The Libertarian's Predicament

by

OSCAR B. JOHANNSEN

As a reaction to the socialist miasma which has permeated intellectual circles, a school of thought has arisen which variously calls itself libertarian, conservative or individualistic. From the pens of this rising intelligentsia have flowed many brilliant articles on the economics of a free society and especially on the menace of the omnipotent state.

The result has been a renaissance in economic thought which is slowly taking place in our colleges and universities where increasing numbers of young men and women are listening with respect and thoughtful attention to the libertarians' principles of freedom, which are so opposed to the statist's concept propounded by many of their professors.

But this very intellectual awakening has brought with it a problem and that is how to answer the awkward questions of these students. Despite any disclaimers by the libertarians, the students feel that the views advanced constitute essentially the advocacy of a return to the type of society which existed prior to the depression of the early 1930's, with the government's role reduced to that of the so-called negative one of protecting life and property. Now, while these young people are favorably disposed to this freedom, nevertheless they are skeptical. One thing which bothers them particularly is this. If a return to pre-1933 is so desirable, why did conditions existing then result in the great depression with its subsequent welfare statism? Won't a return to such conditions bring the same result again? If so, why bother making any change?

The answer given is that the depression was caused by the interference of the state. As a generality, this is true enough but the students ask which interferences were primarily responsible? While such restrictions as the absurdly high protective tariffs (Continued on page 15)
Liberation's Predicament
(Continued from page 1)

may be enunciated, the explanation usually offered revolves around the one propounded by the Austrian school of economists.

Briefly, it is their contention that a depression is the result of an inflation of the exchange media. Certain distortions in the economy occur, as when unions, through their monopolistic power, force wage rates above productivity rates. To correct this the government inflates the exchange media in order to reduce its purchasing power and thus nullify the wage increases. The initial inflation causes a revival of business but after the effects of this economic narcotic wear off, the state must inflate at ever greater rates each time the effects become absorbed and business drops off. If this process is continued a run-away boom eventually develops which results in a complete economic debacle, as people rush to rid themselves of the exchange media for any kind of wealth. Rather than let this happen, the state at some point must get up sufficient courage to cease these periodical injections, which means that a depression will ensue once the artificial stimulus is removed.

Inflating the exchange media is undoubtedly one of the principal factors in magnifying and extending a boom, far beyond what it would have attained in the absence of such manipulation, and the state's decision to cease the inflation may trigger the depression. Nevertheless in a market economy inflation is not the fundamental cause of a depression. It is true that if prices drop, and if, in particular, speculative land prices drop sufficiently so labor and capital can go back to work, business will revive. While this process would actually cost the least in terms of freedom and economic well-being for each genera-

tion, it does, however, mean that the standard of living will tend to drop although this is not generally recognized as it is a very long term effect.

The students recognize that the cultural and educational level of the people is such that they simply will not tolerate this painful purgative process. What is probably not realized by the libertarians is that in the depressions up to the early part of the 20th century, the people did not make any real demands for governmental interference as long as there was a safety valve in the form of free land or cheap land. It was probably much easier to survive the depressions of the 18th and 19th centuries because more people lived on farms, or could, in one way or another get access to the land, directly or indirectly, and could eke out an existence until land prices dropped sufficiently so that business could revive.

But the 20th century finds enormous numbers of people who have been forced by our system of private land tenure into the city areas, much as happened in Roman times. The escape valve has been so greatly weakened, that the people are more receptive to the blandishments of the socialists and do-gooders now that it is the government's duty to aid them. And in one sense they have a valid argument. If the government by its interference enforces the unsound system of private ownership of the only means of survival men have—the land—and thereby restricts their opportunity to make a living, why should not the government by its interference protect the people from the results of that erroneous policy?

So the politicians give the people bread and circuses, as in Roman times—bread in the form of all kinds of welfareism, and circuses in the form of grandiose spectacles. And the result will
be the same, the ultimate destruction of our civilization.

The youth's skepticism prevents the libertarians from completely convincing them. It seeks something new, something which has the ring of truth in it. The time now seems ripe to give it to them, for the renaissance in economic thought which the libertarians have brought about has made the climate propitious for an assault on the land question.

"There is a tide in the affairs of men which, taken at the flood, leads on to fortune." The flood-tide is here now. Will the libertarians make the most of it? Will they boldly discuss and analyze the cancer afflicting our society—the cancer which is the source of the statism infecting the world—private property in land?

To ignore the cancer and instead concentrate on the ills which are largely caused by the cancer is to confess defeat, for youth will then, albeit reluctantly, turn back to the welfare state offered to them by their professors. Their rationale? Better a full belly under governmental paternalism than starvation under freedom.

---

**Texans to Petition the Legislature**

The district courtroom of the Comal County Courthouse in Texas was the scene of an enthusiastic roundup on January 5th. "These are times that try men's souls," wrote Judge John R. Fuchs, in an appeal to his fellow townsman, "and this is the time for you to do something about it."

He invited all New Braunfels taxpayers to a meeting to avail themselves of the right to petition the state legislature to adopt "a sound and just tax system that would encourage thrift, initiative, industry and free enterprise"—and more than 100 braved rain and cold to come.

The newspaper reported on the front page that "the prominent jurist, advocate of the Henry George 'single tax' school, spoke on the urgent need . . . to correct existing [tax] injustices."

Petitions were signed by 65 local residents, and copies are still available at the Comal County Chamber of Commerce office and at the County Courthouse, for study and signatures. Judge Fuchs is the author of *Constructive Taxation for Free Enterprise* and is a true patriot. The new film, "Land—and Space to Grow" was shown at the conclusion of his address.

---

**Numerous Pennsylvania bookings for "Land—and Space to Grow"** are being planned, including one at the Philadelphia Navy Yard arranged by Julian P. Hiekkok. A Henry George exhibit will be on display at Philadelphia's main library February 25th in conjunction with Adult Education Week, and will continue there until April 2nd.