

Hudson, William E. *The Libertarian Illusion*. Washington: CQ Press, 2008.

A possible project that might have been intended under the title of this book would be to show that the libertarian idea makes no sense, is an “illusion” in that there isn't really a theory here at all, contrary to what its proponents seem to think. Libertarian theorists certainly need to strive to refute that charge, and I am ready to look carefully at arguments to that effect. That is not what this book is about, however. This is a hands-on book about public policy, identifying various trends and policy options as libertarian, on the basis of a not very profound analysis of what the theory is, and, to a very large extent, an identification of various options from writers assumed or claimed to be libertarian. One is tempted to say that what the author is discussing is current American pop-libertarianism—not a carefully worked out theory together with attempts to show just what policy implications might follow, but a collection of seat-of-the-pants reactions by assorted writers with varying credentials as theorists. That is, what we have here is contemporary American political discussion. That this makes quite a difference will, I hope, be illustrated in the ensuing discussion.

One happiness in the opening chapter is the use of the chart (p. 6), familiar to libertarians today, locating libertarianism in relation to familiar distinctions of “right” and “left” by mapping out a distinction of “individual autonomy” and “community/government control” against a distinction between economic and social issues. Libertarianism is then defined as individualistic in relation to both sorts of issues, by contrast with contemporary “conservatives” who are (supposedly) individualist in economics but communitarian on social issues and contemporary “liberals” who are (supposedly) communitarian on economic matters but individualist on social issues. For those of us who view all political movements of the present day as incoherent mixtures of popular prejudices about everything, the chart is bound to be very rough and of limited use, but it is certainly a marked improvement over identifications of libertarianism with contemporary Republicanism or “conservatism.” But the devil, as so often, will be in the details. (And indeed, the author is guilty enough on such counts.) But still, this is an interesting enough book to make one think.

The substantial policy discussions are found in chapters 2-6, which concern taxing and spending, deregulation, social security, health care, and issues about “birth and death”—namely, abortion and voluntary euthanasia. Each discussion is of considerable interest in what it shows about the impression contemporary students of public affairs have of the libertarian agenda and analysis. Chapter 2, a lengthy discussion of fiscal policy, reflects the incomprehensible identification of libertarianism with a passion for

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reducing taxes irrespective of what it does to spending. Taxation, of course, looks objectionable to us because it is objectionable—that is, subject to the accusation of being something like official theft, and maybe even, à la Nozick's famous discussion, slavery. But government deficits, after all, amount to the same thing. To object to taxing but not to spending is obviously antilibertarian on any serious understanding of the view—apart from being (to put it somewhat bluntly)—just plain stupid. Those who combine those two tendencies do nothing to help the public image of libertarianism, whatever else they do.

That said, one also can point to Hudson's outdated perceptions about Keynesian economics, use of the Laffer curve, and other technicalia, none of which can be gone into in a review of this length but which may serve to put readers on their guard. And then there is the familiar idea that we just couldn't have a market economy at all without lots of government mucking around. And finally, he has the view that after all, the welfare state and its accompaniments are important public goods that we can't do without, so who can be against lots of "public" (by which, of course, is meant *government*) expenditures on those worthy objects? No doubt a lot of readers will nod their heads at such assertions, but nobody ready to take libertarianism seriously will do so.

We should, though, enter a query about the supposedly fundamental distinction invoked between "community" and "the individual." As various people have taken pains to point out, the community consists of individuals, so the idea that the latter can flourish while the former languish doesn't actually make any sense. So if there is to be a contrast here, it needs clarifying. And I suspect that when so clarified, what we will find is a contrast between *involuntary* impositions, by bureaucrats who don't have to ask, on a lot of people who didn't have any choice in the matter, for the supposed benefits of others. And meanwhile, it was those latter people—the taxpayers—whose *voluntary* exertions and expenditures were what made possible the wealth extracted for the purpose.

Voluntary dealings generally may be presumed to benefit all parties to them (which is why they engage in them). That presumption is a lot shakier when some of the parties pay without being able to say no, and some of the others benefit without having had to ask those who provided them. But why do we get to identify the involuntary sector with "community" (hooray!) while the voluntary sector is passed off (sneer!) as irresponsibly individualistic?

Another point along the same general line is that what Hudson means by "community good" seems to be *American* good. The community to which he thinks we are supposed to subordinate ourselves is not, as one might imagine, the "community" of mankind in general, nor is it any of innumerable lesser groups whose boundaries do not coincide with those of any particular political community. This is coordinate with my previous point, of course.

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The involuntary sector in general is the political sector, with few exceptions. Some agency with political power is to use it in order to promote the supposed good of the particular set of people that agency's power extends to—no more. So regarding health care, Hudson is all for hefty taxes in order to shore up the situations of “the” very old—so long as they are fellow Americans. I expect he'd be less comfortable with the proposal to impose far heavier taxes on all of us in order to help out the aged in the rest of the world. But why? Why, in other words, is “the” community this one particular country, the U.S.A.? That is the question libertarian critics always want to put to proponents of “social justice”: How is it that “social justice” stops at the borders of the state over which a certain government happens to wield enormous power? And, suppose that a particular unusually wealthy American state came up with a health plan enormously benefiting the very sick and elderly in *that* state (at suitably high imposed costs on the rest of the people of that state), though doing nothing for the state next door? What would Hudson say about that case? Perhaps that the federal government should step in and make sure that everybody else gets one, too? If so, that raises the same question: Why is the selected community that one in particular rather than some other among the indefinite multitude of communities in the world?

Hudson is also not interested in the possibility that some people do not actually deserve the hefty expenditures on their part that will be entailed by compulsory social programs. One does not, evidently, need to do anything to merit the expensive attention of one's fellows (so long, of course, as they are fellow X-ians, where X is the nation-state occupied by both). This large theoretical issue is not discussed by Hudson, who simply takes it for granted that “we” should do whatever promotes the health and welfare of our fellow citizens, no matter what they have or have not done to get into the condition they are in, or to produce the wealth expended on that promotion. Libertarian readers may be inclined to stop right there, true. But a lot of libertarians think that liberty will produce the kind of good results Hudson takes to be obviously worthy objects of promotion, and it's of interest to consider whether he is right in claiming that libertarian policies do something more like the reverse.

Hudson's second chapter, “Taxing and Spending: Community Needs versus Private Wants,” is largely concerned with American federal monetary and fiscal policy: “Under the spell of the libertarian illusion, budgetary policy, in particular tax policy, has undermined the common good.” Namely, this has “led to tax policies that deprive the government of what it needs to provide public goods” (pp. 31-32). In the background to his discussion of the contemporary situation, Hudson shows that he is under the thrall of the “standard view” of the Great Depression, instead of appreciating the by-now fairly familiar analysis that the catastrophe was due to American government mismanagement of the economy, and especially of its monetary system. He also endorses Keynesianism more or less whole hog, though that melancholy

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era in economic theory has, one hoped, been interred some time ago. But the substance of his chapter consists in attributing to libertarians the absurd view that we should cut taxes without correspondingly cutting government expenditures. Since an inflation-inducing deficit is as much a tax as a tax in the usual sense of the term, this whole chapter would seem to be based on a misunderstanding.

Hudson's next chapter, on deregulation, is more interesting. His main case is California energy, where a program of what was billed as deregulation was put through. Of course, the background was of public operation in the usual way, with controlled prices and levels of profit. California's legislature voted in new legislation, "promising a future of cheaper and more abundant electrical power for all courtesy of market competition" (p. 77). Mind you, it also pegged the maximum price of electricity at 6.5¢/kwh, a price at which it might well have been uneconomic to sell power under many conditions, and under which it certainly would have been uneconomic to build any new generators. Hudson tells us that in the absence of regulation there was an enormous amount of collusion with suppliers, etc., defeating both aims: electricity was much more expensive and there were frequent blackouts. According to Wikipedia, though, "Due to price controls, utility companies were paying more for electricity than they were allowed to charge customers, forcing the bankruptcy of Pacific Gas and Electric and the public bail out of Southern California Edison. This led to a shortage in energy and therefore, blackouts."¹ Hudson seems to think the continued regulation was minor and benign. Well, not in the libertarian's view.

The shortcomings of regulatory regimes are pretty well understood, though Hudson paints them in glowing terms. But the waves of "deregulation" to which the public has been periodically exposed in the U.K. and the U.S. have the disadvantage that they are partial, and imposed against a background of thoroughgoing regulation that makes a subsequent deregulated environment similar to Russia after the fall of the Soviet regime.

Hudson's discussion of airline deregulation is especially interesting. Air fares nowadays are indeed something of a crazy quilt. Competition is fierce, and "airlines charge different fares to different customers depending on estimated demand for the flight at a given time" (p. 103). This he immediately calls "discriminatory pricing," though it has nothing whatever to do with what that term would usually imply, and is a matter of charging what the market will bear. Hudson cites "experts" who believe that consolidation into just a few major carriers will produce a "national oligopoly that is unlikely to deliver any of the benefits the 1978 deregulators intended" (p. 103). Meanwhile, there are dozens of small airlines opening all the time, service to all sorts of places that never had it before is expanding, and more people than

¹ Available online at http://en.wikipedia.org/wiki/California_electricity_crisis.

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ever are flying to more places than ever. Hudson is also ready to assail deregulation for the notorious discomforts of airline travel—apparently the massive intrusions due to 9/11 and forced on all by governments don't count here. Nor the fact that except for the latter, you can avoid a lot of them by being willing to pay more—as much, perhaps, as you'd have paid back in the era of regulation. One is tempted to say that Hudson was born at the wrong time. He'd have been one of those stalwart members of the Communist Party who pointed to all the rosy aspects of communist life. The blessings of regulation are easy to hail if you're a member of the right establishment. As to the rest of us, well, getting what we pay for just has to be good enough for us, I guess.

Next Hudson turns to health care, where once again he blames “the market” for a catalogue of ills stemming from, as he interestingly puts it, the “trilemma” of somehow combining quality, access, and low costs. Libertarians think that medical service is a service, and as such something that its recipients would likely be willing to pay for. Demand for such services is immense, and so too could be supply, were it not for many artificial restrictions on it, largely due to government regulation. Meanwhile, governments also impose a welter of regulations that remove supply farther and farther from demand. But not, in Hudson's view, far enough: “[M]ore effective drugs, technology, and procedures along with an aging population, are likely to lead to increasing health costs in the future, so we should be prepared to direct more societal resources to paying for them” (p. 183). Note the “so” and the slippery term “societal.” All resources are societal, of course, and given the nature of the commodity being discussed here, obviously more “societal resources” *will* be devoted to them in future. But should those resources be processed through politics, so that, increasingly, medical services cease to be regarded merely as services, and therefore things one should be expected to be willing to pay for, but instead as *entitlements*? To Hudson, apparently, it is self-evident that the answer is in the affirmative. He doesn't seem very aware of the situation in Canada with its intensely socialized system (though at last it is beginning to turn to partial privatization inside the country, after decades of partial privatization by unhappy patients fleeing to the U.S. where they can get treated quickly). Hudson is sure that “we want a system that does not deny needed medical treatment to those without money in their pockets” (p. 186). Now, for the latter, of course, the only alternative is a system that supplies medical treatment out of other people's pockets. The question is only, whose pockets? Hudson thinks that the idea of a free market here is a “failed notion.” One is tempted to reply that he's not in much of a position to know, since the medical system in the U.S. is unrecognizable as a free market. In any case, leaving such cases to those ready to make charitable contributions is evidently not an option.

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In the final chapter Hudson addresses “issues of life and death,” in particular, abortion and euthanasia/assisted suicide. He attributes to libertarians the view that “society can resolve moral controversy simply by leaving such issues [as, whether “a pre-viable unborn child is no less a subject of justice than a post viable unborn child or a born child”] to individual choice” (p. 201). This curious idea would be like attributing to libertarians the view that whether libertarianism is *true* is decided by individuals. To do that is to trade in the notion of truth for something altogether else—something assorted theorists have no doubt done, but why does he think that this theoretical diversion is to be pinned on libertarians in particular? Libertarians think that humans should have a very wide range of choices, as a matter of right, and thus that governments should defend individuals in making those choices. They do not think, for instance, that if a given individual is a fascist, that makes fascism true “for that individual”—nor, of course, do they think that abortion is okay for every individual who thinks it’s okay but not for anyone else.

Hudson holds that the Supreme Court, in *Roe v. Wade* (1973), was not being neutral in holding that women have the right to choose whether they will have abortions. That is clearly true. On the contrary, it was being libertarian: *If* the Court holds that fetuses, as such, do not have the same rights as grownups, or for that matter children, on the ground that fetuses are not yet capable of the kinds of choice and deliberation that characterize individuals, then it is plausible, given a general proclivity in favor of liberty, that parents, and more especially women, have the right to abort unwanted fetuses. But Hudson seems unaware that there is in fact extensive disagreement among libertarians on that very point, however—namely, whether fetuses do qualify as human individuals in the sense required to attribute basic rights to them. Many of them hold that humans have the basic libertarian rights from conception onward. How to sort that one out is an interesting and important question, but among libertarians generally it is not as yet sorted out. Until it is, the ascription to libertarians, as such, of a “liberal” position on abortion is not yet in order.

Abortion is an issue on which the North American public is quite divided. Does it follow that we should leave the making of laws about abortion to the states in the U.S.—as Hudson appears to think? Why? If the legislature of state X rules that life begins at conception while that of state Y rules that it begins, say, at six months, are we supposed to conclude that in state X, personal life *does* begin at conception while in Y, it does not? Does Hudson think that that is what libertarians do or should think? If so, he is seriously mistaken about the fundamental nature of the view. Meanwhile, to take the view of the Supreme Court, that up to some rather late stage of fetal development the decision about abortion should be up to individuals, seems hardly inapt, and a good deal more coherent.

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Taking up the controversial issue of whether physicians may assist persons wishing to terminate their lives, Hudson, with much better reason, takes libertarians to be in favor of allowing them to do so, when the individual in question clearly wants that. He cites the famous brief filed by six noted American philosophers, including Robert Nozick, John Rawls, and Ronald Dworkin, who support their liberal view on the matter on the ground, first, of an individual's "general right to make 'intimate and personal choices' for himself," and second, of the principle that government is to be neutral "toward morality" (pp. 216-217). The first is obviously libertarian. But the second, as stated, embraces a confusion, one unhappily typical of recent moral philosophy. Libertarianism is itself clearly a *moral view*: it proclaims that individuals have rights to act as they please provided only that in doing so they not damage, attack, or invade, the similar liberty of others. So, obviously, it is not "neutral toward morality" in the sense of that term in which views such as libertarianism, socialism, and others are alternative moral views. But that isn't the sense of "morality" in which those philosophers hold that government ought to be neutral about it. Obviously, what they are referring to is, as Hudson actually quotes them as saying, "different convictions about which way of dying confirms and which contradicts the value of their lives" (ibid.). The "value of my life" is not moral in the sense in which my having a *right* to live in *whatever* way I see to be most valuable is so. Hudson is far from alone in this confusion, and indeed the language in which Rawls and his distinguished colleagues express themselves in that passage does indeed appear to involve it. Still, it is a confusion, and there is little excuse for Hudson sticking libertarians (like Rawls) with what amounts to sheer moral relativism. They are not relativists, but *liberals*; far from thinking that every view on the relevant matters is as good as every other, they think that conservatives are in the wrong. Meanwhile, it seems clear that Hudson is himself a moral conservative; he evidently thinks that the State has a right to decide whether individuals may or may not act in light of their own personal values, or which ones they may so act on.

This returns us to the basic distinction of libertarianism and communitarianism invoked from the start. Hudson is all ready to attribute to libertarians all those things that Michael Sandel is famous for sticking them with—the "lone, unencumbered individual of the libertarian world view," etc. (cited on p. 216). By this time, surely, Sandel's view has been dismissed for the confusion it is, though Hudson seems not to be aware of that. But with or without confusion, it can certainly be held that the individual does not have the rights we claim he does, but instead ought to be subordinate to his "community" or his State or whatever.

At the least, however, one should not hold this kind of near-fascist view merely in order to enable us to deal with genuine public goods problems, of which there are certainly many. We can think, as for example Nozick does,

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that pollution is indeed objectionable, not because it “harms the community” or some such thing, but because it harms *individual people* who have the right not to be harmed in those ways. That, however, won’t get us compulsory social insurance or the right of the state to tell us whether we can enlist medical aid in terminating our lives if we so choose. There may be good ways of dealing with these issues that respect the freedom of the individual rather than trampling it under in the name of “community.”

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