

## **The Moral Dimensions of Poverty, Entitlements, and Theft**

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In the view of many commentators and pundits, all citizens have an entitlement to be relieved of their poverty, which, they believe, would best be accomplished by throwing other people's money at the poor. This article makes the case that not only do the impoverished not have any such right, but the attempt to furnish them with wealth earned by others constitutes theft and does not help them in any case. Given, however, that such entitlements exist, what is the proper moral response? To approach an answer to this question, this article defines and then applies "libertarian class analysis" to the question and derives from this perspective some counterintuitive conclusions regarding welfare recipients and reparations for past invasions of person and property.

### **The Ideal World**

For the limited government, free-enterprise-oriented classical liberal, there is only one type of entitlement the citizen may properly receive from the state: security of his person and property. This entitlement entails an army to protect him from foreign despots, a police force to shield him from domestic villains, and a court system to determine who is and who is not an initiator of violence against another person or his property. Any and all other entitlements are illegitimate—at least from the perspective of this economic philosophy.<sup>1</sup> One defense of this limited notion of government is that entitlement programs<sup>2</sup> are counterproductive, which means such programs actually hurt their presumptively intended beneficiaries.

The list of such instances is long and woeful. Perhaps the most egregious is the welfare program, Aid to Families with Dependent Children (AFDC). Originally introduced as a means of helping the needy,<sup>3</sup> AFDC has instead promoted dependency, eviscerated personal ambition, and created whole generations of unwanted and often abused children.<sup>4</sup> These children, in turn, often graduate to a life of crime and continue the practice of rearing still other children of the same ilk.<sup>5</sup> The reason for this is not difficult to discern: Supply curves slope in an upward direction, the more one pays for an item, the more of it is called forth in the market. Welfare is the offer of money for people who are poor. The

more money offered for this purpose, the more incentive people have to change their behavior to be eligible for these funds, which is not to say that a Bill Gates or a Donald Trump will be attracted to this lifestyle. But there are always people on the margin, teetering on the edge, where, on one side, lies the (lower) middle class life of honesty and probity, and, on the other, the underclass of dissolution. In their precarious position on the fence they are particularly vulnerable to a slight push in either direction. AFDC provides that impetus, and it is all in the wrong direction—for our society in general, as well as for the particular people involved.<sup>6</sup>

Then there is the issue of public housing. Originally based on similar benevolent motives,<sup>7</sup> this attempt to help the poor, too, has instead boomeranged into disaster. The Cabrini Green projects in Chicago are world-famous for feces and urine in the (often nonfunctioning) elevators, ripped out light bulbs, boarded-up windows, crime, gangs, drugs, and other accouterments of a return to barbarism. The Pruitt-Igoe homes in Saint Louis were so uncivilized that they had to be bombed, not by terrorists,<sup>8</sup> but by the government housing authority charged with their upkeep and maintenance.

The cause of this dissolution is not hard to understand. Socialist to the core, the governments involved with these entitlements precluded commercial establishments such as stores, banks, and restaurants from these environs. But without the pedestrian traffic of shoppers, people living in the apartments above are less likely to keep their “eyes on the street.”<sup>9</sup> This, in turn, leads to increased crime rates as criminals prefer to ply their trade without witnesses. Tipper income cut-offs are generally used by bureaucrats to determine eligibility for public housing. Thus, when a poor tenant family surpasses a certain level of income, it is booted out of its accommodation. One can easily appreciate the disincentive effects here. Worse yet, those who prosper and then are forced to leave, are the most successful among the inhabitants. They are the natural neighborhood leaders, typically adult males, who are desperately needed to serve as role models for teenagers. In this situation, the cream rises to the top and then is skimmed off, leaving a helpless and victimized mass of people in its wake.

Another criticism of entitlements is that they have perverse income effect.<sup>10</sup> While most people see transfers as helping the poor at the expense of the rich, in fact, an inordinate number go to (sectors of the) middle class and the rich.<sup>11</sup> Listed under this rubric are farm subsidies (which go mainly to large-scale agri-business), bailouts for big business (Lockheed, Chrysler), rescues for the banks (e.g., the billions spent to undergird the Mexican peso), protective tariffs (which benefit domestic manufacturers while despoiling local consum-

ers and Third World industry), minimum wages (which oppress poor, unskilled, minority group workers to further aggrandize rich, well-organized labor unions).<sup>12</sup> It is not without good reason that such recipients have been well and truly castigated as “corporate welfare bums.”

If we have learned anything from the Public Choice School<sup>13</sup> it is that the more well-off are able to assert their will not only in the private but also in the public sector. It should not occasion much surprise that this also holds true with regard to transfers. The rich are simply too well-organized to allow a system of subsidies to function contrary to their own best interests.

A further difficulty with government largesse with taxpayers’ money is that it engenders the idea that these funds come as a matter of right. The so-called welfare rights movement is only the tip of the iceberg. People now believe that they have the “right” to such diverse benefits as social security, education, food stamps, Workers Compensation, unemployment insurance, to mention only a few. But how can two separate people have the right to one-and-the-same thing? How is it possible for both the rightful owner (the one who earned the money through voluntary market activity), as well as for the recipients of all these programs, to have a right to this wealth? This is impossible, since, if properly construed, there can be no such thing as a conflict in rights.

Adherents of entitlements often argue that these programs came about as a result of democratic institutions. Duly constituted politicians, who derive their authority from the electorate, inaugurated them. They, in turn, appointed bureaucrats and administrators who received a warrant for their subsequent actions indirectly from the voters through Congress and the President. Entitlements, then, are justified as part and parcel of our democracy.

While this may sound reasonable, in my opinion, it fails utterly. The argument is a variation on legal positivism—the claim that the law is always just—since it can trace its beginnings back to a majority vote. Why is a forced transfer of money rendered any less of a theft because more than half the voters supported it? Suppose two hoodlums break into my apartment and are walking off with my television set. When I object that they are stealing my property, they agree to hold a referendum on the issue. One of them (a philosophical robber) says, “How many object to us taking Block’s television set?” Whereupon I raise my hand. He then asks, “How many favor this action?” and the two thieves register their approval. Does this veneer of democracy legitimize their act of theft? Hardly. Nor can it be objected that in the case of the United States—unlike the democratic robbers—we had all agreed beforehand to be bound by the results of elections because of the Constitution. In point of fact, no one ever signed any such agreement.<sup>14</sup> Hitler, to cite one extreme case, came to power as

the result of an exercise of the ballot. Does this fact alone legitimize all his political acts? Certainly not. But if not, how can mere democracy justify the United States government's forcibly transferring money from some to give to others?

In addition to harming the poor both directly (e.g., welfare creates dependency) and indirectly (elements<sup>15</sup> of the middle class and the rich attain the lion's share of the wealth) these entitlements are immoral. We have focused thus far on the harm to the supposed beneficiaries of these programs, but no discussion of the moral dimensions of poverty and entitlements can ignore the fact that these initiatives are financed by coercive tax levies. The money to pay for welfare, public housing, and other such transfers, is taken from innocent taxpayers at gunpoint. If the sole justification for the limited state is to protect the person and property of the citizen, then these entitlements must be seen as a contradiction or violation of that principle. The point is, if we are to undertake a thorough moral analysis of entitlements, we must not constrict the scope of our deliberations merely to the recipients. Even on the unwarranted assumption that the people who receive these monies actually benefit from them, the transfers cannot be morally sanctioned because they violate the rights of those who made the contributions.

### The Real World

So far, we have discussed the ideal classical liberal world in which entitlements would be entirely absent.<sup>16</sup> In the real world, however, such programs are all too common, which furnishes us with the opportunity to engage in further analysis. To wit, *given* the fact that entitlement programs exist, how should the moral agent act in regard to them?

One possibility, which is the simplest and perhaps the most emotionally satisfying response, is that they simply be ignored.<sup>17</sup> After all, if these initiatives are unjust, what could be more appropriate than remaining detached from them? But there are problems with this view. Superficially, such a course of action is highly impractical. If a person were to eschew benefiting from any government expenditures or to refrain from taking part in any welfare or public housing programs, this would mean that citizens could not use the post office, streets, roads, highways, lighthouses, schools, libraries, museums, symphony halls, and so forth. Life under such conditions might not approach Hobbes' description of society as "nasty, brutish, and short," but would come too close for comfort, and public life would be impoverished.

Another possibility is that participation in entitlement programs is a matter of mere pragmatism unworthy of moral analysis. More important, it might be

argued, is that classical liberal principles simply do not mandate avoiding governmental largesse, for advocates of strictly limited government, too, have been forced to finance these entitlements. If they avail themselves of the benefits thereto, their actions can be interpreted as merely seizing (the use of) their own money back and not as theft.

Contrary to this simplistic solution, the problem with entitlements is *the whole process* of government seizing our wealth and giving it to others. Since we are all victims *and* beneficiaries of this game, the whole process of forcing the entire society to pay for things its members are unwilling to finance themselves is morally objectionable. In isolation, then, it is not improper for people to seek to recover the taxes that have been levied against them.

Who, then, should accept government entitlements? To what extent should this be occurring in society? To answer the first question, we must avail ourselves of libertarian class theory.<sup>18</sup> Suppose, for instance, there were a classical liberal Nuremberg Trial, the purpose of which was to discern who was guilty for perpetuating the welfare state entitlement system. Would everyone be responsible, since, willy-nilly, all people (excluding a few hermits) participate in it? No. As we have seen, it is morally justified for at least some people to get their own money back. Instead, the answer is given that the ruling class is guilty for perpetuating the entitlement system.<sup>19</sup> Members of this class are considered to be in violation of the strictures of free enterprise. But who are members of the ruling class? How can they be distinguished from other people, all of whom accept government transfers?

First of all, the distinction is based on whether a person actively works to support, aid, and abet the entitlement system, or works to dismantle it.<sup>20</sup> As a first approximation, the former at least potentially qualify for ruling class status, the latter do not, but this is only a presumption. It can be defeated on several grounds. Take, for example, the issue of free speech. In a free society, anyone can say nearly anything he pleases.<sup>21</sup> Mere verbal support of entitlements will not suffice. Another exception is for low-level administrators. Not every mail carrier or typist in the Social Security administration, would be deemed to be in violation of libertarian law.

Standard protocol in war may shed some light on these deliberations. Typically, in war, the officers of the defeated army are found guilty. By contrast, the enlisted men, who were usually drafted in any case, are incorporated into the victor's army, and subsequently treated as relative equals with the other soldiers. Likely to be in the dock, then, are the politicians who enacted entitlement legislation, and the senior bureaucrats who carry it out. The senior bureaucrats would be equivalent to the officers in our model. Furthermore, all

those involved at any level in impermissible activities would be forced to defend their actions. Candidates for this category might include the East German soldiers who shot their compatriots who were fleeing to the West, or to a lesser extent, our own police forces who systematically violate civil rights.

According to the philosophy of classical liberalism, it is to members of the ruling class that we owe the forced transfer society and who alone would be ineligible from receiving entitlement benefits. All others would not be precluded from accepting government grants on moral grounds.

An immediate objection might be registered to this scenario. According to this analysis, then, the welfare mother will still receive her benefits. She, after all, is a poor candidate for membership in the ruling class. I concede that this conclusion may seem paradoxical coming from a perspective that condemns welfare root and branch. If the logic of the case leads in this direction, then it really does not matter whether it is counterintuitive. The point is, given that there are entitlement programs, anyone who is not a member of the ruling class can possibly (but is not required to) make a moral claim to the existing benefit. While there is no justification, in my estimation, for entitlement benefits in the first place, the fact that they exist in the real world places no ethical barrier against the aggrieved making use of them.

### **Reparations**

While reparations and entitlements share some characteristics—both are payments from one party to another—there is a gigantic moral chasm between the two. Entitlements, as we have seen, amount to no less than theft. Parties of the first part, taxpayers, are forced by law to subsidize parties of the second part, welfare recipients, corporate welfare bums, and agribusiness. Reparations, by contrast, are the opposite of theft because they attempt to reverse the effects of stealing by returning property to its rightful owner. Indeed, a large part of libertarian punishment theory is predicated upon restitution.<sup>22</sup>

But can entitlements such as welfare not be justified on the ground that they are an implicit form of reparation? After all, AFDC recipients are poor; the taxpayers, on average, are certainly richer than those at the lowest income brackets. The problem with this line of reasoning is that mere wealth does not imply theft. Mere poverty does not imply victimization by robbers since people can become rich without stealing and become poor without being pilfered. It is only a bit of vulgar Marxism to contend that the rich are rich because the poor are poor. Whom, after all, did Ray Kroc, Steve Jobs, or Bill Gates rob? The millions of dollars of new wealth they created simply did not exist before them, nor, by definition, did anyone rob a starving group of Stone Age tribesman who

were suddenly discovered in Africa or South America. No one denies that robbery can sometimes be a sufficient condition for wealth, but it is certainly not a necessary one as implied by this argument.

But what about the case of slavery? Indeed, this institution amounted to theft of labor (and much more, of course). Therefore, a classical liberal perspective certainly could justify reparations in the case of slavery.<sup>23</sup> However, if the payments are to be morally enacted, several conditions must be met. First, if there is any case for reparations, these should come from guilty parties, not from the entire citizenry through the tax system. To make all citizens pay for the crimes of a few would be to extend—not diminish—the effects of robbery. Second, if the reparations are for an act that took place many years ago, a direct link between the historical victims and the present recipients must be forged. For example, although virtually all slaves in the United States were black, and many present welfare recipients are of the same race, not all of the latter can trace their roots to the former. That is, many present African-Americans are the children not of slaves, but of people who came to this country after 1865, from Africa, from the Caribbean, and so forth. Third, for historical cases, a close connection between the guilty and those called upon to make the payments must be established. Most important, in all such cases, we must cleave mightily to the basic legal axiom: “Possession is nine-tenths of the law.” That is, the presumption must always be that the present owner is the rightful owner. It is the burden of the one who would upset property titles to prove, beyond a reasonable doubt, that reparation is justified.

In the case of slavery, these somewhat stringent conditions can conceivably be met.<sup>24</sup> It is common knowledge that plantations throughout the old Confederacy were established with slave labor. When the Civil War ended, if more complete justice were to have taken place, the slaves would not merely have been freed. The lands they had been forced to cultivate would have been given to them and would not have remained in the hands of their former owners. Full compensation might even have contemplated enslaving these former masters to the newly freed slaves—a sort of poetic justice.

Unfortunately, in 2001, those slaveholders are beyond reach of the civil authorities. But the plantations, houses, farms, and the wealth that was left to their progeny, which should have been given to the newly freed slaves, are still in existence and now owned by the great grandchildren of the slave masters. If any present black person can prove family connection with a slave who endured forced labor at a specific plantation, he should be given that property. If there is more than one claim to the property, then it should be divided equally among all legitimate claimants.

One objection to this modest proposal is that to enact this idea would be to punish the grandchild for the sins of the grandparent. But this is simply not true. To take away a farm from a white person in Alabama and give it to an African-American person is, in some sense, to “punish” the former. But this is not really true—the white relative should not have been given the farm, in the first place. The reparation is merely the return of stolen property to the heir of the rightful owner. If my grandfather stole your grandfather’s ring and then gave it to me, I am not the rightful owner of the ring even though I have possession of it. On the contrary, *you* are the rightful owner. If justice is to prevail, I must turn it over to you. I will not have been punished—only made to do what returning stolen property implies.

Another objection to reparations is that there should be statute of limitations on past crimes. The enslavement of blacks by white Americans, or of biblical Jews by Egyptians, land theft from the Indians, the seizing of Japanese-American property during World War II, Arab-Israeli land conflict, the *latifundia*, are lost in the winds of time and should remain so. But why should there be any statute of limitations on justice? Suppose that we know that A stole X from S, and then gave it to his progeny, a, and we also know of b, the latter’s grandchild. Surely justice requires that we right this wrong, even if it is an ancient one.<sup>25</sup>

Finally, there are legitimate concerns about fairness. How do we know the reparations are actually justified, when the theft took place so long ago? At this point, the classical liberal conditions come back to the forefront of discussion. Possession is nine-tenths of the law and the burden of proof is always on those who seek to overturn present property titles. If the robbery took place in biblical times, or before there was a written language, then, to that extent, it is exceedingly unlikely that anyone can prove anything. This stricture lends a conservative element to the reparation proceedings. Reparations are very different from entitlements. When properly construed, they amount to no more and no less than a return of stolen property; however, by contrast, entitlements constitute the theft of legitimately owned property.

## Notes

1. Observe that this conclusion is similar—but not precisely equal—to the vision of appropriate entitlements as provided for in the United States Constitution. There, in addition to the aforementioned courts, armies, and police, the citizen is also entitled to a post office and other public enterprises. These services and institutions would be strictly prohibited under a libertarian limited-government vision, the model we shall assume for the purpose of this article.



2. Now and henceforth, we use the term *entitlement program* to refer to other initiatives of the state over and above armies, courts, and police. These latter three we characterize not as entitlement programs, which are always illegitimate uses of government force, but as the sole legitimate functions of government. For a critique of this limited government philosophy from within libertarianism, see Bruce L. Benson, *The Enterprise of Law: Justice Without the State* (San Francisco: Pacific Research Institute, 1990); "The Impetus for Recognizing Private Property and Adopting Ethical Behavior in a Market Economy: Natural Law, Government Law, or Evolving Self-Interest," *The Review of Austrian Economics* 6, 2 (1993): 43–80; "Customary Law as a Social Contract: International Commercial Law," *Constitutional Political Economy* 2 (1992): 1–27; "An Evolutionary Contractarian View of Primitive Law: The Institutions and Incentives Arising under Customary Indian Law," *The Review of Austrian Economics* 5, 1 (1991): 41–65; "Enforcement of Private Property Rights in Primitive Societies: Law Without Government," *The Journal of Libertarian Studies* IX, 1 (Winter 1989): 1–26; "Legal Evolution in Primitive Societies," *Journal of Institutional and Theoretical Economics* 144 (1988): 772–88; "The Lost Victim and Other Failures of the Public Law Experiment," *Harvard Journal of Law and Public Policy* 9 (1986): 399–427; Anthony De Jasay, *The State* (Oxford: Basil Blackwell, 1985); David Friedman, *The Machinery of Freedom: Guide to a Radical Capitalism*, 2<sup>nd</sup> ed. (La Salle, Ill.: Open Court, 1989); "Private Creation and Enforcement of Law: A Historical Case," *Journal of Legal Studies* 8 (1979): 399–415; Hans-Hermann Hoppe, *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (Boston: Kluwer, 1993); "The Economics and Sociology of Taxation," in *Taxation: An Austrian View*, ed. L. Rockwell (Boston: Dordrecht, 1992); *A Theory of Socialism and Capitalism: Economics, Politics, and Ethics* (Boston: Kluwer, 1989); David Osterfeld, "Anarchism and the Public Goods Issue: Law, Courts, and the Police," *The Journal of Libertarian Studies* 9, 1 (Winter 1989): 47–68; Joseph R. Peden, "Property Rights in Celtic Irish Law," *The Journal of Libertarian Studies* 1, 2 (Spring 1977): 81–96; Murray N. Rothbard, *For a New Liberty* (New York: Macmillan, 1973); *Power and Market: Government and the Economy* (Menlo Park, Calif.: Institute for Humane Studies, 1970); *The Ethics of Liberty* (Atlantic Highlands, N.H.: Humanities Press, 1982); Lysander Spooner, *No Treason* (Larkspur, Co.: Tannehill, Morris, and Linda, 1966 [1870]); *The Market for Liberty* (New York: Laissez-Faire Books, 1984); William C. Woolridge, *Uncle Sam the Monopoly Man* (New Rochelle, N.Y.: Arlington House, 1970).

3. For an alternative Marxist perspective, one that analyzes welfare as enabling capitalists to control labor markets, see Frances Fox Piven and Richard A. Cloward, *Regulating the Poor: The Functions of Public Welfare* (New York: Random House, 1971).

4. See Thomas Sowell, *The Vision of the Anointed* (New York: Basic Books, 1995); *Race and Economics* (New York: Longman, 1975); *Ethnic America* (New York: Basic Books, 1981); *The Economics and Politics of Race: An International Perspective* (New York: Morrow, 1983); *A Conflict of Visions: Ideological Origins of Political Struggles* (New York: Morrow, 1987); *Race and Culture: A World View* (New York: Basic Books, 1994); Charles Murray, *Losing Ground: American Social Policy from 1950 to 1980* (New York: Basic Books, 1984); *In Pursuit: Of Happiness and Good Government* (New York: Simon & Schuster, 1990); Walter F. Williams, "Good Intentions—Bad Results: The Economic Pastoral and America's Disadvantaged," *Notre Dame Journal of Law, Ethics, and Public Policy* 2, 1 (1985): 179–99; Gary M. Anderson, "Welfare Programs in the Rent Seeking Society," *Southern Economic Journal* 54 (1987): 377–86; Martin Anderson, *Welfare: The Political Economy of Welfare Reform in the United States* (Stanford: Hoover Institution Press, 1978); Marvin Olasky, *The Tragedy of American Compassion* (Chicago: Regnery Gateway, 1992).

5. Observe how the illegitimate entitlement of the dole is incompatible with the legitimate state function provided by the courts, armies, and police. One protects person and property from attack; the other exacerbates these problems.

6. Anderson, "Welfare Programs in the Rent Seeking Society."

7. Of course, as the old adage goes, "The road to hell is paved with good intentions."

8. This is a debatable point.

9. Jane Jacobs, *The Death and Life of Great American Cities* (New York: Vintage, 1989).

10. This phraseology is particularly unfortunate because it implies that while there is something perverse about robbing the poor to enrich the wealthy, no such opprobrium applies to

stealing from the rich and giving their money to the poor. However, at least for the classical liberal, theft is theft, no matter what the income status is of the victim or the recipient of the stolen goods.

11. Terry Anderson and P. J. Hill, *The Birth of the Transfer Society* (Lanham, Md.: University Press of America, 1989).

12. This is perhaps the most egregious and deceitful entitlement plan in that all experts know full well the effects of minimum wages on the poor. See Walter F. Williams, *The State Against Blacks* (New York: McGraw-Hill, 1982).

13. Thomas J. DiLorenzo, "Competition and Political Entrepreneurship: Austrian Insights into Public Choice Theory," *The Review of Austrian Economics* 2 (1988): 59–71; James M. Buchanan, *Cost and Choice: An Inquiry into Economic Theory* (Chicago: Markham, 1969); James M. Buchanan and Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy* (Ann Arbor: University of Michigan Press, 1971); Robert Lloyd and Joseph P. McGarrity, "A Profit Analysis of the Senate Vote on Gramm-Rudman," *Public Choice* 85 (November 1995): 81–90; Kevin B. Grier and Joseph P. McGarrity, "The Effect of Macroeconomic Fluctuations on the Electoral Fortunes of House Incumbents," *Journal of Law and Economics* XLI (April 1993): 143–61; James M. Buchanan, Robert D. Tollison, and Gordon Tullock, eds., *Toward a Theory of the Rent-Seeking Society* (College Station: Texas A&M University Press, 1980).

14. Nor can our agreement to abide by majority rule be predicated on the fact that we continue to reside in the United States. Some might argue, "If you do not like the way we run things here, you are always free to leave. Since you choose to stay, this indicates your willingness to be bound by electoral processes." As Spooner makes clear, many present residents can trace their property titles, in an unbroken chain, back to a time before the birth of our nation. The government, presumably, is set up to safeguard our property. How, then, can such people be told to leave if they do not support democratic conclusions? See Spooner and Lysander, *No Treason*.

15. It is impossible for the entire middle and upper classes to benefit at the expense of the poor. By definition, the poor have little that can be taken from them. The former cannot exploit them to a great degree since "You can't get blood out of a stone." But different categories of the rich and middle classes most certainly enrich themselves at the expense of other members of society. Agricultural subsidies, for example, benefit wealthy and middle class farmers. The same is true for tobacco subsidies, automobile subsidies, subsidies to scientific research and development, and so forth. When all of the taxes and subsidies are taken into account, there are only two possibilities: (1) everyone ends up with exactly what he had before, rendering the whole process absurd and nugatory, or (2) there are winners and losers. The contention here is that segments of the rich and middle class are the main beneficiaries, not the poor. See Franz Oppenheimer, *The State* (New York: Free Life Editions, 1975 [1914]).

16. In the economic literature there are numerous attempts to justify entitlements. For a criticism of these attempts, see Robert McGee, "Mergers and Acquisitions: An Economic and Legal Analysis," *Creighton Law Review* 22, 3 (1938): 665–93; Jack High, "Bork's Paradox: Static Versus Dynamic Efficiency in Antitrust Analysis," *Contemporary Policy Issues* 3 (1984-1985): 21–34; Walter Block, "Total Repeal of Anti-Trust Legislation: A Critique of Bork, Brozen, and Posner," *The Review of Austrian Economics* 8, 1 (1994): 1–64; Fred McChesney, "Antitrust and Regulation: Chicago's Contradictory Views," *Cato Journal* 10 (1991): 775–98; Hoppe, *A Theory of Socialism and Capitalism*; "Fallacies of the Public Goods Theory and the Production of Security," *The Journal of Libertarian Studies* IX, 1 (Winter 1989): 27–46; Jeffrey Rogers Hummel, "National Goods Versus Public Goods: Defense, Disarmament, and Free Riders," *The Review of Austrian Economics* 4 (1990): 88–122; Walter Block, "Public Goods and Externalities: The Case of Roads," *The Journal of Libertarian Studies* 7, 1 (Spring 1983): 1–33; David Osterfeld, "Anarchism and the Public Goods Issue: Law, Courts, and the Police," *The Journal of Libertarian Studies* 9, 1 (Winter 1989): 47–68; Robert Nozick, *Anarchy, State and Utopia* (New York: Basic Books, 1974).

17. By stipulation, we cannot ignore paying for these programs since they are foisted on us. But there is no law compelling us to take part in them as recipients.

18. Murray N. Rothbard and Jerome Tuceille, eds., *Left and Right: Selected Essays, 1954–1965* (New York: Arno Press, 1972); Rothbard, *For a New Liberty*; Hans-Hermann Hoppe, “Marxist and Austrian Class Analysis,” in *Marxism: Economics, Religion, Politics, and Philosophy*, ed. Yuri Maltsev (Boston: Dordrecht, 1992).

19. Marxists have given ruling class theory, as they have everything else they have touched, a bad name. In their view, to employ someone is to exploit him, and thus to be a member of the ruling class. For a critique of this viewpoint, see Eugen von Böhm-Bawerk, *Capital and Interest*, trans. George D. Hunke and Hans F. Sennholz (South Holland, Ill.: Libertarian Press, 1959 [1884]), particularly Part I, Chapter XII, “Exploitation Theory of Socialism-Communism.”

20. Conservatives often ridicule the notion of ruling class. While their criticisms do indeed refute the Marxist version, they leave libertarians unscathed. Consider the following statement by David Horowitz, “Clarence Page’s Race Problem and Mine,” *Heterodoxy* (May/June 1996): 6. “The very phrase ‘institutional racism’ is, of course, of leftist provenance. It is also a totalitarian term. Like ‘ruling class’, it refers to an abstraction, not a responsible individual being. You are a class enemy (or in this case a race enemy) not because of anything you actually think or do, but ‘objectively’—because you are situated in a structure of power that gives you (white skin) privilege.”

This author is clearly denigrating Marxist ruling-class theory but not the libertarian variety. For in the latter case, it is one’s actions and not status that is responsible for membership in the ruling class. For classical liberals, it is not sufficient (nor, even strictly speaking, necessary) to be rich to be included in this category. All one need do is engage in theft, which is certainly something any person can do.

21. Hitler himself may have never directly or personally killed a single Jew but he gave the orders to do so. Commands of this sort must be distinguished from free speech, at the very least, on the ground that the former implies physical threat while the latter does not.

22. Randy Barnett, “Pursuing Justice in a Free Society, Part One: Power vs. Liberty,” *Criminal Justice Ethics* 4 (1985): 50–72; *The Structure of Liberty: Justice and the Rule of Law* (Oxford: Clarendon Press, 1998); Randy Barnett and John Hagel, eds., *Assessing the Criminal* (Cambridge, Mass.: Ballinger, 1977); Hoppe, *The Economics and Ethics of Private Property*; Rothbard, *For a New Liberty*.

23. Curiously, several classical liberal writers have rejected the notion of reparation. They did so not for slavery but for land theft perpetrated on the peasants by the conquistadors in Latin and South America, a case certainly analogous to slavery. Included here are Milton Friedman, David Friedman, Walter Berns, and Edmund Opitz. See Walter Block, Geoffrey Brennan, and Kenneth Elzinga, eds., *Morality of the Market: Religious and Economic Perspectives* (Vancouver, B.C.: The Fraser Institute, 1985), 495–508. For a response to the anti-reparation position, see Walter Block and Guillermo Yeatts, “The Economics and Ethics of Land Reform: A Critique of the Pontifical Council for Justice and Peace’s *Toward a Better Distribution of Land: The Challenge of Agrarian Reform*,” *Journal of Natural Resources and Environmental Law* 15, 1 (1999-2000): 37–69; and Walter Block, “On Reparations to Blacks for Slavery,” forthcoming.

24. This lends support to Malcolm X’s claim for reparations to blacks. See Malcolm X, *Malcolm X Speaks: Selected Speeches and Statements*, ed. George Breitman (New York: Merit Publishers, 1965).

25. To be sure, there are practical objections to reparations. Enacting them is certain to create hard feelings and to rekindle ancient animosities, but we are concerned here with justice not practicality. We are analyzing payments from a moral point of view and not necessarily from a practical one. In any case, a large part of the present conflict is due to occurrences that took place a long time ago. It is possible that reparations might also reduce hard feelings and not exacerbate them.