

The Coming Libertarian Age

by David Boaz

In 1995 Gallup pollsters reported that 39 percent of Americans said that “the federal government has become so large and powerful that it poses an immediate threat to the rights and freedoms of ordinary citizens.” Pollsters couldn’t believe it, so they tried again, taking out the word “immediate.” This time 52 percent of Americans agreed.

Later that year *USA Today* reported that “many of the 41 million members of Generation X . . . are turning to an old philosophy that suddenly seems new: libertarianism.” The millions of Americans who today share libertarian beliefs stand firmly in a long American tradition of individual liberty and opposition to coercive government.

Libertarianism is the view that each person has the right to live his life in any way he chooses so long as he respects the equal rights of others. Libertarians defend each person’s right to life, liberty, and property—rights that people possess naturally, before governments are created. In the libertarian view, all human relationships should be voluntary; the only actions that should be forbidden by law are those that involve the initiation of force against those who have not themselves used force—actions like murder, rape, robbery, kidnapping, and fraud.

Most people believe in and try to live by that code of ethics. Libertarians believe it should be applied to actions by governments as well as by individuals. Governments should exist only to protect rights, to protect us from others who might use force against us. When governments use force against people who have not violated the rights of others, governments themselves become rights violators. Thus libertarians condemn such government actions as censorship, the draft, con-



Arianna Huffington urges a Cato Policy Forum audience to take a personal interest in solving the problems that the welfare state has created.

Photographs by Mark Fondersmith

fiscation of property, and regulation of our personal and economic lives.

But surely, in today’s messy and often unpleasant world, government must do a great deal more than protect rights? Perhaps surprisingly, the answer is no. In fact, the more messy and modern the world, the better libertarianism works. The political awakening in America today is the realization that libertarianism is not a relic of the past. It is a philosophy—more, a pragmatic plan—for the future. In American politics it is the leading edge, not a backlash.

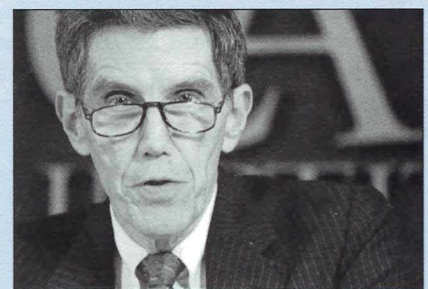
Libertarianism is an old philosophy, but its framework for liberty under law and economic progress makes it especially suited for the new, more dynamic world we are now entering.

The Resurgence of Libertarianism

We in the United States have a generally free society that has brought prosperity to a large

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“Libertarianism’s framework for liberty under law is especially suitable for the new, more dynamic world we are now entering.”

LIBERTARIANISM *Continued from page 1*

er number of people than did any other society in history. But we face problems—high taxes, poor schools, racial tensions, environmental destruction—that our current governmental approach is not handling adequately. Libertarianism has solutions to those problems, as demonstrated in *Libertarianism: A Primer* and in a wealth of Cato Institute studies. Here, I offer three of the reasons that libertarianism is the right approach for America on the eve of the new millennium.

First, we are not nearly as prosperous as we could be. If our economy were growing at the rate at which it grew from 1945 to 1973, our gross domestic product would be 40 percent larger than it is. But that comparison doesn’t give the true picture of the

economic harm that excessive government is doing. In a world of global markets and accelerating technological change, we shouldn’t be growing at the same pace we did 40 years ago—we should be growing faster. More reliance on markets and individual enterprise would mean more wealth for all of us, which is especially important for those who have the least today.

Second, our government has become far too powerful, and it increasingly threatens our freedom—as 52 percent of Americans told the befuddled pollsters. Government taxes too much, regulates too much, interferes too much. Politicians from Jesse Helms to Jesse Jackson seek to impose their own moral agendas on 250 million Americans. Events like the assault on the Branch Davidians and the beating of Rodney King, as well as the government’s increasing seizures of

private property without due process, make us fear an out-of-control government and remind us of the need to reestablish strict limits on power.

Third, in a fast-changing world where every individual will have unprecedented access to information, centralized bureaucracies and coercive regulations just won’t be able to keep up with the real economy. The existence of global capital markets means that investors won’t be held hostage by national governments and their confiscatory tax systems. New opportunities for telecommuting will mean that more and more workers will have the ability to flee high taxes and other intrusive government policies. Prosperous nations in the 21st century will be those that attract productive people. We need a limited government to usher in an unlimited future.

Cato Calendar

Ninth Annual Benefactor Summit

Scottsdale, Arizona • Gardiner’s Tennis Resort • Feb. 5-9, 1997

Speakers include Charles Murray, Brit Hume, José Piñera, George H. Smith, and Ed Crane.

The Other Side of the Pyramid: Reforming Social Security

Washington • Cato Institute • Feb. 14, 1997

Speakers include José Piñera, Sam Beard, Robert Genetski, Peter Ferrara, Bill McInturff, and Kellyanne Fitzpatrick.

Regulation in the Digital Age

Cosponsored with the Brookings Institution

Washington • Capitol Hilton • Feb. 17-18, 1997

Speakers include Walter Wriston, Louis Rossetto, Richard Wiley, Joel Hyatt, Peter Pitsch, Lawrence Gasman, Thomas Mann, and William Niskanen.

20th Anniversary Gala

Washington, • Washington Hilton • May 1, 1997

Speakers include Steve Forbes, P. J. O’Rourke, Fred Smith, and Nat Hentoff.

China as a Global Economic Power: Market Reforms in the New Millennium

Shanghai • Shanghai Hilton • June 15-18, 1997

EVENTS *Continued from page 5*

◆**November 12:** The Institute held a meeting for members of the **Advisory Committee of the Cato Project on Social Security Privatization**. Michael Tanner, the project’s director, reviewed the progress that had been made in the previous year; David Altig and Jagadeesh Gokhale of the Federal Reserve Bank of Cleveland presented a plan for the transition to a privatized system; Thomas Saving of Texas A&M University spoke about whether Medicare should be included in Social Security privatization plans; and José Piñera, the project’s co-chairman, discussed pension reform in Latin America and Europe.

◆**November 14:** At a Policy Forum titled “Sanctioning the World?” three panelists discussed new U.S. trade sanctions that restrict foreign companies’ ability to trade with or invest in Cuba, Iran, and Libya.

◆**November 14:** Cato visited Denver for a City Seminar. Malcolm Wallop, chairman of the Frontiers of Freedom Institute, gave the keynote address. The luncheon address, “Telecommunications in the 21st Century,” was delivered by John Malone, president of TCI and member of the Cato Board of Directors.

◆**November 21:** The Cato Institute hosted a Policy Forum titled “Ten Years Down the Other Path: The Impact of the Informal Economy.” Enrique Ghersi, coauthor of *The Other Path* and a former member of the Peruvian Congress, argued that the informal economies of Latin America have expanded opportunity for millions and proved that there is a natural constituency that favors private property and capitalism. Roberto Salinas-León, executive director of el Centro de Investigaciones sobre la Libre Empresa in Mexico City, maintained that the publication of *The Other Path* spurred deregulation and economic liberalization in Mexico and that it has been the Latin American equivalent of *The Wealth of Nations*.

◆**November 26:** Nils Karlson, president of the City University of Stockholm, delivered an informal speech titled “Can the Problems of Mature Welfare States Such As Sweden Be Solved?” at a **Roundtable Luncheon**.

◆**November 27:** The Cato Institute hosted a **Roundtable Luncheon** for James Tooley, university research fellow at the University of Manchester’s School of Education and director of the Education and Training Unit at the Institute of Economic Affairs in London. ■

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In the United States today, the bureaucratic leviathan is threatened by a resurgence of the libertarian ideas upon which the country was founded. We are witnessing a breakdown of all the cherished beliefs of the welfare-warfare state. Americans have seen the failure of big government. They learned in the 1960s that governments wage unwinnable wars, spy on their domestic opponents, and lie about it. They learned in the 1970s that government management of the economy leads to inflation, unemployment, and stagnation. They learned in the 1980s that government's cost and intrusiveness grow even as a succession of presidents ran against Washington and promised to change it. Now in the 1990s they are ready to apply those lessons.

The renewed interest in liberty has two principal roots. One is the growing recog-

nition by people around the world of the tyranny and inefficiency inherent in state planning. The other is the growth of a political movement rooted in ideas, particularly the ideas of libertarianism. As E. J. Dionne Jr. writes in *Why Americans Hate Politics*, “The resurgence of libertarianism was one of the less noted but most remarkable developments of recent years. During the 1970s and 1980s, antiwar, antiauthoritarian, antigovernment, and antitax feelings came together to revive a long-stagnant political tendency.”

Key Concepts of Libertarianism

The key concepts of libertarianism have developed over many centuries. The first inklings of them can be found in ancient China, Greece, and Israel; they began to be developed into something resembling modern libertarian

philosophy in the work of such 17th- and 18th-century thinkers as John Locke, David Hume, Adam Smith, Thomas Jefferson, and Thomas Paine.

Individualism. Libertarians see the individual as the basic unit of social analysis. Only individuals make choices and are responsible for their actions. Libertarian thought emphasizes the dignity of each individual, which entails both rights and responsibility. The progressive extension of dignity to more people—to women, to people of different religions and different races—is one of the great libertarian triumphs of the Western world.

Individual Rights. Because individuals are moral agents, they have a right to be secure in their lives, liberty, and property.

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Cato Studies

Kahn Urges Market Pricing for Telephones

In a new Cato Institute study, “How to Treat the Costs of Shared Voice and Video Networks in a Post-Regulatory Age” (Policy Analysis no. 264), Alfred E. Kahn, former chairman of the Civil Aeronautics Board and the Robert Julius Thorne Professor of Political Economy, Emeritus, at Cornell University, argues that the Federal Communications Commission has proposed flawed cost-allocation rules for new telephone networks.

The commission has recommended that investors in new telecommunications networks share the revenues or cost savings reaped from those networks with telephone ratepayers. That, Kahn maintains, will deny investors the full return on the money they have put at risk and thus discourage investment in the new networks. The result will be less competition between cable television companies and new video services distributed by telephone companies. In the end, the consumer will be the real loser.

Ironically, Kahn notes, the cost-allocation rules conflict with the fundamental pur-

pose of the Telecommunications Act of 1996: “to accelerate rapidly private sector deployment of advanced technologies and information technologies and services by opening all telecommunications markets to competition.”

◆Debunking the EPA's Politicized Pseudoscience

The Environmental Protection Agency claims that proposed revisions to its guidelines for conducting cancer risk assessments would result in risk estimates based on the best available scientific knowledge and encourage scientific inquiry and development. In their new Cato Institute study, “EPA's Cancer Risk Guidelines: Guidance to Nowhere” (Policy Analysis no. 263), Mike Gough, director of science and risk studies at the Cato Institute, and Steven Milloy, president of the Environmental Policy Analysis Network, argue that nearly the opposite is the case. “The pro-

posed revisions represent a setback for public health, science, and the EPA cancer risk assessment process.”

Perhaps the most egregious of the revisions proposed is the dropping of statistical significance as a criterion for evaluation of epidemiological studies. That, Gough and Milloy argue, means “risk assessors may have to consider study results that are almost certainly the product of chance, and the public will be inundated with effects that are not real.”



Solveig Bernstein

◆Cyberspace Censorship

As the 104th Congress drew to a close, there were few measures that had gained majority approval from both sides of the aisle. One exception was the Communications Decency Act. In the new Cato Institute study, “Beyond the Communications Decency Act: Constitutional Lessons of the Internet” (Policy Analy-

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“Those who advocate more transfer of power from society to the state are unwittingly engaged in the undermining of civilization.”

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Those rights are not granted by government or by society; they are inherent in the nature of human beings. It is intuitively right that individuals enjoy the security of such rights; the burden of explanation should lie with those who would take rights away.

Spontaneous Order. A great degree of order in society is necessary for individuals to survive and flourish. It's easy to assume that order must be imposed by a central authority, the way we impose order on a stamp collection or a football team. The great insight of libertarian social analysis is that order in society arises spontaneously, out of the actions of thousands or millions of individuals who coordinate their actions with those of others in order to achieve their purposes. The most important institutions in human society—language, law, money, and markets—all developed spontaneously, without central direction. The many associations within civil society are formed for a purpose, but civil society itself is spontaneous and does not have a purpose of its own.

The Rule of Law. Libertarianism is not libertinism or hedonism. It is not a claim that “people can do anything they want to, and nobody else can say anything.” Rather, libertarianism proposes a society of liberty under law, in which individuals are free to pursue their own lives so long as they respect the equal rights of others. The rule of law means that individuals are governed by generally applicable and spontaneously developed legal rules, not by arbitrary commands, and that those rules should protect the freedom of individuals to pursue happiness in their own ways, not aim at any particular result or outcome.

Limited Government. To protect rights, individuals form governments. But government is a dangerous institution. Libertarians want to divide and limit power, and that means especially limiting government, generally through a written constitution enumerating and limiting the powers that the people delegate to government. Limited government is the basic *political* implication of libertarianism, and historically it was the dispersion of power in Europe—more than other parts of the world—that led to individual liberty and sustained economic growth.

Free Markets. To survive and to flourish, individuals need to engage in economic activity. The right to property entails the right to exchange property by mutual agreement. Free markets are the economic system of free individuals, and they are necessary for the creation of wealth. Libertarians believe that people will be both freer and more prosperous if government intervention in people's economic choices is minimized.

The Virtue of Production. Much of the impetus for libertarianism in the 17th century was a reaction against monarchs and aristocrats who lived off the productive labor of other people. Libertarians defended the right of people to keep the fruits of their labor, and from that effort evolved respect for the dignity of work and production. Libertarians developed an analysis that divided society into two basic classes: those who produced wealth and those who took it by force from others. Thomas Paine, for instance, wrote, “There are two distinct classes of men in the nation, those who pay taxes, and those who receive and live upon the taxes.” Modern libertarians defend the right of productive people to keep what they earn, against a new class of politicians and bureaucrats who would seize their earnings to transfer them to nonproducers.

Natural Harmony of Interests. Libertarians believe that there is a natural harmony of interests among peaceful, productive people in a just society. One person's individual plans—getting a job, starting a business, buying a house, and so on—may conflict with the plans of others, so the market makes many of us change our plans. But we all prosper from the operation of the free market, and there are no necessary conflicts between farmers and merchants, manufacturers and importers. Only when government begins to hand out rewards in response to political pressure do we find ourselves involved in group conflict, pushed to organize and contend with other groups for political power.

Peace. Libertarians have always battled the scourge of war. They understood that war brought death and destruction on a grand scale, disrupted family and economic life, and gave the ruling class more power—which might explain why rulers have not always shared the popular desire for peace. Free men and women, of course, have often had to

defend their own societies against foreign threats; but throughout history war has usually been the common enemy of peaceful, productive people on all sides of the conflict.

It may be appropriate to acknowledge at this point the skeptical reader's possible suspicion that libertarianism seems to be just the standard framework of modern thought—individualism, private property, capitalism, equality under the law. Indeed, after centuries of intellectual, political, and sometimes violent struggle, those core libertarian principles have become the basic structure of modern political thought and of modern government, at least in the West and increasingly in other parts of the world. However, three additional points need to be made: First, libertarianism is not *just* broad liberal principles. Libertarianism *applies* those principles fully and consistently, far more so than most modern thinkers and certainly more so than any modern government. Second, while our society remains generally based on equal rights and capitalism, every day new exceptions to those principles are carved out in Washington and in Albany, Sacramento, and Austin (not to mention London, Bonn, Tokyo, and elsewhere). Each new government directive takes away a little bit of our freedom, and we should think carefully before giving up any liberty. Third, liberal society is resilient—it can withstand many burdens and continue to flourish—but it is not infinitely resilient. Those who claim to believe in liberal principles but advocate more and more confiscation of the wealth created by productive people, more and more restrictions on voluntary interaction, more and more exceptions to property rights and the rule of law, more and more transfer of power from society to state, are unwittingly engaged in the ultimately deadly undermining of civilization.

A libertarian world won't be a perfect one. There will still be inequality, poverty, crime, corruption, man's inhumanity to man. But unlike the theocratic visionaries, the pie-in-the-sky socialist utopians, or the starry-eyed Mr. Fixits of the New Deal and the Great Society, libertarians don't promise you a rose garden. Karl Popper once said that attempts to create heaven on earth invariably produce hell. Libertarianism holds out

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the goal, not of a perfect society, but of a better and freer one. It promises a world in which more decisions will be made in the right way by the right person: you. The result will be, not an end to crime and poverty and inequality, but less—often much less—of most of those things most of the time.

Toward a Framework for Utopia

Lots of political movements *do* promise utopia: just implement our program, and we'll usher in an ideal world. Libertarians offer something less, and more: a framework for utopia, as Robert Nozick put it.

My ideal community would probably not be your utopia. The attempt to create heaven on earth is doomed to fail, because we have different ideas of what heaven would be like. As our society becomes more diverse, the possibility of our agreeing on one plan for the whole nation becomes even more remote. And in any case, we can't possibly anticipate the changes that progress will bring. Utopian plans always involve a static and rigid vision of the ideal community, a vision that can't accommodate a dynamic reality. We can't imagine what civilization will be like a century from now. What we need is not utopia but a free society in which people can design their own communities.

A libertarian society might offer thousands of versions of utopia, which might appeal to different kinds of people. Government would respect people's right to make their own choices in accord with the knowledge available to them. As long as each person respected the rights of others, he would be free to live as he chose. His choice might well involve voluntarily agreeing with others to live in a particular kind of community. Individuals could come together to form communities in which they would agree to abide by certain rules, which might forbid or require particular actions. Since people would individually and voluntarily agree to such rules, they would not be giving up their rights but simply agreeing to the rules of a community that they would be free to leave. We already have such a framework, of course; in the market process we can choose from many different goods and services, and many people already choose to live in a particular kind of community. A libertarian society would offer more scope for such choic-

es by leaving most decisions about living arrangements to the individual and the chosen community, instead of allowing government to impose everything from an exorbitant tax rate to rules about religious expression and health care.

One difference between libertarianism and socialism is that a socialist society can't tolerate groups of people practicing freedom, but a libertarian society can comfortably allow people to choose voluntary socialism. If a group of people—even a very large group—wanted to purchase land and own it in common, they would be free to do so. The libertarian legal order would require only that no one be coerced into joining or giving up his property.

In such a society, government would tolerate, as Leonard Read put it, “anything that's peaceful.” Voluntary communities could make stricter rules, but the legal order of the whole society would punish only violations of the rights of others. By radically downsizing and decentralizing government—by fully respecting the rights of each individual—we can create a society based on individual freedom and characterized by peace, tolerance, community, prosperity, responsibility, and progress.

It is hard to predict the short-term course

of any society, but in the long run, the world will recognize the repressive and backward nature of coercion and the unlimited possibilities that freedom allows. The spread of commerce, industry, and information has undermined the age-old ways in which governments held men in thrall and is even now liberating humanity from the new forms of coercion and control developed by 20th-century governments.

As we enter a new century and a new millennium, we encounter a world of endless possibility. The very premise of the world of global markets and new technologies is libertarian. Neither stultifying socialism nor rigid conservatism could produce the free, technologically advanced society that we anticipate in the 21st century. If we want a dynamic world of prosperity and opportunity, we must make it a libertarian world. The simple and timeless principles of the American Revolution—individual liberty, limited government, and free markets—turn out to be even more powerful in today's world of instant communication, global markets, and unprecedented access to information than Jefferson or Madison could have imagined. Libertarianism is not just a framework for utopia, it is the essential framework for the future. ■

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