

FREE ENTERPRISE AND COERCION

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IN A WELL-KNOWN SECTION of what has come to be called *Economic and Philosophic Manuscripts of 1844*, Karl Marx argues that in a capitalist economic system "the worker is related to the product of his labour as to an alien object," and

therefore only feels himself outside his work, and in his work feels outside himself. He is at home when he is not working, and when he is working he is not at home. His labour is therefore not voluntary, but coerced; it is forced labour.¹

Furthermore, Marx asserts that "wages are a direct consequence of estranged labour": "for after all in the wage of labour, labour does not appear as an end in itself but as the servant of the wage."² This tight conceptual linkage between capitalism, alienated or estranged (and thus forced) labor, and wages became an important feature of later Marxian thought as well as of socialist economic-political thinking following Marx. It can appear in various forms, versions, or guises. Recently, Profs. Lawrence Crocker and Andrew McLaughlin³ have presented more or less attenuated versions of it. In what follows I shall consider both versions, though I shall deal more fully with Crocker's than with McLaughlin's. I shall assume that other libertarian writers, e.g., Murray Rothbard, have adequately disposed of the doctrine in its original form.

Professor Crocker approaches the situation by asking (in effect) whether a free-enterprise market economy provides the best framework for a free society. He claims that a negative answer is suggested by the (alleged) fact that "coercive wage agreements are fairly common features" of such an economy—"especially, though not exclusively, during relatively hard times."⁴ While I agree with Crocker that a negative answer would be suggested by a fact of this sort, I shall argue that he has not demonstrated that there is such a fact. Furthermore, I shall suggest, in the light of my criticisms, that a free-enterprise market economy is a *sine qua non* of a free society.

Crocker's argument is set forth in stages, at each of which

hypothetical examples are utilized.⁵ First, he describes what he considers to be a clear instance of coercion in a free-enterprise market economy (FEME), involving the sale of fire-fighting equipment in an emergency. Next, he tries to show that the more controversial case of a wage agreement in a FEME also involves coercion. His contention is that the wage-agreement case shares the crucial moral feature of the fire-fighting equipment case. Finally, he maintains that it is legitimate to extrapolate from the foregoing cases to a considerably wider domain of instances, on the ground that the latter exhibit features analogous to those present in the two "natural" emergency cases.

The (allegedly) clear case is the case of Gideon, the town hardware store owner, who, in response to a sudden increase in demand for his special fire-fighting equipment (due to a serious brushfire that has broken out in the community, threatening many homes), increases the price of the equipment tenfold; and who, because of the emergency situation, quickly sells his entire stock at the new, higher price to the threatened homeowners. According to Crocker, Gideon, in proposing the higher price, is making a coercive threat to the homeowners who want to purchase his special equipment—even though he did not start the fire but subsequently helped to fight it himself; he did not withhold the equipment from his customers; and it was not his intention to take advantage of anyone but merely to apply his belief that supply and demand should be the determiner of prices. It is a coercive threat nevertheless "because the moral expectation is that one does not seek a windfall profit at the expense of potential victims of catastrophe." Rather, "in the morally expected course of events in a fire emergency, one either gives away one's stock of fire-fighting equipment or, at worst, sells it at the normal price." Crocker claims that this case should evoke relatively little disagreement—only "the most extreme of free enterprisers" would object—because of "the near universal acceptance of the special moral status of emergency situations," a status that "precludes at least most forms of profiteering."⁶

The more controversial wage-agreement case involves a group of reasonably well-to-do employers who, acting noncollusively in response to a relatively large pool of laborers who are strictly dependent on employment for survival (all of the land and sea is owned or requires equipment or licenses they cannot afford, and there is no welfare system for the able-bodied), make lower and lower wage offers—to the point where a subsistence wage is all that

is offered. Crocker contends that this case is parallel in the relevant respects to the Gideon case and hence that these employers are coercing their employees (or potential employees) into accepting subsistence-level wages.

The existence of several employers does not lessen the coerciveness of their action, for they are all offering equally low wages. If one wished, one might say that it is the collective action of all the employers that is coercing all the employees, rather than that each employer is coercing her or his own workers. Since the workers face the alternative of accepting the subsistence wage offer(s) or starving, their situation may be described as equivalent to the emergency situation of Gideon's customers. The threat to the employees is surely no less than the threat to the beleaguered homeowners. As Crocker puts it,

The duties we owe those who are in danger of starving to death are surely at least as demanding as the duties we owe those who are in danger of having their homes burned. The moral strictures against profiteering in fire equipment apply equally against profiteering in a labor glut.⁷

Moreover, the lack of an established, or normal, price for labor does not represent a relevant difference, since it is not an essential part of either case. What is common to both and crucial to the coercion charge is the existence of morally inadmissible profiteering. Finally, the employers' wage offers are coercive even though the employers did not bring about the oversupply of labor but contributed to birth control campaigns and followed policies that they believed ought to stimulate employment and despite the fact that they have no wish to take advantage of anyone but simply share Gideon's faith in the beneficence of the unfettered market.

Crocker acknowledges that his two cases are extremes. However, he maintains that "emergency morality" can come into play in instances beyond the threat of death or loss of home. He asks us to consider such serious dislocations of one's life as those caused by "being dependent on a miserly and degrading welfare system or having to seek employment which seriously under-utilizes one's skills and abilities." When these kinds of things impend, they generate "the same moral constraints as does a natural emergency."

In particular, no one is permitted to exploit the possibility of such major worsenings of life prospects, by striking the best possible bargain with the individual in question. To do so is coercive.⁸

Crocker concludes that coercive wage agreements are not all that uncommon in free-enterprise economies and from this that a FEME may not be the best framework for a free society.

I shall approach the evaluation of Crocker's analysis and argument by trying to determine what he means by a FEME. Consider the following passage (from the beginning of his paper):

Is it possible for workers in a "free enterprise" market economy to be coerced into accepting the terms of their employment? Conservatives and "libertarians" have thought that it is not, so long as market dynamics are not disturbed by outside forces. I will argue that they are wrong about this.⁹

What Crocker is saying here is that conservatives and libertarians maintain that, if there are no disturbing outside forces in a FEME, then it cannot contain coercive wage agreements; whereas he will argue that, even if there are no disturbing outside forces, agreements of this sort can be found. On either position, the assumption appears to be that we can have a FEME in which there are outside disturbing forces. I contend that this assumption is in conflict with a definition (or partial definition) that is rather common among economists of most persuasions, including conservative and libertarian. According to this definition (or part thereof), a FEME is an economy in which all or nearly all¹⁰ exchanges of goods and services are made on a purely voluntary basis and hence are, by definition, free from the intervention of outside forces—government, organized crime, etc. It is easy to understand why Crocker would shy away from this definition, for it seems to make a coercion charge harder to sustain. How can a truly voluntary exchange economy contain instances of coercion?

But let's assume that this conceptual problem is solvable and that a FEME in Crocker's view is characterized by voluntary exchange in which there are no disturbing outside forces and in which coercion is possible. It is not enough that Crocker show that the cases he talks about are merely logically possible. For if they are such and turn out to be extremely rare, isolated instances of coercion, they will not have the "effect" that he desires and needs. They will not provide an adequate foundation for the claim that a FEME does not provide the best framework for a free society. At any rate, they will provide only a weak logical link between the cases and the claim.

Take the Gideon case. If Gideon and his homeowner-customers were functioning within a FEME (defined in terms of voluntary exchange, etc.) for any length of time, unless this were the first

emergency that involved Gideon, it seems extremely unlikely that these customers would fail to prepare in advance for the possibility of something like a fire emergency. Chances are that most (if not all) of them would know that Gideon jacks up the prices on his products when demand suddenly increases. Their advance preparation could be made either through Gideon's store or through some out-of-town source of supply of fire-fighting equipment. Indeed, if the community had been in existence very long or had wise founders, private fire-fighting companies probably would have been formed and many (perhaps most) of the homeowners in town would have contracted for the requisite services. A moment's thought should show how inconvenient it would be for the homeowners to go to Gideon individually (or even as a group) at the last minute to get the needed equipment, let alone how chaotic the ensuing fire fighting by amateurs would be. (How stupid can the homeowners be assumed to be?)

But even supposing private companies like this are not formed in the community, the chance that a person like Gideon would be in business is very slim. Remember, we are talking about a system in which the moral expectations of the community run counter to Gideon's pricing policies. One or two instances of their application, and Gideon probably would be facing a general boycott. Business people cannot afford to be moral mavericks—in their business dealings, anyway!

It is beyond the scope of this paper to deal adequately with the wage-agreement examples. The issues of economic theory and history are too complex. What I can do is to suggest how a defender of a FEME against Crocker's attack would or might approach them. Perhaps I should say "it," because I shall confine my attention to the subsistence-wage case. One could try to show that this case would arise only in a situation in which a FEME had recently arisen out of—or, in any case, had been preceded by—a controlled or regulated economic system. Historical evidence could be marshalled in support of this contention.¹¹ Crocker sets up the example as one occurring in economic hard times—for the workers (at least). What he fails to consider and deal with is how such hard times developed or could have developed. Furthermore, the very profit-seeking tendencies of the employers would hold a key to the eventual solution of the problem, or dilemma, that their workers face. Most of these profits are not going to sit idle for long, not if the employers are the "types" that Crocker assumes them to be. Some

of their wants are going to be such that they can be satisfied only if higher-than-subsistence wages are offered. Those who are employers are not just employers; they are consumers, too. And some of their employees may be the only ones around who have the requisite skills to satisfy the employers' "extra" wants, e.g., for fancy clothes or foods or guns. Workers often have marketable skills that are not utilized in their regular jobs. Furthermore, it is likely that not all of the results of the efforts of these lowly paid employees will be limited to feeding and clothing themselves and satisfying the desires of their employers. Their labors will give rise to goods or services, some of which will be utilized "abroad" in such a way as to create demands for further goods and services. Human desires, after all, are virtually unlimited. In a FEME, new employers will continually arise, anxious to produce products that will meet previously unfulfilled wants. To obtain employees, these entrepreneurs will have to compete in the labor market. Since human beings don't multiply like rabbits, this will mean that wages will rise. In other words, it is worker productivity that will eventually reduce the labor glut, raise wage levels, and alleviate poverty.¹²

Crocker really never offers anything approximating an explicit or formal definition of a FEME. He merely employs the notion in developing his examples of (alleged) coercion. Or, to put it somewhat more accurately, he uses certain terms or phrases in the course of his discussion, that presumably denote features equivalent to or implicit in—or at least intimately associated with—his concept of a FEME.

If we look closely at his discussion of the Gideon and (primary) wage-agreement cases, we will find a seeming identification of a FEME with an economy in which "supply and demand are left to settle prices on their own" (Gideon case), that is, one in which we find "the unfettered workings of supply and demand" (wage-agreement case).

It is worth noting at this point that the concept of voluntary exchange of goods and services (with the implied freedom from outside forces) is not logically equivalent to the notion of the unfettered workings of supply and demand. True, if the workings of supply and demand are in fact unhampered, then this would entail voluntary exchange. But the converse does not hold. Voluntary exchanges need not conform to the "law" of supply and demand as Crocker conceives it working in his examples. Admittedly, it is like-

ly that they would conform more often in voluntary-exchange economies than in controlled, or hampered, economies.

Let's suppose, for the moment, that the unfettered workings of supply and demand are part, at least, of Crocker's definition of a FEME. Notice the effect this would have on the "status" of the Gideon case, for instance. It is not as if Gideon's application of his principled belief in the unfettered workings of supply and demand were an instance of idiosyncratic, freakish, or aberrant behavior. In a FEME (so defined), this is the way all store owners or business persons would behave or be expected to behave. Strictly speaking, this is what the system would require of them; it would be the norm. Unless they were mavericks, only those who were ignorant of or misunderstood the nature of the system would behave otherwise. Thus, no rational defender of a FEME could successfully downplay the Gideon example as a mere logical possibility or as a situation that need not be more common in a FEME than in a hampered economy. For, assuming the truth of his claim that the Gideon case involves a coercive threat, Crocker's treatment of the unfettered workings of supply and demand as a defining feature of a FEME would virtually guarantee a conflict between economic behavior and moral expectations, and hence of instances of coercion in the system. Only a society free from emergencies would escape this fact.

This way of viewing the nature of a FEME is not without difficulties, however. For one thing, Crocker may be accused of rigging the concept in his favor. It does seem that to make the unfettered workings of supply and demand a defining feature of a FEME is to adopt an unduly and arbitrarily narrow notion of such an economy. Apart from this issue, there is the question whether in a FEME (so defined) the moral expectations of the community would be what Crocker assumes they would be. He seems to take for granted that moral expectations are constants; that they do not or would not vary from one economic system to another. He may well be wrong about this. In a FEME (so defined) "profiteering" in any and all circumstances (including emergencies) may be considered perfectly acceptable from a moral point of view. While it might not be praised, it might not be condemned either. It might be simply viewed as morally permissible.

There is one other feature of a FEME that Crocker might conceivably be taking as defining. This is the notion of private property—or, more accurately, the principle of the right to private

property. Crocker uses the phrase *private property* only once (at the end of the paper) and seems to be treating it there as a substitute for (hence as synonymous with) "free enterprise" in the expression *FEME*. So taken, it would be part of the *definiendum* of a *FEME* rather than part of its *definiens*. However, this may be a mere technicality. Furthermore, since Crocker does use the phrase and, more important, since the unrestricted right to private property is often placed at the foundation of the free-enterprise system, let's consider it as defining and see what happens.

I shall concentrate on one implication that I believe is particularly damaging to Crocker's analysis. As we have seen, Crocker contends that coercion or a coercive threat occurs in each of the cases he deals with. Gideon and the employers have profited in emergency situations in ways, or to degrees, that run counter to the morally expected course of events in such situations. To so act toward their customers or employees is to coerce them. Utilizing the concept of unqualified private property rights, I shall argue that this contention is incorrect. It is incorrect in all of the cases Crocker considers.

Suppose that I have a considerable amount of cash stored in a safe in my home, money to which I have clear legal title of ownership. Suppose that I am sleeping peacefully in my bed one night and suddenly am awakened by an intruder who, holding a gun to my head, says, "Buddy, either you open your safe, or I'll burn down your house." No one familiar with the ordinary everyday use of "coerce" would deny that I am being coerced by the intruder. If there is a paradigm example of coercion or of a coercive threat, this is one. Moreover, it contains all of the features Crocker deems essential to sustain a coercion charge: I face an emergency caused by the intruder's actions; and the intruder, through those actions, seeks to profit handsomely in a way that runs counter to the morally expected course of events. It also contains a further feature, absent from Crocker's examples, that is necessary to make the coercion charge stick. I am being confronted by the intruder with a choice between two things that I rightfully own: my money and my home. I am being told that I have to give up one or the other; one of two pieces of my property is going to be taken from me whether I like it or not.

This is not what is happening in the Gideon case. Gideon is not threatening to take some of his customers' property from them regardless of their wishes. If he is threatening them at all, the threat

is merely to refrain from selling them something that he (Gideon) rightfully owns. Unless they meet his asking price for the fire-fighting equipment, he won't transfer title of ownership of it to them. True, in raising the price of the equipment he is making use of the fact that the contingencies of the situation have threatened his customers. But it does not follow from this that *he* is coercing or coercively threatening them. While it may be immoral in some instances, the mere refusal to exchange one's justly acquired property except on terms that one stipulates is not coercive or a coercive threat—regardless of the circumstances. To say otherwise is to qualify or circumscribe the right to private property, a move that is ruled out *ex hypothesi*.

Similar considerations apply to the wage-agreement cases. Those who apply for jobs (i.e., potential employees) are asking to exchange their labor (which is their own) for something else (not their own) that *they* value more (usually their potential employers' money). Those who are taking job applications (i.e., potential employers) are doing the same kind of thing in reverse: they want to exchange their money or wealth for something else *they* value more (someone else's labor and the expected results of such). As long as the exchange that may take place is mutually and voluntarily agreed upon, there is no coercive threat involved. If the employers are threatening their low-paid employees at all, the threat is merely to refrain from continuing to hire them above a certain wage or wage rate. True, the employers in Crocker's example are making use of the fact that the contingencies of the situation have threatened their employees (with the prospect of starvation). But it does not follow from this that *they* are coercively threatening them, even though their actions are contrary to the morally expected course of events. While it may be immoral in certain circumstances, mere refusal to part with more of one's money or wealth than is necessary to secure a certain quantity and quality of labor is never coercive. Again, to say otherwise is to qualify or circumscribe the right to private property.

It should take little imagination to apply the preceding analysis to the "dislocation-of-one's-life" example that Crocker cites. It may be immoral, but it is not coercive to exploit a major worsening of the life prospects of others by striking the best possible bargain with them.²⁹ At any rate, it is not coercive in a FEME, a defining feature of which is the unrestricted right to private property.

Let me make it clear that I am not arguing that coercion has

nothing to do with emergency situations, going against moral expectations, or confronting people with awkward, unpleasant dilemmas. Each of these may be necessary for its presence. I am claiming simply that the conditions Crocker lays down are not, as he claims, collectively sufficient to sustain a coercion charge. Some violation or threatened violation of a property right must be involved. In none of the cases he discusses is this proviso met: not in the Gideon case and not in the other cases he bases on it.

I realize that considerably more would have to be said to decisively confirm my contention that the occurrence of a property rights violation is a necessary condition for the occurrence of a coercive action. For instance, I would have to deal with the objection that there are instances of coercion or coercive threats that do not seem to involve property at all, e.g., someone saying menacingly to a companion, "Give me a kiss, or I'll hit you." What is required to successfully rebut this charge is a thorough-going elucidation of the concept of property. Obviously, I cannot provide such here. The following remarks will have to suffice.

Recently, F. A. Harper, a writer in the libertarian tradition, offered this definition of *property*:

Property is anything to which value attaches and endures in the time dimension, so long as it is susceptible to identification and is also possible of separation enough so that it may be exchanged from one person to another; it may be tangible or intangible, provided these features of identifiable and durable worth inhere.¹⁴

Too often in discussions of the free-enterprise system the concept of property is given an unduly narrow or limited connotation. This is not true of Harper's definition. Indeed, some might claim that it is too broad. Be this as it may, I would suggest that it accords reasonably well with the functioning of the term in contemporary economic thought—particularly libertarian. I might add, parenthetically, that there is no problem in conceiving kisses and bodily blows (or, if you prefer, lips and injured bodily parts) as property under this definition.¹⁵

It is unfortunate that Crocker did not define or explicate the crucial notion of a FEME. This is a definite lacuna in his analysis. My attempt has been to fill the gap (at least partially) and then to show that troubles emerge at every step.

I suppose that Crocker could try to "stop me at the pass," so to speak, by claiming that he is operating with a loose, open (perhaps family resemblance) concept of a FEME. I am not at all sure,

however, that Crocker is free to utilize a concept that contains no necessary or sufficient conditions (only strands of similarities) for its proper use. By his own statement, it is the answer of conservatives and libertarians to the coercion/wage-agreement question that he rejects. He does not reject the question itself, so he needs to be using the same notion of a FEME as his opponents. I would contend that leading conservative and libertarian economists and political thinkers operate with a fairly tight, at least partially closed, concept.¹⁶ The idea of voluntary exchange and the private property principle are normally necessary conditions for their use of FEME. Taken together, they may even be sufficient conditions for its use. Indeed, talking about taking them together may be misleading; they may be inseparable aspects of one and the same idea.

But let us suppose that Crocker can somehow circumvent this problem and show that the employment of a loose, open concept of a FEME is admissible in this context. My complaint is that he should have openly acknowledged this and developed the notion, at least to some extent. Had he done so, he undoubtedly would have been able to avoid or weaken some of my criticisms. Others, though, probably would continue in force. For example, I think I could sustain the key charge against his coercion criterion, for I believe that a property rights violation (properly understood) is an essential feature of any coercive action. Yet, even if I am wrong about this, I think it is possible to sustain my attack on Crocker's criterion of coercion on additional grounds, grounds that make no explicit reference to property rights.

It seems to me that a feature that characterizes many coercive situations is this: that as a direct result of the coercer's actions, *ceteris paribus*, the coerced is left with a set of options (choices, alternatives) less desirable or pleasant than he or she had before encountering the coercer—or, at any rate, the coerced is less able to exercise these previous options. Thus, as a direct result of the intruder's actions, I face a set of options less desirable or pleasant than I faced before he or she broke into my home. I am confronted with a dilemma that I did not have previously, and it was the intruder who confronted me with it. In contrast, Gideon's customers had a problem before they arrived at his store. They had to get some fire-fighting equipment of some sort or face the prospect of burned homes. Gideon did not contribute to that problem or dilemma. Indeed, he offered a solution to it. Granted, the solution he offered was not the best possible from the moral point of view of the

community. Nevertheless, it was the best one available to the customers at the time; if it had not seemed so, they would not have consented to purchase Gideon's special equipment at the higher price. Thus, Gideon enabled his customers to exercise an option that they would not have been able to exercise otherwise. Likewise, the low-paid employees' prospect of starving as an alternative to working for the employers was not created by the employers. It was there at the time the workers applied for their jobs or agreed to continue working at them. In hiring or continuing to hire them, even at subsistence-level wages, the employers enabled these workers to solve their problem. Granted, it was not the best possible solution, but it was the best available to the employees. It was a genuine alternative to starving. In the absence of the employers, the employees would not have been able to exercise the work option. Since it is obvious that the same kinds of considerations apply, the articulation of the dislocation-of-one's-life case will not be necessary.

While I am not prepared to assert that the feature I have just called upon to differentiate coercive from noncoercive situations constitutes an unqualified refutation of Crocker's claim that his cases involve coercion, I do believe that it is sufficiently compelling to throw that claim into significant doubt. And this is enough for my purpose.

It would be difficult to sum up all of the various facets of my criticism of Crocker's analysis and argument. Fortunately, this is not necessary. All I need to say is that I believe that I have shown that Crocker has not demonstrated that coercive wage agreements are fairly common features of a FEME. He has not shown that the fire-fighting equipment (Gideon) example is a clear case of coercion in a FEME, and he has not shown that the wage-agreement cases he bases on it are instances of coercion. Therefore, he has not provided an adequate foundation for the suggestion that a FEME may not offer the best framework for a free society.

Furthermore, if I am correct in my contention concerning how conservatives and libertarians tend to use the expression *FEME*, and if I have made an effective case against Crocker's criterion of coerciveness, then I have provided strong grounds for the suggestion that a FEME is a *sine qua non* of a free society—if by the latter is meant a society in which no one is permitted to aggress against the person or property of another.

Since he offers no explanation at all of the notion of a free soci-

ety, Crocker has no basis in his paper for quarreling with me concerning its adequacy. Not so as regards Professor McLaughlin. In his paper, he distinguishes between two "elements" of freedom, arguing that "human freedom involves much more than simply the absence of overt coercion. While this is one element of freedom, another is the absence of . . . systematic coercion."¹⁷ According to McLaughlin, *overt* coercion occurs when one person, A, threatens another person, B, with injury unless B acts or refrains from acting in some particular way; whereas *systematic* coercion occurs when there is a systematic structuring of alternatives B faces in a choice situation. The contention is that, although capitalism is opposed to overt coercion, the presence—indeed, the flourishing—of systematic coercion is an inherent feature of the capitalist system. Explicitly following Marx on this point, McLaughlin asserts that workers under capitalism find themselves with options as

to whom to work for, but they *are* forced to work. They *must* hire themselves out to those who own the means of production. Their range of alternatives simply is narrowed by the social structure within which they live. And this must be seen as an important dimension of unfreedom under capitalism.¹⁸

While there are other systematic coercions in capitalism (e.g., the manpower "channeling" process pursued by the Selective Service system), "the basic coercion on which the capitalist system operates is the necessity to enter into the economy in some way"; workers must "enter in some way into the market system and earn a living—or else live a life of poverty."¹⁹ Ergo, capitalism (and, correlatively, a FEME) cannot be the *sine qua non* of a free society, since it is antithetical to freedom, properly understood.

This is an important challenge to the position I am defending, and I must make an attempt to meet it. First, let us look at McLaughlin's manner of expressing the distinction between the two (supposed) "elements" of freedom. I think that we will find that his manner of expression represents a misleading use of the term *overt*, which tends to mask the real relation of subsumption between so-called overt coercion and so-called systematic coercion (i.e., insofar as the latter is indeed coercive).

In ordinary parlance, the opposite of *overt* is *covert*. Accordingly, we might have expected McLaughlin to use this terminology in putting forth the distinction between the two primary categories of coercion. There *is* evidence in the paper that he views systematic coercion as covert in nature. He refers to Selective Service channel-

ing as "not overt and readily visible,"²⁰ and this clearly suggests that the term *covert* would be appropriate. The same designation would appear warranted in connection with the (supposed) basic systematic coercion of capitalism, the necessity of workers' labor. These are the only two examples of systematic coercion that McLaughlin elaborates on. If he were to have made his basic distinction between overt and covert coercion—and I believe he should have—then systematic coercion would clearly be seen as a species of, or at most coextensive with, covert coercion. (Is there any reason to believe that the only type of covert coercion is systematic?) To repeat, had the basic distinction been drawn in terms of "overt" and "covert" coercion rather than between "overt" and "systematic" coercion, and had the ordinary meanings of these terms been utilized (i.e., had the usual relationship between overtness and covertness been upheld), then it would be apparent that there is no generic difference between overt coercion and covert coercion and that the very notion of covert coercion is parasitic, so to speak, on the notion of overt coercion. Covert coercion is simply coercion in which the key aspect of threatened injury—in the light of my earlier analysis, I would prefer to say "threatened violation of a private property right"—is concealed or disguised. Selective Service channeling seems to be a clear instance of this. The program of student deferments, which served to "channel" certain young men into certain educational pursuits, worked because the threat of induction lay in the background.²¹ (One might argue that the threat did not lie very far in the background, in which case it might be more accurate to call the coercion overt rather than covert.) Thus, systematic coercion, as a form of covert coercion, is not a qualitatively distinct kind of coercion, entirely separate from so-called overt coercion. Rather, to the extent that it is a meaningful notion, it may be subsumed under the heading of overt coercion—or, better, under coercion *simpliciter*.

The implication, then, is that, insofar as it is a coherent concept, systematic coercion should be subsumed under the notion of coercion that McLaughlin allows capitalism to be opposed to. To put the matter somewhat differently: to the extent that systematic coercion is genuinely coercive, it falls under the heading of what McLaughlin misleadingly calls overt coercion and what would be better called simply coercion. Within this concept of coercion, it would of course make sense to distinguish between coercion in its more overt forms and coercion in its less overt, or covert, forms.

By implication, then, capitalism's concept of freedom is vindicated.

Actually, if one looks closely at the *definiens* of McLaughlin's definition of overt coercion, one should see that it is worded in such a way as to allow for both overt and covert forms of coercion. The threat of injury need not be open and explicit; it may be veiled or concealed or disguised. Who can say that this is not what happened when government spokespersons appeared on television "promoting" compliance with the laws concerning registration for a possible draft or with laws concerning federal census taking. In some instances, no mention was made by them of any of the fines or prison sentences for noncompliance. The "eligible" viewer was told to comply because it is the right or patriotic thing to do.

McLaughlin might concede that this criticism is valid with respect to these cases and even with respect to his Selective Service channeling example. But he surely would not admit its force in regard to what he considers the basic coercion in capitalism, viz., the necessity of labor. He might insist that the crucial notion in coercion, the notion or feature that overt coercion and systematic coercion have in common, is the restricting or narrowing of alternatives that the individual faces in a choice situation—not the notion of threat of injury. The necessity of labor under capitalism, he could say, is clearly an instance of the narrowing of individual workers' alternatives, even though no threat of injury by any other agents or individuals is involved, either directly or indirectly, guilelessly or subtly.

I attempted to anticipate this line of response in my criticism when I introduced a qualifier concerning the extent to which the concept of systematic coercion is meaningful. I now want to argue that, insofar as so-called systematic coercion is not reducible to overt or covert coercion (as these notions were delineated above), it is a spurious concept.

First, let us consider the *definiens* of that concept. Is McLaughlin saying that every instance of structuring (hence narrowing) of alternatives facing a choosing individual constitutes an instance of systematic coercion? It is necessary for humans to exhale and inhale air and to ingest nutrients in order to survive on this planet, and these requirements "structure" the range of alternatives available to them in the sense of structuring that McLaughlin has in mind. Yet it would be an unwarranted stretching of the use of the term (perhaps in the service of an atavistic anthropomorphism?) to

call the restrictions nature places on our choices coercive. We do say that we are *forced* to breathe and to eat, but this only helps to show that not all forcing is coercing. Usually no one forces us to breathe or eat, and to say that nature does is to speak metaphorically or figuratively. And what about the necessity for human labor? Isn't this as much an "imposition" by nature as the necessity of breathing air or eating food? McLaughlin does address this point, admitting that the objection has "some force." The logic of his position forces (coerces?) him to acknowledge that "freedom really requires the abolition of labor." This in turn forces him to qualify his criticism of capitalism vis-a-vis freedom. Since all known (and perhaps all possible) politico-economic systems would inherently contain this kind of systematic coercion to some extent, he must weaken his contention to the implicitly relational claim that "capitalism does nothing to diminish this element of systematic coercion and, in fact, thrives upon it."²² The implication, of course, is that other conceivable systems do things to diminish this type of coercion.

I shall have nothing further to say in this paper about these empirico-evaluative claims to which McLaughlin is driven by the logic of his argument. To deal with these issues responsibly would lead me into a full-scale discussion of the views of the master himself, since in these respects McLaughlin presents what amounts to a warmed-over Marxist argument. (The reader will recall that I demurred from this kind of task on the grounds that others have successfully addressed it.) In what follows, I shall focus exclusively on the conceptual or linguistic issues at stake.

In my opinion, McLaughlin's whole manner of arguing at this stage in his discussion betrays the linguistic mischief in which he is engaged. The notion of coercion (and freedom) that he is trying to persuade us to accept has little, if any, relevance to the context of politics and economics. In such a context, it must be empirically possible for people—in this case, workers—to be sometimes coerced and sometimes not. The implication of McLaughlin's admission that freedom requires the abolition of labor is that no worker is ever free (fully free, that is). Freedom will come to workers only with the death of politics and economics. Ironically, McLaughlin uses an analogous line of argument to dispose of the existentialist view that we are free even in the most extreme of cases, such as the threat of death. He quite rightly points out that this view, which equates freedom with the mere presence of options, implies that we

are always free and accordingly is irrelevant to politico-economic contexts. A key premise of his argument is that "we surely want to have a notion of freedom where sometimes people are free and sometimes they are not."²³ Unwittingly, he has set the stage for the destruction of his own position.

There are yet other parts of McLaughlin's discussion that serve to cast doubt on his notion of systematic coercion. He asserts that the socialization process, which he defines as "a process that implants socially necessary values, goals, or aspirations within individuals," is "an even more profound aspect of social control that goes beyond simply the structuring of alternatives."²⁴ Yet he denies that this process is coercive. I find this odd. If the structuring of alternatives is the key common feature between overt and systematic coercion, then why isn't the structuring-of-alternatives-plus—which is what socialization is—coercive? I suspect that McLaughlin does not and, for good reasons, cannot consistently maintain that the structuring of alternatives is the common feature that justifies calling systematic coercion coercive. To do so opens the door to calling far more things coercive than even he wishes to.

Is there any way for McLaughlin to avoid the charge that his use of coercion in the expression *systematic coercion* is arbitrary and misleading? Can he somehow recur to the feature of threat of injury as the key common feature of coerciveness? He could distinguish between threats of injury by other agents and threats of injury by the system itself and argue that, whereas overt coercion involves threats of injury by other agents, systematic coercion involves threats of injury by the system itself. It does seem possible to interpret *systematic coercion* as referring to the structuring by the system of alternatives facing the individual in a choice situation. However, this interpretation runs into a problem analogous to that with such expressions as "Nature imposes its will on us" and "Nature forces us to breathe and eat," which can hardly be taken other than metaphorically or figuratively. It doesn't make any more literal sense to say that a system, whether natural or humanly derived, coerces someone than it does to say that if I kick a stone in anger I have coerced it into moving. To treat such expressions literally seems to involve a category mistake. Taken literally, coercion is a relation obtaining exclusively between individuals acting alone or in concert with other individuals. Another problem is the same as one encountered with a previous interpretation—the problem of "proving too much." Once we allow an economic system

itself to make injurious threats, what about nature? And what about the socialization process as such? Coercion becomes an utterly pervasive phenomenon. I consider this to be a clear *reductio ad absurdum* of McLaughlin's view of systematic coercion.

To sum up: In my attack on the conceptual basis of McLaughlin's distinction between overt coercion and systematic coercion, I have attempted to show, through a variety of linguistic considerations, that what he calls systematic coercion is not a genuine or bona fide form of coercion independent of, yet coordinate with, what he calls overt coercion. In other words, I have tried to demonstrate that overt coercion and systematic coercion, as he defines them, are not species of the same genus; that systematic coercion is not coercive per se, or at any rate not in the same sense of *coercion* as is overt coercion and certainly not in any commonly recognized or nonarbitrary and nonmisleading sense of the term in a politico-economic context; and that what McLaughlin calls systematic coercion and the things he says are systematically coercive are coercive when and only to the extent that they involve the threat of injury, overt or covert, by other individuals (i.e., coercion, properly construed). Thus, I conclude that McLaughlin's argument does not undermine my contention that a FEME is a *sine qua non* of a free society, when the latter is identified with a society in which no one is permitted to aggress against the person or property of another. This notion of freedom appears to be a perfectly adequate one in a politico-economic context.²⁵

1. Robert C. Tucker, ed., *The Marx-Engels Reader*, 2d ed. (New York: W. W. Norton, 1978), pp. 72, 74.

2. *Ibid.*, pp. 80, 79.

3. Lawrence Crocker, "Coercion and the Wage Agreement," *Personalist* 59, no. 1 (Jan. 1978): 78-81; Andrew McLaughlin, "Freedom versus Capitalism," in *Outside Looking In*, ed. Dorothy James (New York: Harper & Row, 1972), pp. 120-40.

4. Crocker, "Coercion and the Wage Agreement," pp. 80-81.

5. In his discussion of the original (i.e., subsistence-level) wage-agreement case, Crocker alludes to "a case which arose in the nineteenth century and still occurs in some countries today—including advanced ones" (*ibid.*, p. 80). However, it is merely an allusion; no specific reference or description is provided.

6. *Ibid.*, pp. 79-80.

7. *Ibid.*, p. 80.

8. Ibid.

9. Ibid., p. 78.

10. Those who advocate strictly limited government (or the so-called minimal, or nightwatchman, state), yet who also describe themselves as supporters of a FEME, undoubtedly would exclude the provision of goods and services for defense (e.g., military hardware, police protection, judicial findings) from the free market. On the assumption that there is coercive taxation of some sort in the most limited of governments, the goods and services they provide would not be the result of purely voluntary exchanges. However, this "qualification" in the definition should not affect in any material way the point I am trying to make here concerning disturbing outside forces, for the distinction at issue is not an object of concern in Crocker's analysis.

11. See Ludwig von Mises, *Human Action* 3d ed., rev. (Chicago: Henry Regnery, 1963), pp. 602-10, 835ff.

12. For an extended discussion of this point, see Henry Hazlitt, *The Conquest of Poverty* (New Rochelle, N.Y.: Arlington House, 1973).

13. For two recent discussions that bear in a supportive way upon key points in my analyses of these examples, see Ferdinand Schoeman, "Responsibility and the Problem of Induced Desires," *Philosophical Studies* 34 (1978): 293-301; and Eric Mack, "Bad Samaritanism and the Causation of Harm," *Philosophy and Public Affairs* 9, no. 3 (Spring 1980): 230-59.

14. F. A. Harper, "Property in Its Primary Form," in *Property in a Humane Economy*, ed. Samuel L. Blumenfeld (LaSalle, Ill.: Open Court, 1974), pp. 17-18.

15. Another concept that would require explanation in the discussion of my contention concerning property rights violations is the concept of ownership. For Harper's definition and discussion, see *ibid.*, p. 18.

16. I have in mind works of such writers as John Chamberlain, Milton Friedman, John Hospers, Ludwig von Mises, Friedrich von Hayek, Murray Rothbard, Ludwig Lachmann, and Israel Kirzner.

17. McLaughlin, "Freedom versus Capitalism," p. 130.

18. *Ibid.*, pp. 129-30.

19. *Ibid.*, p. 131.

20. *Ibid.*, p. 129.

21. It is on these grounds that I would question, in the light of my earlier analysis of a FEME, whether a Selective Service system would be found in a "pure" capitalist system. But for the sake of argument, I will let the example stand.

22. McLaughlin, pp. 131-32.

23. *Ibid.*, p. 126.

24. *Ibid.*, p. 133, emphasis added.

25. I want to express appreciation to my colleague, Sara Shute, for her valuable comments and criticisms on the original version of this paper. I also want to thank the editor for his suggestions for expanding it. I believe that the result is better than it would have been in the absence of their help. Nevertheless, I must take full responsibility for any faults that may remain.