

Walter Block and Reflections on Libertarian Arguments for Free Market

Walter Block. Reflexiones sobre los argumentos libertarios en favor del libre mercado

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Abstract

The article shows the attitude of freedom movement towards problem of implementation and realization of libertarian rules in nowadays world. The article shows the perspectives of two rather different attitudes that exist in contemporary freedom movement. It pictures two freedom traditions that come from one common ideological base, and whose development and praxis have led to various mutually exclusive conclusions. For the need of article the two perspectives are called “legalists” and “revolutionists”. Both see the necessity of realization of libertarian assumptions in completely different ways. After describing their ideological postulates the article centers on picturing the main problems that are reason of such a vibrant dispute among the two sides. The conclusions help to understand why only one of discriminated options is far closer to realize its postulates. The article considers thoughts of Walter Block, Hans-Herman Hoppe, Murray Rothbard and Edward Konkin III.

Keywords: Libertarian principles, moderate policy libertarians, libertarian revolutionists, underground structures, peaceful evolution of society.

Resumen

Este artículo muestra la posición del movimiento libertario en lo que respecta al problema de la implementación y materialización de las normas libertarias en el mundo actual. El artículo pone de relieve las perspectivas de dos posiciones diferentes que conviven en la corriente libertaria contemporánea. En este sentido, describe dos tradiciones libertarias que proceden de una base ideológica común, y cuyo desarrollo

y praxis ha conducido a conclusiones mutuamente excluyentes. Para favorecer la claridad del artículo, ambas posiciones son denominadas, respectivamente, “legalistas” y “revolucionarias”. Las dos observan la necesidad de la materialización de los supuestos libertarios, pero por vías completamente diferentes. Después de presentar sus postulados ideológicos, este artículo se centra en la descripción de los principales problemas que motivan esta intensa disputa entre estas dos tradiciones. Las conclusiones ayudan a comprender por qué sólo una de las opciones diferenciadas podría estar cerca de realizar sus postulados. El artículo considera los pensamientos de Walter Block, Hans-Herman Hoppe, Murray Rothbard y Edward Konkin III.

Palabras clave: Principios libertarios, política libertaria moderada, revolucionarios libertarios, estructuras subterráneas, evolución pacífica de la sociedad.

1. Outlining the problem

Libertarianism is divided, mostly when it comes to the attitude towards the very concept of the state. It is understandable that this inherent conflict in the libertarian movement is a consequence of different interpretations of genesis and evolution of the state, as well as its character. The supporters of the minimum state (e.g. *legalists* mentioned above) find its legitimacy in the interpretation of series of agreements which are result of the evolution of social structures, while the opposition interprets the state as an exogenous creation, i.e. one that came into being through the use of force and violent action. For radical libertarians (in this article referred to as *revolutionists*) the fact that the state emerged through the use of force is a definitive legitimation for argumentation for its rejection. Moderate libertarians claim that the minimum state should be considered only as a bearer of the tool of monopoly on the use of force and assuring safety for the citizens – all other issues, especially those concerning economy, should be free of the state intervention and should be restricted only by the principles of the market. This approach rejects any kind of redistribution, which, according to libertarians, violates property rights, being the act of taking from someone only to give it to somebody else.

This kind of libertarians believe the state is necessary and inevitable, at least in order to establish and maintain social structures. The opponents of the state, mainly anarcho-capitalists, go a step further in their reflections. They believe that any political system is redundant and all of the public sectors existing today could be successfully privatized. This bipolar division that has clarified during recent years constitutes a starting point for further reflections on problems that emerge while attempting to put libertarian principles into practice.

In the column for *Journal of Libertarian Studies*, Walter Block made an attempt to tackle a problem that should be considered a priority for the libertarian movement.

The issue raised by Block in his article,¹ constitutes a central point and basis for the reflections on aspirations of the libertarian movement seen as a real political power that wishes to change, shape and create the reality that we live in. Political debates concerning such issues as taxation, drug legalization, military service, gambling, prostitution or the right to bear arms have always raised controversies and driven political groups to establish policies that would be seen as better than those proposed by other groups. Walter Block, as one of the brightest minds and most insightful researchers and an advocate for individual, as well as economic, freedom, points out errant assumptions of present day libertarianism, whose propagators have been trying to reach a compromise between goals that *can be achieved* and those that *have to be achieved*.

Conclusions drawn by Block suggest that the compromise reached with the mainstream is a death knell for the freedom movement. Ideas that comprised libertarian philosophy, such as individualism, natural laws and laissez-faire,² when clashed with the present day political system, lose their momentum. This is a consequence of the attempts to adjust them to standards and requirements considered acceptable for modern public debate.

Block's outlining of the problem is not very detailed – it lacks precision and explicit presentation. However, the significance of this issue requires the freedom movement to consider the case more carefully and draw conclusions that could be useful in the future.

In his article, “How Not to Defend the Market”,³ Block focuses only on three elements (drugs, military service and foreign aid), whose interpretation he sees as responsible for making the freedom movement take the – according to him – wrong path.

This article will be a broader presentation of the elements analyzed by Block. It will also include description of the attitude that is characteristic of two contrasting libertarian camps – *legalists* and *revolutionists*, for presently, both camps are forced to function under the modern statist⁴ systems and, broadly speaking, state structures. However different paths and solutions they take, they share the same ideological credo. The actions undertaken by the freedom movement, both libertarian and

¹ W. Block, “How to not defend market. A critique of Easton, Miron, Bovard, Friedman and Boudreaux”, in: *Journal of Libertarian Studies*, vol. 22, 2011, pp. 581-591. Retrieved 16 February 2016 from: https://mises.org/sites/default/files/22_1_28.pdf

² Laissez-faire – French economic system is based on unconstrained actions in the field of resource allocation promoted by Physiocrats, who were particularly focused on the role played by the state in the economy. They claimed that its interference in economic decisions and choices of individual should be as little and rare as possible.

³ *Ibidem*, pp. 581-591.

⁴ Statism – one of the most popular practical implementation of governmental socio-economic action based on the government's influence on the essential eras of economy.

anarchist, are faced with unequally better equipped and much stronger, oppressive – the way libertarians see it – state apparatus. The character of their activities has led to significant differences in perceiving the practical implementation of their ideas. *Legalists* believe that the change can and should be achieved without an open conflict with the state apparatus. Therefore, they accept the possibility of achieving their goals through participation in the system, e.g. participation in the democratic process. *Revolutionists* are more radical in their reasoning, rejecting any possibility of collaboration with the state. They encourage individuals to act outside the legal system, especially in the so-called shadow economy, i.e. participating in the trade of goods and services in the manner that is condemned and prohibited by law. *Revolutionists* claim that this kind of activity is devoid of aggression since it does not violate basic principles that libertarianism is founded on. These principles include the non-aggression axiom, i.e. ethical imperative which *a priori* states that „no man or group of men may aggress against the person or property of anyone else.”⁵ The revolutionary character of their approach means simply that, contrary to *legalists*, they prefer carrying out their anti-state activities by violating laws, which – according to their reasoning – are oppressive.

In his works, Murray Rothbard, a remarkable advocate for libertarianism, emphasized revolutionary character of this ideology, which in his opinion, does not focus on compromises and short-term perspectives. According to Rothbard, libertarianism should not repeat the mistakes made by the right wing and, broadly speaking, conservative movements, which were willing to give up the essence of their ideology in order to quickly achieve temporary goals.

2. Taxation

Issues concerning taxation are essential to libertarianism.⁶ The freedom movement takes an extremely hostile position on broadly understood taxation. In his article, Block does not raise this subject directly. However, taking into consideration all other aspects that he analyzes, it is a natural consequence to investigate it. The reason for opposing taxation is its oppressive nature or the very manner that taxes are collected in. Libertarians believe that taxation is not only beneficial to the state apparatus exclusively, but it also contributes to the decline in economic productivity.

Taxation is usually defined as taking away resources from people by transferring them from their pockets into the pool of public finance by means of monopolized vi-

⁵ M. Rothbard, *For a New Liberty: The Libertarian Manifesto*, Auburn, Alabama, Ludwig von Mises Institute, 2006, p. 27.

⁶ An excellent introduction to libertarian attitude towards taxation system can be found in Tame's article: *Taxation Is Theft*, retrieved 16 February 2016 from: <http://www.libertarian.co.uk/lapubs/polin/polin044.pdf>

olent actions that are at disposal of the oppressive state. Libertarians agree with this definition and believe that the manner in which the taxes are collected makes a great part of the society reconsider the issue and openly criticize this practice. This, in turn, results in the growth of the tax evaders' community. The immorality of taxation gives us the perfect right to oppose it. Therefore, it is impossible for any declared freedom-minded person to support statist compulsory taxation system. Libertarian movement, as a whole, postulates breaking the state's absolute monopoly over this issue.

Nevertheless, there is a part of libertarian community which concluded that, under present circumstances, it is acceptable to be more pragmatic on this subject and agree on temporary compromise with the state. The acceptance of taxation among libertarians is interpreted in two ways.

Some propositions of lowering the tax rates and taking part of the burden off citizens and entrepreneurs have been made. This is the stand taken by *legalists* who seek negotiation and collaboration with the state and act within the law. *Revolutionists*, whose postulates are more radical, demand a complete abolition of the tax system, which is seen as unethical and immoral.

Both *legalists* and *revolutionists* found their argumentation on the fact that this kind of activity is not morally justifiable in any way, however, *revolutionists* do not agree on a temporary truce with the state. For *revolutionists*, such as agorists,⁷ this kind of compromise would be considered an ideological suicide.

The inevitable question arises: to what extent is the freedom movement willing to accept the present day tax and legal system?

In his famous publication, David Boaz draws conclusions that almost every libertarian would agree on and which constitute the essence of libertarian argumentation:

They [taxes] also induce people to spend money on wasteful but tax-deductible purchases like offices fancier than their business really requires, vacations disguised as business travel, company automobiles, and so on. Such expenditures maybe worthwhile to the people who make them; we know that when they spend their own money on them. But the tax laws may encourage overinvestment in things for which people wouldn't spend their own money.⁸

Libertarians advocate founding everything, including taxation, on voluntary basis.

In the fear of excessive oppression of the tax system and in the light of awareness of the fact that it is impossible to achieve the most radical postulates of libertarian philosophies, part of the freedom movement decided to support some libertarian

⁷ Agorism is one of the most radical forms of libertarianism created by Samuel Edward Konkin III.

⁸ D. Boaz, *Libertarianism: A Primer*; New York, NY: The Free Press, 1997, p. 172.

conservative groups which advocate for the minimum state, lowering tax rates and deregulation of some fields, e.g. regulated professions.

A classic example of this kind of approach is defending and willingness to spread awareness about theory presented by Arthur Laffer. Laffer is an economist, who became known during Reagan's administration when he presented the concept of the Laffer curve – illustration of the relationship between tax rates and the resulting government revenue. In other words, Laffer's conclusion was that the lower rates of taxation the higher government revenue since entrepreneurs and other participants in the market are more willing to reveal their actual income encouraged by the chance of leaving their hiding – shadow economy. The majority of libertarians followed this idea as they thought it enabled them to achieve at least some of their economic postulates in a relatively short period of time.⁹ *Legalists* agreed that it is worth to support this kind of initiatives in order to gradually achieve other necessary postulates by means of participation in the political process. This approach is criticized by *revolutionists* centered around agorist ideology. Agorism negates any collaboration with current political system. Not only does it reject possibility of achieving any libertarian postulates by means of political process, e. g. elections, but also disapproves of any contact with administration of current establishment. Agorists encourage to carry out transactions and other actions underground, within the counter-economy.¹⁰ Samuel Edward Konkin legitimized agorist stance:

Nearly everyone engages in some sort of misrepresentation or misdirection on their tax forms, off-the-books payments for services, unreported trade with relatives and illegal sexual positions with their mates.¹¹

By this argumentation, Konkin attempted to make clear that the state is unable to control and enforce all its laws properly, therefore the necessity for spreading the social awareness about the counter-economy, being implementation of agorist ideas into economy. Konkin justly criticized the annual state reports on voluntary taxes. He was also right about the sense of guilt that the statist rhetoric has driven in tax evaders. Unfortunately, the stage of putting theory into practice reveals the short-sightedness of Konkin's *Manifesto*. *Legalists* reject this path completely, referring to it as fruitless, and seek to reach a consensus with the oppressive establishment

⁹ This stance is presented mostly by libertarians who support the congressman Ron Paul and economists such as Peter Schiff and John R. Lott.

¹⁰ Counter-economy is a notion introduced by agorists to describe peaceful conduct of economic activity against the law. It includes engaging in the trade on the grey and black market as well as carrying out operations that are officially prohibited by the state. It can refer to issues such as drugs trade, arms trade etc.

¹¹ S. E. Konkin, *The New Libertarian Manifesto*, retrieved 16 February 2016 from: <http://agorism.info/docs/NewLibertarianManifesto.pdf>

over the issue of taxation. They are also willing to make an alliance with those political groups that postulate e.g. lowering tax rates. If one was to believe predictions presented by Laffer and other economists who claim that lowering taxes would have a positive impact on the state budget, one could point out inconsistency in the line of reasoning of libertarians who support the state policy of lowering taxation. In other words, those freedom-minded people, who decide to support political party that presents the policy of lowering taxation in order to balance the budget, admit to plain and open support for coercive apparatus of the state. By contributing to the improvement of its finances, they contribute to the increase in its real income. This problem was noted by Murray Rothbard, who claimed that:

libertarians have too often been opportunists who lose sight of or under-cut their ultimate goal.¹²

This opportunism pointed out by Rothbard is a result of assumption that libertarian ideas can be implemented by means of peaceful, spontaneous development of society within the current legal *status quo*. The *revolutionist* libertarian camp rejects this possibility and seeks solution in abovementioned counter-economy. As a consequence, *revolutionists* encourage to withdraw into the shadow economy, where the illegal (under current circumstances) development of entrepreneurship will be witnessed. The development of the underground economy will reach a point when the statist structures will be too weak and fragile to successfully oppose agorist revolution. While *legalists* consider free market as an element that is disruptive to the state and that can diminish its negative influence on people's lives,¹³ *revolutionists* believe that it is a tool that enables people to dismantle the state completely by means of appropriating, or rather liberating, all areas of human life from the bounds put upon them by the state.

The strength of taxation system is based on the statist authority – all people who believe that if the state gains trust of the society, it gains the absolute and obvious right to the allocation of its resources and redistribution of the tax payers' money agree with this authority.

The alleged solution to this problem is gradual loss of respect for the state – respect that it has never deserved in the first place. The Tannehills claim that:

¹² M. N. Rothbard, *op. cit.*, p. 382.

¹³ This stance was also presented by Milton Friedman in publication co-authored with Rose Friedman. He claimed that the market has to be free of any centralized control, because centralization of political and economic power in one hands – in this case the government hands – is bound to lead to tyranny. Almost all libertarians agree with his perspective on this issue.

As disrespect for government increased, the practice of ignoring laws would become increasingly open and widespread.¹⁴

The supporters of this idyllic libertarian perspective believe that actively following these suggestions and putting this idea into practice would force the state to give up. It would simply have to withdraw, because any other action, e.g. an attempt to establish the police state, would bring disgrace upon the state and would lead to a bloodbath and revolution.

3. Drug legalization

Another significant problem is drug legalization. According to libertarians, laws prohibiting intoxicating substances are one of the most severe acts of injustice. The motivation for the government to prohibit drugs results from the assumption that they have detrimental effect on our health. However, libertarians claim that prohibition of the use of drugs is not really connected with care for our health, neither is it an offer of help in any way, but rather it is a manifestation of the absolute power that the state has over its citizens, allowing it to pass laws on a whim. Libertarians advocate legalization of drugs because they believe the prohibition to be a gateway for other, more restrictive bounds imposed on the people by the state. What is more, prohibition denies us the freedom and possibility of choice which is a very important element of libertarianism. It is worth to point out that no libertarian would argue for lifting the prohibition on drug use solely on the basis of their positive impact on our health. This line of argumentation is not the essence of the problem, since all libertarians see this issue as a matter of individual freedom.

This problem is the first one raised by Block in his article, since he rightly judges that it is a priority for the libertarian movement as the extent of this injustice is particularly evident. Block states that:

[...] nothing could be more consistent with the freedom philosophy than to end the unjust incarceration of innocents in this victimless crime of adults putting controlled substances into their bodies. Surely, no libertarian could quarrel with this goal.¹⁵

One might think that such a declaration is sufficient to prove the case obvious. However, Block continues his reasoning to show that this stance raises an issue which should be resolved appropriately:

¹⁴ M. Tannehill, L. Tannehill, *Market for Liberty*, Lansing, Michigan, 1970, p. 168.

¹⁵ W. Block, *op. cit.*, 22, pp. 581-591.

[...] what pray tell are we to make of the following statement “If we treat marijuana like any other commodity we can tax it, regulate it, and use the resources the industry generates rather than continue a war against consumption and production that has long since been lost...” But this is highly problematic. Surely, for the libertarian, governments the world over already have far too much of our money in their coffers. Thus, this is an argument, difficult as it is for me to say this, in *favor* of our present regime of drug prohibition. I do not, of course, argue in behalf of the present drug war. No one could say this and still remain a libertarian.¹⁶

To simplify, Block concludes that libertarians will not approve of prohibition of possession and use of any drugs because, according to the axiology supported by the liberty movement, such activities are so called non-violent crimes (according to the rule of no victim, no crime). This category also includes such issues as gambling or prostitution. However, such a declaration is not a sufficient argumentation. A step towards lifting the prohibition makes the market fall under control of the state.

This implies that, as a result of actions undertaken by liberty-minded people, the state, which is considered by the liberty movement as its worst enemy, would get an enormous financial boost that would be used to sponsor its oppressive actions in other areas of life. Libertarians, including Block, rightly observe that allowing more freedom in one area is inevitably bound with putting more severe restrictions on the other. In this case, the result of lifting the prohibition on drug use could be putting the burden of taxation on drug producers and dealers.

Of course, Block’s conclusions on how not to defend free market are justifiable only if we are to adopt libertarian (or, rather, Rothbardian) definition of the state.

In his manifesto, Rothbard leaves no doubt:

For libertarians regard the State as the supreme, the eternal, the best organized aggressor against the persons and property of the mass of the public. *All* States everywhere, whether democratic, dictatorial, or monarchical, whether red, white, blue, or brown.¹⁷

Argumentation for drug legalization is understandable from both libertarian as well as statist perspective. The situation in which such substances as alcohol or tobacco are fully acceptable but hemp or marijuana are considered illegal is inconsistent and leads to legal contradictions that are easy to detect. There is a great number of works showing that if the state cared for the health of the citizens while choosing which substances should be legal and which should be prohibited, alcohol would be completely banned as this is the substance which causes the greatest number

¹⁶ *Ibidem*.

¹⁷ M. N. Rothbard, *op. cit.*, p. 56.

of tragedies and accidents.¹⁸ However, for some reason, alcohol is not prohibited. Block observes that drug legalization and, consequently, providing the state with a new source of income, is not the task of libertarians – the very definition of libertarianism, both *legalist* and *revolutionary*, proves it. *Legalists*, who advocate for implementing libertarian discourse into the political mainstream by means of reforms and bills are inconsistent, as Block claims. This inconsistency is clearly visible especially when one realizes that their priority is to restrict the state power to the absolute minimum.¹⁹ Therefore, any attempt of reaching a compromise with the state apparatus results in supporting the oppressive government. The government institutions responsible for dealing with drug issues are perfectly aware of the fact that maintaining the prohibition allows mafias to get richer and has a positive impact on the shadow economy. It has been also proven that the oppressive law can give rise to gang fights and money laundering. From the point of view of *revolutionists*, is not necessarily a negative aspect as long as certain rules are obeyed and the hierarchy of values is properly adjusted to the situation.

Anarcho-capitalists and agorists, considered the *revolutionary* fraction of libertarians, will certainly not argue with that. A great number of liberty-oriented groups point out that drug legalization could result in empowering the state not only by providing it with a new source of income, but also by causing a decrease in incarceration rates that is a significant problem for the government. Maintaining a legislative prohibition which, according to statistics, has no positive effect is another issue. This subject may be connected with lobbying of certain quasi-criminal groups that make profit on the prohibition. The drug issue is interesting for libertarians for yet another reason. The definition of the controlled substance as provided by the state is really vague. Its current description is unprofessional and inaccurate – hence, it is easy to challenge. This is why legalization supporters have been, quite successfully, doing so for a long time now.

In *Libertarian Manifesto*, Rothbard gives a plain explanation of how to tackle this kind of issue. The choice of the product (in this case – drugs) should always be a decision made by an individual. Rothbard explains:

Every man has the right to choose. Propagandize against cigarettes as much as you want, but leave the individual free to run his own life.²⁰

As Rothbard sees it, in any other case, any kind of prohibition, regardless of good intentions, would inevitably lead to even more severe restrictions and, as a

¹⁸ An interesting stance on this issue is presented by a French journalist, Michel Henry, in his article *Drugs; Why Legalization Is Inevitable*.

¹⁹ W. Block, *op. cit.*, pp. 581-591.

²⁰ M. N. Rothbard, *op. cit.*, p. 137.

consequence, contribute to taking away the freedom of choice from the consumer. For Rothbard this issue does not allow any further discussion – it is either complete legalization or total tyranny.

Nowadays, one of the most popular arguments for prohibition is so called asymmetry of information – the situation in which one part of transaction is not fully informed about the substance that they purchase and consume.²¹ This is why the state intervention is necessary to suggest the right decision to the beneficiaries of a certain product.²² As a result, the drug issue, which is one of the most important elements of the libertarian battle against the state, remains unresolved. Block concludes that libertarians advocating for drug legalization bring about two issues that make achieving the ultimate goal of libertarian movement impossible: first one being the fact that legalization of drugs would lead to providing the state with higher income; the second, as Block puts it:

Call this what you will, it is unclear how this can be fairly characterized as libertarian²³

4. Military service

The analysis of the freedom movement's attitude towards military service is another highly significant issue that could enable one to solve the problem of the efficiency of the libertarian political actions. Any libertarian, who is an advocate for broadly understood liberty, opposes any attempt of forcing people into engaging in projects that are contradictory to their personal values. Rothbard presents a definite stance on this issue at the very beginning of the said chapter as he points out:

There can be no more blatant case of involuntary servitude than our entire system of *conscription*. [...] What else is involuntary servitude if not the draft?²⁴

In his analysis, Block elaborates on this subject using argumentation similar to that used while tackling the problem of drug legalization. He states:

²¹ In fact, the asymmetry of information argument is not convincing. In his work, *Rationality in Economics*, Vernon Smith, an economist and Nobel prizewinner, has proven that free market can successfully develop even in the situation when the information available is insufficient.

²² More thoroughgoing studies based on the information analysis, including mathematical modeling can be found in articles on risk distribution in the area of insurance prepared by actuaries.

²³ W. Block, *op. cit.*, pp. 581-591.

²⁴ M. N. Rothbard, *op. cit.*, p. 98.

Here, too, there can be bad reasons for favoring an institution that in all other ways is compatible with libertarianism.²⁵

If argumentation for lifting the military draft proposed by *legalists* is motivated by the quality of the army, a problem of preferable alternative occurs, as Block puts it.²⁶ The legitimacy of lifting the draft is not founded on the voluntary basis, but rather on an attempt to prove that such body, consisting of volunteers only, would be more productive and much more effective than that composed by means of compulsory draft. Unfortunately, according to Block, this argument is inconsistent with libertarian logic

Legalists, such as Ron Paul, rightly point out that military draft is an injustice since it violates libertarian ethics based on the voluntary character of actions undertaken by an individual. However, they are not so determined when it comes to discuss the effectiveness of such an army and proposing solutions to this problem. Ron Paul refers to the results of the war against Vietnam:

Bad wars cannot be fought without conscription. During the Vietnam War, only 17.7 percent of the armed forces were draftees, but 33.7 percent of those fighting in Vietnam were drafted.²⁷

Conclusions drawn by Paul do not refer to the critique of the war as a representation of the U.S. imperialism. As all *legalists*, Paul focuses on the quality of the compulsory draft army. While he believes that the military draft is destructive, since it perverts patriotism and it is based on the errant interpretation of the constitution, he emphasizes that it is also economically unjustifiable. This line of reasoning seems to be logical and consistent with libertarian principles. Nevertheless, as is the case with drug legalization, it does not fully appreciate the gravity of the subject. A voluntary military is not always the preferable alternative.

In his article, Block refers to a radical example of Nazis by vocation,²⁸ which, however exaggerated and seemingly doubtful, is highly thought-provoking. According to Block, it is impossible to advocate for lifting the military draft from libertarian perspective without being inconsistent:

²⁵ W. Block, *op. cit.*, pp. 581-591.

²⁶ *Ibidem*.

²⁷ R. Paul, *Freedom Under Siege: The U.S. Constitution After 200 Years*, Lake Jackson, Foundation for Rational Economics and Education, 1987, p. 63.

²⁸ Block asks perversely: "They mobilize a movement to change the staffing of the concentration camp not to a voluntary military, but, to, as it were, to a voluntary "torturary". Are we as libertarians compelled to join this effort? Must we label it as "libertarian"? No, we must not" (Block, 1969). See: W. Block, *op. cit.*, pp. 581-591.

The proper libertarian response, at least the one argued for in this paper, is *not* to end the draft and substitute for it the voluntary military. It is, rather, to oppose *both* the draft *and* the volunteer army, given that the latter will be used for anti-libertarian purposes.²⁹

The solution to this problem could be simply adopting the concept of private military, one not funded by the state.

Block essentially agrees with the conclusion presented by Rothbard:

Any standing army, then, poses a standing threat to liberty.³⁰

Hence, one may assume that Block, much like Rothbard, seeks solution in breaking the state monopoly and replacing it with competing defense agencies. Would this scheme be effective enough to successfully compete with current state system? The answer can be unsatisfactory, but it raises a number of issues worthy of our attention. Robert Danneškjöld strongly suggests:

The most devastating argument to the private market efficiency advantage is the ability of governments to also hire private armies! This already takes place in Iraq with Blackwater U.S.A, a private army hired by the United States. Also, history has long track record of naval privateers battling alongside national naval forces. Though contractors don't have the exact same performance as purely private companies, this option would still give the state many of the market's advantages.³¹

The problem raised by Block seems, once again, unresolved. It is impossible to avoid inconsistency with libertarian ethics while taking any stance on this issue. Both *legalists* and *revolutionists* seem to be intellectually helpless in this case. While the former group attempts to place voluntary basis into the framework of the state's effectiveness, the latter is threatened by the loss of support of its own advocates, which implies destroying any possibility of achieving goals through political process.

5. Libertarian paternalism

What makes this discourse even more interesting is including the notion of libertarian paternalism (although it is harshly criticized by the freedom movement).

²⁹ *Ibidem*.

³⁰ M. N. Rothbard, *op. cit.*, p. 102.

³¹ R. Danneškjöld, "Free Rider Problems in Insurance-based Private Defense", in: *Journal of Libertarian Studies*, vol. 22, 2011, pp. 509-525. Retrieved 16 February 2016 from: https://mises.org/sites/default/files/22_1_23.pdf

This term has been introduced by two renowned economists – Cass Sunstein and Richard Thaler.³² Libertarian paternalism can be either soft or hard. As Gary Becker explains, a soft paternalist

is happy to accept information arguments for government regulation of behavior.³³

However, the regulation itself does not impose any restrictions on freedom of choice and therefore, it can be accepted by some libertarians as the means of their political activity. This results from the fact that the government propagating certain desired decisions for individuals does not reject the freedom of choice. According to Sunstein, if the state is in possession of a broader knowledge on the particular subject, it can suggest the choice of right direction to individuals. As a consequence, limited rationality, lack of inhibition and self-control of particular individuals require some help from the state.³⁴ Libertarian paternalism does not exclude liberty, it only points to right – according to certain supervisory authority – decisions taking into consideration the existing asymmetry of information.³⁵ Gary Becker refers to the smoker argument:

Suppose a person smokes, but has an internal conflict between his stronger “self” who wants to quit, and his weaker “self” who continues to smoke whenever he feels under pressure, or in social situations. In effect, the weaker self does not stop smoking because he has limited self-control.³⁶

This implies that Becker supports regulations that are designed to help such a person fight the addiction. However, his blog partner, Richard Posner, seems to go in an opposite direction, suggesting that:

The officials are making decisions for other people rather than for themselves.³⁷

³² One comprehensive explanation of this concept can be found in the work by C. R. Sunstein and R. H. Thaler, “Libertarian Paternalism Is Not an Oxymoron”, in: *University of Chicago Public Law & Legal Theory Working Paper No. 43*, retrieved 16 February 2016, from: http://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=1184&context=public_law_and_legal_theory

³³ G. Becker, R. Posner, *Uncommon Sense: Economic Insights, from Marriage to Terrorism*, Chicago, University of Chicago Press, 2009, p. 147.

³⁴ C. R. Sunstein, R. H. Thaler, *op. cit.*

³⁵ A harsh critique of this kind of argumentation was presented by Daniel Klein in his article *Statist Quo Bias*, retrieved 16 February 2016, from: http://econjwatch.org/file_download/47/2004-08-klein1-com.pdf

³⁶ G. Becker, R. Posner, *op. cit.*, p. 148.

³⁷ *Ibidem*, p. 152.

It is clear that if libertarian paternalism is an attempt to find a common ground between freedom of choice, being the core of libertarian thought, and state supervision, it has to reach a consensus between what its supporters wish to achieve and what can be achieved under such circumstances.

This makes us turn to our starting point, where regardless of good intentions, every step taken by libertarians would result in empowering the state apparatus in the name of the vague concept of public good. While *revolutionists* obviously see libertarian paternalism unacceptable, *legalists*, encouraged by the state reaching out to citizens and looking for a consensus, might accept this kind of solution to some extent.

6. Conclusion

Considering all abovementioned issues, moderate policy libertarians (i.e. *legalists*) are able to achieve significant goals when clashing with the state. This is due to the fact that legalists see a chance for changing the current circumstances by means of electoral process and voting. Therefore, *legalists'* efforts to make people aware of libertarian goals and convince them of their effectiveness may result in the process of gradual withdrawal of the state from social life of the citizens. This would be achieved not only by the means of political process, but also a paradigm shift that would manifest itself in every area of human activity. David Boaz rightly observes that

Political society has failed to usher in the new age of peace and plenty it promised. The failure of coercive government has been proportional to the level of coercion and the grandiosity of its promises.³⁸

This is why the process of educating the society on liberty issues, regardless of strong statist tendencies, can be maintained and developed if only the liberty movement is careful and thoughtful enough. Boaz goes on to optimistically foresee that:

With fascism and socialism largely off the political scene, the conflict in the twenty-first century will be between libertarianism and social democracy, a watered-down version of socialism whose advocates accept the necessity of civil society and the market process but find constant reasons limit, control, shape and obstruct the decisions individuals make.³⁹

³⁸ D. Boaz, *op. cit.*, p. 276.

³⁹ *Ibidem*, p. 355.

These predictions are understandable and justifiable if one is to analyze them from the perspective of individual and economic freedom, however there are only few people who share this optimistic outlook on the future of libertarianism. Tomasz Teluk, a political scientist, expresses more pessimistic point of view on the issue of putting libertarian principles into practice:

The reality seems to proceed in the very opposite direction than libertarian theorists would like it to proceed.⁴⁰

Although Teluk is right, he falsely assumes that this process is one-dimensional, or linear, and such factors as e.g. development of technology will result in gradual limitation of our freedom. This pessimism may be caused by the fact that Teluk, like many other political scientists, does not see any other alternatives. This prediction is definitely true of *revolutionary* libertarians, who, when clashed with the state, will be successfully neutralized. However, it might not turn out to be true of *legalists*, who are willing to participate in the democratic process. Peaceful evolution of awareness of the society, the paradigm shift, might be more successful than developing underground agora and dismantling the state by illegal action, which is the solution proposed by *revolutionists*.

Chaotic and shallow character of postulates proposed by *revolutionists* may be emphasized by simple fact that all their activities carried out within the counter-economy will be efficiently smashed by the state apparatus. Illegal action will certainly cause reaction from the state and this is why it seems impossible to develop underground structures that, in the long run, would be able to avoid any confrontation, at least until the time when, as Konkin claims, they would be too strong to be defeated by the state.

The critique of such approach is quite obvious. Hans-Herman Hoppe is right, when referring to the history of US:

In light of these considerations, then, it appears strategically advisable not to attempt again what in 1861 failed so painfully [...]. Rather, a modern liberal-libertarian strategy of secession should take its cues from the European Middle Ages when, from about the twelfth until well into the seventeenth century, Europe was characterized by the existence of hundreds of free and independent cities, interspersed into a predominantly feudal social structure [...]. Such a strategy of piecemeal withdrawal renders secession less threatening politically, socially and economically. [...] By pursuing this strategy simultaneously at a great number of locations all over the country, it becomes exceedingly difficult for the central state to create a unified opposition in public opinion.⁴¹

⁴⁰ T. Teluk, *Libertarianizm. Krytyka*, Gliwice, Instytut Globalizacji, 2009, p. 212.

⁴¹ H-H. Hoppe, *Democracy: The God That Failed*, London, Transaction Publishers, 2007, pp. 291-292.

Indeed, the process of gradual secession could be the more interesting alternative, it might become a spark that ignites and launch libertarian processes that would free the people from the control of the state. Each stage of the gradual decentralization, or regionalization, of power could be a gateway for introducing libertarian reforms. However, in order to achieve this, people need to become aware of essential principles and issues that are significant in this evolution of ideology. It seems that the time of libertarians is yet to come. However, if what Teluk describes as progressive centralization of power and simultaneous limitation of individual freedom, confronts the infighting libertarian movement, the victory of the state apparatus is inevitable.

If, on the other hand, libertarian movement unites and agrees on the common set of postulates, this may result in empowering the group in the global political discourse and we might witness a series of events that would undoubtedly shift contemporary tendencies unfavorable for the freedom movement.

Apart from secession process, one of the tools necessary to achieve libertarian goals is education. It will not be the ultimate factor, but it will launch the process that, according to Rothbard, might result in a new task:

After a substantial number of people have been converted, there will be the additional task of finding ways and means to remove State power from our society.⁴²

Libertarian movement is on the brink of self-annihilation and desperately needs to find a practical way to implement their postulates. Libertarian theorists need to shift from philosophical debates to more pragmatic issues. It seems that Block's conclusion negates some of the foregoing efforts, because it reveals the lack of practical solutions proposed by libertarian movement despite its relatively long existence and development. The issue raised in Block's article remains unresolved. However, experience shows that, taking into consideration their strategy of becoming a real political group aiming at assuming the mantle of power, only *legalists* are able to achieve any meaningful change.

⁴² M. N. Rothbard, *op. cit.*, p. 387.