

*A Theory of Socialism and Capitalism.* By Hans-Hermann Hoppe. Kluwer Academic Publishers, 1989.

**H**ans-Hermann Hoppe, a professor of economics at the University of Las Vegas, Nevada, attempts to show that certain presuppositions are implicit in any argumentation, and that principles supporting laissez-faire capitalism deductively follow from such presuppositions. Hoppe's claim that anyone who engages in argumentation must recognize certain norms should not, I think, be terribly controversial. In order to genuinely argue, one must appeal to and use reason and persuasion, and any attempt to deny this would itself involve reason and persuasion, thus vindicating the claim that argumentation involves the adoption of certain norms. What makes Hoppe's view arresting is that he also maintains (a) that as long as there is argumentation one must presuppose the norm that "everyone has the right of exclusive control over his own body as his instrument of action and cognition" (p. 132) and (b) that a Lockean-entitlement view of private property rights follows from that right.

Hoppe's support for (a) is that argumentation involves attempts at justification, and justification is incompatible with the use of coercion against one's argumentative disputant. However, while it is true that argumentation implies a commitment to using persuasion and reason rather than force and coercion, this does not show that anyone who engages in argumentation presupposes the *right* to control one's own body. To make out his claim, Hoppe needs to show that the parties to an argument must employ or recognize the concept of a right—as opposed to say, merely using other ethical concepts, such as "ought"—and nowhere does Hoppe even address this issue. However, let us suppose, for the sake of the argument, that Hoppe could show this—perhaps it can be shown that the concept of a moral right is one any arguer must implicitly presuppose. It's not entirely clear that, *if* rights must be implicitly recognized in order to engage in argumentation, that the right which is recognized is "the individual's property right in his own body" (p. 132). Genuine argumentation requires that each party must appeal to reasons and persuasion rather than threats and force; if a recognition of rights is involved here, it would seem to be the right to freedom of *thought* (or something along those lines). True, in order that one be able to exercise such a right, a certain degree of bodily autonomy must be

recognized, but this does not seem to be equivalent to a property right in one's own body, in the Lockean sense that Hoppe intends.

Again, let us suppose that I am wrong about all this, and that as long as there is argumentation one must presuppose the recognition of a property right in each person's body. A crucial question is: what is the scope of this right? Hoppe seems to believe that the recognition of this right extends beyond the context of argumentation. The basis of this belief seems to be the view that "argumentation implies that a proposition claims *universal* acceptability, or, should it be a norm proposal, that is 'universalizable'" (p. 131, his emphasis). Thus presumably Hoppe would say that if one recognizes the right to control one's own body in the context of argumentation, one must recognize it in any context. This is a big mistake, as Hoppe misconstrues the nature of universalizability in ethical argumentation. Universalizability in ethics means, roughly, that if someone says *A* ought to do *X* in situation *S*, or that *A* has a right to do *X* in situation *S*, etc., then one cannot deny that *B* ought (has a right) to do *X* in situation *S*, or that *A* ought (has a right) to do *X* in a situation *T*, *unless* one can point to a morally relevant difference between persons *A* and *B* or situations *S* and *T*.<sup>1</sup> Thus even if I am wrong and any arguer must grant the right to property in each person's body while one is arguing, it doesn't follow that one must grant this right in all contexts: for there is no doubt that many people will argue that there is a morally relevant difference between the context of argumentation and other contexts such that a right granted in the former context does not imply the same right must be granted elsewhere. In order, then, for Hoppe to use the universalizability criterion to show that a right granted in the context of argumentation must be granted elsewhere, he must show the failure of all views that there is a morally relevant difference between argumentation and other contexts. This he does not even attempt to do.

The above problems pretty much wreck Hoppe's derivation. In fact the news gets worse: not only does Hoppe's derivation of a property right in each person's body fail, but his attempt to show that robust private property rights in nonhuman resources follow from the former right also fails. First, he argues that if no one had the right to acquire and control anything except his own body, "then we would all cease to exist" (p. 135). This is just wrong: lacking rights to control external objects does not mean that one *in fact* could not control such objects; though life might be, à la Hobbes, nasty, brutish and short without the recognition of such rights, it would hardly be over. Then Hoppe argues that once one grants that there must be a right to acquire and control external goods, the choices are between a Lockean-entitlement view of external property rights, and a view that one can acquire property titles simply by verbal declaration. Of course he has no problem showing the defects of the latter view. But this is a blatant example of the fallacy of false alternatives: there are other, more reasonable, alternatives to a Lockean-entitlement

view of property rights than the view that property titles arise simply by verbal declaration! To maintain his restricted view of the alternatives to a Lockean-entitlement view, Hoppe would have to show that all the alternatives to that view reduce to the claim that property titles can arise simply by verbal declaration, and this he does not do.

Since Hoppe's ethical derivation of laissez-faire is a complete failure, does this mean his book should be passed up? Not necessarily. I have focused on only one of the ten chapters in the book. The other chapters have much that is worth reading. A number of these are devoted to showing that the various forms of interference with and restriction of robust private property rights—all of these are viewed by Hoppe as forms of socialism<sup>2</sup>—restrict the overall level of wealth. Most of this is clear and well-argued. While this material will be largely familiar to those well versed in free market economics, particularly the Austrian school, Hoppe does succinctly summarize a lot of this material, which will be useful to those who may not have read it or be that familiar with it. The same point applies to Hoppe's discussion of the alleged problem of monopoly in capitalism. This cannot be said, however, of Hoppe's discussion of the public goods problem, where Hoppe argues that there is no problem whatsoever, since if consumers do not choose on the free market to purchase such goods (or only a low level of these goods) then this shows that they are not really desired over private goods (or that only a low level is desired). This argument rather amazingly ignores the whole literature on prisoners' dilemmas.

So: if you want a clear account of how various forms of interferences with laissez-faire reduce the overall wealth of a society, (parts of) Hoppe's book may be for you. But if you are looking for a well-argued ethical foundation for laissez-faire, *A Theory of Socialism and Capitalism* is hardly a must-read.

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1. Hoppe *seems* to recognize this idea, for he does say at one point that the universalizability principle is compatible with making distinctions between people if "this is founded in the nature of things" (p. 132). But he never discusses how someone might argue that "in the nature of things" there are bases for making such distinctions.

2. Hoppe uses "capitalism" so that it is equivalent to pure laissez-faire capitalism, indeed, so it is equivalent to free market anarchism. So for Hoppe, "socialism" refers to any interference with laissez-faire. I think this is a mistake, but lack of space prevents me from discussing this issue.

## BOOKS RECEIVED

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