their philosophical antecedents.

The study examines the political philosophies of Classical Liberal thinkers and well-respected economists, presenting their positions in the same holistic manner and avoiding any selective quoting that serves only to oversimplify the complexity of their arguments. The challenge of the study will be to effectively extract the core meaning and logic in the texts examined, and contrast those meanings to the libertarian position.

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My home. A place that will never leave my heart.

Introduction

The 2010 mid-term Congressional election saw 69 non-incumbent Republican Representatives elected to Congress on a wave of discontent with the perceived growth of the role of government (“The pendulum”). The cry for smaller government and a reduction in taxes seemed to materialize almost spontaneously in the form of the Tea-Party protests. Two major Tea Party groups, Freedom Works, and Tea Party Express endorsed a total of 196 candidates nationwide, at various levels of office. Of those candidates, 155 were elected to office. Most of these candidates were Republicans, and none were Democrats (“Tea Party”). Today, many of these “tea-party” Republicans still successfully block the passage of bills and appointments to positions they believe to infringe upon the liberty of the American people or interfere with free-market processes. For example, for nearly two years after the formation of the Consumer Financial Protection Bureau, created by the Dodd-Frank Act and designed to regulate banking industries, Republican legislators succeeded in blocking the appointment of a director to this new Bureau. In order for the position to be filled, President Obama was required to make a recess appointment to appoint Richard Cordray as director.

This cry for a reduction in the size and scope of government is not one that necessarily characterized the Republican Party in the past. The deficit accumulated over the Bush years and during times of a Republican held Congress is comparable to that accumulated by Democrats (Bloch). The notion of minimal government spending and intrusion, not only in financial sectors, but also in all matters regarding social life, seems to stem from a different source. The most prominent advocates for small government and

extremely limited intrusion on individual liberties have been those who subscribe to the “Libertarian” political philosophy. Recently such libertarians have gained national attention in the form of Congressman and past Presidential Candidate Ron Paul, his son Senator Rand Paul, and the 2012 Presidential candidate Gary Johnson.

In the 2012 election, Johnson ran the most successful Libertarian campaign for President in the party’s nearly 41-year history receiving 1,139,562 votes nationwide (Harrington). Although this amounted to only roughly 1 percent of the national vote, the influence of libertarian philosophies and policy suggestions has seemed to grow substantially, especially among young voters (Harrington). Libertarian policy suggestions of social tolerance on issues like drugs and gay marriage have had a strong draw on such young voters who also support a reduction in the size of government and scope of its intervention in market activities and redistributive programs (*Libertarians*).

Although this perceived growth in discussion of libertarianism has introduced many to certain policy subscriptions advocated by Libertarians, it has left much to be desired with regards to the core and origin of their political philosophy. Many of the introductory writings on libertarianism are vague and seem to claim a wide variety of political philosophers as their own. General statements on “individual liberty” and claims that philosophers ranging from John Locke to F.A. Hayek to Robert Nozick are proponents of a libertarian political philosophy introduce a variety of questions about the true nature of that philosophy.

In this work, I will attempt to uncover what distinguishes the libertarian political philosophy as a unique perspective on the role of governance and nature of liberty, and compare that philosophy with those philosophers that they claim as their forefathers. In

Chapter One, I will begin with arguments made by modern libertarian philosophers such as Robert Nozick and Jan Narveson, and try to identify the core of their argument for liberty and minimalist government. I will then examine in Chapters Two and Three the libertarian claim of many Classical Liberal thinkers such as John Locke the author of *Two Treatises on Government* and John Trenchard and Joseph Gordon, the authors of *Cato's Letters*, determining whether such a connection can be drawn. Chapters Four and Five will concern the arguments of economists and political philosophers, starting with an examination of Adam Smith in Chapter Four then proceeding to the arguments of F.A. Hayek and Milton Friedman in Chapter Five.

In each of these examinations I will attempt to illustrate the core of each of these thinkers' political philosophies and their conclusions on the nature of liberty and the role of just governance. I will examine their writings in a holistic manner that appreciates the entirety and complexity of their arguments, and attempt to avoid any reductive representation or selective quoting. I will then compare these writings to see if libertarians can make any legitimate claim to connect their own political philosophy to these well-known and widely respected philosophers. In the final chapter I will conclude my arguments, and also provide a brief critique of the libertarian position in an attempt to illustrate why, as libertarians themselves espouse, "the element that distinguishes libertarianism's unique place in political thought is that it is *radical*" (Doherty).

Chapter 1

Modern Libertarianism

In its most basic presentation, modern day libertarians are unified in a belief in “limited minimalist government.” However, this modern libertarianism lacks unified and concise presentation on the extent of those limits, and the perceived legitimate role of government in such a system. Further, the classification of “libertarian” encompass a variety of perspectives ranging in extremes from the “Classical Liberal” thought, much of which is often quoted by libertarians as the root of their philosophical understanding, to the more recent 20th Century “Anarcho-Capitalist” frame of thought. This section will attempt to present a clear and directed view of modern libertarianism as can be discerned from the writings and arguments of the major proponents of Libertarian thought today. Specifically, looking at perspectives provided by the Cato Institute, which has been widely hailed as the premiere advocates of libertarian thought and policy.

The Cato Institute is indisputably the most prominent voice in Modern American Libertarian thought and policy, today. Founded in 1977 the Cato Institute is a policy think-tank that has been applauded by both liberal and conservative thinkers as being consistent in their commitment to Libertarian philosophy, indiscriminately attacking policies of both major political parties. They currently publish a variety of books and essays on libertarian ideas and run several websites in an attempt to expose the concepts of Libertarianism to a wider population of readers. Although there is no absolute consensus on Libertarian thought, even amongst those within the institute, their position

at the forefront of libertarianism makes their writings and material quite valuable to this project as a basis for establishing what modern libertarianism values at a basic level.

The institute provides a variety of writings to those new to Libertarianism. One of their websites, Libertarianism.org, a project funded and managed by the Cato Institute, give basic outlines of the history and values of the philosophy. In its most basic definition, Libertarians define their philosophy as the “philosophy of liberty.” In an excerpt from *Libertarianism: A Primer*, author David Boaz, a member of Cato Institute, draws a litany of historic thinkers into the Libertarian tradition. He begins with the claim that all political philosophies of history can be categorized into either Liberty or Power. He argues that, although the “philosophy of liberty has gone by different names, its defenders have always had a common thread of respect for the individual, confidence in the ability of ordinary people to make wise decisions about their own lives, and hostility to those who would use violence to get what they want.” Such a vague and sweeping definition undoubtedly casts a wide net from which Libertarians can draw on. Boaz continues by stating whom he believes to belong to the “philosophy of liberty.”

From “what may be the first known libertarian,” the Chinese thinker Lao Tzu to Classical Liberals of John Locke, Adam Smith, and Thomas Paine, to Hayek, Ayn Rand, and Robert Nozick, Boaz claims all as followers of the “philosophy of liberty” and therefore under his premise, Libertarians. He also categorizes “welfare-statism” as one example of the “philosophy of power,” which includes the political philosophies and systems of caesarism, despotism, fascism, communism, socialism, and monarchism. He argues that, although the arguments for each are very different, their commitment to the power of the state makes them contrary to the ideals of liberty (Boaz). Although this is

clearly meant to be a brief and lofty introduction to Libertarian history and thought, and not scholarly writing, it is valuable as an examination of the way in which the Cato Institute and modern libertarians portray their philosophical roots to those new to their views on governance. Further, these introductory writings provide a good insight into the major problem with the veneer of modern libertarianism: the reductive classification of their philosophy as one of “individual freedom.” In order to fully understand the implications of their view of “individual freedom” we must dig deeper to what is at the core of libertarian thought.

What constitutes “liberty” and how it is defined has been an on going philosophical debate for hundreds of years. For the purpose of this work, we will examine how Libertarian’s view “liberty,” and how their arguments hold up under critical analysis. Specifically, we will look at the arguments made by Jan Narveson in his book *The Libertarian Idea*, in which he outlines a Libertarian concept for liberty, and Robert Nozick’s *Anarchy, State, and Utopia*, in which he does the same.

Narveson begins his comments on liberty by asserting, “individual liberty is the fundamental and only legitimate concern of any just society,” and that it falls on libertarianism to explain what liberty is (Narveson 13). He begins with “To be free is, to begin with, to be free to do what one wants” (Narveson 18). He explains that within this concept of what he terms “action-rights,” are the concepts of freedom to *have* things and *be* various things (Narveson 18). He argues that the arguments with regards to “freedom from” and “freedom to” are convoluted, and that both the freedom to act and the freedom from interference in that action are integral to the concept of liberty (Narveson 18, 19). In describing this interference Narveson states “When A presses for the liberty to do x, A

is insisting that somebody or other refrain from preventing A from doing x” (Narveson 20). What is essential in this sentence is Narveson’s personification of a barrier to action. He writes “*somebody or other*” not some situation or another. He further pursues this course of thought in describing two hypothetical situations that would prevent someone’s action. In one case, the individual is medically incapable of achieving their desired action, where in another, another individual prevents him from doing so. Narveson argues here that capability is a prerequisite for liberty, in the sense that prevention due to “natural causes” is not an infringement on one’s liberty (Narveson 21). Narveson’s view of what constitutes legitimate interference, and therefore actual infringement on the liberty will be vital as he discusses the concept of negative and positive liberties.

The debate over positive and negative liberty is at the very core at what unifies libertarians and the base from which their political philosophy is built. As Narveson will show in his argument, the libertarian philosophy suggests that government should be concerned only with negative liberty, and that the concept of positive liberty has more to do with power than with liberty.

Narveson argues that “moral philosophy, and political philosophy in particular, being normative theories concerned with the direction of human action, are therefore concerned only with what is within our control” (Narveson 26). He argues that negative liberty refers to “the absence of factors that would prevent you from doing x: you’ve got what it takes to do x, but something stands in your way” (Narveson 23). This ability to act or having “what it takes” to complete an action, is therefore an intrinsic requisite for liberty. When discussing positive liberty he sets up a dichotomy for discussing the difference between positive and negative liberty. In the case of negative liberty he puts

inhibiting factors and human interference, on the other he puts positive liberty in conjunction with the lack of means and *natural causes*. He argues therefore that society and government should be concerned only with protecting the liberties that are infringed upon by the actions or interference of others (Narveson 27).

A violation of one's positive liberty, on the other hand, should not be considered a violation of liberty at all, Narveson argues. He states, "your liberty to do x, on the other hand, is not *interfered with* when someone else, even if that someone could do so if she chose, fails to provide you with something that would enable you to do x" (Narveson 30). Here Narveson makes two very key points to understanding the libertarian perspective. First, if an individual lacks the capacity to complete their desired action, without assistance, their inability to complete that action is not a violation of that individual's liberty. Second, "not promoting the liberty of others does not constitute interfering with their liberty." Narveson states this may constitute not promoting their good, but "nonassistance" does not constitute interference in another's liberty. Therefore, "interference with liberty requires positive action on the part of the interferer" (Narveson 31).

Although Narveson is clear in stating that "action" can be direct and indirect, subtle or obvious, and affect a wide grouping of people, I feel that this belief is the crucial flaw in the lynch pin of Libertarian thinking (Narveson 27). However, an examination of other libertarian thinkers and their arguments on a variety of positions is required before giving a full critique of their logic and conclusions.

With this libertarian concept of liberty defined, we can begin to examine different concepts of legitimate state action and different spectrums of libertarian thought.

In an interview with Aaron Ross Powell, a staffer at the Cato Institute and the editor of *Libertarianism.org*, Powell explained to me the varied spectrums of libertarian thought. At one end, he (and most libertarian thinkers) places the Classical Liberal tradition that stretches back to John Locke, Adam Smith, and Trenchard and Gordon who authored the widely read Revolutionary pamphlets entitled *Cato's Letters*, from which the name for the Cato Institute was taken. The writings and arguments made by these thinkers will be examined in the next chapter. On the other end of the spectrum, lies the Anarcho-Capitalist tradition, promoted by more recent thinkers such as Murray Rothbard and David Friedman, who hold the most extreme position that any form of government or state action is a moral wrong. Powell explains that most libertarians lie between the two "extremes" and argue for a minimalist state that is extremely limited in action to preserving the negative liberties of its people. The most prominent of such thinkers is Robert Nozick. His work *Anarchy, State, and Utopia* has been one of many key readings for libertarians.

Jonathan Wolff, author of *Robert Nozick: Property, Justice and the Minimalist State*, describes *Anarchy, State, and Utopia* as "an attempt to show that, despite the plausibility of the anarchist's case, a state can exist without violating rights" (Wolff 6). Such a minimalist state has no function but to safeguard property rights, according to Nozick. Any action by the state to force someone to suffer disadvantage just so another may gain is unjustifiable and morally wrong. Absolute rights with regards to life, liberty, and property govern Nozick's conception of a minimal state, which is justified in action only in protecting people against force, fraud, and theft, and in enforcing contracts. Any

other action by the state such as mandatory education, public roads, fire services, or welfare programs are unjustified and a violation of the rights of the governed (Wolff 7).

This exemplifies the thesis of “self-ownership,” argues Wolff. He uses Nozick’s example of the ‘eye lottery’ in which in some hypothetical world, eye transplants are possible with a 100% success rate. In order to give sight to the blind, in this hypothetical world an eyeball lottery might be imposed in which unwilling participants would be forced to give their eyeballs to help others. Wolff argues this clearly seems barbaric and against the concept of self-ownership. Wolff further presents Nozick case, arguing that self-ownership extends to liberty. In this sense we are free in our own actions, provided we respect the rights of others (Wolff 8).

Nozick extends this to his Entitlement Theory of Justice, which emphasizes the right to private property. He argues that an individual’s property is included in his or her “protected sphere” (Wolff 9). In essence if one is entitled to their property, that property is as much a part of them as their eyeballs from the example above. Nozick offers two basic processes to determine whether or not entitlement to property exists. Either property can be justly acquired from those who already justly hold it, or I can be ‘appropriated’ from nature, if it is “unowned” (Wolff 10).

To further explain this concept of just acquisition, Wolff examines Nozick’s claims regarding voluntary transfer. He opens with Nozick’s claim that ‘whatever arises from a just situation by just steps is itself just.’ And, by Nozick’s logic “whatever arises from a just situation by *voluntary* steps is just.” Compounding these arguments, we reach “the essential core of Nozick’s principle of justice in transfer: a transfer is just if and only if it is voluntary” (Wolff 83). Wolff examines this concept of the difference between free

and forced exchanges in the context of a capitalist society. Specifically, he asks whether workers are forced to work for capitalists in such a society.

Wolff begins his claim that workers are in fact forced to work for capitalists, by observing that if they do not, they will starve (Wolff 84). Although this might be slightly misrepresentative, as a worker might start her own business or, if she possesses the prerequisite skills, farm her own food, I find on the whole we can take this observation to be correct. Given the constraints of a capitalist society, those who refuse to participate in the capitalist system, will lack the funds to feed themselves. Further, as Wolff points out, in a Libertarian society free of welfare programs, it seems likely that these people will starve. Given these two options, Wolff examines how Nozick would defend that the decision to work or not to work is voluntary.

Nozick suggests:

“Whether a person’s actions are voluntary depends on what it is that limits his alternatives. If *facts of nature* do so, the actions are voluntary. Other people’s actions place limits on one’s available opportunities. Whether this makes ones resulting action non-voluntary depends upon whether these others had the right to act as they did. “ – (Wolff 84)

It follows then; that a workers choice to work is voluntary given that “all those whose actions affect the conditions of choice have acted without violating rights.” He therefore implies, that being born into a state of poverty or existing in a state of poverty, is not a condition that affects liberty, and the decision to work to survive is a voluntary action. However, as Wolff points out, Nozick’s definition of ‘force’ is somewhat

eccentric. Wolff provides an example in which an individual is drowning and cannot swim, and another individual comes by with a boat, offering to save the drowning man provided he pay \$1 million. Is the would-be rescuer *forcing* the drowning man to pay \$1 million? Under Nozick's definition, he is not and the demand to pay is perfectly just. To many, this 'exploitative contract' seems forced, and at least morally illegitimate (Wolff 85).

Wolff continues to describe cases in which, under Nozick's libertarian vision, a mass of wealth might be accrued by a small percentage of individuals, who through such wealth gain a monopoly on power and have an undue influence in affecting the positions of others within the society. He discusses the manifest unfairness that could arise from such transactions (Wolff 87, 88). However, these concerns seem to be inconsequential to Nozick's position. Nozick argues that any sort of pattern of redistribution or regulation of transfers requires 'continuous and unacceptable intrusions into people's lives,' and that any kind of enforcement, would surely lead to a restriction of liberty (Wolff 88). He extends this to the income taxation system stating, "taxation of earnings is on par with forced labor" (Wolff 91). Wolff responds to this claim first by demonstrating that taxation is not nearly as restrictive as forced labor, and second by pointing out that liberty is not the only value to be considered when discussing the value of governance. Fairness and equality also seem to be beneficially factors to Wolff (Wolff 91, 92, 88). However, as all evidence of libertarian thought suggests, including Nozick's, these are not consequential to the functions of a libertarian state. This is not to say libertarians might not share these values in a personal, individual sense. However, libertarians feel that

these values should not and, in fact, *cannot* be of concern to the state without greatly restricting liberty.

We will return later to the arguments of Nozick, Narveson, and other modern libertarians. In the next chapter, we will examine the historical political philosophers claimed by libertarians as their own influences, and attempt to show how the theory of “individual liberty” has evolved, or mutated, over the centuries.

Chapter 2: John Locke

Classical Liberal influence on Libertarian thought.

The Cato Institute and many other Libertarian scholars draw much of their heritage from the Classical Liberal tradition. Cato Institute takes its very name from a series of Revolutionary Pamphlets written by John Trenchard and Thomas Gordon titled *Cato's Letters*. In the next two chapters we will examine the Classical Liberalism of John Locke and Trenchard and Gordon in comparison with the positions of modern libertarians like Nozick and Narveson.

In his *Second Treatise on Government* John Locke, considered by many to be the Father of Classical Liberalism, provides a conception of liberty and natural rights that has been invaluable for political philosophy to this day. Locke's account provides an extensive analysis of not only the concept of liberty, but of equality, property, and the basis for just governance.

Locke's conclusions regarding the nature of just governance and the nature of civil society seem to lie heavily on his perception of the nature of human kind. Locke expresses his understanding of the nature of humankind as follows:

“Every one as he is *bound to preserve himself*, and not to quit his Station willfully; so by the like reason when his own Preservation comes not in competition, ought he, as much as he can, *to preserve the rest of Mankind*, and may not unless it be to do Justice on an Offender, take away, or impair the life, or what tends to the Preservation of the Life, the Liberty, Health, Limb or Goods of another.” –(Locke 271).

We can see that Locke places responsibility on all to, “when his own Preservation comes not in competition,” to have responsibility for the preservation of those around them. The Libertarian might argue that although this is a perfectly acceptable moral philosophy it tells us little of government’s role in a just society. However, if we are to fully appreciate the complexity of Locke’s position, and effectively cut through the vagueness of arguments made later in his work, an understanding of Locke’s morality and view of human nature is essential.

Locke’s position is further expressed at the beginning of his chapter “Of Property.”

“*Reason*, which tells us that Men, being once born, have a right to their Preservation, and consequently to Meat and Drink, and such other things, as Nature affords for Subsistence...” (Locke 285)

Although this seems a given for Locke, this admittance of a *right* to Preservation is essential to distinguish Locke’s vision from that of Libertarians. Where Libertarians might view the lack of means to preserve oneself as an unfortunate, but natural occurrence, where the rights of that individual have not been violated due to a lack of positive action by another, Locke asserts that “Meat and Drink, and other such things, as Nature affords for Subsistence” are the rights of all “being once born.” Locke does not suggest that man should not have to Labor for his Preservation. Far from it, Locke uses what he considers this reasonable claim to self-preservation to open his discussion on how and why man may own property.

Locke makes an intrinsic connection between labor and right to property.

“The *Labour* of his Body, and the *Work* of his Hands, we may say, are properly his. Whatsoever then he removes out of the State that Nature hath provided, and left it in, he hath mixed his *Labour* with, and joined to it something this is his own, and thereby makes it his *Property*. “ (Locke 287, 288).

This seems to be a libertarian perspective, in a similar vein to Nozick’s concepts of voluntary transfer and the Entitlement Theory of Justice. Such quotes on Locke’s view of property are often used by Libertarians to justify their claims that absolute property rights are intrinsically and historically connected to liberty. With regards to the extent of government Locke states, “ The great and chief end therefore, of ... Government, is the Preservation of Property,” or, as Locke defines Property, life, liberty and estates (Locke 350,351, . Although many of these statements seem very similar or near identical to that of modern Libertarians, we must first examine the context and meaning behind them, to fully understand how Classical Liberalism in the form of Lockean theory fits into a Libertarian model, if it fits at all.

At the end of the very passage the above quote regarding property was taken from, Locke concludes by stating:

“For this *Labour* being the unquestionable Property of the Labourer, no Man but he can have a right to what that is once joyned to, *at least where there is enough, and as good left in common for others.*” (Locke 288)

Locke makes a point here and in several other passages that property and possessions may be accrued so long as that possession is not so great as to inhibit the ability of others to do the same. Further, Locke makes such a claim given the assumption that “*God has given us all things richly*” (Locke 290). He rests heavily upon the

assumption that the vastness of all things on the earth will ensure that all have an opportunity to achieve some degree of possessions capable of ensuring their self-preservation.

Locke does however, put a limit on how much an individual may “*ingross*” himself with possessions.

“But how far has [God] given it? *To enjoy*. As much as any one can make use of to any advantage of life before it spoils; so much he may by his labour fix a Property in. Whatever is beyond this is more than his share, and belongs to others. Nothing was made by God for Man to spoil or destroy.” (Locke 290)

This seems contrary to the libertarian position that, if the possession was obtained through “just” means, than even if the owner should let that possession “spoil” as Locke denounces, that is perfectly acceptable, and within the rights of that individual. It might here be further argued by the Libertarian that this is another example of a moral judgment, specific to Locke but not necessarily inseparable from his vision for limited governance. However, as Locke’s view of the role of governance and decision of men to form a Civil Society is deeply connected with the ability of that society to “secure Enjoyment of their Properties,” the importance of Locke’s position of Property cannot be overlooked.

Locke underscores the importance of his belief that there is enough for all so long as they labor, to acquire possessions.

“For he that leaves as much as another can make use of, does as good as take nothing at all. No Body could think himself injur’d by the drinking of another Man, though he took a good Draught, who had a whole River of

the same Water left him to quench his thirst. And the Case of Land and Water, where there is enough of both, is perfectly the same.” (Locke 291)

Almost 320 years after Locke wrote the *Two Treatises* it's obvious that Locke's assertion on the abundance of Land and Water did not withstand the test of time. However, he inadvertently makes a crucial point in this statement. Locke implies that should anyone claim the entirety of a River as “property,” such a claim would be unjust, should that ownership restrict the ability of others to have access to so vital a resource necessary for their own Preservation. Such an example is in direct contradiction of the similar example of a drowning man forced to pay an exorbitant price for his rescue examined by Nozick in the previous chapter. Further it asserts the notion of Locke's belief in a *Positive Liberty*. It is the right of all to have access to certain resources vital to their preservation, so long as there is enough for all, and their “Preservation comes not in competition” (Locke 271).

What might support the connection of Locke to the Libertarian position on property is Locke's position, or rather, observation regarding money. Locke observes that through the tacit consent of those in society to use Money, members of society “have agreed to disproportionate and unequal Possesions of the Earth... found out a way, how a man may fairly posses more land than he himself can use the product of” (Locke 302). This would seem a good defense for the Libertarian claim to Locke, were it not for the final line of this same paragraph. Locke states, “For in Governments the Laws regulate the right of property, and the possession of land is determined by positive constitutions” (Locke 302). Clearly these last few quotes need some clarification.

First, by stating that Man has “agreed to disproportionate and unequal Possessions” Locke implies that, in a state of nature there is equality in possession or at least right to equal possession. It would follow then, that Man willingly gives up this natural equality for entrance into society that offers the protections not enjoyed in a state of nature. Locke also directly states that upon entrance into society, the man agrees to be governed by the laws and regulations of that society with regards to his rights to property, and that governance and those laws are the resultant constitution of those living within the society. Not only does Man give up a degree of equality upon his entrance into society, he too gives up a degree of liberty, agreeing to be governed and restricted by the laws agreed upon by a majority. Further, the entirety of Locke’s position still rests upon his assumption that, due to the plenty of all things, there is still enough for all to subsist. Locke discusses the extent to which man’s property or liberty may be subject to restriction upon entry into society in depth in his following chapters.

Locke is thorough in his description of the extent of just action by the Government and the nature of what individuals give up upon entry into Society. Locke states:

“The first *Power, viz. of doing whatsoever he thought fit for the Preservation of himself, and the rest of Mankind, he gives up* to be regulated by Laws made by the Society...” (Locke 352)

Here, Locke implies that the right to Preservation enjoyed in Nature, is given up to society along with “the Equality, Liberty, and Executive Power they had in the State of Nature.” However, as Locke notes, a man would never consent to being put into worse a position than he would be in a state of nature, thus reinforcing the notion that the role of

Government should be “*the preservation of their Liberty*” (Locke 352). A government’s Legislative power “*can never be suppos’d to extend farther than the common good*” (Locke 353).

Locke further explains the necessity of parting with certain liberties enjoyed in a state of nature.

“For being now in a new State, wherein he is to enjoy many Conveniencies... he is to part also with as much of his natural liberty in providing for himself, as the good, prosperity, and safety of the Society shall require: which is not only necessary, but just; since the other Members of Society do the like.” – (Locke 353)

In the above passage, Locke suggests that in giving up “natural liberty in providing for himself” requires *justly* that men give up certain liberties and even portions of property when it be necessary for the preservation of that society, as all fellow members are required to do the same. The first and most important role of the Legislative, Locke argues, “is *the preservation of the Society* and (as far as will consist with the publick good) of every person in it” (Locke 356).

Locke next discusses the 4 crucial limits to Legislative power that must exist in a Commonwealth. Firstly, Legislative power “is *not*, nor can it possibly be absolutely *Arbitrary* over the Lives and Fortunes of the People. Power must be “*limited to the publick good* of the Society. It is a Power, that hath no other end but preservation, and therefore can never have a right to destroy, enslave, or designedly to impoverish the Subjects.” Laws must therefore be “conformable to the Law of Nature... and the *fundamental Law of Nature* being *the preservation of Mankind*” (Locke 358).

Secondly, there must be established and set laws, that serve as a basis for all further laws passed by said legislature. This protects against the public from “the exorbitant and unlimited Decrees of their sudden thoughts, or unrestrain’d, and till that moment unknown Wills without having any measures set down which may guide and justify their actions.” Essentially, Locke argues for Constitutionally limited government, in which the Legislature may only act within the confines of “*established and promulgated Laws*” (Locke 360).

Thirdly, Locke argues that, “The *Supreme Power cannot take* from any Man any part of his *Property* without his own consent” (Locke 360). Since the preservation of Property is the ultimate end of Government it is necessary that they be secure in that property from arbitrary seizure by the government. This seems entirely libertarian in nature, and almost contradictory to arguments made by Locke about the nature of governance in previous passages. However, in context with Locke’s notion of consent, this concept fits perfectly. Locke does not argue here that any taxation is inappropriate, or that every single individual must consent before paying a tax. Locke states:

“’Tis true, Governments cannot be supported without great Charge, and ‘tis fit every one who enjoys his share of the Protection, should pay out of his Estate his proportion for the maintenance of it. But still it must be with his own Consent, i.e. the Consent of the Majority, giving it either by themselves or their Representatives chosen by them.” –(Locke 362)

Here we see Locke to mean by his third mandate, that taxation is only valid should the majority of members of society, or a majority of their representatives consent to the taxation.

Fourthly, and finally, Locke argues “The *Legislative cannot transfer the Power of Making Laws* to any other hands” (Locke 362). In essence this simply means only the official legislature, as an elected representation of the people, may have the power to make laws, and that that power is not transferable.

Throughout the *Second Treatise*, Locke demonstrates his concern for government action for the *publick good* of all within a society; a concept many Libertarians would not recognize. He demonstrates that the just possession of property lies not simply with the freedom and willingness of an exchange, but also with the way in which that possession affects others and their ability to preserve themselves. He shows how, upon entering into society, some liberty, equality, and Executive Power are lost. Further, that upon transference of these things which man enjoyed in a state of nature, a responsibility falls upon the Governance of society to act to protect and promote the common good of those within the society.

In summation, it seems that Locke’s vision for government action, and implied acknowledgement of positive liberties puts his position in conflict with the Libertarian one. Given how vague Locke can be in certain sections of his writing, it is no wonder he is widely quoted by many different ideological groups. However, a thorough and holistic examination of his writing shows him, not as a political philosopher unconcerned with social outcomes of a free society, where government plays an extremely limited role, but as an individual deeply committed to a vision for governance in which the Representatives of the governed were responsible for the welfare and common good of all within society, and while limited in their actions by an established constitution, worked to promote that public good. Only through reductive quoting of specific sections

of Locke's writings can any similarity between the arguments of Locke and those of Libertarian thinkers be drawn.

Chapter 3 Cato's Letters

John Trenchard, Thomas Gordon and Revolutionary Political Philosophy

Roughly thirty years after the “Glorious Revolution” in England by William of Orange and his supporters in Parliament, the drafting of the Bill of Rights of 1689, and the publication *Two Treatises of Government* by John Locke, John Trenchard and Thomas Gordon wrote a series of letters under the pseudonym Cato that were first published in the London Journal and later in the British Journal. From 1720 to 1723 Trenchard and Gordon wrote 144 essays regarding the nature of liberty, tyranny, the rights of man, republican principles, and the role of just governance. These essays were perhaps the essays most widely read by and influential to American revolutionaries roughly 50 years later. In *Pamphlets of the American Revolution*, Bernard Bailyn proclaims these writings to have “ranked in the minds of the Americans with the treatises of Locke as the most authoritative statement of the nature of political liberty and above Locke as an exposition of the social sources of the threats it faced” (Bailyn 30). Bailyn describes these writers as “spokesmen for extreme libertarianism,” and ardent opponents to the establishment of religion (Bailyn 29, 30).

These letters hold a special place in the library of libertarian thought, as it is after these letters that the Cato Institute takes its name. Libertarian writer Brian Dougherty exclaims in his online article *The Roots of Modern Libertarianism*, “Trenchard and Gordon believed in inherent natural human rights that no government may violate; government existed solely to defend citizens' persons or property” (Dougherty). This is the claim that will be examined in this chapter. Do the liberties and principles described

by Trenchard and Gordon in *Cato's Letters* truly limit government to the minimalist role argued for by libertarians? We will, as ever in our examinations, examine the *Letters* in a holistic manner, appreciating the entirety of the work and placing their comments in context to discover whether the claims of libertarians regarding their nature hold under scrutiny.

Cato's Letters were written between November of 1720 and December of 1723, Trenchard and Gordon writing some of the letters in conjunction and others individually. The letters cover a variety of topics regarding liberty and the rights of man varying from but not limited to the Right to freedom of speech, freedom of religion, and right to property, so long as that property was obtained in a just manner. Much of what Gordon and Trenchard propose in philosophical terms is a reflection of Locke. The major value of these letters stemmed from their observations and comments on specific societal and governmental issues of the time and their expansion upon the perceived role of man and government in society. First let us examine the ideal just government described in *Cato's Letters*, and Trenchard and Gordon's views on the responsibilities of private men in such a government.

Throughout the *Letters*, both Trenchard and Gordon are committed to the idea that the "publick good" is the "great end of all laws." In Letter 42, Gordon describes Law simply as "right reason, commanding things that are good, and forbidding things that are bad; it is a distinction and declaration of things just and unjust, and of the penalties or advantages annexed to them."

As the Libertarian would concur, in Cato's just government, minority rights are vital. In letter 62, Gordon states,

“It is a mistaken notion in government, that the interest of the majority is only to be consulted, since in society every man has a right to every man's assistance in the enjoyment and defence of his private property; otherwise the greater number may sell the lesser, and divide their estates amongst themselves; and so, instead of a society, where all peaceable men are protected, become a conspiracy of the many against the minority.” (Letter 62)

This clearly seems to be a view from which Libertarian positions (and the positions of most American political philosophies) on minority rights and protection of property rights might stem. We will return to Cato's concept of property and its connection to liberty later in the chapter.

The government of Cato is a limited one, defined by a separation of powers and responsibility to and oversight by the public (Letter 60, 132, 62). Arbitrary intrusion by government into the private lives of men was a major concern for Cato. Said Gordon in Letter 62, “Let people alone, and they will take care of themselves, and I do it best; and if they do not, a sufficient punishment will follow their neglect, without the magistrate's interposition and penalties.” This seems a clear connection to Libertarian positions on governmental regulation. Further, in Letter 42, Gordon states,

“It is impossible to devise laws sufficient to regulate and manage every occurrence and circumstance of life, because they are often produced and diversified by causes that do not appear; and in every condition of life men must have, and will have, great allowances made to their own natural liberty and discretion.” (Letter 42)

This seems a quote Libertarian's have taken directly from *Cato's Letters* and placed into the justification for their philosophy of minimal government action. However, the extent to which Cato would advocate for government regulation as opposed to the vision of libertarians is vastly different. We will examine that difference at the end of this chapter. First, let us examine Cato's vision for the role of a man in this just and free society necessary in order for society to flourish, to better understand how Cato viewed the role of morality and other-regarding values in maintaining that society.

The above quote from Letter 42 regarding the impossibility of devising laws that regulate "every occurrence and circumstance of life," is concluded with the following caveat.

"But every man, who consents to the necessary terms of society, will also consent to this proposition, that every man should do all the good, and prevent all the evil, that he can. This is the voice of the law of nature; and all men would be happy by it, if all men would practice it."

An other-regarding populace committed to a "natural law" of morality is again and again argued by Cato to be crucial for the preservation of a free and just society. As Gordon writes in Letter 38 "And as the whole ought to be concerned for the preservation of every private individual, it is the duty of every individual to be concerned for the whole, in which himself is included." The mutual preservation of those who share a common society brings with it benefits that Cato would argue, allows all to thrive. Libertarians might even share this proposal, as, in the above description, it seems to be confined to the actions of private individuals, and has not been required by law. However, Cato does not limit this beneficence and concern for moral behavior to private actions by private

individuals, as he demonstrates in his views on the actions of private men being essential to the maintenance of good governance.

In Letter 38, Gordon describes the essentiality of the actions of private men in governance. As government exists to benefit the collection of private individuals it represents, so to do those individuals play the important role of influencing their representatives. Gordon references the Bill of Rights of 1689, which gives private men the right to petition their government “for a redress of publick grievances and mismanagements.” This necessity for “magistrates [to] consult the voice and interest of the people” is what separates a free country from an enslaved one, Gordon argues (Letter 38). It is evident that, to Cato, it is impossible to separate the role of the private man from the role of government. Although he is indeed “private” and has certain rights and guarantees that, to a degree, separate him from public interference, the role of the private man in petitioning and influencing his government is crucial to Cato’s free society. As Gordon states, “he who says that private men have no concern with government, does wisely and modestly tell us, that men have no concern in that which concerns them most” (Letter 38).

It is here where we see the influence of private morality and other-regarding action in the formation of laws for Cato. In Letter 42, Gordon states,

“[T]herefore in the making of laws, the pleasures and fears of particular men, being the great engines by which they are to be governed, must be consulted: Vice must be rendered detestable and dangerous; virtue amiable and advantageous. Their shame and emulation must be raised; their private profit and glory, peril and infamy, laid before them.” (Letter 42)

It is here where the arguments of Cato begin to stray distinctly from those of Libertarians. The government of the Libertarian provides a degree of separation between personal morality and the creation of laws, further subscribing that only very minimal laws or government regulation would be permitted in securing safety and property rights. However, before making an in-depth examination of similarities and differences between the Libertarian position and that of Cato, let us return to Cato's view of just governance and the way in which Cato's views on liberty and private property mesh together. In order to do so, we will have to examine examples provided by Cato in the *Letters*.

Much in the same vein as Locke, Cato describes property rights as intrinsically connected to liberty. In Letter 62, Gordon writes,

“By liberty, I understand the power which every man has over his own actions, and his right to enjoy the fruit of his labour, art, and industry, as far as by it he hurts not the society, or any members of it, by taking from any member, or by hindering him from enjoying what he himself enjoys. The fruits of a man's honest industry are the just rewards of it, ascertained to him by natural and eternal equity, as is his title to use them in the manner which he thinks fit: And thus, with the above limitations, every man is sole lord and arbiter of his own private actions and property. A character of which no man living can divest him but by usurpation, or his own consent.” (Letter 62)

As in Locke, we see liberty as freedom to act or enjoy one's possessions however one pleases, with the important caveat that such action “hurts not the society, or any members of it.” It is crucial then to understand where Cato feels the possession of property hurts society. Cato recognized that “Very great riches in private men are always dangerous to

states” (Letter 91). Such riches can “destroy, amongst the Commons, that balance of property and power, which is necessary to a democracy, or the democratic part of any government, overthrow the poise of it, and indeed alter its nature.” Trenchard writes, “democracies provide against this evil, by the division of the estates of particulars after their death amongst their children or relations in equal degree” (Letter 91). It seems here that Cato is advocating for some level of governmental regulation on inheritance, something Libertarian’s would vehemently argue against.

Cato further argues against the negative effects of monopolies and the role of government in dissolving them. In Letter 91, Trenchard writes, “In fine, monopolies are equally dangerous in trade, in politicks, in religion: A free trade, a free government, and a free liberty of conscience, are the rights and the blessings of mankind.” Cato argues we must combat these monopolies by “paying off our debts; and, by dissipating those factious combinations” (Letter 91). Although such general philosophical writings are useful in understand Cato, it is how Cato rails against the actions of the South Sea Company and “stock-jobbers” where we can get a glimpse of where he draws a line of possession hurting society.

In Letter 3, Gordon raves against the Directors of the South-Sea Company and their abuse of laws “by which private property is ascertained, and the publick good, which is the great end of all laws, is secured.” Cato again warns against the negative effects of vast disparities in wealth in democracies and the need for a degree of equality in society. Gordon writes,

“A free people are kept so, by no other means than an equal distribution of property; every man, who has a share of property, having a proportionable share of power; and the first seeds of anarchy (which, for the most part,

ends in tyranny) are produced from hence, that some are ungovernably rich, and many more are miserably poor; that is, some are masters of all means of oppression, and others want all the means of self-defence.”

(Letter 3)

This passage alone would seem enough to separate the philosophy of Trenchard and Gordon from Libertarian philosophy. However, for the sake of assurance, we will further examine Cato’s writings.

Gordon continues, very colorfully comparing the directors to the likes of crocodiles and cannibals. He writes,

“For as to that class of ravens, whose wealth has cost the nation its all, as they are manifest enemies to God and man, no man can call them his neighbours: They are rogues of prey, they are stock-jobbers, they are a conspiracy of stock-jobbers!” (Letter 3)

These “stock-jobbers,” according to Cato, deserve only one fate.

“Well; but monsters as they are, what would you do with them? The answer is short and at hand, hang them; for, whatever they deserve, I would have no new tortures invented, nor any new death devised. In this, I think, I shew moderation; let them only be hanged, but hanged speedily. As to their wealth, as it is the manifest plunder of the people, let it be restored to the people, and let the publick be their heirs; the only method by which the publick is ever like to get millions by them, or indeed any thing.” (Letter 3)

This seems a quite radical position, for Cato to take; however it is one he holds to even in later letters. In Letter 21, Gordon takes upon the fictitious identity of John Ketch, an

executioner by profession who in a letter to the journal asks vehemently to be brought more brokers for his axe to chop at. Gordon writes,

“[T]he brokers have violated that act of Parliament, which allows them but two shillings and sixpence for transacting a hundred pounds stock, by taking, or rather exacting twenty shillings, and sometimes five pounds. I hope, when I come to strip them, or to commute for stripping them, that I shall be allowed to mete out to them the same measure.” (Letter 21)

He continues:

“They act, or ought to act, under the restrictions of an act of Parliament, under the sacred obligation of an oath, and under the ties and penalties of a bond; by all which they are obliged to discharge their duty impartially betwixt man and man, and for one man as soon as another.”

Further, he states:

“They transacted great sums for themselves; though the law, which established them, enacts, that they shall neither buy nor sell for themselves; which is highly reasonable; for how can any man transact honestly for another, whilst he is selling to him his own stock?”

How Cato feels regarding the nature of the job of stock brokers or the directors of the South Sea Company is less important than the acknowledgment that it is entirely justifiable for governments to have laws regulating market actions. These restrictions are “highly reasonable” and clearly under the permit of a just government.

Libertarians might still argue this generally falls within their philosophy, as many of the monopolies and the riches of great men of the time were backed by government

support, and they would argue that such monopolies and injustices would not occur in a market free from any government interference. This is not however, the position of Trenchard or Gordon. They clearly state that such laws regulating the exchange of stocks are just and indeed necessary (Letter 21). Again and again, Trenchard and Gordon warn against the accumulation of wealth by a small group that uses their monopoly over the power that wealth affords to abuse those without wealth, using both influence in government *and* through private transactions and acquisitions. Trenchard and Gordon very clearly believed these possessions to be unjust and argued for some form of just governmental action to discourage and break up such wealth.

This is very clearly a position entirely incompatible with libertarian notions of property rights and the just role of government. It leads one to wonder just how skewed an interpretation of these writings, or general bravado the libertarian founders of the Cato Institute must have had to name their think-tank and policy advocating institution after these letters. The vast inaccuracy of the libertarian's claim over Trenchard and Gordon, and the lack of argument over that inaccurate claim have long left me perplexed. Libertarian values and those argued for in *Cato's Letters* are similar only in very basic conceptions of liberty, shared by nearly all who value democratic governance today. Their conclusions on the extent of the role of government and the nature of liberty and property are vastly disparate.

Chapter 4 Adam Smith

The Ideal Liberal Society and Libertarian Philosophy

This chapter will attempt to examine Adam Smith in a comprehensive manner, studying, not only his economic theories, but also his thoughts on morality and the ingredients necessary to sustain his “Ideal Liberal Society.” An examination of Smith in this holistic manner will provide a better understanding of Smith’s vision of this liberal society, his views on human behavior, and allow us to see whether those views are compatible or inconsistent with Libertarian philosophy.

Jerry Evensky’s book, *Adam Smith’s Moral Philosophy* is an invaluable tool in understanding Smith’s philosophy in this holistic manner. Incorporating both economic and moral arguments, Evensky illustrates the ways in which Smith’s writings and philosophies on economics and morality are intricately intertwined. Evensky begins by examining Smith’s own history and the evolution of his moral philosophy. What Evensky provides later in the book that is most pertinent to our examination of Smith in the context of libertarian thought, is Evensky’s challenge of the “Chicago School of Economics” (Milton Friedman, F.A. Hayek, etc. whom we will examine in the next chapter) interpretation of Smith in his chapter *Chicago Smith vs. Kirkaldy Smith*. Specifically, he challenges their interpretation of Smith’s analysis of human behavior as *homo economicus*.

The *homo economicus* model of human behavior argues that an individual is driven to act by the singular motive of personal utility maximization (245). Evensky argues that this is a gross oversimplification of the intricacy and complexity of human behavior that Smith describes. Evensky proposes a “Kirkaldy” view of Smith, Kirkaldy

being the village in Scotland where Smith was born. By examining Smith in a manner that appreciates the entirety of his body of work and the progression of Smith's own views on human behavior visible in his writings, not simply selectively quoting specific passages, we see Smith's view of "humankind as a uniquely complex realm of virtue that does not lend itself to such reductivism" (247). Evensky argues, that a model of human behavior based solely on "unbridled self interest leads to a 'rent seeking society.'" "

The propensity for rent-seeking behavior is the constant struggle to obtain more and more of societal wealth for oneself. As society generates surplus, we descend into "competition over control of these surpluses" (250). Solving this problem becomes central to determining the success of a liberal society. How can a liberal society that derives from individual freedom refrain from descent into a Hobbesian war of all-against-all? Smith argues that the answer lies in the "multiplicity of motives" humans are capable of, social constructions of morality, and a variety of institutions within society that will provide the "cohesive force" necessary to sustain liberal society (248).

First we must understand why a *homo economicus* model fails to stop the descent into a "Hobbesian war of all-against-all" (250). Evensky examines Chicago School economist Gary Becker's attempt to defend the model by examining the benefits of "altruism" to individual utility maximization. Becker posits that altruism is beneficial to self-interested utility maximizers as "the beneficiaries of altruism are discouraged from harming [the individual]" providing the altruism (251). However, Evensky demonstrates that such an analysis is incompatible with a modern society and with Smith's views on "concentric spheres of relations." Smith writes, "affection gradually diminishes as the relation grows more and more remote" (TMS 220/(251)). As social distance increases

“altruism rapidly loses the capacity to constrain the immediate and obvious incentive to create and exploit advantages that secure a larger share of the social surplus” (251).

For Smith, the success of the “Ideal Liberal Society” is intrinsically connected to principles of justice and moral constraints instilled into individuals by a variety of societal institutions. Evensky writes, “Smith stressed [the] properties [of the market] that allow for self interested behavior of persons and yet generate socially beneficial results, require an environmental setting of appropriate ‘laws and institutions’” (268). Here we can see a clean break from Anarcho-Capitalist Libertarian tradition, as a lack of any government would mean a path to the Hobbesian jungle for Smith. We will examine differences and similarities to Libertarians of all factions in further in the last chapter.

Next, Evensky cites James Buchanan’s examination of Smith and of human behavior. Individuals in a Liberal Society “agree to be a party of social construction because we need such constructs, constraints by consensus, if society is to cohere” (268). If we accept that such constraints are necessary, we must next understand the limits of those constraints and how best to “minimize tyranny” in this liberal society.

Buchanan argues that such constraints must be “Constitutional.” He argues a “Constitutional state provides and maintains the appropriate structural constraints (the “laws and institutions,” rules of the game),” and within that context, “individuals as economic actors, can be left alone to pursue their own privately determined purposes, and in so doing enjoy the values of liberty, prosperity, and peace in reciprocal and mutual respect, one for another” (272). However, Buchanan and Evensky also stress the importance of “moral communities” and the establishment of “some forms of

“(c)ollective organization of the moral persuasion enterprise, [that] may be necessary.”

As Evensky writes, “foundation of liberal institutional order is a civic ethic.”

Buchanan further argues this “emergence of the minimally cooperative norms that are necessary for the effective functioning of the extended economic nexus offers a good example of ‘order without design,’” is an example of F.A. Hayek’s philosophy. Although he does admit to “both modifying and going beyond emphasis on cultural evolution associated with Hayek,” we will analyze just how far beyond Buchanan and Smith’s views of the importance of civic institutions and constraints go from Hayek’s argument, as well as Hayek’s own view of “ethics” in the following chapter.

Such analysis of other economists and their interpretations of Smith and the problems and solutions he proposes are crucial to understanding Smith, as they show the intricate interconnectivity of all of Smith’s arguments and his views on the creation and maintenance of an “Ideal Liberal Society.” Evensky writes and appropriately concludes, “Smith’s purpose is to explain the virtues and prerequisites of the ‘liberal plan of equality, liberty and justice’ (WN664) and to describe how humankind has evolved toward this ideal prospect” (276). Evensky shows this by examining the evolution of Smith’s philosophy through history in *A Theory of Moral Sentiments*, *Lectures on Jurisprudence*, and *The Wealth of Nations* to illustrate how ethical foundations, positive law that co-evolves with civic ethics, and “social, political, and economic dimensions of society simultaneously evolve toward a system consistent with the liberal plan” (276).

Evensky concisely and beautifully sums up why, given these analyses, Smith’s philosophy of human behavior is not one of *homo economicus*.

“The people in Smith’s analysis are not homo economicus, they are social and sovereign beings. The story he tells is not of economics as a privileged independent dimension of human endeavor, but rather as one dimension, along with political and social dimensions, of a dynamic, simultaneous system in which the progress of the whole requires harmonic progress among those dimensions that make it up.”

Armed with an analysis of Smith that allows for the complexity he attributes to human motivations and the importance he places on institutions and moral/ethical constraints in the “Ideal Liberal Society,” we can now examine Smith’s perspective on the role of government in that society, and the way in which the “quandary of capital” can be addressed within the liberal plan.

Evensky provides an in depth analysis of Smith’s Book V of *The Wealth of Nations* in which Smith describes the role he sees government playing in a liberal society. These policy descriptions provide invaluable insight for our task of comparing his view of government’s role to the Libertarian position.

The “first duty” of government, Smith writes, is defense (215). As society advances to a commercial stage, it becomes necessary to maintain a standing army. As division of labor and “commercial dynamic” takes place, the militia model of defense becomes impractical as workers no longer have the leisure time to train for war that was available to them in earlier agrarian or hunter-gatherer stages, and are therefore ill-prepared should war come (218). However, as common defense is a “publick good,” the division of labor towards soldiering does not occur naturally, and must be provided by the state.

Next, to allow a liberal society to flourish, the government must establish justice. Such justice, Smith writes, should be impartial and therefore the judiciary must be independent from the executive lest the executive attempt to use its influence to trample on the rights of individuals “even without any corrupt views” in order to pursue a “general interest of the state” (220).

The government also plays a crucial role in promoting the general welfare and establishing and maintaining “institutions that are necessary to unleash human potential within that secure society, but which would not be privately provided” (222). Quoting Smith, Evensky writes, “These include public works and institutions related to commerce and education” (222). Smith holds it as a given that it “is evident without any proof” that the progress of society requires “publick works which facilitate commerce,” such as infrastructure projects like “roads, bridges, navigable canals, harbors, etc (*WN*, 724).” In paying for these works and determining which works are advantageous to the public, Smith warns that government must be scrupulous in its policy decisions (225).

On education, Smith argues that government involvement is essential “for both the private and publick good,” and that government should provide education to those adversely affected “by the advancement of society to a complex commercial state” (225). Smith writes,

“In every improved and civilized society this is the state [ignorance and stupidity] into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it” (226).

An educated populace is undoubtedly a public good for Smith, and a crucial one to preserving a liberal society. However, Smith does argue that, ever aware of the power of incentives, an affordable part of a teachers salary should come from the student, more as a “check on the performance of the teacher,” than a method of finance (226).

With regards to the financing of these responsibilities, Smith provides a comprehensive guideline for taxation and revenue generation. He argues, when possible, the beneficiaries of a certain policy should bear the costs, both as a matter of simple justice, and of efficiency, as they will be more frugal with the administration of the costs. However, should the service be a public good such as those mentioned above, then the whole of the public should contribute “each ‘in proportion to their respective abilities’ (WN, 814)” (228). Evensky provides in a series of bullet points “four general ‘maxims’ (WN, 825) that should guide all taxation” (229). As these are invaluable to presenting Smith’s position in a concise manner, I have recreated the bullets below:

- Taxes should be based on ability to pay. Those who “enjoy [more] under the protection of the state” (WN, 825) have a greater interest and thus should pay more.
- Taxes “ought to be certain, and not arbitrary” (WN, 825). “[U]ncertainty of taxation encourages the insolence and favours the corruption” of tax collectors (WN, 826).
- Taxes should be levied with the convenience of the payer in mind.
- Taxes should be collected as efficiently as possible, so that they are as light as the necessities of government allow and so that they distort market activity as little as possible. It follows, according to Smith, that government *should not*:

- make tax collection unnecessarily expensive.
- unnecessarily discourage commerce by the tax structure.
- set taxes so high that they encourage perverse behavior (e.g. smuggling).
- make tax collection an onerous experience for the payer.
- farm out the collection of taxes.

-(229)

Of the above maxims the most pertinent to our examination of Smith in context of Libertarianism are the first two: the latter because it seems somewhat similar to the Libertarian position, the former because it does not. It is also pertinent to mention that Smith does not support the taxation of wages as, unless there is a subsequent reduction in the standard for subsistence, wages will rise to accommodate the tax and lead to the “declension of industry” and “decrease of employment for the poor” (233). Smith argues instead for taxation on land or “rent” (230) and on the consumption of all things beyond the requirement of “immediate subsistence” or “luxuries” (232). This does not put an undue burden on immediate subsistence and can afford the opportunity to “either...moderate, or to refrain altogether from the use of superfluities” (233). While the opposition to taxation on wages seems a Libertarian argument, the social justice evident at the core of Smith’s argument seems very different. However we will return to our comparisons of these arguments to Libertarian ones in the final chapter. Let us now turn our attention to Smith’s argument with regards to the “quandary of capital.”

Evensky describes the “quandary of capital” as,

“The accumulation of the capital necessary for the progress of opulence, seems to give rise to a class of accumulators who, being few in number, enjoy a concentrated control over capital that empowers them to extort

market advantages, either directly or through government, in pursuit of greater returns on their capital.” (289)

Smith, in *WN* Book I examines this problem. He states that such accumulation of wealth among “masters,” can lead to those masters colluding to “sink wages below natural rates,” use their wealth to secure beneficial policy action from legislation and secure monopolies (289, 290). Although Smith acknowledges these perverse effects of quandary of capital, he believes the distributive injustice to be a temporary problem that is cured by institutional and ethical systems that co-evolve with humankind (290, 291). He argues that commutative justice encouraged by such institutions will lead to the elimination of such problems (291). Unfortunately, as Evensky points out, the quandary of capital has not be cured as Smith predicted and that its presence could be a “fatal flaw” to the liberal free market system envisioned by Smith (291).

Evensky argues that in order achieve Smith’s vision of a “liberal plan of equality, liberty, and justice,” Smith would perhaps agree to “a synthesis” of distributive justice and commutative justice. Evensky examines arguments made by John Stuart Mill, James Buchanan and John Maynard Keynes in order to reach this conclusion and establish the most favorable policies to ensure “the competition in the race for wealth is most keen and serves us all” (307). Evensky writes,

“In such a competition, the outcomes will not be equal, but all have a reasonable expectation at the outset that their achievements will be relative to their own efforts and sacrifices. This is, I believe, just the outcome Adam Smith envisioned in that limiting case he valued so much: ‘the liberal plan of equality, liberty and justice (*WN*, 664).” (307)

Although Evensky's is but one of many differing interpretations of Smith, his ability to offer an examination of Smith that appreciates the complexity of his arguments in context with his entire body of work on Moral Philosophy, Economics, and the way in which they mesh to form a "liberal plan of equality, liberty and justice," make this interpretation an invaluable one.

Chapter 5 F.A. Hayek and Milton Friedman

The Chicago School and Libertarian Economic Philosophy

A Nobel economist and student of the Pre-WWII Austrian School of Economics, F.A. Hayek's writings are instrumental in setting the foundations for the Chicago School of Economics. As Andrew Gamble writes in his book, *Hayek: The Iron Cage of Liberty*, "Hayek was universally recognized as the leading thinker and mentor of both the libertarian and liberal conservative strands in the New Right" (Gamble 9). As such, it seems inappropriate to start any discussion on modern Libertarian economic thought without a thorough examination of Hayek.

Hayek was a firm opponent of any form of central planning practiced by states. He argued that a socialist state "simply cannot gather the information needed to make interventions work, nor foresee the unintended consequences" (Butler, 96). Hayek argues that Socialism's unintended consequences will manifest in three distinct ways:

1. Socialism destroys the basis of morals, personal freedom, and responsibility.
2. Socialism impedes the production of wealth and may cause impoverishment.
3. Socialism (sooner or later) leads to totalitarian government.

- (Gamble, 24)

Gamble writes, "Hayek notes that in fact, the experience of Socialist societies does not provide evidence that these are the consequences." Hayek opposes socialism and provides these critiques on "theoretic grounds." Primarily, Hayek argues that socialism is "fundamentally antagonistic to the only principles on which modern civilization could be based" (Gamble, 24, 25). These critiques seem to hinge upon Hayek's view of "morals"

and his perception of which “principles” are necessary for the survival of “modern civilization.” Before we can understand Hayek’s view of the ideal state, we must grapple with Hayek’s vision of contemporary “civilized” morals necessary to preserve modern civilization.

Hayek’s vision of modern society was the realization of Adam Smith’s “Ideal Liberal Society,” or as Hayek terms it, the “Great Society.” In his analysis he borrows from Smith, but comes to very different conclusions about the outcomes of the “Great Society.” For Hayek, this Great Society has been achieved, and in fact there are “no stages beyond it” (Gamble, 27). This “civilization,” Hayek argues, is defined by a specific set of rules and institutions that have allowed societies to evolve past a “primitive” set of morals and instincts. This seems to be in the same vain as Smith’s view of the “Ideal Liberal Society,” however the morals and instincts Hayek argues that we must adapt to sustain the Great Society are very different from the ones Smith writes of.

Hayek argues that biology has failed to adapt quickly enough to keep pace with this societal progress, and therefore many “instincts” are ill suited to civilized life. Hayek argues that in smaller hunter-gatherer societies, values like altruism and solidarity were important for survival (Gamble, 28). However, as society has advanced, these “instincts” have lost their value, and have become incompatible with the survival of civilization. He argues socialism endangers the survival of civilization because it encourages these “primitive” moral instincts of “solidarity and altruism.” Hayek argues these two values have no place in modern civilization, as they are “obstacles to the development of the modern economy” (Gamble, 28). Socialism suggests that there can, and should, be a

“common purpose,” which Hayek argues is an illusion for Society on the whole, and can only be realized in smaller groups (Gamble, 29).

In a civilized society, Hayek argues the concepts of “fairness” and “social justice” are “vague and meaningless” values that must be discarded (Butler, 111). As Gamble writes, “The morality required by the Great Society is one of individual freedom and responsibility” (Gamble, 29). In order for the civilization to survive, society must abandon “instinctual morals” more suited to primitive, hunter-gatherer societies, in favor of the “learned morals of the market order” (Gamble, 29). In such a moral system, success and action “in accordance to self-interest within the rules of the market order deserves higher moral praise,” than altruistic actions. As Hayek views the “Great Society” as the final stage of societal development, there is no choice but to adopt this new moral system.

These assertions by Hayek provoke some obvious questions. Why is civilization threatened to the point of absolute destruction by holding true to values of altruism and solidarity and incorporating them into our forms of governance? Why do such values have no place in the Great Society? And if such morals are opposed to the Great Society, why should we accept it as the end-all-be-all of societal development? Hayek’s response to the former question lies in his fear of the rise of a totalitarian state, however we will touch on that later in our analysis of Hayek. As to why a civilized “Great Society” is inescapable, Hayek argues the answer lies in its capability to sustain such a large population of humans.

Hayek does not necessarily comment on the superiority of the learned moral system of self-interested action to primitive ones, nor the whether the Great Society itself

is preferable to a more primitive one, only that no other system other than this “Great Society” could provide for the current world population (Gamble, 30-31). This point is crucial to the success of Hayek’s argument. We will discuss its implications later in this chapter. The problem of overpopulation seems unimportant to Hayek, as he suggests that population growth will regulate itself (Gamble, 30).

We now have three arguments made by Hayek about the nature of the Great Society:

1. The Great Society is an inescapable condition of modern civilization
2. Altruism, solidarity, and other such “primitive” morals are impediments to the market order, and are harmful when applied outside of small group settings
3. Socialism is detrimental to the Great Society as it encourages primitive morals and leads to the possibility of the rise of totalitarian government.

Next, we must delve further into both Hayek’s vision for the role of the state in the “Great Society,” and Hayek’s views on liberty. This will give us a good understanding of why Hayek believes any form of central planning or the existence of welfare programs threatens liberty to the point of descent into totalitarian governance.

Hayek defines individual freedom or liberty as a state in which coercion is minimized and non-arbitrary (Butler 39, Gamble 41). Hayek lists four essentials of liberty:

1. All are “subject only to the same laws as all his fellow citizens”
2. All are immune to arbitrary confinement
3. All are free to choose their own work

4. "If he is able to own and acquire property, no other men or group of men can coerce him to do their bidding."

-Gamble 41

What is crucial about these essentials is the way in which Hayek interprets them. For Hayek, liberty is constrained almost entirely to negative liberty. The first two essentials are classic cases of negative liberties, both designed to protect from arbitrary laws of the state. The third is explained by Hayek to mean the freedom from forced labor in a particular field, another negative liberty. The fourth concept is more dubious. The way in which Hayek frames his sentence suggests that owning property, or at least the ability to possess property, is not necessarily a right, more, that *if one is able* to own and acquire property, then he has rights over that property and cannot be coerced by others to do something he does not wish to do with said property. This leads Hayek to face a problem very similar to the one that emerged with Nozick's argument for negative liberty discussed in Chapter 1.

Hayek is confronted with a situation where an individual is lost in a desert and comes upon an Oasis owned by another individual. The owner of the Oasis charges an unreasonable amount for the use of his water. Is such an arrangement a coercive infringement upon the liberty of the lost wanderer? Hayek, unlike Nozick it seems, would argue that it is. Hayek argues that due to the monopoly status of the Oasis owner and the essentiality of the item (water) in the environment, we would recognize a moral obligation to supply water on "normal terms." However, this concession seems to directly contradict Hayek's definition of coercion. Hayek states coercion exists when "pressure to conform to another person's will puts people in a worse position than they would

otherwise have been” (Butler 46). Given this definition coercion is not present should the Oasis owner charge an unreasonable price, as the transaction, no matter how much it costs puts the purchaser of the water in a better position, as he will no longer die from thirst (Gamble 42). Hayek’s concession on this point is crucial to challenging his argument, as it shows his position to no longer be a universal principle, but one that can be reduced to a case-by-case basis (Gamble 42). Despite this contradiction, Hayek is committed to this view of negative liberty, and a trust in the market order, which he describes as “structured, orderly, and natural” (Butler 52). However, as he does not go so far as to say government plays no role in this “Great Society,” we must discover the extent to which he believes government action to be legitimate.

We can see in Hayek’s writings on Government one of the first nearly direct parallels to modern libertarian positions. Hayek argues for extremely limited duties of the government. These consist of collecting taxes, mandating service at wartime, and establishing a predictable set of rules (Butler 42). Law, Hayek argues is the statement of existing rules of justice present in society. However, such laws must be limited, established early, and not easily changed. Hayek is extremely concerned with Democracy as a form of governance. Although he supports democracy as it has proven to be the most effective method of peaceful change, an important safeguard of individual liberty, and the only effective method of educating the majority, it has the potential to be “twisted as an assault of liberty” (Gamble, 92, 95). Specifically Hayek worries about the imposition of the will of a majority on a minority group.

Hayek argues, “government does not exist to create a particular social outcome” (Butler 125). In such a system the values of a majority could be imposed upon a minority.

This, according to Hayek, is the beginning of the slippery slope of socialism towards a totalitarian state: specifically the ability to tax one group to benefit others. A government that is capable of such redistribution will inevitably be the target of lobbying efforts that will take from one group to advantage others. This is a terrible infringement upon the market process to Hayek, as it supports unsustainable businesses and groups that under the free market process would be forced to adapt to be more efficient or simply die out, as their products are no longer desirable enough to sustain themselves without government aid. The only way to limit such negative effects of lobbying is to limit the functions of government so that it does not have the power to redistribute funds (Butler 129).

Government should, however, work to curb monopolies of both Capital and Labor when they pose a danger to the free market system (Butler 133). However, Hayek is skeptical of the inevitability of large monopolies feared by Socialists. He argues that large firms are not always more efficient as they have higher administrative costs, and cannot always serve minority tastes or respond as quickly to changing conditions in the market (Butler 96). Hayek argues that the market process and people's preferences will allow firms to judge their optimal size naturally, and, in a market free of government intervention, the dynamic system will for the most part, self regulate the size of firms.

Hayek again and again raves against the concept of Social Justice as a guiding force in the role of government. Hayek argues that fairness does not and should not exist in modernity, as fairness "implies a connection between individual merit and reward." The market order breaks this link (Gamble 47). Any attempt at administering a policy of "fairness" would lead to redistribution and, inevitably given Hayek's definition of liberty, tyranny. Hayek argues that social justice is incompatible as not all in society can be

unified in social objectives (Gamble 47). Therefore, Hayek argues we must accept particular social outcomes we don't approve of, if we are to protect ourselves from tyranny.

However, despite Hayek's deep opposition to social justice, he concedes that government action to support needy groups should not be entirely ruled out. People with disabilities, those incapable of work, orphans or the elderly should be protected by a "minimum income guarantee." Hayek argues that such a guarantee is not a measure of social justice, as it is a "general rule" that affects all equally (Butler 134). This can be tied to Hayek's reasoning for the inevitability of the Great Society as previously discussed. As Hayek's argument for the Great Society hinges upon its ability to sustain large populations, it seems it would fall apart should this society simply allow those in poverty (a large portion of the current global population) to die of starvation, refusing to allow even ground level safety nets. Further, Hayek argues there is a case for mandatory education and health insurance, so long as the market and not the government provide these services. These concessions, like Hayek's concession on the Desert Oasis example open the door to attacks his argument against redistribution.

After Hayek's *The Road to Serfdom* was published in 1944, John Maynard Keynes wrote Hayek a letter praising his book. However, Keynes did provide general criticisms, specifically with regard to Hayek's position on social justice and "the question of knowing where to draw the line between intervention and non-intervention." Hayek "accepted that the logical extreme of no intervention at all [i.e. anarcho-capitalism] was not possible, but gave no guidance as to where the line should be drawn" (Gamble 159). It was therefore disingenuous of him, argued Keynes, "to imply that 'so soon as one

moves an inch in the planned direction you are necessarily launched on the slippery path which will lead you in due course over the precipice” (Gamble 160).

Libertarians echo this criticism of Hayek’s compromise in providing a ground level of promised income, as it opens the debate to where intervention is acceptable. American Libertarian Hans-Herman Hoppe goes so far as to label Hayek as a “social democrat” for this concession. Further, Hayek’s positions on subsidized education, social insurance, and military conscription are even more troublesome to libertarians. With such disagreement, is it fair to count Hayek among the ranks of Libertarians?

It would seem Hayek does not exactly fit the bill as a Libertarian with regards to social policy. Specifically, Hayek would not agree with the libertarianism of “freeing people not merely from constraints of traditional political institutions, but inner constraints imposed by their mistaken attribution of power to ineffectual things,” as described by Roger Scruton (Gamble 107). Gamble suggests that Hayek would not subscribe to this kind of Libertarianism.

“Libertarianism in this form [is] another example of the hubris of modern individuals who believe that they could make the world anew without regard for the complex rules and institutions which have evolved over centuries and have to be preserved if civilization were to survive.” – p. 108, Gamble

However, it seems accurate to describe Hayek’s argument for limited government action in the market process and the negative and unforeseen consequences of social redistribution as an integral platform from which libertarian thought of today grows. Hayek is by no means an anarcho-capitalist like Libertarian Murray Rothbard. He is not even on par with Nozick who, while arguing many of the same points as Hayek, refuses

to allow for a ground level income guarantee or government mandates for social insurance or education. However, the similarities between Hayek's arguments, and the arguments of those who follow him in the Libertarian economic and political tradition are obvious.

Hayek's arguments seem to be especially connected to those made by Milton Friedman in his book *Capitalism and Freedom*. In the preface to the 2002 release of the book, Friedman pays homage to Hayek, stating the fall of the Soviet Union and other communist states had affirmed, "central planning is indeed *The Road to Serfdom*" (Friedman viii). Throughout the book Friedman seems to echo Hayek in arguing for extremely limited government, applying many of Hayek's principles to specific policies in the United States. He defines a country as a "collection of individuals," arguing that, to a free man, there is "no national goal, except as it is the consensus of the goals that citizens severally serve" (Friedman 2). Like Hayek, he recognizes a role for the state, as "government may enable us at times to accomplish jointly what we would find it more difficult or expensive to accomplish severally" (Friedman 2). However, Friedman too is wary of government action, and proposes specific checks to minimize the possibility of coercion and tyranny.

Power is dispersed effectively, not only through separation of powers between branches of government, but more so by dispersal of power between local, state and federal governments. Such a separation of power allows more options for individuals within the country. As Friedman argues, should a man dislike his local government, he can move to another locality. The same could be said for a man's state government. This threat of individuals leaving the area is a check on government power and influence.

However, as it is difficult for individuals to leave a country, decisions made at the Federal level are far more restrictive and therefore should be very limited in their scope of action (Friedman 3).

With regards to redistribution, Friedman presents a stark contrast between two positions on freedom and equality. The liberal, Friedman argues, believes in the dignity of the individual, respecting equality in rights and *opportunity*. However, the liberal is brought to odds with the egalitarian with regards to material equality and equality of outcome. The egalitarian, argues Friedman will justify taking from some to give to others as a means of “justice” (Friedman 195). Although liberals might “regard private charity directed at helping the less fortunate as an example of the proper use of freedom,” Friedman argues any mandate that individuals do so through the form of taxation and redistribution is antithetical to a liberal’s view of freedom.

Despite Friedman’s distrust of government action and redistribution, he too concedes that “(t)here is no avoiding the need for some measure of paternalism” (Friedman 34). Again, we are confronted with the concept of the uncertainty of where to draw the “line of intervention and non-intervention.” Friedman writes,

“There is no formula that can tell us where to stop. We must rely on our fallible judgment and, having reached a judgment, on our ability to persuade our fellow men that it is a correct judgment, or their ability to persuade us to modify our views. We must put our faith, here as elsewhere, in a consensus reached by imperfect and biased men through free discussion and trial and error.” – p. 34

As Friedman would argue, “The consistent liberal is not an anarchist” (Friedman 34).

There are clearly important roles for the government to play in maintaining a free society.

As our study of Hayek and Friedman would suggest, the great question is, how? To what extent is government action acceptable? If “there is no formula” as Friedman suggests, where exactly do you draw the “line of intervention and non-intervention?” This is the question we must grapple with if we are to understand libertarian philosophy and compare it to the philosophies of these political and economic thinkers that they count as their own.

Conclusion

Drawing the Line and the significance for American Political Discussion

In our examination of Locke, Trenchard and Gordon, Smith, Hayek, and Friedman, we have raised several questions regarding their relation to or distance from Libertarian philosophy. How does each of these supposed philosophical predecessors to the Modern Libertarian match up with the current views of Libertarians on the nature of liberty and the legitimate extent of government action? Are the Libertarian's correct in claiming any of these views as their own? If not, how have Libertarians warped the arguments made by their philosophical predecessors? First, let us recall the core of the Libertarian political philosophy, and attempt to condense it in a manner that does not oversimplify their position.

The libertarian philosophy of individual liberty at its core is concerned exclusively with negative liberty, rejecting basic assumptions on the existence of positive liberties. Libertarian liberty is limited only by when the unjust actions of another prevent one from acting. Although libertarians agree that this positive action of interference can be direct or indirect, their concept of just action relying exclusively on voluntary transfer ignores any degree of imbalance in that transfer or necessity deriving from circumstance. As long as a transfer is "voluntary," regardless of the need or desperation of one individual involved in the transfer in relation to another, it is just. Further, property is so intrinsically connected to an individual that it is as much a part of an individual's being as that individual's own body. This follows that, given our desert oasis example provided in previous chapters, the owner of the oasis is well within his right to demand an exorbitant price for the use of the oasis by the thirsty wanderer. For the libertarian there is no limit to the property one can justly acquire. As such, any redistribution of that property through

social welfare programs, is not only, as the libertarian would argue, ineffective and impossible to do well, but also unjust and a *moral wrong*. This hard-line of any redistribution, such as mandatory government run education or health care, as a morally unacceptable wrong is what distinguishes the libertarian philosophy.

As Brian Doherty states in his article *The Roots of Modern Libertarianism*,

"The element that distinguishes libertarianism's unique place in political thought is that it is *radical*, taking insights about order, justice, and the struggle between liberty and power further and deeper than most standard American liberals, patriots, or old fashioned Jeffersonians." (Doherty)

What then, is the consequence of taking these insights about order, justice, liberty and power further than ever before? What is lost from straying from the original arguments for a Classical Liberal state? How does the Libertarian state match up with the state proposed by Hayek or Friedman? We will examine all of these questions in this chapter, summarize our findings, and see what implications a libertarian political philosophy has for American political debate.

John Locke's writings on the nature of liberty and governance have been indisputably valuable to all who value Representative governance. His arguments regarding the importance of life, liberty, property being free from the arbitrary laws of tyrants, and the manner in which government may be organized to maximize liberty and promote the public good are clear influences on the founders of the American system of governance. Our study show of Locke demonstrated that there are fundamental differences between his arguments for liberty and just governance than those of Libertarians. Locke argues that "*Reason*, which tells us that Men, being once born, have a

right to their Preservation” (Locke 285). Further, no man will agree to enter society if that entry makes him worse off. Therefore, upon entering society, “he is to part also with as much of his natural liberty in providing for himself, as the good, prosperity, and safety of the Society shall require: which is not only necessary, but just; since the other Members of Society do the like (Locke 353).”

Locke therefore implies that these responsibilities of Preservation and the maintenance of the public good fall in some degree, to the government. Lastly he demonstrates that the just possession of property lies not simply with the freedom and willingness of an exchange, but also with the way in which that possession affects others and their ability to preserve themselves. Each of these crucial arguments is in direct opposition to libertarian ones.

Trenchard and Gordon go even further with the concept of government action and regulation for the public good. Their *Cato* directly discusses the necessity for good laws regulating markets, and places limits on the degree of wealth that an individual might accumulate that is healthy for the public good. They recognize that the maintenance of just government requires a sense of community and public responsibility to those within the community. Although they do argue for limits upon the extent of government regulations, they do not advocate for deregulation to the extent that Libertarians do.

Adam Smith, the “father of capitalism,” too seems distant from libertarianism. Although he clearly advocates for “free” markets and a reduction in government interference, the concern for social justice evident in his argument and necessity for institutions to maintain morality and ensure at the very least the chance for all to participate and benefit from the system are at odds with libertarian philosophy. He

advocates for government provided education, and public works, recognizing that there are certain crucial institutions that function to better society that require the support of government finance. Further, Smith advocates that taxation should be proportional to an individual's ability to pay, something libertarians strongly argue against.

F.A. Hayek and Milton Friedman certainly seem much closer to the libertarian tradition. Their philosophy on the absolute nature of property rights, and rejection of any positive liberties seem to be clear antecedents to the arguments of libertarians.

Libertarians have adopted much of Hayek's political philosophy and Friedman's policy suggestions in their entirety. However, even Hayek and Friedman admit to a degree of necessity for governmental intervention. Hayek provides for ground level resources for those in extreme poverty. Friedman concedes that with regards to the discussion on the extent of government "paternalism," we must rely on "a consensus reached by imperfect and biased men through free discussion and trial and error" (Friedman 34). In essence, we must debate, and find compromise on where to place the line.

Each of these philosophers participates in this discussion of where to draw the line. They leave a degree of ambiguity in their arguments that allow for fluctuation and debate over this issue of how far government can go. They recognize there are definite things governments cannot do and essential systems, institutions and ways in which governments may be organized that maximize liberty and benefit the public good. However, they leave a degree of flexibility in how a democratic just government might legislate for the public good should necessity require it.

The distinguishing factor of the libertarian philosophers, and ultimately the one that separates them from previous political philosophers that they claim as their own, is

their unwillingness to participate in this discussion. Their line is an inflexible and uncompromising one. Should their line be crossed, their philosophy holds it as an unacceptable moral wrong (Narveson 27, Powell, Wolff 7-9). They no longer simply enter the debate of good and bad policy, but argue that any action outside the realm of defense of property rights and negative liberties is immoral.

What is crucial about the libertarian hard line with regards to American politics is the ability of a small percentage of representatives to stop legislative action. The filibuster in the Senate and House Republican rules on bringing bills to the floor allows a small percentage of Tea Party and Libertarian minded Representatives to halt any action. What were designed as mechanisms to protect minority interests and encourage compromise have become invaluable tools for the libertarian in limiting any government action, especially in the Senate. Further, when the goal of the libertarian philosophy is to limit any government action beyond defense of property rights and negative liberties, the intention of these procedural mechanisms in the Legislature to encourage compromise is lost.

This is the greatest danger of the libertarian philosophy of an inflexible line of just action. Compromise can be reached with regards to the extent, degree, and manner of government action only when Representatives are willing to discuss the movement and placing of that line of intervention and non-intervention. There can be no compromise between action and inaction. Further, when the libertarian can halt any action through procedural means, compromise is unnecessary for the fulfillment of their goals. It is a quite ingenious plan. By using these procedural measures to block debate on legislation or ensure certain Bills fail to come to a vote, these libertarian-minded Representatives can

render the government ineffectual, then point back to this ineffectuality and argue that these failures are a sign that we must reduce the size of government. Their hard-lined uncompromising philosophy leads to a self-fulfilled prophecy of ineffectual government and an inability to compromise. Should the libertarian philosophy of this uncompromising line of just action grow, and procedural rules within the legislature regarding blocking legislation from being voted on and passed by a majority remain in place, it is unlikely that we can expect any increase in compromise from our Representatives in Congress.

I wish to emphasize that I do not condemn the libertarian as heartless, amoral, or without regard for those less fortunate in our society. As Friedman states, many libertarians might regard, “private charity directed at helping the less fortunate as an example of the proper use of freedom.” The libertarian’s critique is one that points out inefficiencies and failures of certain government programs, and attempts to provide a solution to the pervasive influence of lobbyists in our system of government. The libertarian would argue that many of the societal problems addressed by government action would be better fixed by private action of charitable individuals or simple free-market processes. Although these positions are highly contested by a variety of economists and political policy experts, I will leave such arguments to others. Instead, I will attempt to briefly critique the core philosophical argument of libertarians proposed by Nozick and Narveson.

The lynchpin of the entirety of libertarian philosophy seems to me to be their position on negative liberty. For Libertarian’s “interference with liberty requires positive action on the part of the interferer” (Narveson 31). Although Narveson is clear in stating

that “action” can be direct and indirect, subtle or obvious, and affect a wide grouping of people,” libertarians’ interpretation of positive action that restricts liberty seems convoluted. This is greatly connected with the libertarian position on the just acquisition of property.

Locke’s caveat that property may be acquired “at least where there is enough, and as good, left in common for others,” was a concern for Nozick. Nozick’s interpretation of this statement guided him in his creation of what he coined as the Lockean proviso (Wolff 107). Nozick’s interprets Locke’s proviso on property acquisition to mean, “either property can be justly acquired from those who already justly hold it, or I can be ‘appropriated’ from nature, if it is “unowned” (Wolff 108). With regards to just acquisition from those already holding property Nozick argues “whatever arises from a just situation by *voluntary* steps is just.” Therefore, “the essential core of Nozick’s principle of justice in transfer: a transfer is just if and only if it is voluntary” (Wolff 83).

Borrowing from Wolff let us propose a situation where there are several water wells in a desert each owned by different individuals. Then, due to an earthquake, all wells, except for one owned by individual A, are destroyed. Given Nozick’s interpretation of the Proviso, should the destruction of the wells be random and unavoidable, then the ownership of the well by A becomes a wrong, and must be unappropriated. However, should the well’s have failed due to a lack of preparation and safety measures on the part of the other well owners, than individual A still retains a right to the well, and therefore the right to charge exorbitant prices for the use of the well, or even deny others use of it. This seems to be a strange line to draw for the legitimacy of ownership. What if, for example the other well owners lacked the funds to install

preventative measures, or strengthen their wells? What of the families of these other well owners who played no role in deciding whether or not preventative measures should be taken? Are all consigned to either be impoverished or die of thirst? Do they have no right as a society to mandate that the remaining well be shared? If the other members of society do in fact have the ability to demand such a re-distribution, whether the failure of their well be “accidental” or “non-accidental” any concession to the Proviso shows that property rights are no longer so absolute, and the redistribution of certain property in dire circumstances, is just (Wolff 110).

There is a further “shadow’ over the principle of justice in transfer. If someone cannot appropriate all the water, then they cannot purchase it all from others either” (Wolff 110). This admission renders the theory that all voluntary transactions are just, as incorrect, even within Nozick’s own logic. Although Nozick argues, that this proviso will have little importance in the complex existing structures of market economies (Wolff 110). However, I argue that, given the complexity of existing market economies, the Proviso is even more crucial, and if Libertarian’s wish to be consistent in their argument and philosophy, it must either be abandoned, or a concession must be made on the immorality of redistributive actions on the part of governments.

Let us start this theoretic example with the assumption that, without at least a basic level of education, one cannot find employment that pays enough to survive. Should this world be a libertarian world, without any form of redistributive programs or base levels of guaranteed income, than an individual born into a state of poverty without any avenue of support, has no right to demand an education. His state of affairs is unfortunate, but any government program of redistribution to ensure he receive an

education is a moral wrong, and therefore, unless he is fortunate enough to subsist on the charity of others, he is resigned to starve. However, if education is viewed as a resource, as vital in such a society as water in a desert, then the Proviso plays a crucial part in ensuring his right to education. The proviso would state that the possession of others of such an exorbitant amount of resources that this individual is left without the basic resources needed for survival is a violation of that individual's rights, and therefore, some must part with their property to ensure this individual may survive. In this way, the Proviso proves antithetical to the Libertarian positions on property.

Wolff too points out this flaw, quoting Cohen who states, “ ‘a defensibly strong Lockean proviso will forbid the formation of full liberal private property’ ” (Wolff 114). Essentially, the proviso is an admission that redistribution is legitimate, at least in extreme cases. When put under harsh scrutiny it proves incompatible with the libertarian position. Therefore, if libertarians wish to be consistent with their position that any redistribution is a moral wrong, it must be abandoned, in which case an individual may indeed own the only water in the desert, and no government may legislate that the individual must share it with others in the society, or regulate the price that the individual charges for it.

Whether or not the libertarian's would be consistent faced with such a situation, is unclear. However, there is one thing I believe this study has shown with certainty: The libertarians' claim of Classical Liberal philosophers such as Locke, Trenchard and Gordon, and Adam Smith is a false one. Locke, Trenchard and Gordon, and Smith are very clearly in opposition to what is at the core of the libertarian philosophy of complete commitment to “self-ownership” and unchecked “individual liberty.” Even the claim of

Hayek and Friedman by libertarians is a reaching one. Their philosophies are similar in beliefs regarding the nature of liberty, and their overall view of government, but dissimilar in their ultimate conclusion about the need for, although an extremely limited one, a degree of governmental action past that of simply securing property rights and preserving negative liberty.

It is my hope that in the future libertarians like those at the Cato Institute will distance themselves from this absolutist nature of the views on “self-ownership” and allow for a degree of debate over “where to draw the line” between government action and inaction. As the Cato Institute’s motto suggests, “Liberty Matters.” They would do liberty a much greater service if they were to moderate their position on absolute property rights, as they have the potential to provide a unique perspective on legitimate criticism of the effectiveness of certain government programs and convincing solutions that could prove beneficial to the political debate in this country. However, so long as complete inaction with the exception of defense of private property and negative liberties is the ultimate end of those who espouse the libertarian philosophy, I fear for the ability of our legislative Representatives to reach any compromise.

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Summary of Capstone

This study examines what core philosophical arguments make modern libertarian political philosophy unique and radical, then contrasting those arguments with those made by the political philosophers claimed by libertarians as their historic antecedents. The study begins with the writings and commentary published and endorsed by the Cato Institute, the leading libertarian think-tank in the U.S. This examination led to the study of arguments made by Jan Narveson and Robert Nozick regarding the libertarian position on the nature of liberty and limited government. This study showed that the libertarian view of liberty is one entirely concerned with negative liberty and that a libertarian government concerns itself only with the preservation of property rights and protection of negative liberties.

The examination then turned to historic political philosophers whose philosophy had been claimed by libertarians as their own. This examination attempted to study these philosophers in a holistic manner, appreciating the complexity and interconnectivity of their arguments. The ultimate end of these studies was to avoid any reductive presentation of these complex arguments and provide a holistic representation of each philosopher's positions, comparing and contrasting these to positions of modern libertarians. An examination of Classical Liberals such as John Locke, John Trenchard, and Thomas Gordon, proved that, while these classical liberals were seen radical at their time, and indeed did espouse a philosophy of limited government, the limited government of the Classical Liberals is a far cry from the one espoused by libertarian thinkers. Next, an examination of Adam Smith showed his vision of the "Ideal Liberal Society" to be further removed and very different from the libertarian vision or the vision argued for by

Chicago School economists F.A. Hayek and Milton Friedman. An examination of Friedman and Hayek showed a great degree of similarities between their positions and libertarian ones; however, even they refuse to commit to the extreme position of absolute property rights, allowing for at least a degree of ground level resources provided by redistributive programs and paternalistic action on the part of government.

The study showed the internal contradictions within libertarian arguments for self-ownership and their admission of a Lockean proviso that puts a limit on the extent of property rights. Further, it serves to provide substantial evidence that the libertarian claim on certain well-known historic political philosophers is a false one, and one that serves only to over-simplify the intricacy of these crucial arguments.