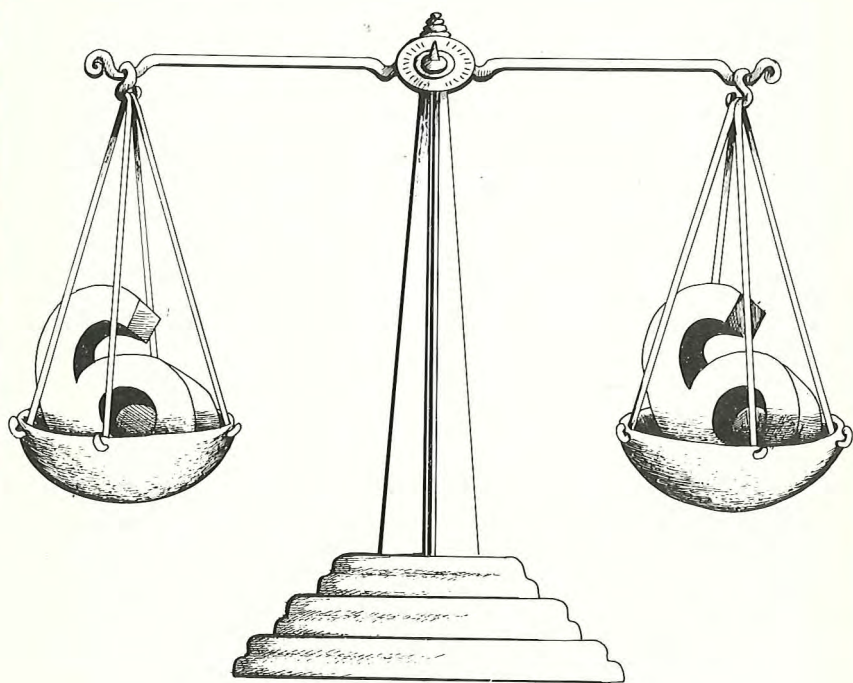


Liberty, Justice and the Market

Lauchlan Chipman



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Preface

This sixth Occasional Paper publishes an address by Professor Lauchlan Chipman, Foundation Professor of Philosophy at the University of Wollongong. It was delivered in October 1976 at the first seminar sponsored by the then embryonic Centre for Independent Studies. The precarious early days of the Centre did not permit its publication in a form more accessible to the public, so it is pleasing that the production of Professor Chipman's paper in a slightly edited form is now possible.

Professor Chipman challenges some views which have become orthodox in academic and intellectual circles and subsequently throughout society. They concern the relationship between personal liberty, social justice and the market. His analysis is especially important in 1981 when the relationship between government and its citizens is under closer scrutiny. This re-examination of the role of the state is occurring for a number of reasons, not the least of which is the continual failure of government to deliver what it promises.

Professor Chipman does not rely on empirical evidence alone though to show that the state functions poorly in determining social justice, enhancing freedoms and facilitating equality. Rather he declares that because of some very fundamental aspects of the nature and of the rights of autonomous individuals and their ability to pursue their lives purposefully, these aspirations are far better satisfied through a society based on voluntary exchange. He reinforces much of what Adam Smith said 200 years ago.

The opinion formers of our society, Hayek's 'second hand dealers in ideas' who live by, for and off ideas, seem less affected by empirical evidence than the persuasive force of moral arguments and the appeal to higher virtues. The efficiency of the free market is one thing, but for many intellectuals, the idea that it serves society justly without the active interference of self-chosen philosopher kings, is seldom taken seriously. Lauchlan Chipman questions the idea that there is a conflict between liberty, justice and the market and suggests in fact that they mutually support each other. Thus he continues and develops the enduring scholarly

tradition which regards a just society as the aggregate of the actions of its individual members under the rule of law.

In the discussion of these issues Lauchlan Chipman adds contemporary force to an ongoing debate. While the Centre for Independent Studies is pleased to be able to publish this Paper, the views of the author are not necessarily shared by the Centre, its Advisers, Trustees, Directors or officers.

December 1981

Greg Lindsay

The Author

Lauchlan Chipman was educated at the Universities of Melbourne and Oxford. For some years he was Senior Lecturer in Philosophy at the University of Melbourne and in 1975 was appointed Foundation Professor of Philosophy at the University of Wollongong. He is also Visiting Professor in Jurisprudence at the University of Sydney. A member of the editorial board of the Australasian Journal of Philosophy, he was President of the Australasian Association of Philosophy 1975-76. He is President of the Australian Society for Legal Philosophy and President of the Australian Council of Educational Standards and was first chairman of the Research Committee of the Centre for Independent Studies. He is co-author of *Conscience and the Law*, author of *Liberty, Equality and Unhappiness* and has contributed to *Ethics*, *International Logic Review*, *Kant-Studien*, *Mind*, *Philosophy* and *Phenomenological Research*, *Philosophical Quarterly* and *Quadrant*.

Liberty, Justice and the Market

L INTRODUCTION

My purpose is to defend the proposition that liberty, justice, and the free market are social notions that are mutually supportive. In other words, I shall argue firstly that one who values liberty ought, to be consistent, value justice and the market economy; secondly that one who values justice ought similarly value liberty and the market; and thirdly that one who values the free market ought to value liberty and justice.

To many it may seem obvious already that these three notions do provide each other with some sort of mutual support. Should that be so permit me, instead of apologising for labouring the obvious, to make some observations about the socio-philosophical milieu within the educational system in general, and the university system in particular. I doubt if 'outsiders' realise just how firmly embedded within it are the following three beliefs:

- (a) The free market by and large interferes with people's freedom; restrictions on market activity increase people's freedom.
- (b) The free market has an in-built tendency to yield an unjust distribution of wealth, as well as an unjust distribution of the goods and services it provides; thus restrictions on, and perhaps even abolition of, free market arrangements are necessary antecedents to the coming into being of a more just distribution of wealth, goods, and services.

- (c) The state is the proper and potentially effective instrument for ensuring that wealth, goods, and services are '**correctly**' distributed, which means in the first instance to those with the greatest needs, and in the long run on some sort of equal basis.

In saying that these beliefs are firmly embedded in the contemporary academic (i.e. scholarly and educational) milieu I do not deny that there are dissentients nor do I deny that these beliefs have many able and articulate defenders. I am claiming that they have moved from being accepted as the conclusions drawn by a number of thinkers and investigators who have made serious and substantial attempts to underpin them with rigorous argumentation, to constituting the orthodox picture of the social world held by a very much wider class of academics, and therefore constitutive, for members of this orthodoxy, of the reference frame within which judgements on all matters of social interpretation and policy are determined.

Academic orthodoxies tend to become the orthodoxies of intellectuals in general; i.e. of the wider class which includes, in addition to those who formulate and teach ideas, those who are their carriers, such as journalists, artists, critics, and so on. In the process of becoming first an academic, then an intellectual orthodoxy these beliefs, like others which have progressed similarly, have gradually informed the minds of those who are decreasingly familiar with and in any case decreasingly competent to deal with the material on which they were originally based. This has the understandable consequence that not only are the vast majority of members of this wider orthodoxy unable to defend them, but they are less aware of long and honorable traditions of thought which provide these beliefs with, in John Stuart Mill's phrase, 'lively competition'.

It is also worth noting, for those who are still inclined to the view that nothing academics do has any contact with extra-mural reality, that an intellectual orthodoxy, even if only through its carriers of ideas, has immense influence on the attitudes and practices of countless individuals far removed from its germination centres. To take one example, how else does one explain the fact, often so embarrassing to those who incline to a media conspiratorial theory of political power, that newspapers and radio and television program contents frequently embody a conventional wisdom which is contrary to what one would expect to be, or knows to be, the material interests of the owners and controllers, not to

mention the audience of non-intellecutals? Those who deny the influence of academics in particular and intellectuals in general not only fail to deflate the egos of their target group, for they will eagerly join them in denying it through either self-deprecation or the desire for even greater influence, but they thereby grossly underestimate one of the causally most significant determinants of our social and political process.

The three beliefs I instanced above are now so much part of a contemporary intellectual orthodoxy that the denial of any of them is likely to be greeted with sniggers by senior school children and ignorant accusations of fascism and right wing extremism from others who ought to know better but probably do not. (I have the charitable view that such accusations reflect almost total ignorance within the intellectual orthodoxy of the idea that it is even arguable that free enterprise is defensible by people whose interests are not vested and on grounds which are humanitarian, that a pre-ordained system of distributing wealth is not workable in ways which are just and consistent with individual liberty, and that no matter who does the steering, the ship of state is pre-eminently unsuitable for sailing us to Utopia.)

One task which I acknowledge the Centre for Independent Studies has been doing is to put a lot of work into correcting the imbalance by sponsoring and reporting investigations of the philosophical, economic, and political possibilities of a society which successfully welds the ideals of individual liberty and social justice within a market economy. In other words to provide a little 'lively competition' in ideas.

II. THE VALUE OF INDIVIDUAL LIBERTY

It is both customary and correct to begin a discussion of individual liberty by distinguishing two forms of freedom which are reflected in two different prepositional constructions containing the passive infinitive verbal form 'to be free'. One may be free from and free to. Thus we consider it desirable that an individual be free from the fear of arbitrary arrest, the risk of violence, unjust deprivation, disease, poverty, and so on. Similarly we consider it desirable that individuals be free to express themselves, to travel about, to choose their own friends, to pursue their chosen destinies, and so on. Although it would take a great deal of argument to establish this contention, I believe that the value of both types of liberty - freedom from and freedom to - resides in a recognition of and respect for individual autonomy. One who is not free from the sorts of

things mentioned suffers a limitation on his or her autonomy in that the person is prevented, either by the wilful action of others as in the case of arbitrary arrest or violence, or by natural contingencies such as disease, from doing the things that the person would otherwise choose to do. In some cases, such as poverty, the restrictions on freedom of action may be the result of a combination of the actions of others, natural contingencies, and previous choices of the person in question. One who is free from all of these things has a less restricted and limited life than one who is not.

To be free to do such things as express one's view, travel where one wants, choose one's friends, and pursue one's chosen destiny, is to be in possession of a greater degree of autonomy than one who cannot. A person's freedom to do the things he or she wants to do may be impeded by the deliberate actions of others (e.g. as censorship impedes one's freedom to express one's views), natural contingencies (e.g. as paralysis may impede one's freedom to travel where one wants), and the person's own past choices (e.g. as a decision to enter a secluded order may impede one's subsequent freedom to choose one's friends). An obvious and important case in which one's own past choices inhibits one's subsequent freedom to do what one wants is that of a contract which, having been voluntarily entered into, is a legally enforceable impediment to one's disposing of the subject matter of the contract in an alternative way which now appears more profitable.

Given the value we place on individual autonomy, together with my contention that it is respect for that autonomy which underpins the value we attach to individual liberty, it would hardly be surprising if we invariably assigned the burden of proof to those who wanted to restrict, limit, or impede individual liberty, and not to those who wanted to retain it, expand it, or remove impediments to it. Unfortunately this is not the way things are. Those who are familiar with the legal problems of homosexuals, prostitutes, drug sellers, and drug users, realise that it is they who are expected to argue that they should be permitted to engage in their preferred activities; so far as social dialogue is concerned, those who wish to see the impediments to freedom remain are too often content simply to point question beggingly to the need to enforce the law, or - glibly and with phoney humility - to repeat the meaningless remark that 'society is not yet ready for these things'.

In practice the burden of proof is always taken to be on whoever is proposing that things be changed. Reasonable

enough, one is inclined to think initially. But it is not so reasonable when one realises that this is to repudiate the presumption of human autonomy. What that presumption means is that the case for retaining, and not merely introducing, a freedom impeding law must be constantly re-asserted. Those who deny this commit themselves to the view that lost liberties are to be presumed lost for good. Unless the case for retaining a restrictive law is constantly resubmitted, the liberty which that law violates is being assigned a lower value than the instrument which violates it.

Legal restrictions are interferences with human liberty which are produced by the deliberate actions of small groups of humans. These restrictions on our liberty can all be modified by deliberate human action, should the case for the retention of any such restriction fail. But many restrictions on individual liberty are not consequences of deliberate human action, through law or in any way. A person's inherited paralysis is not the result of a choice. Nor is a person's poverty necessarily the result of the choice of that person. An educated person generally has more available options than an uneducated person, but a person's ignorance need not necessarily be a consequence of that person's choices.

Many restrictions on individual freedom, although not the results of individual choices, can be eliminated or reduced by human action. If sufficient time and money is spent on medical research, it may be possible for doctors to free the victim from his paralysis. A redistribution of the wealth of other individuals could ensure that the poor were freed from their poverty, and massive spending on education might come near to ensuring that the ignorant were freed from their ignorance.

It is sometimes argued that those of us who really value liberty should support not only the repeal of all laws which constitute unjustifiable interferences with human autonomy, but should also support the positive use of legislation to see human freedom extended. It is said that although the law restricts our freedom, the law can also make us free. The state can, by the use of law to acquire the means, create potentially effective programs to deal with illness, poverty, and ignorance, thereby increasing the total *quantum* of liberty in the community by making available to the sick, the poor, and the ignorant opportunities not previously available to them.

The freeing of the sick, the poor, the ignorant and so on from their handicaps is eminently desirable, but it does not

follow from this that it is eminently desirable that it should be done by the state. The use of the legal system to force people to make contributions to those who are in need is an interference with the freedom of those who are required to contribute since they are prevented from utilising their lawfully acquired assets in ways which they think best. It is interesting to note that taxation, and in particular income tax which may be the most difficult of all taxes to justify, would be quite literally theft were it not for the fact that it has the sanction of legality, for taxation involves forcing a person to hand over to another, part of his lawfully acquired property, for the other to use for purposes which may reflect neither the wishes nor the consent of the victim.

Taxation, although often used to increase the freedom of those who are its beneficiaries, does so by decreasing the freedom of those conscripted to contribute. All of those who value freedom are thus faced with an apparent dilemma: do we protest against the interference constituted by taxation laws and not concern ourselves with the impediments to freedom suffered by many others, or do we advance the liberties of the deprived and thereby reduce the freedom of the initially advantaged?

To embrace the latter horn is to begin the slide towards socialism and enforced equality, for it is to accept as legitimate the use of the state to operate as an agency of compulsory redistribution, which invariably boils down to a redistribution of wealth. To embrace the former is to embrace a false conjunction - hence my description of the dilemma as apparent - for in protesting against the interference constituted by taxation laws one is not *eo ipso* expressing a lack of concern for the deprived. Drawing that conclusion would be as absurd as concluding from the fact that a person did pay tax that he was therefore concerned about the deprived. We have suffered under progressive income tax for so long that our minds have become dull to the fact that there are voluntary ways of assisting the deprived which those who were so minded could voluntarily enter into or, if one thought for some reason that the state should be involved, there are far cheaper ways of aiding the deprived than those that we have come to see as inevitable. I will return to this theme in the final part of the paper when I talk of the positive role of the state.

The classical problem of personal freedom is that other autonomous individuals, indeed other sentient beings in general, are sometimes the unwilling victims of the deliberate actions of some individuals; the killer, the rapist,

the thief, the basher, the liar, the molester, and so on. It is not seriously disputed that freedom should be circumscribed to exclude at least some classes of actions of the above sort although no society, to the best of my knowledge, makes all of them absolutely illegal. Lying, for example, is not *per se* a criminal offence, and some deliberate killings of people are excusable, such as those which are necessary in legitimate self defence.

Last century John Stuart Mill argued that the sole ground on which the state was justified in interfering with the liberty of its members was to prevent harm to others, however as is now well known this criterion became difficult to operate as even its most sympathetic defenders have had trouble in characterising the notion of harm, and in particular in becoming clear about when the harm was sufficiently significant to attract the attention of the legislator. (Is the mental suffering of the Festival of Light member who anguishes over the realisation that some of his fellow citizens are watching R-rated films a significant harm, for example? Most Millians would laugh this case off, but nonetheless admit that it is very difficult to formulate a workable criterion of significance to qualify the harm, so as to exclude cases such as this.)

More recently the contemporary American philosopher Robert Nozick* has put forward a three-pronged criterion which looks more promising, and which I shall adapt and adopt. This criterion is that all actions and transactions ought to be legally permissible except those which involve achieving their objects by actual or threatened violence, theft, or deception. Goals achieved without violence, theft, or deception are achieved legitimately. This criterion adapted from Nozick is in the same spirit as Mill's but is more specific and avoids the semantic difficulties associated with the notion of harm. (Of course it is not absolutely free of such difficulties for the notions of violence, theft, and deception all have furry edges.) This criterion squares nicely with the principle of autonomy which I suggested lies behind the value of liberty but, more importantly for our present purposes, it makes it very much easier to defend the proposition that the enemies of free economic arrangements and those who would enhance the role of the state are, for those very reasons, the enemies of freedom.

* see Robert Nozick, *Anarchy State and Utopia*, Basic Books, New York, 1974.

III. THE RELATION BETWEEN PERSONAL LIBERTY AND ECONOMIC FREEDOM

If you have something to which you are entitled and you decide to exchange it for something else to which another is at present entitled (perhaps a good, perhaps money, perhaps time, perhaps a privilege etc.) and you both arrange and execute this exchange without violence, without theft, and without deception, then you become entitled to what the other was previously entitled to and vice versa. This is at the heart of the free market. A market ceases to be free when some impediment is placed in the way of such transactions, other than or additional to the impediments to violence, theft, and deception.

This simple principle of free exchange is a logical consequence of the principle of liberty. Your autonomy includes the power of free disposition over what is yours, but does not extend to (1) disposing of what is not yours (for that would involve theft), (2) disposing by intimidatory means (for that would be a case of violence or its threat), or (3) disposing of what is yours by means which involve misrepresentation (for that would be deception).

A consequence of this connection between liberty in general and free enterprise is that a free society will most probably be one in which there is a substantial inequality in possessions. Even if we were to imagine that everyone began with identical amounts of wealth, as large or as small as you like, it would not take long, even if there were never a case of violence, theft, or deception, for inequalities of wealth to result. There are several obvious reasons for this, which include:

- (a) The fact that people have different natural endowments means that they will have (i) different desires, and (ii) different capacities to do, make, or provide things which others need or desire, which in turn means that the free market will operate, in ways which are not predictable *a priori*, to the material advantage of some and disadvantage of others.
- (b) People vary in the degree to which they desire wealth and the degree to which they are willing to adopt an appropriate means for attaining it.
- (c) People vary in their capacities for bargaining advantageously.

- (d) People vary in their susceptibility to illness and accidents, and in the length of their lives.
- (e) People vary in their affections and their generosity, and hence their willingness to lavish wealth upon others.

Anyone of these five factors would, given an initial position of equal wealth together with a free enterprise social structure, yield inequalities of wealth. The five together, plus others which we can think of, would make inequality a moral certainty. The inevitable inequality of wealth under free enterprise provides one of the major pressures towards interventionism in general and socialism in particular. It is to that subject that we now turn.

IV. DOES THE FREE MARKET NEED RESTRAINING IN THE NAME OF SOCIAL JUSTICE?

Many of the arguments used for restricting or limiting the powers of the market are based on the fact that many enterprises have, and do, obtain advantages by the use of techniques which we have already agreed ought to be proscribed; the use of intimidatory tactics in cheap purchasing and the use of false advertising are well-known examples, which clearly fall within the ambit of the proscription against violence, theft, and deception. It has often been the failure of the state to use its indisputably legitimate powers to curb such abuses which has facilitated the well-known injustices which have resulted.

Let us ignore these abuses since it is willingly conceded that they ought not be permitted or tolerated, and consider just how the otherwise unrestricted operations of the market are supposed to lead to social injustices, and just what social injustices are supposed to result. There are at least two tendencies said to be inherent in free enterprise with negative social consequences.

The tendency towards monopolies

When one looks closely at the alleged tendency towards monopolies, one is immediately struck by (a) the degree to which monopoly is actually a consequence of direct or indirect state intervention, and (b) the degree to which the injustices consequent upon such tendencies towards monopoly as there are, reflect state intervention. A proper study of

the nature and extent of monopolies within a given society is something that only an economist could deliver so, as a non-economist, I will content myself with offering you what are possibly naive observations in support of (a) and (b).

There is in Australia a duopoly controlling the major airline routes. Why? Not because of the free market but because of state legislation, which has had the effect of keeping domestic airline fares in Australia among the world's highest. The monopolies of Telecom and the various railway systems are consequences of state intervention. What of the alleged tendency towards monopolies in the media industry? In the case of the printed word, there has in fact lately emerged a greater diversity of publications (though not daily papers) largely as a consequence of cheaper methods of printing. As for television and radio, it is through government that licences are granted and hence through government that monopolies or near monopolies are generated.

Monopolies may cause public suffering, particularly when the monopoly controls something reasonably necessary and not a luxury frill, insofar as they take advantage of their freedom from competition to provide a service which descends from the discourteous to the totally rude and incompetent, to sell their services at a price which free competition would quickly reduce, and to ignore imaginative and innovatory developments in the direction of an improved or extended service, which is incidentally another stimulus in the public interest which free competition provides. A clear case in which the public suffers through over-pricing of services is in professional areas such as the medical and the legal, where professional associations fix charges and prohibit competitive advertising, on pain ultimately of dismissal from practice; a sanction which if ignored will lead to state prosecution. State intervention to fix minimum retail prices in order to preserve existing inefficient industry structures is well known to anyone who is interested in beer or milk.

Of course it would be fatuous to maintain that every monopoly ever was so only because of the state and that every action contrary to the public interest performed by a monopoly or near monopoly was facilitated by state intervention. I hope to have said enough however to question the dogma that monopolies are consequences of a free market, and the dogma that state intervention is necessary to break monopolies. My observations suggest that what is usually necessary to break monopolies is a cessation of state intervention.

The tendency towards inequality

The social injustices that the free market is said to bring in its trail are supposed to be exemplified massively in late nineteenth century laissez-faire England. What critics who cite this phase overlook is that many injustices were for example, once again, a consequence of intervention through the legal system; namely the interference whereby voluntary combinations of workers (i.e. unions) were made illegal. Legal prohibitions on men contracting together to negotiate improved terms and conditions of employment were causally responsible for the perpetuation of a great deal of social injustice which a recognition of their freedom to contract with each other to negotiate terms and conditions would have avoided. The principle of autonomy and the liberty consequent upon it must allow freedom to contract to form unions and freedom of employers and manufacturers to collude over employment and other conditions.

By and large the most important social injustice that the market is said to yield is the very fact of great disparity in wealth and all that goes with it. We have already seen that this massive so-called inequality is an inevitable consequence of the freedoms which flow from the recognition of individual autonomy. It is hardly surprising that the less successful and the less fortunate in the community, motivated as they so often are by envy of the achievers and the receivers, should prefer to couch their claims in the language of justice, equality, and so on.

It is absurd to take the very fact of a great disparity of wealth as itself a form of injustice. And in any case the only way of preventing such an injustice would be by making gifts illegal, bequests illegal, differences in expressed desire to acquire things of value illegal, and so on. By having more of something than someone else you do not thereby violate that person's rights; you do not thereby act unjustly to that person, even if you know of that person's lack and their desire to have it repaired. You may say that it is 'unfair' that e.g. a nice person like so and so has never had anything, and this under-scores a very important point: that the logical consequence of individuals acting freely and, in our hypothetical case, without threat of violence, theft or deception, is **not** necessarily a total situation which we would intuitively describe as fair. It is a mistake to take the probable intuitive unfairness of the distribution of wealth in a free market as something wrong with the free working of the market, for there is no way in which an intervention by the

state could make the distribution fairer without its being an action which violated the rights of individual citizens to hold such property as they have acquired without violence, theft, or deception.

In case this sounds harsh, note that it is not to say that those who are without should be ignored or that their needs and wants would not be attended to. It is a symptom of the extent to which we have become accustomed to thinking of the problems of the poor in welfarist and socialistic ways that we assume that there can be no serious contribution to their problem but a state contribution. Yet a state contribution can only work by violating the rights of the successful and the fortunate, by forcibly taking from them part of their legitimately acquired wealth and giving it away. As the public is increasingly realising, most of even what is destined for the poor does not go to the poor and the needy, but gets diverted to social workers and others who refuse to be so crude as to believe that what the needy need is money. They insert themselves between the tax collector and the needy and absorb money which the tax collector hands out for poverty relief, converting it into tea and waffle.

Now some are inclined to think that regrettable as the growth of pseudo-professions such as social work is, there is no real alternative response to the disparities, inequalities, and 'unfairness' inevitably thrown up by the free working of a free society but a topping up of those on the bottom of the scale. This is to be paid for by those who are better off, partly as a social insurance policy against the aggression and violence to which extreme envy can sometimes lead, and partly out of a genuine sentiment of fellow feeling for those who are badly off. The problem, it is said, is too big for private charity, which in any case could only produce irregular and uncertain responses to the problems. It thus seems to emerge as a legitimate role for the state to play, to monitor, even in a free society, a small and continuing forcible redistribution of wealth towards the unfortunate and the unsuccessful, to contain their envy and diminish their potential for violence. Finally, let us look directly at this question of the positive role of the state.

V. THE PROPER ROLE OF THE STATE

The impression that emerges from the last section is wrong. It is not one of the proper tasks of the state to redistribute part of the legitimately acquired wealth of those who have it amongst those who have not. What is interesting is that even

quite liberal people think that this is proper because they consider private charity as the only alternative. And just as when they use nineteenth century England against the laissez-faire state they forget that it was not then so laissez-faire as to tolerate unions, so, when they talk of charity, they surely have in mind fetes, bingo nights, and other frivolia (frivolous trivia) which seem to be the stock in trade of charity.

The absurdity of all this is that because the government has once again virtually monopolised the charity industry there is very little effort made at imaginative and profitable charity work. A voluntary system of unemployment insurance would be very profitable (especially if innovations were used such as the issuing of bonuses for maintaining continuous regular employment etc.), were it not for the fact that the government has usurped the market. Lotteries and other gambling systems to aid those incapable of earning their livings would be successful if well promoted; especially if our sympathies were appealed to in the promotion, and the more tickets we purchased the greater claim we had on its services should misfortune come our way.

I am sure that in one brainstorming session suggestions ten times more effective and attractive than these could be drafted. I put them forward not as serious proposals in any sense but to indicate that the retreat of the state from the poverty and deprivation industry could open a vast, new, and profitable field for people whose way of making money was to get the rich to aid the poor by trading on the contingency of the rich/poor distinction in a free society of free people.

For those for whom the complete withdrawal of the state from social programs is politically inconceivable, it is enough to note, as free market economists in general and so-called monetarists in particular have noted, that we could save the taxpayers a great deal of money and hence reduce the degree to which their rights are violated in being taxed by having a negative income tax, paying all those below the minimum wage (plus allowances) the minimum wage (plus allowances), and ceasing all direct government services to the poor, pensioners and so on. Social workers and others would then operate only as private agencies appealing competitively for part of the tax disbursement directly to their potential consumers. Business would probably not be brisk but it would be business and only the best would survive.

If the state backs out of the social services area entirely, what role is left for it in a free, liberal society? One part of the answer emerges from the constraints already discussed, and that is that the role of the state is to detect and prevent

violence, theft, and deception. The other part is perhaps consequential - I am not sure - and that is to enforce contracts; to ensure specific performance where appropriate and compensation where specific performance is inappropriate.

More could be said about these topics, especially the proper role of the state, but I hope I have done something, even if largely programatic, to prompt people to question the intellectual orthodoxy that there is a conflict between liberty, justice, and the market, and to take seriously the idea that they provide each other with mutual support.

CIS PUBLICATIONS IN PRINT

READINGS

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