

G.A. COHEN:
THE **SICK MAN**
OF PHILOSOPHY



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Introduction

Gerald Cohen was a peculiar combination of first-rate analytical philosopher and devoted Marxist. His well-to-do grandfather, a timber merchant in Kharkov, Ukraine, immigrated along with his family to Canada in the 1930s as the Soviet repression began to intensify. Cohen's mother developed a commitment to the Bolshevik cause and settled in Montreal among many other communist Jews, and as a result Cohen was born in 1941 into a radical environment which shaped his entire life. One of the paradoxes of his life was that Marx eschewed moralizing about social problems; he did not at least for the most part, for example, consider capitalism to be unjust. Accordingly, Marx's followers did not think it was necessary to justify the revolution philosophically. Capitalism, in their view, was full of contradictions which would intensify with the growth of the "productive forces"; socialism is the next economic stage of human civilization; and finally socialism is inevitable – the solution to the evils of capitalism would be found in the very process of capitalist decay. There was no reason to argue for socialism – history would take care of everything promptly; and in any case, socialism / communism would feature limitless abundance with the attendant on it end to interhuman conflicts, and no one could possibly be against that.

As we will see, Cohen rejected the socialist inevitability thesis. Yet he retained full faith in both communism and equality. Drawing on his training as an analytical philosopher, he therefore sought to defend these causes on non-Marxian foundations. Now despite favoring egalitarian socialism or communism, Cohen says precious little about socialism as a system of production of goods and services, and that's because he does not admit to having any knowledge of economics. Almost all of his arguments I'm familiar with are attempts to defend equality of distribution, which he believes is the true content of "distributive justice" or distributions of "benefits and burdens" of social cooperation. He simply assumes that the goods to be distributed have been produced or are somehow available or even, when he describes the Marxist doctrine, are non-scarce like air.

Cohen's all-encompassing egalitarianism is opposed to both left-statism (or American liberalism) and libertarianism. He engages John Rawls as a champion of the former and Robert Nozick representing the latter. As we

trace his arguments, we will reveal Cohen to be a seriously perverted individual whose main aim is to destroy human nature by turning men into obedient machines without a will of their own. To achieve this goal, he strikes at numerous aspects of humanity. To whet the reader's appetite, I present a few of his fallacies and refutations of them right away.

1. For example, Cohen considers after-tax income to be a "reward" to people (*RJE*: 34). This language suggests that he believes that the state legitimately owns everything but, in order to utilize to its advantage the pesky human self-interest which irritatingly makes humans *unlike* machines, sometimes offers "incentives" to talented workers to get them to perform better. Yet, as Mises points out, "There is in the world of realty no mythical agency that rewards or punishes." (*HA*: 846n5) He goes on: "Reality does not reward toil and trouble. If toil and trouble is expended according to well-conceived plans, its outcome increases the means available for want-satisfaction." (*HA*: 396) For Robinson Crusoe who, alone on his island, grows tomatoes, the tomatoes he produces are precisely his "reward." In other words, Crusoe's success is its own reward, and his failure is its own punishment. In a free economy, what the worker has produced is also his "reward." It is not the state who mercifully and indulgently from on high blesses an unworthy person with some underserved grace; rather, what one produces is automatically what and only what he is able to consume or exchange.

It cannot therefore be said that the after-tax income is a reward which the state grants to the worker for which the worker should be grateful and praise his masters and obey lest even what he has will be taken away from him. On the contrary, the state unjustly plunders the worker of the fruits of his labor that are rightfully his and breaks his spirit, deceiving him with the false philosophy that the worker's acquiescence in his own spoliation and humiliation is the essence of justice itself.

2. Cohen proposes that vagueness ineluctably characterizes moral reasoning, but that does not make ethics problematic:

People say that they'd like to give to charity, but that they are so bewildered as to be paralyzed by the multitude of good causes... that they don't know to which charity to give. No similar paralysis affects them when they have a surfeit of restaurants to choose from. They

simply choose one that they know or believe to be good, even if it is not the best, and they think that's good enough.

And people say that you can't *know* that a given charitable donation will do any good, thereby erecting a standard for epistemic confidence which, if applied to their own self-interested concerns, would deprive them of a lot of enjoyment, such as that to be derived from investments that merely happen to pay off.

People also press the sorites question (where can one draw the line?) more insistently in a charities than in a self-interested context. People say "If I give them \$10, why not give them \$15? Where am I going to stop?" But nobody says, "If I spend \$10 on a bottle of wine, then why not \$15? Where am I going to stop?" (RJE: 5-6)

But the reason for these differences is that the moral law and the duties it promulgates require *sacrifices* from people who must satisfy the law possibly at the expense of their pleasures. In such a case, the sacrifices required for the sake of righteousness must be specified definitively and precisely, especially if punishments are administered for non-compliance. The disavowal of vagueness is simply a corollary of the liberal principle of rule of law. People must know exactly what is required of them to be safe from government violence.

Now donating to charity is an aspect not of natural law but of Christian morality of grace; nevertheless, the similarities exist to the extent that people donate not out of overflowing love but out of sense of Christian justice as works of mercy precisely in order to, in the long run, increase the charity in their hearts.

Natural morality does not impose any positive obligations. To a person in the state of grace, Christianity does – by justice – impose positive obligations, as is obvious from considering the 14 traditional Catholic works of mercy, such as feeding the hungry and instructing the ignorant. Where natural morality commands, "You shall not kill"; Christian morality says, "You shall give life."

The aim of Christian justice is to foster charity in one's heart; even if charity can only be increased by an infusion of divine grace, performing works of mercy (1) clears away any obstacles in the soul to grace and (2) fulfills the

potential that previously given grace has increased in a man.

How much money to donate to charity is not in this formulation a choice of pleasures like which restaurant to go to where there is no right or wrong answer; the confusion Cohen describes is due to the fact that which charity to fund, with how much money, and so on are problems where a mistake makes one objectively guilty if not before the natural law than before God. Since the rules are vague (in fact, grace is by definition over and above the natural law), and what the Lord requires of each particular person to be perfect is not obvious, no wonder people are cautious and reluctant to commit.

3. Cohen discusses the incentive argument with respect to the “talented rich” and the untalented poor. The idea is that the welfare of the “poor” can be enhanced by reducing taxes on the “rich.” These rich, spurred by the promise of greater “reward,” will produce so much more as to benefit the poor, as well. However, those who are rich are rich because of their high *net worth*; the incentives he has in mind apply not to that but rather to *income*. These are completely different things, as in physics, the position of an object differs from its velocity. An income stream is not net worth but the speed at which one’s net worth increases with time. There are high-income people with low net worth or even with negative net worth if they are in debt; there are rich people with low income or even who are dissaving and slowly whittling down their net worth. A talented person need not be rich, and a rich person need not be talented. Cohen in his egalitarian zeal hates *all* the “better off” so much that he fails to make even this elementary distinction.

Perhaps by “riches” Cohen refers to psychic profit or simply enjoyment of life. High-income people spend more money each month on their own momentary delights which therefore exceed those of the less talented. It’s true that those talented people who succeed may enjoy more pleasure than the worse off. But conversely, the talented folks who *fail* suffer more pain than the worse off. Talents, intelligence, etc. entail greater sensitivity to life’s vicissitudes. The greater potential for happiness for the talented is matched with greater potential for sorrow. One might say this is an aspect of “justice” itself: life is a gift but is not free. Cohen focuses on the winners among the better off who are conspicuous and ignores the losers who suffer in oblivion;

he sees the better off in the upper reaches of heaven and ignores the better off in the lower depths of hell. He overlooks their higher responsibility.

The forces of death and decay tug with greater ferocity at the more than at the less talented. To triumph over adversity is therefore a greater achievement for the better off. Their victory is more glorious (as their defeat is more crushing), and they deserve their superior happiness to that extent.

4. Inequalities, Cohen argues, “might indeed challenge the sense of self-worth of those who are at the bottom.” (77) Well, gee whiz. Of course, they challenge their sense of self-worth! They had better! Being at the bottom is precisely a sign of social worthlessness. It means that the poor person is useless to the community. No one cares for the services, if any, that he has to offer to other people, at least not much. He needs to reevaluate his approach to life and work ASAP. Moreover, restoring one’s self-respect is a result of personal achievement and decidedly *not* of being given looted money for free.

The meaning of “community” and “fraternity” is that the person endowed with superior nature and nurture (such as by being born into a better country or family) does not despise the less talented, is not puffed up with pride, does not revel in his superiority as he calls his brothers worthless, but cooperates with them on equal terms. The Biblical parable of the talents indicates that both the servant who got 5 talents and made 5 more and the servant who got 2 talents and made 2 more were praised in identical terms. Each person ought to do the best for himself with what he is given. Their relation should consist in being neither artificially privileged by the state nor artificially oppressed. Both are to be equally exposed both to the danger of failure, which is the more spectacular the better endowed one is – e.g., losing 5 talents of one’s starting capital is more tragic than losing 2 – and to the thrill of success. They should respect each other’s nature and contributions and squeeze the most profit for each other from their association and business partnership. But “community” is not a synonym for socialism or welfare state.

This is merely a sample of the Cohenian outrages which will be enlarged in due course.

Nuke the Equality

In his *Rescuing Justice and Equality*, Cohen aims to save his ideal of equality from the difference principle of the system of John Rawls. You may have heard of Rawls as a major political philosopher whose chief invention consists in the device of the Original Position (OP). It's a means to working out a hypothetical social contract. Let all members of society gather together as if in some Plato's heaven and seek to discover the just social institutions – what Rawls calls the basic structure of society. But there is a trick. All deliberation is to take place in the original position, where no one knows his actual place within social cooperation, his religion, class, race, wealth and income, or indeed the demographics of the society being constructed. This way, we insure impartiality. Rawls woe libertarians by insisting on the strict priority of liberty; he seduces socialists by his difference principle: all goods are to be equally distributed, unless inequalities are to the benefit of the worst-off members of society; and he is a modern left-liberal in his policy prescriptions. (Does the original position yield the conclusions he favors? In my eBook, [Unbearable Lightness of John Rawls](#), I argue that when rightly understood, Rawls' artifice in fact results in full-blown libertarianism.)

Rawls allows inequalities in “primary goods” which include material income and wealth, if as a result the welfare of the worst-off members of society becomes higher than it would be under strict equality. The causal story of how inequalities raise everyone's standard of living varies; e.g., Cohen proposes that “one possibility is that the rich work so much harder when the tax rate goes down that the tax take goes up, and more is available for redistribution. Another is that when the rich work harder, they produce, among other things, (better) employment opportunities for badly off people.” It's more complicated than that, but for our purposes, let's agree with him that “it is immaterial” exactly why “when the top tax is 40%, the talented rich produce more than they do when it is 60%.” (35)

Rawls repeats on a number of occasions that the parties in the original position are “mutually disinterested,” e.g.,

they are conceived as not taking an interest in one another's interests (TJ: 12);

they are not willing to have their interests sacrificed to the others (112);

all parties try to win for themselves the highest index of primary social goods, since this enables them to promote their conception of the good most effectively whatever it turns out to be. (125)

Cohen replies that

in the original position mutual indifference is assumed for methodological reasons to derive justice from rational self-interest under a veil of ignorance constraint. But it does not follow that the principles chosen by mutually indifferent parties of the original position are consistent with mutual indifference when they operate as rules of interaction in a functioning society. (RJE: 81)

Rawls is concerned solely with the society's political constitution and economic policy, not personal morality. Cohen grasps this quite well. He "rejects the conclusion that impersonal justice is a matter for the state only"; "demands of distributive justice reach personal decision." (9) Cohen contrasts the Rawls' view "that distributive justice is a task for the state alone" with his own, "which is that both the state, with no life of its own, and the individual, who is indeed thus endowed, must, in appropriately different fashions, show regard in economic matters both to impersonal justice and to the legitimate demands of the individual." (10)

Rawls was not an egalitarian like Cohen. Equality of distribution for him is merely a tool of thinking; the initial stage (prior to any negotiation) in the original position (not in the actual world). Rawls does not value equality as an independent end, other than as a self-evident way to distribute goods at that point. Rawls writes that "the first principle of justice requiring an equal distribution (of all resources)... is... obvious"; Hoppe comments: "True; for if it is assumed that 'moral parties' are not human actors but disembodied entities, the notion of private property must indeed appear strange." (EL: xv)

Cohen proposes that "in a society of wholehearted commitment to the [difference] principle, there cannot be so stark a contrast between public and private choice. Instead, citizens want their own economic behavior to satisfy the principle, and they help to sustain a moral climate in which others want the same." (70) Thus, his *egalitarian ethos* (EE) completes and consummates the difference principle as personal morality that was at first conceived by

Rawls as an instrument of government policy. Our author presents some quotes from *A Theory of Justice* to suggest that Rawls might have viewed his approach with some sympathy, but it is certain that Rawls made no explicit allusion to any such thing in the book. The switch from the discussion of what kind of society is best to personal morality is fully Cohen's own baby.

Rawls "divides labor" between the state which is to enforce distributive justice and individuals who are to be unconcerned with such matters in their personal lives and are to pursue their own self-interest. A libertarian view is that individuals do have a number of rather strict duties to each other in their personal lives, such as to respect each other's natural rights, but the state is merely to enforce these rights by punishing individuals when they violate their duties. Cohen borrows from Rawls the idea that the state must concern itself with distribution of goods; and from libertarians that individuals have duties to each other. He couples this view with the idea that equality in distribution is the essence of justice; or rather he simply defines justice as equal distribution: "... my own animating conviction in political philosophy with respect to justice is a conviction... that an unequal distribution whose inequality cannot be vindicated by some choice or fault or desert on the part of (some of) the relevant affected agents is unfair and... unjust." (7) Now justice, as Cohen himself points out, is concerned with "giving each person his due." It therefore assigns duties to each person toward his fellow men that he must fulfill regardless of his own desires and aims. Duties would then be some sort of categorical imperatives, commands. But it is the essence of man that he acts for ends. He seeks his own pleasure or satisfaction or happiness. Why should he obey any commands? Who shall be insolent enough to bark orders at a random person? Thus, any act of issuing the "law" unto the people, as though one were Moses coming down Mount Sinai with the tablets, must be justified, indeed proven. (Moses, in his particular case, justified it via a divine command theory of ethics coupled with the point that the Commandments were in fact divine commands.) I mean, who are you to tell people what to do? If you tell people what to do, then you must prove that your commands are indeed correct. Yet Cohen simply *defines* justice as equality and leaves it at that. This is hardly an adequate move.

Again, Rawls does not call the initial equality in the OP just or some essence of justice; but merely the first step in the deliberation that aims to produce a

social contract. It is somehow obviously reasonable, yet not really “just,” to distribute all goods equally to all parties in the OP (after they’ve returned to the actual world) at first. This deliberation may proceed in multiple stages, with the contract getting more complex with each new proposal unanimously agreed to. The difference principle is a second step, and so on. Whatever is ultimately agreed to in the OP is then R-just.

Cohen cannot then say that his C-justice which is equality is the same as R-justice, except that in Rawls, justice is contaminated with other concerns such as welfare or best rules of regulation. C-justice is completely different from R-justice. It is quaint to complain about one’s definitions. Thus, Cohen asks:

Why should the fact that it improves the lot of the worst off render an inequality *fair*?

Why is 10, 6, however otherwise superior it may be to 5, 5, more fair than 5, 5, even if the worst off person’s improvement from 5 to 6 *compensates* for the unfairness of widening the gap? (159)

And again:

One might think that what unanimity incontrovertibly does is render the inequality that it endorses legitimate, but why just?

How can the principle that unanimity is here said to favor be declared, quite simply, just, given the standard of justice that made the initial distribution a demand of justice? (165)

Well, Rawls’ device of bargaining in the original position is a case of “pure procedural” justice. *Whatever* is unanimously agreed upon in that situation is declared to be just. Cohen, on the other hand, has simply defined justice as equality. Of course, in that case, any inequality is *ex vi termini* unjust. Since everyone likes justice, justice is an unequivocal good. But now that equality is precisely what justice is, equality, too, becomes a holy and wonderful thing. However, this definitional exaltation of equality hardly convinces.

In his paper “How to Do Political Philosophy” Cohen presents some arguments in which different people find different premises, often rashly and dismissively, “obviously wrong,” among which is this:

- (1) Equality requires leveling down...
- (2) Nobody benefits from leveling down...
- (3) Something that benefits no one is in no way good.
- (4) Equality is (at least in one way) good. (CEJ: 233)

Cohen rejects (3), and I think vainly. This is because his ideology forces him to reject (2) instead, because it is he, Cohen the leveler, who benefits from leveling down. He gets to observe “justice” being realized, and this fact gives him a nice warm and fuzzy feeling inside. His selfish interest is indeed satisfied at all other people’s expense, but (2) is no longer true regardless. Defining justice in strange ways is, in my view, unhelpful. I might define justice differently, such as being less than 6 feet tall. This justice, I continue, demands that all tall people be cut down to size by having their legs amputated. It will be objected that, just like leveling down, this seems to hurt some people while making no one better off. Yes, I reply, but tallness is an injustice, and I hate injustice, and I would love a society in which justice has triumphed. I would enjoy the contemplation of justice prevailing in and ordering our world. Again I will be called unreasonable, sick, and even insane. In turn I will point out that my justice is indeed largely unattainable in practice and may need to be traded off for various other virtues, but it remains a value to be respected. At which point, I think, the discussion will grind to a halt, respecting perhaps Hume’s dictum that “Tis not unreasonable for me to prefer the destruction of the whole world to the scratching of my finger.” And that ultimately is what we will experience with Cohen.

The evaluation of equality and inequality belongs to mathematics; of justice and injustice, to philosophy. Cohen somehow assimilates these two fields. A distribution (5, 5) is more just than (10, 8), because more equal, he claims, even though the latter is Pareto-superior. Now there may be all kinds of reasons why the distribution to (A , B) or (10, 8) is unjust. Maybe B stole some utility from A maliciously, and the distribution should instead be (11, 7). Maybe B has been imprisoned for a crime he did not commit, and he could have obtained 15 had he remained free. Maybe the government passed laws that have curtailed economic progress, and the distribution under *laissez-faire* capitalism could have been (16, 18). That (10, 8) is unjust must surely be more than a mathematical observation; it requires either a rigorous proof or at least using words in ways consistent with their normal meanings.

Our author goes on:

Why would unanimity not render legitimate even a distribution under which the worst off were worse off than anybody needed to be? (166)

It would render such a distribution both legitimate and just in the Rawlsian sense, but presumably 10, 4 would not be agreed to if 5, 5 was the initial distribution.

The initial equal distribution of “wealth” in the original position is a demand not of justice but of logic, since what Hoppe calls the “free-floating wraiths” there are stripped of any and all identifying characteristics and are unaware of their environment to boot. How else but equally could one distribute *anything* between such strange creatures? On the other hand, why would the ghosts in the OP even need goods? They don’t even need *bodies*; they may as well be separated souls whose only interest is pure contemplation and who communicate telepathically. In philosophical thinking, the body including the brain is a hindrance to thought not its enabler, though a healthy body is less a hindrance than a sick body. These souls occupying the OP have no need for any material goods; hence there is no need to distribute anything, or indeed to produce anything at all. They are indeed pure spirits assembled temporarily in the abode of the angels to discuss the problem of justice. If we exit the OP and return to this world from our out-of-body experiences, however, the situation changes radically, and equal “distribution” does not follow. For example, in my eBook on Rawls, I argue that Rawls does not bother to specify where the goods to be distributed equally come from, and that if there are any goods at all, they must’ve been produced by a free-market economy which by its nature entails unequal distribution.

Cohen’s “egalitarian ethos” as a companion to Rawls’ ideal government policy at first glance seems unintelligible. What kind of personal moral duty is it, “each shall try to be equal to everyone else”? Given that all people are unique, should Smith try to be equal to Jones, Robinson, Brown, or Green? If Smith adopts Jones as his “role model” and aims to imitate him, and Jones enjoys fame and fortune, then by trying to be equal to him, Smith will be very unequal to everyone else. It is obvious that only the state can by coercive leveling make everyone equal to some independent universal standard, in particular a standard to which not a single individual is yet equal. Again, if in

a certain city all people are equal, and a traveler passes through that city, does he immediately acquire a duty to be equal to the city's inhabitants?

In practice, Cohen's aim in his moral preaching by his own admission devolves into "inducing agents to accept very high levels of taxation." (70n40) (Cohen by the way is in love with taxation. Political salvation for him comes from high income taxes. The idea is not to fund any particular government activities that Cohen likes but simply to combat inequality and, as an essential part of it, to cripple the market economy.) This understanding alone is sufficient to cast doubt on his project of rescuing equality from the incentives argument. If no Smith has a moral duty to be equal to any Jones, then at most, Smith only has a duty to render ideological support to the state in violently equalizing people. Whence, then, the *personal* EE? That is in fact what Cohen means. One may be "inspired" to live according to the duty to be equal to others, but this duty is mostly fulfilled by supporting a legal system that equalizes all wages. At the same time, in daily life, it is a moral not legal duty. The state does not force one to undertake it. Once again, however, any duty involves sacrifices of one's own definite goals. If it is true that one ought not to kill, then one must not only abstain from taking advantage of liquidating inconvenient people, but in fact suppress the evil desire to commit murder within his heart. This is painful, since desires naturally cry out to be satisfied not extinguished. Yet this process of moral purification is inevitable, since the satisfaction of both lawful and unlawful desires at the same time is impossible. Mises puts it this way:

One must not tell the masses: Indulge in your urge for murder; it is genuinely human and best serves your well-being.

One must tell them: If you satisfy your thirst for blood, you must forego many other desires. You want to eat, to drink, to live in fine homes, to clothe yourselves, and a thousand other things which only society can provide. You cannot have everything, you must choose.

The dangerous life and the frenzy of sadism may please you, but they are incompatible with the security and plenty which you do not want to miss either. (*HA*: 174)

What, however, does a man gain from adhering to the egalitarian ethos in his

personal life? This is a question that Cohen nowhere answers and to which I submit there is no plausible answer at all. Even worse for the Cohen's cause, a great deal is lost in a society which exalts tax serfdom.

Cohen mishandles Rawls in yet another way. He posits a conflict between the talented, such as "highly paid managers and professionals," and "poorly paid workers, unemployed people, and people indigent for various personal and situational reasons, who depend on state welfare." (59) This isn't quite right. Rawls, in constructing his argument, was concerned with the distribution of goods between the *cooperators* within society, *not* between producers and full-time parasites, like the welfarites, old geezers living off Social Security taxes, or indeed the unemployed. Rawls simply *ignores* the underclass or those who for whatever reason cannot engage in social cooperation, wisely considering the problems of crime and charitable giving to be beyond the scope of his book. His "worse off" are not bums on government dole; they are full-fledged producers who happen to be relatively but not completely deprived of gifts of nature or nurture (perhaps as children). We might even say that each of the Rawlsian spirits behind the veil of ignorance expects to be incarnated as someone working 40 hours per week, though without knowing what his productivity will come to be. It may be that egalitarianism demands that even those who do not produce at all be allocated an equal share of the communal income. But this would be an argument of Cohen's own design. Rawls' theory certainly does not involve people who think they might upon exiting the veil of ignorance *insist on being paid for doing nothing*.

It is true that the completely disabled are part of any civilized society. There *is* a danger that a party in the original position will be instantiated as one of them. Moreover, such a person may not be a producer but *would be if he could*; he is not a hobo living off alms by choice. Nevertheless, considering *them* to be the worst off would undermine Rawls' system. The difference principle would be rendered nugatory, since the welfare of the completely disabled is always near zero. Their very survival is perpetually imperiled. They cannot be *helped* by inequalities or in any other Rawlsian way. If they are supported by charity (rather than by own family), then presumably just enough to barely subsist; so, even general economic progress will not improve their standard of living.

Perhaps Cohen would argue in favor of “from each, according to his ability; to each equally.” Everyone shall work for the welfare of the community with great fervor, though be paid identically with everyone else. If one declares that his ability is zero, then he, too, will receive his proper equal share. He will not be denied citizenship in the commune. Once again this would be entirely Cohen’s own development that has nothing to do with Rawls.

Our great Mikado, virtuous man.

Cohen begins by describing a class of “politically engaged socialist egalitarians... [who] have no strong opinions about inequality at millionaire/billionaire levels. What they find wrong is that there is, so they think, unnecessary hardship at the lower end of the scale.” (*RJE*: 31) Immediately, we can observe that in holding these views, they are hoisted by their own petard. Mises counters their position as follows:

Seen from the point of view of the economically backward nations, the conflicts between “capital” and “labor” in the capitalist countries appear as conflicts within a privileged upper class.

In the eyes of the Asiatics, the American automobile worker is an “aristocrat.” He is a man who belongs to the 2 percent of the earth’s population whose income is highest. (*HA*: 836)

Who is to say that the present working and middle classes in America are not the millionaires of the days of old? For ours is the age, Mises writes,

in which industry supplies the consumption of the masses again and again with new commodities hitherto unknown and makes accessible to the average worker satisfactions of which no king could dream in the past. (*HA*: 605)

The European worker today lives under more favorable and more agreeable outward circumstances than the pharaoh of Egypt once did, in spite of the fact that the pharaoh commanded thousands of slaves, while the worker has nothing to depend on but the strength and skill of his hands.

If a nabob of yore could be placed in the circumstances in which a common man lives today, he would declare without hesitation that

his life had been a beggarly one in comparison with the life that even a man of moderate means can lead at present. (1985: 22-3)

There is no non-arbitrary minimum of the wealth of the general public that would satisfy the politically engaged socialist egalitarians and rid their cause of urgency. They are so predictable, we might with good reason sneer. If the standard of living of today's average worker were to reach the level of today's average millionaire, and the standard of living of today's average millionaire were to reach the level of today's average *billionaire*, then this apparently happy development would not, oddly enough, cause the egalitarians to shut up. They'll continue to cry bloody murder even if, as Rothbard puts it, the workers "only enjoy one yacht apiece while capitalists enjoy five or six." (1990: 126)

Thomas Woods [describes](#) a "thought experiment" proposed by Donald Boudreaux: "suppose an ancestor from the year 1700 could be shown a typical day in the life of Bill Gates. He would doubtless be impressed by some of what makes Bill Gates's life unique, but"

a good guess is that the features of Gates's life that would make the deepest impression are that

he and his family never worry about starving to death;

that they bathe daily;

that they have several changes of clean clothes;

that they have clean and healthy teeth;

that diseases such as smallpox, polio, diphtheria, tuberculosis, tetanus, and pertussis present no substantial risks;

that Melinda Gates's chances of dying during childbirth are about one-sixtieth what they would have been in 1700;

that each child born to the Gateses is about 40 times more likely than a pre-industrial child to survive infancy;

that the Gateses have a household refrigerator and freezer (not to mention microwave oven, dishwasher, and radios and televisions);

that the Gateses's work week is only five days and that the family takes several weeks of vacation each year;

that each of the Gates children will receive more than a decade of formal schooling;

that the Gateses routinely travel through the air to distant lands in a matter of hours;

that they effortlessly converse with people miles or oceans away;

that they frequently enjoy the world's greatest actors' and actresses' stunning performances;

that the Gateses can, whenever and wherever they please, listen to a Beethoven piano sonata, a Puccini opera, or a Frank Sinatra ballad.

Woods concludes: "In other words, what would most impress our visitor are the aspects of Gates's life that the software giant *shares with ordinary Americans*. When you consider the differences that characterized rich and poor prior to the Industrial Revolution, on the other hand, the 'capitalism-promotes-inequality' myth is further exposed as the ignorant canard that it is." The politically engaged socialist egalitarians are thus inconsistent.

The reason Cohen mentions these people is that they are less committed to equality than he is. They consider equal distribution to be a means to alleviating extreme poverty. Now these egalitarians are wrong on the most fundamental level, since poverty can be alleviated only in a progressing economy, one in which the standard of living of the people increases with time rapidly. Only *laissez-faire* capitalism qualifies as such. But equality of income and wealth is incompatible with the free market. The egalitarians thus competently sabotage their own project. Our concern, however, is that in partially subordinating equality to human prosperity, our egalitarians become the target of the Rawlsian incentives argument as exemplified in the difference principle. "They cannot just dismiss it," Cohen points out, "without lending to their own advocacy of equality a fanatical hue that they could not themselves on reflection find attractive." (30)

The incentives argument states that lowering the taxes on the better off or the more talented benefits not only them but also the worse off or the less

talented. It's true that society becomes more unequal as a result, but the benefits are worth it. Cohen wants to argue that there is something fishy about this line of reasoning, especially when asserted by one of the better off.

In laying the groundwork for his attack, Cohen posits what he calls a "justificatory community," defined as a relationship between an individual and some group in which the individual may be called to justify his actions. To illustrate it, he gives two examples. First, regarding the wage rates of the British academics: wages should be raised, the argument goes, because

otherwise they will succumb to the lure of high foreign salaries. We can suppose that academics are indeed disposed to leave the country because of current salary levels. The issue of whether, nevertheless, they should emigrate is pertinent to the policy argument when they are regarded as fellow members of community who owe the rest a justification for decisions that affect the welfare of the country.

Second, regarding Lithuanian independence from the former Soviet bloc.

The Moscow generals might address the... movement leaders as follows: "Widespread bloodshed is to be avoided. If you persist in your drive for independence, we shall intervene forcefully, and there will be widespread bloodshed as a result. You should therefore abandon your drive for independence." The Lithuanian leaders might now ask the generals to justify their conditional intention to intervene forcefully. If the generals brush that question aside, they forswear justificatory community with the Lithuanians. (45-6)

Now it seems obvious that an alleged member of a "community" (a random group of strangers who inexplicably claim authority to judge and harass equally random men on the street?) has a moral duty to justify his behavior to that community only if the community in turn has a moral (or other kind of) *right* to demand such justification.

It seems even more obvious that British academics, as presumably free men and not slaves to their "community," whatever it might be, have a right to migrate to whatever country will welcome them. They are not feudal Russian peasants bound by law to their patch of land. Their countrymen do not have the right of any kind, whether legal, moral, or prudential, to question their

choice of residence of employment. Or if they do question, the academics can safely ignore their conceited and inappropriate blather.

Emigration and secession are related. Hence the Lithuanians, too, had a right – natural, moral, and even legal, in light of the fact that the Soviet Union had collapsed and its treaties and organization with it, to secede from the evil empire. The Lithuanians could question the Moscow generals not because the two parties formed a “community” – what nonsense is this, since the former wanted precisely to disassociate themselves from the alleged communist paradise – but because they had a right to self-determination, especially as a well-defined nation. The generals had a moral duty to abstain from intervening in a peaceful act of a formerly conquered territory going its own way.

In neither example is the “community” in a position to demand justification for the specific action taken. The “individuals” – whether the British academics or the Lithuanian people – can do as they please and need answer to no one. My guess is that Cohen pines for a world government from which there is no escape. His egalitarian project will be on a safer footing without wage competition between firms and tax competition between countries.

It is true, finally, that there is most generally a “brotherhood of men,” but it is marked most significantly by freedom from coercion, by the right of any one man not to be killed or robbed by another, indeed by bourgeois non-interference. Even then, it makes no sense for the victim to demand of his violent assailant justification, because none is possible at all. Both parties are well aware that the murderer or mugger is outside the pale. Otherwise, no one can tell another how to live. Cohen needs to learn to mind his own business.

Let us suppose, however, that there is a justificatory community prevailing between the more and the less talented workers. Cohen considers the “threat” of the “rich” to work less hard under higher taxes and shrink the total pie to such an extent that even with redistribution the “poor” will be worse off than under lower taxes to be the same sort of threat that a kidnapper issues to the parents of a kidnapped child. “If the rich could be regarded as external things like machines, of bits of nature,” our author goes on, “it would then be irrational for the poor not to accept their proposal” to

set up the incentives for them that “work.” “But the poor know that the rich are persons, and they may regard them as fellow members of a community who can be asked, face to face, for justification.” (65) In short, Cohen proposes that the introduction of incentives for the more talented, such that in seeking their own profit, they also benefit the worse off, that is, the difference principle, does not follow necessarily from Rawls’ reasoning. For if justice demands that the worse off be taken care of, then the better off should do their duty to them even without any incentives at all.

Let it be proposed:

1. Children should be with their parents.
2. Unless you pay him, this kidnapper will not return this child to its parents.
3. So this child’s parents should pay this kidnapper. (39)

This argument, Cohen suggests, when uttered in this third-person sense, is not offensive. But the following argument, when uttered *by the kidnapper*, on the contrary is:

(A-Major) Children should be with their parents.

(A-Minor) Unless you pay me, I shall not return your child.

(A-Conclusion) So you should pay me.

The kidnapper “should still be ashamed to voice the argument, just because he makes [the minor] premise true.” (40) He can’t pretend that his crime is as if some natural disaster whom it makes no sense to curse or condemn. Very well, but what’s the parallel Rawlsian argument? It’s something like this:

(B-Major) The less talented people should be richer.

(B-Minor) Unless you lower taxes from 60% to 40% (*or* If you raise taxes from 40% to 60%), we, the talented, shall produce so much less that the less talented will suffer.

(B-Conclusion) Therefore, you should lower the tax (*or* you should not raise the tax).

It is true that the talented make the minor premise true. But the talented are being obnoxious only if they have no *right* to respond to the incentives the way they want. The kidnapper is morally wrong in kidnapping; that he is treating himself as a sort of impersonal force of nature is strange – what

Cohen calls alienation from his own agency (66) – but trivial in comparison with his objective guilt. But the more talented simply inform the less talented of their own innocent scale of values; there are things they are willing to do and things they are not willing to do, none of which are crimes. For that reason, B-Minor does not feature alienation, any more than a store clerk saying, “Unless you pay me \$1, I won’t give you this candy.” The clerk does not predict how he will act by sort of watching himself choose, as if his consciousness were split into two in some mental illness; he deliberates self-forgetfully, makes his decision, and then lets the customer know the terms on which he will strike the bargain. The talented person can proceed similarly, thereby avoiding any strangeness. Even the kidnapper need not be alienated from his agency if he is unashamed of his dirty deeds¹; much less the clerk or the talented worker. Nor is B-Minor offensive in its own right, since people would seem to have a right to produce as much as they want to, or as much as they contractually agree to produce. This suggests that Cohen misunderstands the meaning of “community”: it is indeed an offense against community to kidnap a man; yet sacred individual liberty to be free from coercion *by* community in choosing how much to produce. It is moral idiocy to equate this case with kidnapping. Any alleged duty to work “harder” would fall not under egalitarian ethos but under some *ethos of service* (ES) which Cohen nowhere defends or even acknowledges. Finally, A-Major is exceedingly reasonable, but B-Major is not: no one “should” enjoy any given level of prosperity. It is not written anywhere than anyone “should” be rich. It would be nice perhaps if people were rich, but no one is responsible for making any arbitrary stranger rich or richer than he presently is.

¹ In the Disney movie *Aladdin and the King of Thieves*, the villain Sa’Luk quite unselfconsciously sings:

I remember a time
 When crime was sublime
 There was plenty of loot in the lair;
 We’d plunder and pillage
 And ransack a village
 With nary a worry or care...

Admittedly, Sa’Luk exchanges one form of insanity, Cohenian alienation, for another, unconcern with moral law.

It may be that the kidnapper is accusing the parents who callously refuse to pay the ransom of an injustice which indeed displays certain chutzpah. The kidnapper is a hypocrite, a pot calling the kettle black. But unlike that case, (1) the talented people are within their rights; (2) they are calling the state not unjust but imprudent; (3) hypocrisy, in any case, is a tribute vice pays to virtue: it is simply *true* that the recalcitrant parents are being unjust, even if the kidnapper is in an uncomfortable position to criticize them.

Perhaps the idea is that the kidnapper *pretends to care* for the child in urging the parents to pay up; but if he really cared, he'd simply release the child posthaste. Similarly, the argument made by the talented seems to imply that they have loving feelings toward the less talented, but in such a case, why wouldn't they willingly donate some money to them? But this interpretation is unnecessary. For the better off, this is business not charity, and they are appealing to the self-interest of other members of society with whom they would trade. The better off want their own backs scratched, so they're sensibly advertising to scratch the backs of the worse off.

In Cohen's formulation, the "untalented poor" ask the "talented rich," "Why would you work less hard if income tax were put back up [from 40%] to 60%?" and demand "justification" for their answer. (42) It does not occur to Cohen that the answer, "Because I'd want to," is sufficient, and no further justification is necessary. It is Cohen who must prove that altering one's behavior in the face of a higher tax is objectively unjust, and he nowhere attempts any such proof. He does not grasp that beyond the sphere of moral duty is freedom where one may do what he wants without justifying his actions to others, or rather because "I want X" is a fully sufficient and adequate justification for pursuing X. Such a justification, Cohen believes, is "incompatible with... ties of civic friendship." (45) Apparently, one can't make a sandwich for himself without being obligated to explain his behavior to his many "civic friends." Yet what kind of monstrous society is it which compels its every member to justify his every move?

In choosing to produce less at 60%, the rich "wield power unjustifiably," says Cohen. (64) They deprive the poor of some material prosperity from redistribution. The poor, in righteous indignation, would be justified, perhaps on strategic grounds, in rejecting the lower tax proposal even at the expense

of their own material well-being, just as one may have a policy never to negotiate with kidnappers. But where is it written that the poor ought to be more prosperous than they are now? A kidnapper is committing a crime and hence ought not to be doing it; a talented person who produces less at 60% tax than at 40% is not doing anything wrong. He is not intending to harm any poor person; it's just not worth it to him to produce more. The poor are showing a vicious entitlement mentality, thinking they deserve other people's money. They are deluded, and the incentives argument passes muster as a result.

In a free-market economy, each individual serves others in the process of serving himself; under peaceful capitalism, social cooperation satisfies everyone's "selfish" concerns with unparallel and increasing efficiency. Neither need the talented sacrifice their own interests for the sake of the less talented. Capitalism harmonizes individual creative initiative with the common good. The talented may charge the "Left" with making it unprofitable for them to contribute to society with full self-giving. Cohen's argument proves far too much. When Smith exchanges his horse for Jones' cow, pointing out that if Jones refuses to hand over the cow, Smith will not deliver the horse, Smith is not "threatening" Jones with withholding a valuable resource from him. He is merely specifying the terms of a mutually beneficial exchange. Again, if Smith is willing to trade one horse for one cow, and the government establishes a price floor of 2 horses per cow, and Smith will not exchange at that price, it is hardly extortion for him to point out that Jones, too, will benefit if the price control is repealed. Similarly, the talented do not *threaten* the untalented that they will refuse to benefit them unless they gain something in return, too. They simply outline the terms of social cooperation that will profit both groups. What can be more innocent than that? It is preposterous to consider these cases to be on par with kidnapping.

It's true that the talented *could* physically produce as much at 60% as at 40% tax. But why ought they to? A kidnapper ought not, morally speaking, to have kidnapped the child. "You shall not kidnap" is a command of natural law discoverable by human reason. Yet who or what allegedly commands a talented person to work unprofitably for himself for the benefit of someone else? There is no such creature, or if there is, Cohen has not pointed it out.

Cohen's own ideology treats the talented persons as machines to be used for the interests of the worse off. The talented have no rights to spend the money they honestly acquired; they have highly demanding duties to the poor which they must robotically discharge. The symmetry of capitalism is replaced with a one-sided exploitation by the poor of the rich.

The problem, once again, is that people act for ends. Presumably, by working they intend to earn money which they then plan to spend on their own pleasures. In submitting to the disutility of labor, people aim to profit. They are not robots who perform "duties" automatically and without feeling. It is not the case that the better off are working *essentially* to increase the welfare of the worse off and as a disturbing and unwelcome accident of this improve their own welfare even more. On the contrary, they work essentially for themselves, and as an accident, make even the worse off happier. If the first were true, then I'd agree that one could question why they should have "incentives" when it is their "moral duty" to assist the worse off. The talented would be bound to the worse off in a sort of indentured servitude. But if the second which seems true to me, then it is merely proof that capitalism enriches the entire society. The natural aristocracy is dragooned into service to society as a whole through the cleverness of the economists.

Hence in order to keep working hard even at high taxes, the "rich" must *benefit* from doing just that. Logically, their goal can be one of the following two things.

1. They desire to improve the lives of the worse off, which means that they love them and acutely feel their pain. This sort of mighty charity is implausible, as only God is capable of personally loving each of the billions of humans.
2. They desire universal equality and themselves to be equal to everyone else, though at a higher level of welfare. This is surely a strange and inhuman goal. Probably almost no one who ever lived actually had it. Cohen has not proven that people *ought to* desire this, and that those who fail to desire this are awful sinners who must immediately reform.

Cohen can reply that he merely takes the difference principle to its logical

conclusion. But a difficulty appears posthaste. Cohen's argument can be put thusly. Let there be a society D_1 marked by equality of distribution. Rawls appears and suggests that everyone in this society can become better off by allowing the talented some incentives to perform, but at the expense of equality. The talented thereby work harder and produce more wealth, prospering themselves yet also creating value for the less fortunate. Name this society D_2 . Cohen retorts that a still better society D_3 is possible: one in which the talented work just as hard, but the fruits of their labor are nevertheless distributed equally. Amazing! D_1 has been transformed into a far richer superior D_3 by a philosophical argument!

Cohen seems to have invented a perpetual motion machine that improves economies all by itself. An even more wonderful D_5 is sure to follow.

Of course, Cohen has simply commanded certain people to work harder or brainwashed them into thinking that doing so is their alleged moral duty; if they obey, then total product will have obviously increased, and each person's equal share will be greater, as well. But how many times will he be able to crack his whip? Surely, there is a limit to how "hard" any individual must work to satisfy a deity even as demanding as Cohen?

The ultimate problem here is that such commands and brainwashing have nothing to do with the egalitarian ethos, as understood by Cohen. Desire for equality and devotion to work are not connected in any way. That one is an egalitarian does not entail that he must work more or less hard. The talented do not owe a definite and large sum of money to the poor, such that to repay the debt they have to exhaust themselves in hard labor for life. The egalitarian ethos says that the talented owe it to the untalented to be equal to them. It does not say that they owe to them any particular quantity of work or output produced. A person who refuses to work at all while demanding an equal share of total output for himself is not by that fact violating the egalitarian ethos, even if he'd choose to work more or less hard depending on the "reward" from "incentives." The fact that I choose to produce more at 40% tax than at 60% tax is not contrary to EE, though it may be contrary to the ethos of service, but Cohen nowhere defends or even mentions ES.

D_2 is obtained from D_1 causally via the self-interest of the members of society. When D_3 which Cogen judges superior to D_2 is postulated, the self-

interest is no longer employed. How then is D_3 to be attained? Either the state has to force the talented to work, or Cohen has to persuade people into thinking that working harder is their moral duty as per what I have called the ethos of service. According to this ethos of service, people are to work as hard as Cohen stipulates or commands them to work. Yet nowhere does Cohen even acknowledge this peculiar duty or set any standards about just what he requires of his socialist subjects in terms of the extent and manner of their labor. As a lawgiver, if his philosophy is not to be relegated into irrelevance, Cohen must specify just how “hard” and long one is to work in every occupation and *justify* it. He has to prove that the ethos of service is true and prescribes exactly the duties that it does. For D_3 is hardly the end. It can easily transition to D_4 and then to D_5 , D_7 , and so on. Where exactly do we stop?

It will not do to say that in D_3 people ought to work exactly as hard as they would in the counterfactual D_2 . For the question “Why work?” is answered differently in the two cases. In D_2 people work the way they do because they want to. One works N hours per day, because the cost or disutility of the $(N + 1)$ th hour devoted to labor to him is greater than the benefit or utility of the product he obtains with it. In D_3 , this reply cannot be resorted to. What the ethos of service requires is entirely unclear. It may require from one more than N hours per day or less. It is Cohen who as the designer of his utopia must come up with a definite answer which, however, is not forthcoming.

Cohen might reply that *if* all people worked in D_3 exactly like they did in D_2 , then D_3 , while equal to D_2 in total welfare, would be superior to it in “justice,” i.e., equality. We’ll deal with this claim shortly.

Another suggestion is to order one to work until the marginal cost of labor to the individual outweighs the marginal benefit of the product (to be distributed equally) to the *entire community*. But how would Cohen measure these utilities interpersonally since they go to different people? This is hopeless. In addition, this would ruin equality, since some people will be required to work longer and harder than others.

Perhaps the productivity in D_3 could be such that the cost of a marginal hour of labor added to *everyone’s* equal workday is just outweighed by the benefit of extra consumption possible through this exertion. Then D_4 is not possible at

all, and D_3 is optimal in both utility and equality. But this has the unfortunate effects of *both* proposals above: (1) it requires forced labor; (2) it's inefficient; and (3) it requires utility comparisons that are impossible to make. And these are just the beginning. In considering his moves from D_1 through D_2 to D_3 , Cohen in a childlike manner asks: "At what level is the equality of income and wealth in D_1 pitched, and why is it not postulated to be higher, or lower, than whatever that level is?" (99) It's an excellent question. In being so caught up with improving society by magically getting from D_1 to D_3 , Cohen fails to ask how an economy *actually* grows in the first place. It turns out, through capitalist saving and entrepreneurial profit-seeking endeavors of investing the money saved into longer and more roundabout methods of production. Discoveries of new technologies play a crucial role, as well.

This dynamic is destroyed when Cohen's egalitarian vision is implemented. Hence the level of economic development in D_1 is entirely arbitrary, i.e., can be assumed to be anything, for Cohen's own disreputable purposes; however, this level in the actual society would have been achieved via capitalism and permission to people to earn unequal income and to accumulate unequal wealth. Since D_1 is supposed to have equal distribution, Cohen's argument fails to get off the ground: there can never be such an economy as D_1 in the first place. Initial equality is an unrealizable chimera. Cohen might try to salvage his argument by saying that D_1 is the original position, while D_3 is an actual society. In that case, my charge that Cohen has proven too much by creating a perpetual motion machine that would forever improve the economy cannot be sustained. This move, however, creates a different problem. That equality is preferable to inequality in D_1 with its "disembodied somnambulists" does not entail that it is also preferable in D_3 with actual people.

It's hard even to conceive how Cohen (and Rawls) imagine D_1 . Are they picturing in their imaginations a large gang of naked people converging on a valley filled to the brim with consumer goods – refrigerators, bicycles, smartphones – perhaps being continuously vomited out into it by some horn of plenty and holding a discussion among themselves on how these goods are to be distributed among them? Even in such a situation, what would be "unjust" about the principle "every man for himself"?

There is another tension in Cohen's thought: by exhibiting displeasure over the lowering of the tax, Cohen shows that he is fully aware that people will not continue paying the higher tax voluntarily. He realizes that in order to get people to fork over the money to the state, taxes have to be kept high or raised. In this case, the taxpayers will be motivated by fear of punishment from the state for tax evasion. Cohen is not outraged or scandalized by this entirely normal and human response. Why is he so uptight about their being motivated by promise of reward by working harder at the lower tax?

Why is it Ok for an individual to be motivated by fear of punishment, but not Ok by promise of reward?

Cohen might reply that if the "rich" worked harder without pay "voluntarily," perhaps imbued with the ethos of service, then both the incentive of the lower tax rate and the disincentive of punishment for non-payment of taxes could disappear. There might still be some sort of "law" that 60% and not 40% of income is to be remitted to the state, but the enforcement apparatus could "wither away." Cohen has more or less embarked on a campaign of teaching and preaching to persuade the "rich" essentially to tithe to the state as if it were a church.

He may even take his fancy to its ultimate conclusion. "Let there be 100% tax," he'll proclaim, "but you, the people, shall not as a result quit working altogether and all starve. Nor, remarkably, am I requiring that you be enslaved by the state and *forced* to work. No, instead, you shall work just as hard and be just as dedicated to your jobs as at 0% tax, *because you want to be just* (according to my, Cohen's, understanding of the moral law). All the goods thereby produced shall go into a common stockpile to be then distributed equally." If he can convince people to do *that*, then an important obstacle to socialism, namely, the question of who will take out the garbage, will have been successfully resolved. The solution will note that the person who will take out the garbage under socialism for free is the same person who would take it out under *laissez faire* for money, mysteriously working with identical zeal and eagerness to outshine his competition.

Note that Cohen faults Rawls for being preoccupied with the "basic structure" of society, that is, the overall coercive legal regime and ignoring the Cohenian "ethos" which refer to personal morality. "The basic structure

is the primary subject of justice because its effects are so profound and present from the start,” says Rawls (*TJ*: 7). Cohen objects that what people do in their personal lives, too, can be profound. And therefore, for Cohen, “personal is political.” There is, however, a simple and obvious explanation for the singular importance of the basic structure. It is that Rawls was a *political philosopher*, and political philosophy, unlike general ethics, concerns itself with the proper and improper uses of *violence* in human affairs. Rawls’ implausible “branches” of government, such as the “allocation branch,” the “stabilization branch,” and so on, were tasked with various duties and could, as part of those, shove around income and wealth. But refusing to tithe the money one earned to the state in the manner we’ve just described is presumably not a violent act. Cohen may argue that it is nonetheless unjust. But even if so, the egalitarian ethos and the ethos of service are non-political, meaning that they cannot be, as per Rawls, enforced by the state.

The market process and its enemies.

There are three general economic constructs of increasing sophistication that we want to consider in order to understand how the Cohenian egalitarianism changes the economy. First and most primitive, which we may call an aggregate state of equilibrium or A-SEQ, is illustrated by a circular flow diagram, such as depicted in Figure 1. As we can see, firms, consumers, and workers are treated as collective entities; no distinction is made between different workers’ productivities. Individuals work, but why they work is unclear, since goods and services are auto-distributed to them as a group. Time as a factor of production is completely abstracted from; nor are there stages of production or capital structure. There is no inkling of the division either of productive activities (of entrepreneurs between firms) or of labor (of workers within firms). Even money is nowhere in the picture. The A-SEQ is precisely what it appears to be: a simple painting of still life.

Building on that is the evenly rotating economy or ERE. Unlike the mere snapshot of the A-SEQ, the ERE is a working machine. Time within a production round, money, and the structure of production are now visible and relevant. Exchanges are now performed by individuals who receive *psychic* profits from each voluntary transaction, as compared with the state of affairs in which these exchanges are outlawed under threat of punishment.

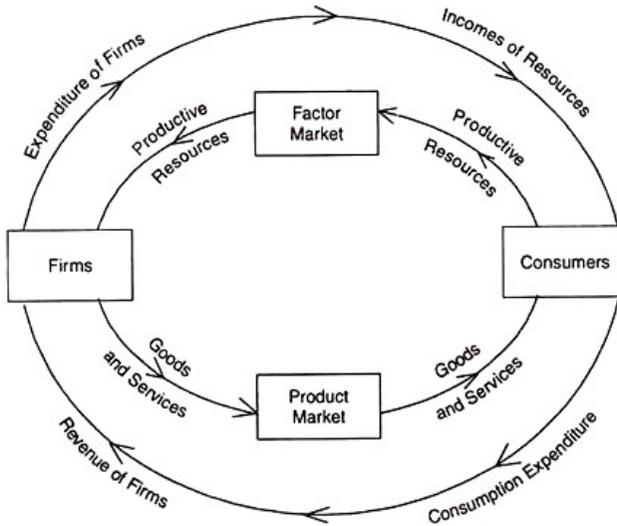


Figure 1. Circular Flow of Economic Activity

The limitation of the ERE is that each production round is identical to all other rounds. The same goods are produced, priced, and consumed the same way, day after day, and year after year. Though each exchange is mutually beneficial, the same pattern of exchanges prevails forever. The reason why we need this imaginary construction is that this equilibrium is where the real economy tends to upon each disequilibrating jolt inflicted upon it by entrepreneurs. Most neoclassical economists devote their time to analyzing the ERE, oddly pretending that it is a real economy, and go no further.

The final system is the actual market process (MP). It brings into consideration the *entrepreneurs* who seek *monetary* profits and who, through their actions, introduce creative advance to the economy, increasing the public's standard of living. An entrepreneur is by his essence an innovating disequilibrator who explodes local equilibria yet moves the economy toward global perfection, though it is infinitely far away. The only way to improve upon (illusory) perfection is to partially destroy it and rebuild it still better. The entrepreneur increases the complexity of the economy; he creates profits; he raises real wages. An "economist" in this case is an imitator who, upon every disequilibrating act, drives the economy back toward equilibrium without ever reaching it. Again and again there is a new unpredictable disturbance and a novelty being introduced into the system resulting in

profits (and sometimes losses) that are dissipated over time. The economist tends toward the unity of the economy; he destroys profits; he raises nominal wages. This yang-yin duality, the chase between the forces of disruption and restoration of local harmony, is what drives economic progress.

We may attempt to clarify this chaos / order duality as follows. There are 4 archetypes, to use the David Keirse's temperaments theory: Guardian, Idealist, Rational, and Artisan. There are also 2 quasi-temperaments in the lower form of humanity: Monster and Barely Human.

Chaos is divided into creative and ultimately divine yang belonging to highest Artisan temperament and destructive yin belonging to the lowest Monster. In some cases of course destruction is an aspect of creation and is good as a means to an end: think of digestion of food or the building demolition industry.

Order is "what is," what exists now, the status quo. It is good by virtue of its unity or lack of inner contradictions, lest it falls apart from its own flaws. Unity belongs to the Idealist yang.

From below, this Idealist order is the Guardian yin: rigidity, monotonous even rotation, hard and frozen resistance to change, specifically to the creative yang. This would be an evil aspect of order, if it were not necessary to protect order from the destructive chaos. The Guardian archetype is therefore ambivalent and only 3rd from the bottom of the hierarchy out of 6.

From above, order is the Rational yin: that which supplies the content and substance of existence: the complex body that is Idealist-unified – the unity being merely a structure which would be valueless without the complexity and richness of its inner life – in our case, the state of capital accumulation.

The market process consists in the interaction of the Artisan disequilibrating yang with the Guardian economizing yin for the sake of perpetually enhancing both the Rational complexity and the Idealist unity of the economy. The Barely Human archetype represents error and deception that causes Artisan entrepreneurs occasionally to make mistakes and incur losses.

Neither the individual Artisan entrepreneur nor the market process as a whole is good in the way that God is good – as existing necessarily and being

lovable essentially. Yet God's goodness is reflected in the Artisan's act of creating a beautiful thing and in the market process's endless development. The thing acting is not good, but the act itself resembles or imitates the creative act of divine self-diffusion of His goodness.

Karl Marx, in horrible madness, considered entrepreneurs and workers to be deadly enemies of each other. He falsely saw the highest Artisan yang as vicious; he thought that entrepreneurial profits were money stolen from the workers' wages. It did not occur to him that *temporary* profits were an essential part of the romantic interplay between economic order and chaos that drove all improvement in human material conditions. The market indeed abhors profits and perpetually equilibrates them away, in so doing creating new opportunities for growth. Marx defiled the proper understanding of the market process as containing an aspect of divine creativity.

God's goodness is distinct from the self-diffusion of goodness which is the mode of causation, neither physical nor teleological, uniquely proper to God. It is beyond human conception or understanding; it can only be judged good and worshipped. An entrepreneur is not good like God, because the entrepreneur, by his actions, seeks his own happiness and thus causes his effects teleologically. But the flow of the MP manifests the creative breath of God and fulfills God's defusal of His goodness into being, into world without end.

The reason why socialism is impossible is that the yang-yin entrepreneurial complementarity in it is destroyed. I will now supply a rigorous proof of this.

The simplest economy would be production and consumption of two goods by one person. To imagine a typical graph, we have the production possibility frontier (PPF) designating the trade-off between the goods and the optimum point on it that corresponds to the highest tangent indifference curve (IC).

In a real economy, there are many complications:

1. There are multiple consumers, and so preferences cannot be aggregated into a single IC, nor interpersonal utility comparisons made.
2. There are millions of projects producing consumer goods with

millions of types of resources, so both the PPF and the IC are multi-dimensional. Technological recipes are complex.

3. ICs shift due to changes in consumer preferences.
4. PPFs shift due to new technologies and discoveries of new resources.
5. Unpredictable acts of God occur all the time.

Let's abstract away from (1) by having only one person in our economy, Crusoe, who has somehow managed to build and operate an economy the size of our actual global economy. It is easy for him to rank bundles of consumer goods. Let's suppose that at some time Crusoe has an evenly rotating economy with a system of technological equations like this:

$$\begin{aligned}
 m^*P_1 &= m^*(5a_1 + 7a_2 + 10a_{15} \dots) \\
 n^*P_2 &= n^*(9a_1 + 3a_{15} + 22a_{42} \dots) \\
 &\dots \\
 \xi^*P_{1,000,000} &= \dots \\
 &\dots
 \end{aligned}$$

P represents a product; a , some resource, whether original or produced. A utility is associated with each marginal P ; Crusoe wants to arrange production by allocating resources in such a way as to maximize his happiness.

Resources like a_1 are (1) scarce (Crusoe only has so many a_1 s), (2) heterogeneous (a_1 cannot be fully substituted for a_2), (3) partially specific (a_1 can be used in production of many P s). We do not grant Crusoe technological omniscience, so let's suppose he discovers a new way of producing P_7 . By taking 3 marginal units of a_1 (say, $15a_1$) from 3^*P_1 for use in the new method, Crusoe unemploys 3 units of all the other resources: $21a_2$, $30a_{15}$, etc. Where shall they go in the whole scheme of things? Suppose we suggest that $8a_2$ go into P_{50} , although there are many other possibilities. But that means that the factors complementary to a_2 for producing P_{50} , such as a_{104} , a_{451} , ..., also have to be increased. From what other projects shall *they* be taken away to be used in P_{50} ? And so on, in a branching fashion. The consequences of even a single change must result in the rearrangement of the entire production system. And there are numerous possibilities.

The problem is not to solve the system of equations; it's to generate a new

system that's superior to the old one upon gaining some new knowledge. Crusoe's problem is to deal with novelties, to improve his production as he learns things previous unknown and unsuspected. At every moment, Crusoe is not only ignorant of numerous things; he doesn't even know what sorts of things he does not know. He is constantly surprised by new data.

With each new discovery, there is a new PPF. There are two distinct problems here. One is to find *any* improvement on the new PPF. The other is to find the *optimal* point or point of highest utility on the new PPF.

Suppose now that Crusoe has access to a powerful computer. Can he program it to solve either of these problems? What sort of problem is it to find a better / best allocation of resources, computationally? Is it tractable or not? I submit that neither is a class P-problem, i.e., a problem solvable in polynomial time. Rather, they are both exponential-time $O(2^n)$ problems. Moreover, while the first problem is an NP-problem, as in, can be easily verified given a solution (simply compare the total utilities of the solution and the original system); the second problem is not even that, because to verify that a solution is best, you'd have to sift through all production possibilities, i.e., verifying a solution is as hard as finding it.

As a result, a real-world economy cannot be run by a single man even with great computational resources. It seems that Crusoe requires *more people* to own and run his factories. There must be a division not just of *labor* of workers within factories but also of *productive activities* among profit-seeking entrepreneurs running the factories. This is relevant to the question "What constrains the size of a firm?" Firms in the market economy cannot get too big, lest they become unable to adjust to new market data. We conclude that Crusoe cannot "run the world" even if he is the sole human on earth and has a computer the size of the moon to assist him. Call this, to bring Mises' terminology more up to date, the socialist *computation* problem.

Mises argues: "Where there are no money prices there... is no means for man to find out what kind of action would best serve his endeavors to remove his uneasiness as far as possible." (HA: 209) But it seems at first glance that Crusoe alone on his island certainly *can* act in his own self-interest without prices. The question that interests us is whether Crusoe can control the world if somehow and under admittedly unreasonable assumptions put in

charge of a huge economy. I answer no, not because he literally can't calculate, but because he can't adjust production to novel data of whatever kind: changes in ends, technological means, environment, etc.

What's after all *the* difference between socialism and capitalism? Under capitalism, each person seeks his own happiness. Under socialism, only one man, perhaps surprisingly also named Crusoe, acts; every other person simply robotically obeys his commands. There is no labor market, for example, or any other kind of market. The situation of socialism is no different from the situation of Crusoe alone on his island. Under socialism, other people are Crusoe's mindless and obedient tools, like his axe and fishing rod under solitude. And, just like under solitude, Crusoe does not need to calculate in terms of money:

[Under socialism,] mankind is to be divided into two classes: the almighty dictator, on the one hand, and the underlings who are to be reduced to the status of mere pawns in his plans and cogs in his machinery, on the other.

If this were feasible, then of course the social engineer would not have to bother about understanding other people's actions. He would be free to deal with them as technology deals with lumber and iron. (HA: 113)

Even under the free market, calculation is needed solely to deal with *ordered introduction of novelties*, what I call creative advance, change-amidst-permanence. For the market actors can simply be commanded by some great power to *evenly rotate* under threat of a terrible punishment. "From now on," the socialist authorities will decree, "unless still equilibrating, everyone shall do tomorrow and every day hence exactly what he did today (or else)." Upon the establishment of this peace of the grave, money becomes a mere token, a medium of exchange still but no longer a unit of account. Everything needful *has already been calculated* upon the forcible arrival of the equilibrium.

Now with other people, there are certainly additional complications, such that Crusoe must know their values scales and somehow maximize overall welfare rather than his own. But in order to get to the essence of the socialist quandary, we can assume that Crusoe "loves" all his billion slaves as his own

children and “feels with them,” knowing every motion of their hearts, somewhat perhaps like a glorified saint. I know: Gulags, but stick with me. We can even assume with Mises that Crusoe “has made up his mind with regard to the valuation of ultimate ends. We do not question his decision.” (HA: 696)

Let Crusoe then be mysteriously put in the midst of a highly developed “evenly rotating” complex economy (meaning that he at this moment is unaware of a better allocation of resources) which he alone somehow labors in and manages. I suggest that the problem of adjusting production to new data is too hard computationally, even if Crusoe can juggle his utilities like a pro. And by “too hard” I mean impossible with all the computational resources the known universe might conceivably supply.

“New data” is a crucial proviso. If Crusoe were from the beginning of his adventure endowed with omniscience regarding (1) all possible technology, as well as (2) his own future valuations, and (3) future environmental changes, then even if he was practically immortal, he could make a perfect plan from now until kingdom come and grow his economy at the pace that maximizes his (or his “pawns” and “cogs”) long-term welfare.

Crusoe needs acting people, his fellow men, to come and rescue him, by taking ownership of his factories and becoming entrepreneurs, from the increasing complexity of his developing world.

It follows that an advanced capitalist economy *can* be converted into full-blown socialism by a sufficiently determined state, but on one condition: nothing in it would from then on ever change for all time.

There are some complications: the present economy is partially disequilibrated, and a transition to socialism will need to outlaw any future entrepreneurial actions and wait until equilibration somehow finishes. Further, preserving the state of equilibrium may prove difficult: the new generation may have different consumer preferences; there will be environmental changes and acts of God; foreign trade will muddy matters considerably. But abstracting from these, socialism is possible. There will be no new products, no new technologies, no new methods of production, no new factories, tools, or equipment. Whatever exists, will be maintained

against the entropic forces, but that's the extent of it. Each new generation will inherit the lifestyle of the old generation and will not improve in its own standard of living in any way. Each day will be just like every other day.

Now every evenly rotating economy is also stationary, i.e., one in which the people's wealth and income and living standards do not change; not every stationary economy need evenly rotate. An ERE is marked by no changes and no improvement; a stationary economy, by some changes yet still no improvement. An ERE thus represents absolute stagnation; while a stationary economy permits minor adjustments though also fails to progress.

A stationary economy is compatible even with the existence of profits and losses. Thus, a capitalist economy can in principle stay put / shrink, if the sum of all entrepreneurial profits in it is perfectly counterbalanced by / outweighed by the sum of all losses. This is because profits signify that resources were reallocated well relative to their previous manner of use; losses, that they were reallocated poorly. In such a case the creative advance and destructive retreat cancel each other out, resulting in no *overall* change for the better. For example, during a business cycle, there may be frenetic activity that for all that fails to bear any fruit and results in mass losses at the end. Government interventionism, in this case credit expansion, has thereby caused social retrogression. Nevertheless, socialist stagnation is fundamentally different from merely interventionist stagnation. And under *laissez faire* we can almost always observe continuous and speedy progress.

It would therefore be sufficient to prove that a socialist economy is at best stationary. However, we can assert even more, i.e., that socialism all but requires an ERE, because centrally shuffling resources between projects and factories within a country is a computationally intractable problem. The present argument is then *a fortiori*: if a socialist economy can survive only by evenly rotating, then by a still stronger reason it is stationary.

Gumming up the works.

By taking this detour we have shown that Cohen's socialism results in the devolution of the market process into the evenly rotating economy. But Cohen is not satisfied with this atrocity. He goes further than merely killing the living MP and bringing about an eternal ERE machine. This is because

even in the ERE with its absence of entrepreneurial monetary profits, different workers earn unequal wages and hence obtain unequal psychic profits. Driven by his egalitarianism, he wants to break the ERE, too, and substitute the still more primitive A-SEQ for it, in which all workers receive equal wages. Is this unholy project realizable on Cohen's own terms?

Cohen might try to insist that D_3 is superior to D_2 : D_2 is better than D_1 in terms of welfare but worse in terms of equality; D_3 is equal to D_2 in terms of (total) welfare but better than it in terms of equality; therefore $D_3 > D_2 > D_1$. Suppose we do away with the troublesome ethos of service and simply at one point in time t_1 in the life of D_2 force all people in it under severe penalties to evenly rotate and at t_2 place all the produced goods into a common storehouse and then distribute them equally. In this model, the new slaves could not feign stupidity or malingering in D_3 , because they've proven in D_2 that they are competent to do whatever work they were doing. Ignore the now established and devastating point that this makes no provision for future economic improvement – in Cohen's utopia, as in all of them, nothing new happens, nothing *can* possibly happen. But let us imagine D_2 as an evenly rotating market economy, a mere machine rather than the growing organism of the market process. Is it possible to break the machine by insisting on equal distribution? The consumer goods produced will of course have to be re-priced by trial and error so that the market clears, but this can be done. Well, the reason why the ERE has its particular form and substance has connection with consumer demand. Up until we froze our D_2 economy at t_1 for the sake of argument, there must have been continuous progress which at t_1 satisfied the consumers better than it satisfied them at every time prior to t_1 . The reason why these particular goods are being produced, in this quantity and quality, at these prices, and so on is that the people want them. But each person receives unequal wages and so buys his own peculiar basket of goods. If distribution is to be equalized at t_2 , then the production of whatever the economy was making at t_1 no longer makes sense.

In an ERE, when a worker exchanges labor for money and then for goods, he benefits relative to a situation in which the exchanges are prohibited under penalty of death. In the egalitarian A-SEQ, labor is forced, and some people suffer losses from exchanges, compared to a situation in which they could choose how they worked. In an ERE, all exchanges are voluntary, and there

are psychic profits relative to a counterfactual situation of coercion; in an A-SEQ, there are psychic losses relative to a counterfactual situation of freedom. As for the people who are benefitted from the redistribution, Smith might work 6 hours / day producing \$10 worth of goods per hour but receive \$20 / hour wage. This time it is not any individual but society as a whole that suffers a psychic loss, since Smith as a factor of production could be reallocated by the state to a more productive use. If Smith were paid less, the money saved could be used to produce other more socially important goods. However, this would alter the structure of production, and given our ERE starting point, we cannot do that; and in any case this could not be done while preserving equality, since individual productivities differ.

One might object that the redistribution of the consumer goods equally hurts some workers but benefits others; why should that be inefficient on the whole? The answer is that human action is maximally locally efficient when the marginal cost (MC) of every act approaches the marginal benefit (MB). In D_2 , MC indeed equals MB. But in D_3 , for the losing workers, $MC > MB$, and for the winning workers, $MC < MB$. This is inefficient but under our conditions irremediable. The *losing workers* lose not because they now receive fewer goods, but because they would not, if given freedom, work the way they are forced. Some or most of their laboring is unprofitable to them and senseless from their point of view. *Society* loses because the winners fail to pull their weight; it's as if they are artificially privileged and get to exploit others viciously without contributing their fair share.

In the ERE, an entrepreneur could find further improvements, but an economist could not; in the A-SEQ, even an economist could find improvements, but he is powerless because the state won't permit their implementation. Since aggregate production is the same in both D_2 and D_3 , and since economizing improvements do not exist in D_2 which is locally perfect yet exist in D_3 which falls short, we must conclude that D_3 is worse than D_2 in terms of welfare. Therefore, D_3 can still be upgraded to D_2 in welfare at the expense of equality, and Cohen's argument fails to go through.

Of course, if Cohen tried to realize these improvements, then he'd have to rearrange production, not just consumption, and that he could not do, owing to the socialist computation problem.

The cursed “ethos.”

“From each according to his ability” is a strange slogan, because who is it, and by what authority, that is demanding that each person perform up to his ability? Is it “society”? The state? Cohen personally? God? Why should anyone work fully to the extent of his ability? Why can’t he do what he wants instead?

Cohen might object that it is an aspect of equality that everyone suffers the same disutility of labor in addition to receiving the same amount of goods. But why must disutility be attached specifically to laboring? Perhaps I’m into bodybuilding and spend a lot of time in the gym; why can’t my exertions there count as my share of pain? Suppose I suffer from neck pain; is that enough to equalize my misery even if I refuse to work? Smith is single, and Jones has 3 children; can Jones work less because he is burdened with supporting a family and so has less leisure time than Smith?

Further, why should people work at all? The disutility of labor can be minimized by each person working 0 hours. Well, then everyone will starve to death. So then, there is a purpose to laboring, namely, to produce goods. But this would be a collective not individual purpose. It’s the purpose of the *state* which “distributes” the goods. But under egalitarianism, the marginal cost of labor (the cost of 1 extra hour or minute of working) to an individual will not be adjusted to marginal benefit. Some people will work too much as they judge it; others, too little. Those for whom $MC > MB$ for various amounts of labor are enslaved; those for whom $MC < MB$ are artificially privileged. Therefore, the egalitarian state cannot avoid forced labor. This is not only an inefficient one-size-fits-all scheme; it’s indefensible from any point of view – why can’t people work as much as they themselves choose?

This then is the problem of Slavery, and it refutes the ethos of service, since it is unjust to enslave people. Remember that we are trying to trace the consequences of substituting an egalitarian A-SEQ for a *given* ERE without altering the structure of production. If somehow the socialist government as the only employer could change what people produced and simply offered workers \$10 / hour for every job of similar disutility with each person deciding how long to work each day, the Slavery problem might disappear. The ethos of service would still be needed under this scheme, lest labor

discipline would suffer. The state, being the sole employer, cannot justly fire a lazy worker, since the worker would starve otherwise; nor offer incentives for superior productivity, since all wages are equal by design. It must count of the “moral inspiration” of each worker to perform “according to his ability.”

Regarding Slavery, Cohen has no concept of marginalism and the laws of diminishing marginal utility and increasing marginal cost; in particular, of the fact that a man will keep acting as long as MC of each further action is below MB and will stop acting when he perceives MC to exceed MB. (The MC of producing to a person is both the *disutility* of labor and the *opportunity cost* of labor in leisure or consumption or even sleep.) He supports enslaving people for the sake of “equality” without even realizing that’s what he is doing.

One’s output is not a function of how “hard” he works or of the disutility of labor. Digging ditches and filling them back up may be backbreaking and unpleasant labor, but it yields no useful product. Even if everyone is to work an equal and arbitrarily set 8 hours a day, EE does not specify that one is to produce more than another. It may be that if equally devoted to production, a talented person will “naturally” produce more in these 8 hours, and a less talented person will produce less. But the devotion itself, if not shown from self-interest in order to earn more money, is not part of EE but of ES.

The problem of Serfdom, which is that some workers will not receive the full product of their labor, and on the contrary that some will be privileged to receive more than they produce, would remain and, since serfdom, too, is unjust, supply an adequate refutation of the egalitarian ethos. Our author writes:

Egalitarians ask more product or service of the talented, but not more sacrifice.

It is an aspect of their greater talent that, usually, producing more product or service than others provide does not mean, for them, more sacrifice than others endure.

The point is not to get as much as possible out of talented people, but to get out of them the amount of product or service (which is

greater than normal) that comes with ordinary amounts of effort and sacrifice. (RJE: 208)

It may be true that catching 5 fish and gathering 1 pound of berries for Crusoe is as burdensome as catching 1 fish and gathering 1 ounce of berries for Friday. The disutility of labor is not the relevant sacrifice that justifies calling egalitarianism “serfdom.” Rather, it’s the fact that in subsidizing Friday until equality of distribution is reached, Crusoe does not receive the full product of his labor. Crusoe produces more than he consumes; Friday, the reverse.

“What’s so special about receiving such full product?” Cohen may ask. Well again, Crusoe is not a robot. He acts for an end, in this case, to feed himself. The sacrifice Cohen presses for is for Crusoe’s labor to be used for the benefit of another economic agent, someone whom Crusoe presumably does not love as himself. He “asks” (can Crusoe *answer* by rejecting the demand?) Crusoe to dissipate his efforts pointlessly for him, to exhaust himself without reaping any benefits from his burden. And that’s unjust.

The evil of wealth redistribution indeed resides on *both* sides of the coerced “transactions.” On the part of the receiver, because if the purpose of the world is soul-making, the making of human saints, then he defies the God’s design. He fails to exert himself in seeking happiness and in so doing “make” himself. Good things just fall into his lap. He is a nobody; nobody needs him; in fact, other people would be better off if he dropped dead, in which case he would cease to be a drain on them. Yet he is laughing, chaffing, and nectar quaffing while feeling no shame for giving little to society in return.

Rothbard trenchantly put it this way:

Parasitic predation and robbery violate *not only* the nature of the victim whose self and product are violated, but also the nature of the aggressor himself, who abandons the natural way of production – of using his mind to transform nature and exchange with other producers – for the way of parasitic expropriation of the work and product of others. In the deepest sense, the aggressor injures himself as well as his unfortunate victim. (EL: 50)

Admittedly, this corruption would be less severe if the parasite, under the

influence of the Cohenian ethos, worked full-time and would not increase his productivity if denied his stolen money. But on the other side we still have the victim of parasitism who labors or have labored greatly, yet his actions to further his welfare or the welfare of his loved ones are made *less successful*.

He works yet fails to reap the full benefit of his work, some of which is expropriated for the sake of parasites who feed on him. He is a slave for a good part of the year, working for others for whom he has no special feelings such as loving desire to help. It's as if somebody has deliberately hampered his powers of production, e.g., by forcing him to work while carrying a heavy bag of cement on his back or while constantly listening to rap music to dull his intelligence. He is made into a fool or dupe who seems to waste his energy stupidly.

He is *used* in a most vile manner as parasites use a host without asking the host's consent. He is a tool, a thing; yet, unlike market transactions in which we don't have to worry about people's making use of each other, because we know that everyone is satisfied with the results, in coercive legal plunder one side is treated with utter contempt, as subhuman, exploited as an animal, someone without the most elementary human rights. Cohen uses the implausible euphemism "constrained helping" for taxation and theft (*SO*: 68). When people are rioting and looting stores, for example, the store owners are not being robbed, you see; there're merely subjected to a little bit of constrained helping. Do "good intentions" really justify any crime?

Under a system of purely private charity, being supported is considered shameful, as something to be avoided for fear of social scorn, as indicatory of one's failure in life, at best a temporary burden to bear. (Thus, it is being given money that is a burden, not oneself giving to charity which is fundamentally honorable.) But when a legal title is given to certain specially privileged people or groups to other people's property, being on welfare becomes normal and not a sign of a deadly corruption of nature.

Moreover, under the welfare state, the crucial property of parasitism is its perpetuity. It's a permanent imposition on the host, and it's forever, for after all, what are the paradigms of inevitable things but death and taxes, with taxes bleeding the host dry precisely until his very death?

In addition, a new problem would arise which we may call Next Generation. If the more productive and skilled occupations pay the same as the less productive, then there is no incentive to new workers to develop their skills. Why go to the trouble of studying and practicing if there is no payoff to it, and especially if you're guaranteed the equal income regardless of your performance? This means that the division of labor our A-SEQ inherits from the ERE it replaced is temporary and unstable and will eventually disappear. We can see that Cohen assumes a yet third "ethos" which we may call the *utilitarian ethos* (UE): to pick the occupation most profitable to society.

First off, if the market is destroyed, then how will we *know* which jobs are more urgently in demand than others? Without market prices for labor, what shall signal jobseekers to allocate scarce labor to its most important uses? Cohen has a ready reply. The nominal wages will remain at their laissez-faire levels, but everything above the amount due equally to all will be taxed away. Thus, Smith may contract to receive \$50K per year, Jones, \$80K, and Robinson, \$110K. In fact, all three will receive only \$20K after taxes. Cohen dares to suggest that "that way of achieving equality seeks to preserve the information function of the market while extinguishing its motivational function." (RJE: 122n13) Well, the market is not a game. It doesn't work this way. Again, people act for ends. They work to achieve specific goals in their consumption during their leisure. In their striving, they will ignore completely the nominal wage and look solely at the real wage. Then there is the point of view of the business firm. Why would it offer higher nominal wages if all real wages must be identical? Why would it pay \$60K in taxes to the state in Jones' case when it can avoid this expense simply by setting his wage at \$20K? Cohen calls this proposal a "scheme" which is an infelicitous name, since a scheme is a plan that cleverly utilizes people's self-interest to achieve some sophisticated result. Far from appealing to self-interest, this appeals to a sense of duty and to "moral inspiration," and as we have seen, a duty demands precisely that a given interest be suppressed in one's soul. Mere external obedience is not enough; there must be an inner regeneration, such as in the case of natural law, a diminution of violent hatred or vicious duplicity in the person's heart. The duty to be equal must be inculcated into people, and their desire to earn money, be repressed. This "ethical solution" not a scheme; it's a brainwashing exercise. There are many ways in which human beings can be tortured, broken, or destroyed; this is one of them.

This idea is of course untenable from the point of view of the market process. If an entrepreneur makes a \$1,000,000 profit, all but \$20K will be taxed away. Who will compensate him and how if he suffers a \$1,000,000 *loss*? If no one, then who in their right mind, given socialized profits and capitalist losses, would invest? And if the government, then what happens to capitalism in the face of socialized *both* profits and losses? Cohen makes no provisions for future capital accumulation in this make-believe market.

Still, a libertarian might not be able to condemn a society in which the economic regime was laissez-faire capitalism, but where many people voluntarily donated or tithed a large percentage of their wages to the “minimal” government which then distributed the cash so as to equalize as much as possible incomes. Such a society seems implausible, however; for example, people *actually* give to charity to provide relief for the disabled, widows and orphans, and so on, i.e., for the sake of welfare not equality.

Second, the essence of utilitarian ethos + ethos of service is that one must struggle mightily out of some “moral inspiration” to serve other people. Moral inspiration must mean some desire to promote the good of other people. But such a thing is, as they say, 10% inspiration and 90% perspiration. Even if, as Cohen maintains, it is false that “people never act out of generous or conscientious inspiration, with no prospect of benefit,” (193) it is still false that people *always* or even as a rule act out of these impulses or that a durable system of economic affairs can be built out of them.

Cohen considers the case of a woman (call her Mary) who prefers (1) being a doctor at \$50K / year to (2) being a gardener at \$20K / year to (3) being a doctor at \$20K / year. (184) She prefers gardening to doctoring all things being equal but would choose doctoring at a higher pay. Then:

- given UE without EE, Mary will choose (1);
- under EE without UE, she will choose (2);
- with both present, she will choose (3).

Now UE on its own is entirely otiose and unnecessary, since (1) would be chosen under free markets + inequality, as well; it’s just that Mary’s pursuit of self-interest and the common good will be harmonized through the market

process. Furthermore, under inegalitarian laissez-faire capitalism, Mary would still serve society at \$50K / year best; it's just that she would also better serve *herself*, and she is a *part of society*. As Mises writes, Mary "becomes a social being not in sacrificing her own concerns for the sake of a mythical Moloch, society, but in aiming at an improvement in her own welfare." (HLA: 160) Moreover, she would (justly) get the full product of her labor.

UE is just as unproven in Cohen's works as EE and ES. All three are implausible in their own ways. For example, no classical utilitarian has ever managed to prove that I, Dmitry Chernikov, ought to strive to maximize total happiness. The most plausible suggestion in favor of this thesis might be that I ought to love mankind. But why I ought to love mankind so much as to make its overall welfare *my sole goal in life* remains unclear. I mean, maybe I also love potato chips. Why can't I pursue *that*? In short, Cohen's egalitarian capitalism is a lie and ridiculous game which could never work. And it is simply fantastic to call the combination of these 3 ethos, "justice."

What Cohen describes by his combination of egalitarian ethos, ethos of service, and utilitarian ethos is not a human society; it's an ant hill. All ants are equal to each other according to EE; they work with full self-giving driven by a powerful instinct as per ES; and they are perfectly content to take whatever positions the ant hill assigns to them, be it worker, soldier, queen, or whatever, satisfying UE. The hill itself of course never changes; there is no such thing as "improvement in the standard of living" of the ants. I, however, disagree with him that human beings are ants.

The Marxist slogan "From each according to his ability, to each according to his need," Cohen writes, "divorces labor, the exercise of ability, from income." (225) In other words, it divorces human actions from the consequences of those actions *for the actor*. Whatever you do, you are not to taste either success or failure. According to UE then, an individual is not to decide *what* he will do; according to ES, he is not to decide *how* he will do it; and according to EE, he is not to reap the fruits of his labors. The transformation of men into machines is for Cohen complete. Cohen does not need a philosophical refutation; he needs an exorcism. Let me therefore propose the *liberty ethos* that commands one to *kill* someone like Cohen who would destroy human nature by tying it up into fake "ethos." I mean, against

a zombie enemy like him, the only reliable weapon is a shotgun.

The virtue of selfishness.

Cohen concedes that “every person has a right to pursue self-interest” but qualifies it with “to some reasonable extent; but a modest right of self-interest seems insufficient to justify the range of inequality, the extremes of wealth and poverty, that actually obtain in society...” (61) It is unclear why self-interest ought to be “modest” as opposed to being the fundamental part of human nature, animating all human actions. The fact is, human beings seek happiness and act for ends. They contemplate potential future enjoyments and set out to bring them about. Ought the self-interest of the “poor” also to be modest? Does Cohen suggest that people repress their emotions and desires? Mises counters this strange view thus:

Our contemporaries are driven by a fanatical zeal to get more amenities and by an unrestrained appetite to enjoy life. ...

Without exception all political parties promise their supporters a higher real income. ...

Every contemporary statesman or politician invariably tells his voters: My program will make you as affluent as conditions may permit, while my adversaries' program will bring you want and misery. (HA: 318)

The masses will not listen to exhortations to be moderate and contented; it may be that the philosophers who preach such admonitions are laboring under a serious self-delusion. If one tells people that their fathers had it much worse, they answer that they do not know why they should not have it still better. (1985: 190)

If correct, these do not sound like descriptions of people whose self-interest is “modest.” Perhaps Cohen will insist that it *ought to* be modest. But then why have an economy in the first place? The purpose of production, including presumably even of socialist production, is consumption, and the purpose of consumption is pleasure or happiness. “There is hardly any greater divergence in value judgments than that between ascetics and those eager to enjoy life lightheartedly. An unbridgeable gulf separates devout

monks and nuns from the rest of mankind.” (HA: 87) If it is morally wrong to feel happy and morally right to repress one’s pleasant feelings, if living in “anchoritic reclusion” (HA: 179) is the only moral thing to do, then the problem of production vanishes, and with it, the problem of distribution, whether equal or not, as well, given that there is nothing or almost nothing to be distributed. Let people return to autarkic hunter-gatherer lifestyles and couple that with plenty of self-flagellation to stop themselves from enjoying life. Cohen’s reflections will cease to be of any use in such a world. Not even Marx considered his proletarians to be unfeeling machines.

Cohen calls this limited right of self-interest, the “personal prerogative” (181). What other prerogatives are there? There is the communal prerogative, group or “general” welfare as it were, but under capitalism, there is no conflict between individual liberty and the common good, as economics has taught us. There is the prerogative of justice which compels obedience regardless of aims, but justice involves the super-ambitious egalitarian ethos + ethos of service + utilitarian ethos only on Cohen’s own arbitrary definition.

Cohen believes something quite odd, namely that “selfishness, and, too, our equanimity about it, are precipitates of centuries of capitalist civilization. (First capitalism destroys community. Then its defenders say that material incentives are necessary because communal ones aren’t powerful enough.)” (178-9n71) But “selfishness” is an elemental property of the human will. It “belongs to man to do everything for an end,” St. Thomas states; “the object of the will is the end and the good. Therefore all human actions must be for an end.” (ST: II-I, 1, 1) It is human nature to seek happiness, and happiness is sought in acquiring and enjoying goods that suit each individual’s personality. Cohen is denying people their due, the fulfillment of a capacity that belongs to them by their very essence, and that is unjust. The search for happiness is not an effect of capitalism; it is a process which is *best served by* capitalism.

It is true further that capitalism de-communizes society, as it frees each individual from social pressures. Far from reversing this process as Cohen apparently desires, we must complete it. “It will require many long years of self-education until the subject can turn himself into the citizen,” says Mises.

“A free man must be able to endure it when his fellow men act and live otherwise than he considers proper. He must free himself from the habit, just as soon as something does not please him, of calling for the police.” (1985: 55) Capitalism destroys not “community” understood as brotherhood of men or Christian charity, but coercive violence of the state. It is precisely capitalism that, despite the fact that human interests conflict, makes “friends out of enemies, peace out of war, society out of individuals” (Mises 1962: 295).

Unless people accept his egalitarian ethos, Cohen writes, “how can they, without a redolence of hypocrisy, celebrate the full realization of their natures as moral persons when they know they are out for the most they can get in the market”? (*RJE*: 131) In this single sentence, Cohen demonstrates his depravity in four different ways. First, he attacks human nature. *Man acts* is the first axiom of economics and a self-evident first principle. A human being can't help seeking his happiness, “in the market” or anywhere else. He is not a robot to labor tirelessly for an external to him “communal” end. If people do *not* act, if they do not aim at improvement of their welfare but are taken care of by the socialist state, then it belongs to the central planner to decide whether it is just that no one shall fare either better or worse than anyone else. And why should any cog in Cohen's machine be privileged? Our author is no respecter of persons. All are to be given equal daily rations, and similar labor is to be extracted from them, and that is justice. If I am taking care of my livestock, it seems reasonable to take from each cow according to its ability and to give it according to its need, especially since cows seem to be content with fodder. The socialist slogan applies very well to the management of cattle. But are human beings to be treated the same way?

Second, a man is not a *Homo economicus*. The motives of his actions need not be to obtain “the most he can get in the market,” as if he is “greedy” or some such slander. It is a fact that the vast majority of people “prefer life to death, health to sickness, nourishment to starvation, abundance to poverty.” (*HA*: 154) But the actual ends they seek are enormously varied, and life, health, etc. can be and are sacrificed every day for other ends.

Third, Cohen assumes that only an egalitarian is a “moral person.” In fact, an egalitarian is a freak, a moral monster, even a madman. What a dreary

existence it must be to constantly measure oneself against others, repress one's own desires, and restrain one's efforts *in order to not be in any way better than they!*

Fourth, Cohen thinks that morality is the be-all and end-all of life. Far from it. Moral law justifies one's relations with other humans and helps to build one's personality. But once man has been purified, he is freed and told: "Do as you will; enjoy yourself; have fun; have as much fun as you want, in fact, even if it's far more intense than the feelings of other people."

As an example of the unnamed by him ethos of service, Cohen invokes people during a war sacrificing for the sake of the war effort, to "shoulder their just share." But since it is impossible to keep constant tabs on everybody, it is left to individual discretion who will sacrifice how much.

There are too many details in each person's life that affect what the required sacrifice should be: Max has a bad back, Sally has a difficult child, George has just inherited \$20,000, and so on. "Yes, Jack only goes out once a week, not, like most of us, twice, on guard duty, but then Jack has to take care of his mother." (RJE: 353)

But only rough-and-ready calculation can be made; there is no precision.

Here then is the repulsive vision Cohen incredibly endorses: a society in which everybody *watches* each other jealously in order to prevent anybody from enjoying himself more than his so-called "comrades," rejoices at the pitifulness of another's life, and spitefully pulls each other down whenever an opportunity presents itself. Cohen affirms that "justice can be mean and spiteful." (318) Moreover, he is hardcore about it: "egalitarian justice disallows an insistence on retaining enjoyments way beyond the norm" (368), and by that he clearly means even *psychic* enjoyments, that literally no one's life shall be any more *fun* than anyone else's, however fun is being had. Pure justice for Cohen generates a demand for equalization of *happy feelings*.

He goes on to say that justice is not supposed to involve exact measurements of who owes what to whom; "that would make a life a nightmare." (353) But why? Under capitalism, people tend to keep excellent track of their obligations. I know exactly how much I've charged to my credit card this month. Precisely because the envious hatred made inevitable by the

egalitarian “ethos” thereby unleashed to the max would make society unendurable.

The fundamental principle of justice for Cohen is self-abasement, and if one fails to abase himself, then others, imbued with Cohenism, will do it for him, perhaps through to the state.

But isn't there a sense of community that arises out of shared danger? You protect my back, and I'll protect yours; only by working together will we survive. The sense of brotherhood felt by soldiers is commonplace, wherein peaceful employees feel little of the kind. Psychologists say that couples bond when experiencing something fearful, even a roller coaster, together.

No doubt that's all true, but that's the kind of bond that is to be avoided unless absolutely necessary. Human life cannot be focused solely on survival. It's the enjoyments of peaceful civilized life that make life worth living. Furthermore, war is not a natural condition of human beings; peace, not war, is the father of all things. War is hell, and this is still earth.

The warriors' bond, though useful in mobilizing society's defenses, cannot be permanent. It's preposterous to live one's life in fear. Security from imminent dangers, including foreign aggressors, may be one of the first things people seek, but it is hardly the last. Eric Hoffer had this to say about war:

Hitler dressed eighty million Germans in costumes and made them perform in a grandiose, heroic, and bloody opera.

In Russia, where even the building of a latrine involves some self-sacrifice, life has been an uninterrupted soul-stirring drama going on for thirty years, and its end is not yet.

The people of London acted heroically under a hail of bombs because Churchill cast them in the role of heroes. They played their heroic role before a vast audience – ancestors, contemporaries, and posterity – and on a stage lighted by a burning world city and to the music of barking guns and screaming bombs.

It is doubtful whether in our contemporary world, with its widespread individual differentiation, any measure of general self-sacrifice can be realized without theatrical hocus-pocus and

fireworks. (1989: §47)

No wonder that Cohen's only real example of his egalitarian ethos and ethos of service in practice is World War 2.

Irrelevance of the “moral arbitrariness” criterion.

Cohen confesses thus: “My concern is distributive justice... of benefits and burdens to individuals. My root belief is that there is injustice in distribution when inequality of goods reflects... myriad forms of lucky and unlucky circumstance.” (RJE: 126) His quote of Brian Barry is worth reproducing:

On Rawls's conception of morally arbitrary, all differences in achievement are based on morally arbitrary factors. Perhaps the most plausible presentation would be to talk of three lotteries: there is the natural lottery, which distributes genetic endowments; there is the social lottery, which distributes more or less favorable home and school environments; and then there is what Hobbes called “the secret working of God, which men call Good Luck” – the lottery that distributes illnesses, accidents, and the chance of being in the right place at the right time. Let us now add the principle that what is morally arbitrary should make no difference to how well people do in terms of primary goods. Then there is no case... for anything except equality in the distribution of primary goods. (1989: 226)

In particular, if Smith is smarter or more hardworking than Jones, then Smith's virtues, too, are “morally arbitrary,” a legacy of his random genetic endowment perhaps. For true equality of opportunity to prevail, Smith must be handicapped in his efforts so that he is no better positioned than Jones. But how would you know in the end whether Smith and Jones have enjoyed equal opportunity? By observing their equal outcome.

Equality of opportunity for its own sake then devolves into equality of result, which serves as a sufficient *reductio ad absurdum* of this unholy concept. Equality of opportunity understood as what Rawls called “careers open to talents” as an aspect of “natural liberty” may be justified in two ways: (1) from Rothbardian-libertarian natural rights, starting from self-ownership and so on, since it is everyone's right to try to compete in business or workplace; (2) on utilitarian grounds that economic progress speeds up when no artificial

legal barriers to entry into any industry or profession are imposed by the state.

Cohen considers a “libertarian” who “supports laissez-faire *because* he believes in equality of opportunity, and he believes in the latter because he thinks it unfair for people’s progress to be differentially impeded and promoted by restrictions and advantages for which they are in no way responsible.” He then dismisses him as not “a very clear thinker.” Fortunately, he recognizes this creature to be “statistically rare.” (RJE: 92)

And he is right, because libertarians do not, like writers of self-help books, stress *individual progress*: they rather celebrate *social progress* and *individual rights*.

The churning of the social hierarchy, such that an individual is faced with mobility, both upward and downward, is scarcely important, other than as a tool of social progress. If out of two men, one must be the boss, and the other, the fool, does it really matter who is who?

What matters is that each man acquires that position in which he can serve society the best, be it indeed the position of manager or the technician.

Individual rights are intimately connected with this vision of a successful society in this way: each person is free to plot and plan, wheel and deal, build and trade, labor and direct production as per the principles of laissez-faire capitalism in order to find such a position. Thus, Mises points out: “We attack involuntary servitude, not in spite of the fact that it is advantageous to the ‘masters,’ but because we are convinced that, in the last analysis, it hurts the interests of all members of human society, including the ‘masters.’” (1985: 22)

“Natural liberty,” Cohen writes, “is rejected [by Rawls] because it fails to resist the morally arbitrary.” (RJE: 93n19) This is because it is unjust to “permit distributive shares to be improperly influenced by natural and social contingencies so arbitrary from a moral point of view.” (92)

Let’s use an example. A person is doing some computer programming. He is stuck, not knowing how to solve a certain problem, and so he goes online to look for solutions. Lo and behold, he finds help in less than 2 minutes. Isn’t that great? “No!” says Rawls. Our programmer did not *deserve* his happiness.

What about others who were unlucky in *their* searches? What of those who tried programming and found it too difficult? Won't they feel bad? The programmer found pleasure because of something that is morally arbitrary. This is a moral outrage; it cannot be tolerated; let the miscreant be taxed.

You see where I am going with this. Luck may be arbitrary and irrelevant morally, but it is not arbitrary and irrelevant for *human action*. It is not arbitrary and irrelevant for *successful* human action. It is true that humans have duties. But human life is not exhausted by moral duties. Reward may indeed be a fitting crowning of righteousness and exactness in fulfilling one's duties. But we have seen that in a free society, nobody "rewards" anyone. Speaking of a particular kind of action, Mises writes: "Entrepreneurial profit is not a 'reward' granted by the customer to the supplier who served him better than the sluggish routinists; it is the result of the eagerness of the buyers to outbid others who are equally anxious to acquire a share of the limited supply." (300) So, there are both things one ought to do and things one is free to do, and for the latter luck is perfectly great. In fact, let's have as much luck as possible for people, so that their plans, made within law, succeed! Who cares how luck is "distributed"? What could possibly be wrong with good luck?

Rawls and Cohen (R&C) are metaphysically obtuse. The world is clearly suffused with randomness. Randomly generated: human beings and their inborn endowments and talents, geographic environments from savanna to tundra, locations of various natural resources, the particular families, communities, and states that individuals are born into, opportunities people encounter with random capacities for seizing them, friends and associates, situations of being in the right / wrong place at the right / wrong time, calamities and misfortunes; and just plain luck are what human lives are defined by.

R&C are defending "a conception of justice that nullifies the accidents of natural endowment and the contingencies of social circumstance as counters in the quest for ... economic advantage." (RJE: 104) This is quite absurd. Randomness is such a fundamental and ubiquitous feature of this universe that it must be considered an essential aspect of the divine design. Humans are explicitly *required* to make lemonade out of their particular lemons. Moreover, this design is arguably *wise*, such that it is blasphemy to murmur

against God for an alleged injustice. R&C call the features of a person's life randomly assigned "morally" arbitrary. They may be from the point of view of the conception of justice that demands perfect equality. But what if that conception is wrong? In any case, there is far more to life than "morality." Unique individuals have to make the best of their unique positions, including pursue economic advantages. Cohen and Rawls seem to think that pursuing economic advantage needs to be justified morally. But that's completely false. The end – and only the end, as Rothbard pointed out – justifies the means. The end of eating a sandwich justifies the means of buying the ingredients and making the sandwich. My end of happiness justifies developing my talents and using them for my profit. Morality, such as that one ought not to steal or whatever, has nothing to do with this general fact. One is never content with merely following the moral law, for a stone or any other inanimate object, too, is perfectly righteous in this sense. One follows the law for the sake of physical or spiritual *survival*. But he seeks *happiness* by working to satisfy his various desires and succeed in his pursuits. The moral law prohibits a few definite crimes, yet whatever is not explicitly outlawed is permitted. The law tells you the 10 things you *should not* do; what, out of the 1,000,000 things you are free to do, you *should* do is entirely up to you.

Freedom and responsibility are two sides of the same coin. It may be proper to reward responsibility, but the success of freely chosen actions is its own reward. R&C fail to come to grips with the reality of human life, wherein there is a never-ending search for happiness, dampened only in some areas by duties which one must unfailingly carry out. But human beings are not duty-doing machines. The society chosen in the original position would be one in which not only merit is honored and rewarded but also there is greatest possible success which social cooperation can furnish. For everyone behind the veil of ignorance has a vested interest in living not only in a just society but also in a *successful* one, that is, in one with the highest possible rate at which the productivity of human effort and capital accumulation increase, luck or no luck. In other words, success *as such* does not need to be justified before the moral law; it is entirely self-justifying. (Particular actions have to be checked against the moral law but not the legitimacy of acting as such.) And success consists almost entirely in making smart use of the resources at hand, including and especially those that are randomly produced.

Hayek puts it this way: “the growth of civilization rests largely on the individuals’ making the best use of whatever accidents they encounter, or the essentially unpredictable advantages that one kind of knowledge will in new circumstances confer on one individual over others” (1960: 385) The human pursuit of happiness consists in random agents exploiting and shaping random environments, indeed arbitrary “morally,” in regard to just human relations, but not physically, in regard to narrow happiness. There is no reasonable sense in which any aspect of this activity is “unjust.”

In short, Cohen finds a problem with “deliberately exploiting a morally arbitrary advantage.” (*RJE*: 154) He is confused. The inborn gifts of the talented may be morally arbitrary, insofar as a man cannot be praised for his *moral* goodness on their account. But these gifts are not *physically* arbitrary, and one ought to milk them for all they’re worth in order to obtain narrow happiness, i.e., pleasure, such as indeed economic advantage. Cohen falsely claims that making smart use of one’s assets including natural and social endowments for the sake of enjoying oneself is “unjust.” A man who thereby comes to love his life can be praised and admired for his *success*.

In saying that “I consider a society unjust to the extent that the morally arbitrary, even unavoidably, prevails in it” (155), Cohen goes full retard. That the cat is on the mat, that I like Ike, that $2 + 2 = 4$ are all morally arbitrary; they may even contribute to inequality, but so what? Wild plants exhibit different degrees of health, vigor, and size; is there an injustice that botanists need to concern themselves with because each plant grows upon its own instinct to be beautiful? And when a plant flowers, quite unequally with every other plant, *it* will have succeeded, by its own power and for its own glory, not by help from the Rawlsian “distribution branch” of the plant kingdom.

In my eBook on Rawls, I discuss the idea of moral arbitrariness in the chapter on equal opportunity, concluding that equality of “fair” (as opposed to formal) opportunity is nonsense. But perhaps Cohen is right in holding that Rawls justified the initial equality in D_1 , too, from arbitrariness of natural and social endowments such as talent differences, rather than as a trivial implication of the veil of ignorance. (166-8) Rawls affirms “a post-medieval principle that none should fare worse than others through no fault of their own,” says Cohen. (156) In the first place, why is this principle true? Who

laid it down? People after all do fare differently through an immense variety of causes.² Is it supposed to be self-evident? Is it an empty sentiment like “Wouldn’t it be nice if all people were happy?” Is it a theological complaint, a call to justify God’s ways to men? I don’t know, and neither, I suggest, does Cohen.

Our author’s “On the Currency of Egalitarian Justice” is an astonishing and extremely subtle work in which Cohen debates with other remarkable characters what exactly should be distributed equally. The paper deals with such problems as whether a person with “expensive tastes” like someone who grew to love bullfights and wants to travel to Spain to watch them ought to be satisfied; whether “we” should “compensate cheerless people fully for their gloominess”; and whether, as regards a person who feels excessive religious guilt, “we” might “give him priority when we distribute scarce recreational facilities.” Cohen imagines himself to be the owner and distributor of all goods on earth and seeks to discover how he “should” scatter the largess to the wretched populace in his care. I applaud him for taking his luck-egalitarian premise that justice requires “us” to “extinguish the influence on distribution of... brute luck” and going all the way.

Cohen derives inspiration from the socialist slogan, “To each according to their needs – according, that is, to what they need for fulfillment in life”; and of course in the face of scarcity rather than Marxian limitless abundance it will be Cohen who will be determining who “needs” what. For example, he is sympathetic to compensating people for expensive tastes for which they are not “responsible,” but presumably he does not want to encourage people to *cultivate* new expensive tastes. This will require careful balancing. “I believe... it is unjust if I have to pay more for figs than you do for apples simply because few people like figs and many like apples – always assuming that you get from apples more or less what I get from figs.” (CEJ: 104) Well, if you

² This by itself is of course not much of an argument, any more than the fact that people do sometimes murder is an argument against the proposition that they should not murder. The relevant observation is that, while most people manage to live their entire lives without killing anyone, the ideal of comprehensive equality is *completely* absent from our world. Extraordinary claims about the glories of utopian goals that seem to transvalue all values require extraordinary evidence or uncontested proof, but Cohen provides none.

absolutely have to, you can always try to *steal* the figs, professor.

Second, I respond to this move by proposing a more radical idea, namely, that “distribution” itself, too, is morally irrelevant. Neither equality nor inequality is either just or unjust. Distribution is not a normative issue at all, and ethics is not the proper discipline to opine on it, though economics perhaps is. That does not of course mean that theft is not unjust: when Smith steals from Jones, he wrongs Jones because Jones justly owns his goods, but not because Smith makes the resulting distribution either more or less equal.

Another question is *what* after all is morally relevant. Well, man is both a capitalist with his inborn or acquired human capital and entrepreneur who himself directs his own efforts. Even if his initial cache of capital does not earn him commendation, straightforwardly, successful self-direction and both the resulting dividends (happiness) and capital gains (his talents developed) are praiseworthy. Hence how prudently and courageously one invests his human capital is the essence of intelligent exploitation of “advantages,” however “morally arbitrary,” and itself is highly morally significant.

Human capital, like any other kind of capital, is potency. It has no capacity to increase on its own; in fact, on its own it only depreciates.³ It is the act within each human being, the primal lifeforce in the heart of the will – “the impulsion of all impulses, the force that drives man into life and action, the original and ineradicable craving for a fuller and happier existence,” as Mises put it (*HA*: 882) – that can preserve and multiply this capital. Make a few bad decisions in life, and your capital, no matter how initially high, will be lost; indeed, the more gifts the gods gave you, the more traumatic your demise will be if you misuse them. The bigger you are, the harder you fall.

Again, capital, including human capital, does not “beget profit”; capital, left

³ A machine will depreciate in two ways: physically, by wear and tear, such that it will rust and break with time; and it will lose value as competing firms build more technologically advanced machines which will make the employment of the old machine no longer profitable.

Similarly, human capital such as a skill will naturally depreciate: if you don’t practice the skill, you’ll get rusty; in addition, you have to struggle to keep your skills up to day, since future economic progress will make your present competence with existing tools obsolete.

to itself, decays and begets only loss; the greater the amount of capital, the greater the loss. Now justification implies some sort of merit for which a reward is due. Cohen's "luck egalitarianism" proposes that "inequalities are just if and only if certain facts about responsibility obtain with respect to those inequalities." (*RJE*: 300) But the responsibility of shepherding one's talents toward a successful career grows with the amount of the talents, since the greater the human potential unrealized or even perverted toward evil, the greater the loss and shame. A talented man's destiny is more fearful, unforgiving, poignant, and uncertain than a dullard's. And one merits a proportionally greater reward for fulfilling duties where more is at stake. The human capital one finds himself with is morally arbitrary, but merit is obtained for non-arbitrary entrepreneurial victory over adversity in which this capital plays a role. The reward is not anything external: success and the happiness achieved are their own rewards. And yet they are justly one's own, and it would unjust for "society" to take or tax them away.

This is a crucial reason why luck egalitarianism which separates inequalities into those caused by "brute luck" which it judges unjust and those caused by individual choice and responsibility which it countenances is untenable. For there is no such thing as a capitalist who is not an entrepreneur or an entrepreneur who is not a capitalist. Capital goods are not merely physical objects; they are capital only when they participate in some entrepreneur's plan of production. They have a subjective element of being useful to various people in definite ways. A man who has saved money that he is not investing or planning to invest in the near future is merely a hoarder, i.e., one who is saving in order to safeguard himself against uncertain future. Conversely, no novel production can be attempted without capital. An entrepreneur is not just an idea man who discovers profitable opportunities; this is because talk is cheap, and that a man is a good entrepreneur must be proven in action, specifically by guiding his project to fruition and therefore risking capital. An opportunity must not only be discovered as some objective feature of reality but also seized; there must be a flawless physical execution of the production plan formed in the mind. An entrepreneur's job is not mere contemplation of possibilities but also realizing them in action; and, like an artist or athlete, his skills may be more or less adequate. Hence luck and skill / choice are inextricably enmeshed into each other; the skill must operate, and can only operate, on whatever capital one has available, including capital formed by

brute luck. “Capitalist” and “entrepreneur” therefore are ideal types or archetypes distinguishable in the intellect but always found together in every acting man. Almost every welfare inequality will be due to a combined cause of luck and choice which cannot possibly be disentangled.

Of course, if skills and virtues and temperaments and so on, too, are considered to be aspects of brute luck, and there is no such thing as genuine responsibility, then luck egalitarianism collapses into “flat egalitarianism” which “believes that justice consists in unmodified equality.” (119) But I don’t know why anyone who would grant this premise would be interested in ethics.

The idea that the fact of the random “lotteries” to which each human being is undeniably subject can or should prevent any man from striving to improve his lot in life is a non sequitur and an inexcusable delusion.

Bizarro Justice

Cohen’s critique of Rawls and other justice “constructivists” consists in arguing that their reasoning is contaminated with concerns other than “fundamental” justice. Specifically, Rawls, perhaps unbeknownst to himself, is interested not in justice *per se* but in what kind of society we want to live in, what Cohen calls “rules of regulation” or principles that will regulate the citizens’ common life. This question he proposes to settle by means of deliberation in the original position, wherein the deliberators are supplied with certain information (more in some formulations, less in others), etc. By this method, this machine of producing the output of social legislation, whatever it will actually churn out, will not be justice as such: “the influence of other values means that the principles in the output of the procedure are not principles of *justice*, and the influence of factual contingencies means that they are not *fundamental* principles of anything.” (RJE: 283)

Cohen’s attempt to rescue justice from “facts” at first glance seems strange: “facts are irrelevant in the determination of fundamental principles of justice. Facts of human nature and human society of course (1) make a difference to what justice tells us to do in specific terms; they also (2) tell us how much justice we can get; and they (3) bear on how much we should compromise with justice, but... they make no difference to the very nature of justice.”

(285) But surely, those facts of human nature that make humans human would seem to matter in the construction of ethics for our species; otherwise the ethics for man would be identical to the ethics for elephants or books. Thus, if, as Cohen believes, equality of distribution is just for man, and if the facts of human nature are irrelevant to the derivation of this proposition, then equality is presumably just for books, too, and books therefore “ought to” be the same in their number of pages, price, or quality of their content. He asserts, for example, that individual talents are morally irrelevant as regards distribution, but that presupposes that human beings, very much unlike elephants or books, *have* talents and that these talents differ. An example in favor of Cohen’s thesis might be the principle “We should try to rehabilitate lawbreakers.” Though books can’t violate the law, *if, per impossibile*, they could, then they, too, might be eligible for rehabilitation, again, *if* they could profit from it. Still, it seems a bit of a stretch to say that this fact-insensitive principle applies both to humans and (vacuously) to books. How about “Private property rights ought to be respected”? Books cannot own property, but if they could, then their rights, too, would have to be respected. But I don’t find this counterfactual obvious, for its truth would depend on other unspecified features of property-owning books in our fantasy. A fact of human nature is that humans have interests and those interests conflict. A fact-insensitive principle “Creatures’ interests ought to be harmonized” applies to human creatures, but not to the eternal enmity between wolves and sheep. In the case of “Happiness ought to be promoted,” human happiness indeed ought; the happiness of mosquitoes ought not. If “property” means something like “external objects appropriated for one’s exclusive use,” then property rights for humans ought to be enforced, but not such rights for lions: the hyenas who steal a lion’s kill are not being unjust. It’s at the very least unclear which facts of human nature and society Cohen admits influence justice and which do not.

Cohen is convinced that distributive justice = equality, and the fact that equality is unnatural or unachievable is simply irrelevant: “it is so often the facts that make equality ineligible (as opposed to not identical with justice).” (300)

The second part of his critique proposes that the difference principle, concerns about Pareto efficiency (which of course is a very poor man’s

market process), stability, publicity, and so on are things with which justice is supplemented and which are used to compromise pure justice's demands. Design of society requires us to take into account lots of things which are not justice-related. Rawls' project therefore is not a theory of justice but an attempt at system building. It calls "justice" what is in fact an agglomeration of numerous virtues including but certainly not limited to pure justice. Again, "sound rules of social regulation must satisfy virtues other than justice, and must defer to factual constraints that do not affect justice itself." (291)

For example, distribution (5, 5) is more just than (7, 6), but the latter "is preferable on grounds of human flourishing and might therefore reasonably be chosen." (319) Cohen thus believes that taking into account matters other than "justice" (for him identical with equality) in constructing overall social policy is fully legitimate, even mandatory: "it is... crazy, a piece of fetishism..., to care only about justice." (307) Nevertheless, justice proper, Cohen suggests, must be separated from those things and given its due.

There is an obvious objection to this treatment which Cohen himself takes up on p. 302 of *RJE*. Rawls simply *defines* "justice" as the ultimate social contract made by the choosers in the original position. How can it make sense to criticize a definition? It is possible to say, "what is due to people, which is therefore the essence of justice, is equal distribution of stuff." But it's also possible to say, "what is due to people is what the parties behind the veil of ignorance decide will be given to them." Note that Cohen calls the idea that "equality constitutes distributive justice" is a "claim." (279) But of course, it's not a claim, and Cohen nowhere defends it; it's *also* a definition arbitrarily made by him. He of course spends half his book trying to rescue equality from Rawlsian-style arguments, but that's different from proving that equality is *just*. Rawls' definition of justice, Cohen replies, is a "neologism," almost as silly as defining justice as number 5, perhaps, and hence is unhelpful. Justice, he writes, is "an elusive virtue discussed for a few thousand years by philosophers who did not conceive themselves to be (primarily) legislators and who consequently had a different project." (304) Rawls is refusing to contribute meaningfully to the discussion.

The distinction between justice and rules of regulation may be illustrated by Cohen's discussion of the "ought implies can" principle. Oughts that imply

can, Cohen argues, obey the following conditional: if it were possible, then it would have to be done. Something remains *by essence* a duty despite the fact that reality *by accident* makes it impossible to carry it out. We may even interpret it as follows: one must have the habit or virtue of justice even if one cannot for whatever reason act justly in a given situation. The ought part for Cohen can remain a valid moral principle even if circumstances intervene to make one unable to follow that principle. Suppose we say, humans ought to fly by flapping their arms about, imitating birds. It is objected that humans cannot fly like this. This observation, however, is no counter to the moral principle that men ought to fly in a birdlike manner. The proper argument (as Cohen would have it) would rather be a proof that even if men could fly, the moral law would still not insist on it. Cohen then writes:

It is indeed a reason not to adopt a rule when and because the fact that no one can follow it makes it futile, but it is equally a reason not to adopt a rule when futility reflects the different fact that no one *will* follow it, even though he can. But one would never say, investing the statement with the sort of importance that attends the typical announcements that “ought” implies “can,” that “ought” implies “will.” (253)

The first ought applies to the question: “Ought there to be a law?” The second, to: “Ought I to do my duty, for example, by obeying a law?” The first ought which regards rules of regulations is thus sensitive to both “can” and “will”: there ought not to be a law if people can’t obey it or if people won’t obey it, e.g., because of difficulty of enforcing it. Thus, it is stupid and counterproductive for the government to issue a law that the people *will* hold in contempt and flout even though they are fully capable of heeding it. The second ought which regards justice tracks only “can,” because choosing not to do one’s duty does not cause the duty to come to fail to hold.

We have seen that imposing equality of distribution requires as a first step the killing of the market process and the substitution for it an evenly rotating economy; and as a further second step, the breaking of the ERE and bringing about some form of aggregate state of equilibrium. An ERE is already a world of “soulless unthinking automatons” (*HA*: 248); going beyond it to replace the ERE with an A-SEQ with the resulting problems of Slavery,

Serfdom, and Next Generation not only annihilates the economy utterly, but also crushes the human spirit. Remarkably, Cohen says, all this is irrelevant in regard to the question of whether egalitarianism is *just*. If equality is indeed demanded by justice, then equality would be just even if it cannot possibly be implemented in practice. Cohen indeed explicitly argues that “justice is an unachievable (although a nevertheless governing) ideal.” (254)

But surely, people act justly every day. They abstain from murder and theft, etc. Why is the specifically Cohenian justice such an evil virtue that attempting to implement it would result in social disintegration? Could Cohen perhaps be mistaken in his understanding of a just social order? That the Cohenian communism is so clearly suicidal suggests, since it stands to reason that justice ought to be compatible (for the most part or in normal circumstances) with smooth functioning of the economy and society, that egalitarianism can scarcely be called a virtue. The virtue of justice, in particular, straightens up interhuman relations. In the market process, people in fact stand in relations to each other; there are *such things as* human relations. But in an A-SEQ everyone is equal to each other, like grains of sand. But grains of sand do not interact with each other; they are stripped of any relational complementarity, and there is nothing to justify in the first place.

In other words, equality is an insatiable value; despite Cohen’s refinements, it cannot be satisfied until it has ground everyone into dust. To see that, compare it with Rothbardian anarcho-capitalism (A/C) as laid out in his *Ethics of Liberty*, for example. Anarchists have been rebuked with queries like, without government: “How will crime be deterred?” “How will road building be financed?” or “How will air pollution be managed?” Some of these are more easily answered than others, but I won’t propose any solutions here. Suppose it’s true that pure A/C is unattainable in practice. So what? Justice still demands it. We care for things other than justice, such as effective punishment of criminals, production of certain special public goods like intercity roads, control of externalities such as through basic sanitation legislation, and suchlike. Combining all these still yields a libertarian *laissez-faire* economy *with*, however, a minimal government to take care of such matters.

Consider, for example, the problem of (local) taxes. Some people say they are

“proud” to pay them. Anarchists shower them with contempt for this attitude. Why, if you are so proud, don’t you pay more? *You* are proud; but why do you coerce others into paying, as well? Etc. But check out how Hume characterized government: “Thus bridges are built; harbors opened; ramparts raised; canals formed; fleets equipped; and armies disciplined everywhere, by the care of government, which, though composed of men subject to all human infirmities, becomes, by one of the finest and most subtle inventions imaginable, a composition, which is, in some measure, exempted from all these infirmities.” (*A Treatise of Human Nature*: 3.2.7) A person is proud that he has successfully cooperated with his fellow citizens to implement this “subtle invention,” this uniquely important technology.

To argue against anarcho-capitalism, one must show not that it is *somewhat impractical*, for I grant that, but that it is *unjust*, and no one has ever done this successfully. A/C as it stands is unachievable, but if it were, it’d have to be put into practice as per the recommendation of justice. I agree with Cohen that the teachings of justice stand or fall on their own, regardless of other considerations. I disagree with him regarding *what* is just: he prefers his egalitarian socialism; I, my Rothbardian anarchy. Far be it from me, however, to concede any other parity between these theories of justice. Perfectly just yet a little impractical anarcho-capitalism is very close to a slightly less just but fully workable libertarian decentralized city-state minarchism; Cohen’s vision is light years away from anything resembling a sane economic and social system. A functional A/C would be a boon to mankind; achievable equality would threaten to stamp out society and the human race. We should regret that A/C is impossible, chalking it up perhaps to the Original Sin or something like that; we should *rejoice* that egalitarianism is impossible and that attempts to implement it will inevitably be frustrated by “human nature.”

Best I can tell, Cohen embraces egalitarianism because the Rawls’ original position seems to demand equality as the first step in its constructive process, which itself, our author proposes, reflects the moral arbitrariness of human natural and social endowments. We have seen that Cohen denies that Rawls’ peculiar procedure outputs justice, instead of a more or less comprehensive proposal for a good society on the whole. Cohen does not even think the Rawlsian machine is good for the latter: he “happens not to believe” that “Rawls’ original position, or some variant of it, might be the right procedure

for generating rules of regulation,” anyway. (284) For example, he wonders why the design of the choosers in the original position “should enjoy authority over flesh-and-blood human beings, such as us.” (290)

Rawls proclaims that “among the essential features of this situation is that no one knows his place in society, his class position or social status, nor does anyone know his fortune in the distribution of natural assets and abilities, his intelligence, strength, and the like. I shall even assume that the parties do not know their conceptions of the good or their special psychological propensities.” (*TJ*: 11) Still, they “know the general facts about human society. They understand political affairs and the principles of economic theory; they know the basis of social organization and the laws of human psychology.” (24) Hoppe comments that “Rawls’ imaginary parties had no resemblance whatsoever with human beings but were epistemological somnambulists; accordingly, his socialist-egalitarian theory of justice does not qualify as a human ethic, but something else entirely.” (*EL*: xv) Cohen does them one better by arguing that Rawls’ original position, by focusing on overall policy and not strictly on justice, “endows the legislators with cognitive resources that are redundant from the point of view of specifying what justice it.” (*RJE*: 284) Redundant!? Then do the legislators know anything at all? Is there *any* truth they are not stripped of? Cohen’s wraiths have become full-fledged mindless placeholders; that equal distribution among *them* is supposedly required has zero influence on any real-world ethics or “ethos.” For some reason, then, Cohen has picked on a fairly insubstantial piece of Rawls’ reasoning, namely the initial equality, and elevated it into the core argument for his egalitarian “justice.”

Cohen considers a situation in which manna falls from heaven and is distributed equally among the villagers. One day an extra piece of manna falls on Jane’s property and comes to be owned, in a certain sense, by her. But she refuses to take advantage of her fortune and decides to invite her neighbors and share the manna with them. Our author denies that Jane is being foolish. “I would think,” he writes, “that she is simply a remarkably just person, and I think we should commend her for being one...” (318) Here’s the disagreement between Cohen and me. I think that Jane is being a remarkably *nice* person, a remarkably *charitable* person, a person who loves her neighbors and does good to them. I would concede that Jane is being *just* only in a

special sense: she may obey a divine counsel, a precept of grace: give what you have to the poor *in order to have treasure in heaven* (Mt 19:21). But I reject the idea that she is *naturally* obligated to share her good luck with others.

Finally, we must honor not only our bold ruminations on what ought to be but also, in the humble Hayekian manner, what is, if what is has arisen as a result of long social evolution and is so subtle and complex as to be hard fully to understand. Cohenian justice completely ignores the body of existing – and most inegalitarian – law which has been built up over centuries of civilizational progress. Like the corrupted Prince Arthas in the game *WarCraft III*, he proclaims, “This kingdom shall fall, and from the ashes shall arise a new order that will shake the very foundations of the world!” Could Cohen please, you know, *not* destroy everything? Notions of justice that are as radical and sweeping as Cohen’s are a sign of certain fatal conceit.

Cameras in the Boardroom

Cohen’s *Self-Ownership, Freedom, and Equality* is a juicy book, not so much for its arguments but for its concessions as to the inadequacy of various arguments in favor of egalitarianism and socialism.

To begin with, classical Marxists, says Cohen, did not find it necessary to enter into the examination of either the economics or ethics of socialism, because they considered the coming of socialism to be “historically inevitable.” The forces of social evolution would arrange everything for the best. Ideas and individual human choices guided by them play but a very subordinate role in this grand process, such as determining how to make socialism “come as quickly and as painlessly as possible. ... You do not have to justify a socialist transformation as a matter of principle to people who are driven to make it by the urgencies of their situation, and are in a good position to succeed.” (6-8) The choice of the word “driven” is revealing. It is not the individuals who drive history, as per Marxism, but somehow history drives them. It’s “matter (i.e., the ‘material productive forces’) over mind.”

What then constituted the agents of social change? “One was the rise of an organized working class, whose social emplacement, at the short end of inequality, directed it in favor of equality. ... [Second] was the development of the productive forces, the continual increase in the human power to

transform nature for human benefit.” The latter was supposed to result in some sort of a “post-scarcity” society, in which “anything that anyone needed for a richly fulfilling life could be taken from the common store at no cost to anyone.” (6) However, “history has shredded [these] predictions.” Capitalism most efficiently converts “proletarians” into bourgeoisie and has: “the proletariat never became ‘the immense majority,’ and it was ultimately reduced and divided...” But it is the second prerequisite for the socialist revolution that was annulled most decisively, according to Cohen. “The development of the productive forces now runs up against a resource barrier: ... the planet Earth rebels: its resources turn out to be not lavish enough... to generate unceasing expansion of use-value” (7):

The new basis of a demand for equality relates to the ecological crisis, which is a crisis for the whole of humanity. ...

(1) Our environment is already severely degraded, and (2) if there is a way out of the crisis, then it must include much less aggregate material consumption than what now prevails, and, as a result, unwanted changes in life-style, for hundreds of millions of people. ...

Western consumption must fall drastically; we cannot achieve Western-style goods and services for humanity as a whole...

A (supposedly) inevitable future plenty was a reason for *predicting* equality. Persisting scarcity is now a reason for *demanding* it.

“We can no longer sustain Marx’s extravagant, pre-green, materialist optimism,” concludes Cohen. (9-10)

Now I may be able to see a reason for “equality” under Cohen’s assumption: if competition between entrepreneurs and workers has now, because of the “ecological crisis,” become zero- (or negative-) sum and cannot be harnessed for the sake of economic improvement, then there is little reason to permit it. If the standard of living is forever fixed and may even worsen, such as with population growth, then the key advantage of the free market – ever better and cheaper goods and services for the masses – disappears. Perhaps the economy should be frozen in place forever to mitigate the perverse and vicious competition which churns the social hierarchy but only makes things worse on the whole. If, as part of such eternal economic rest, the

government takes over production and distributes consumer goods equally, not much damage will be done to this Cuban-style world in which nothing that's both new and good is already guaranteed ever to happen.⁴

But wasn't Cohen deceived yet again by the false "ecological" scares of the early 90s? If his new presumption of inevitable global economic deterioration does not hold, what other straws will our author grasp at to bolster his hope for egalitarian socialism? Or is he really finished this time for good? George Reisman wrote that "the green movement is the red movement no longer in its boisterous, arrogant youth, but in its demented old age." (1998: 102) Can we finally mercifully take Cohen and his fellow commies off the ventilator?

Now Cohen discusses three "solutions" to inequality, three opinions on how to bring about equality. The first comes from Marx as interpreted by Cohen. Marx, he argues, pinned his hopes for communism on the eventual attainment of "limitless abundance." He "thought that anything short of an abundance so fluent that it removes all major conflicts of interest would guarantee continued social strife, a 'struggle for necessities... and all the old filthy business'." (131-2) Even disutility of labor will disappear when in that absolute perfection labor becomes "life's prime want." (126)

Cohen quotes from the Soviet textbook *Fundamentals of Marxism-Leninism* to "provide the reader with a taste of what Stalinist faith in the development of the productive forces was like." It is necessary, the book proclaims,

to prolong man's life to 150-200 years on average, to wipe out infectious diseases, to reduce non-infectious diseases to a minimum, to conquer old age and fatigue, to learn to restore life in case of untimely, accidental death;

to place at the service of man all the forces of nature, the energy of the sun, the wind, and subterranean heat, to apply atomic energy in industry, transport, and construction, to learn how to store energy and transmit it, without wires to any point;

to predict and render completely harmless natural calamities: floods,

⁴ See the discussion above of the devolution of the market process down to the evenly rotating economy and then still further to a form of aggregate state of equilibrium.

hurricanes, volcanic eruptions, earthquakes;

to produce in factories all the substances known on earth, up to most complex... and also substances unknown in nature: harder than diamonds, more heat-resistant than fire-brick, more refractory than tungsten and osmium, more flexible than silk, and more elastic than rubber;

to evolve new breeds of animals and varieties of plants that grow more swiftly and yield more meat, milk, wool, grain, fruit, fibers, and wood for man's needs;

to reduce, adapt for the needs of life, and conquer unpromising areas, marshes, mountains, deserts, taiga, tundra, and perhaps even sea bottom;

to learn to control the weather, regulate the wind and heat, ... to shift clouds at will, to arrange for rain or clear weather, snow or hot weather.

Cohen comments: "It goes without saying that even after coping with these magnificent and sweeping tasks, science will not have reached the limits of its potentialities. There is no limit, nor can there be any, to the inquiring human mind, to the striving of man to put the forces of nature at his service, to divine all nature's secrets." (133n39) I agree that there is probably no limit to improvement in economic conditions regardless of what has already been achieved. But the general tendency toward such improvement does not entail ever arriving at any actual "post-scarcity" economy. A growing *potentially* infinite sequence stays at every moment at a finite number without ever becoming *actual* infinity which is a mathematical abstraction in any case.

Socialism, according to Marx, as the lower stage of his utopia, was supposed soon enough to produce the limitless abundance that would inaugurate communism, the higher stage. But here Cohen denies that the market is "inefficient" or wasteful, saying that the "traditional socialist view about the market's lack of planning was misconceived. It failed to acknowledge how remarkably well the unplanned market organizes information... von Mises and Hayek were right." (260) If socialism is an economic failure, and capitalism, despite its wealth-generating power, still cannot eliminate scarcity

100%, then communism is unachievable according to Marx.

If complete abundance, where “roast pigeons will in some way fly into the mouths of the comrades,” as Mises lampoons it (1990: xvii), is a self-contradictory daydream, then the first solution is immediately undone.

Note that the limitless abundance that for Marx was required for communism does not abolish but merges the “classes.” Every worker is transformed into a capitalist-entrepreneur who can grab any capital good from thin air and use it in whatever projects he would fancy undertaking. We might imagine some *Star Trek*-like “replicators,” whose power is limited only by human scientific and technological knowledge not by scarcity of factors of production. Once we learn how to “program” a replicator to build an object, the object ceases to be scarce. Uttering a command like “Tea, Earl Grey, hot” to the replicator is sufficient to produce a cup of tea without diminishing the supply of other goods to other people. The Information Revolution that we’re in the middle of today and which no one could’ve predicted may eventually bring us closer to this vision. But even if a post-scarcity world is possible, it will not abolish capitalism but fulfill it.

Cohen’s second solution, which he seems to dislike, involves the creation of some New Communist Man, who “will become a ‘social individual’ who identifies himself with the interests of other people.” (134) This is “Marx as interpreted by others.” He senses that “altruism in which people care only about the interests of other people is paradoxical, because there are then no interests for anyone to care about.” (140n56) Another possibility is some sort of perfect Christian self-forgetful charity, which is not paradoxical at all, in which “the use of any material object, on any occasion, falls, with everyone’s consent, to whomever would appear likely to get the most satisfaction from it.” (*SO*: 143) This one is tricky, but in any case I don’t see how equality is served by it.

The third solution invented and favored by Cohen himself is for people to become motivated by a view of justice in which inequality of distribution is unjust and equality is just, and “voluntarily” pay various taxes designed to promote justice by minimizing inequality: “We should accept that there will always be substantial conflicts of interest... I am premising an abundance which, while smaller than what I think Marx prophesied, is great enough to

ensure that very considerable self-sacrifice for the sake of equality of condition will not be necessary.” (135) We have dealt with the egalitarian ethos above. In particular, this proposal reveals an even more serious misunderstanding of the human condition, because Cohen now apparently freezes the economy at some arbitrary standard of living that does not even pretend to resemble “limitless abundance.” He gives no thought to the people’s desire for and live possibility of further improvement. Ever since Cohen has become a “green,” he by his own admission no longer believes in everlasting progress, foreseeing only gloom and doom for humanity. Far from abundance, he predicts only diminishing living standards that will take us even below what people enjoyed at the time of his book’s publication.

Cohen’s vision then is of a miserly, hopeless, dull, often worsening or at best unchanging existence for man, a world in which little of interest happens. Humans are born, live, and die, leaving no trace and making no difference. “Humanity’s uniquely teleological contribution to the universe,” in Salerno’s words (Mises 1990: 50), has, in Cohen’s melancholy view, come to an end.

Robbing Wilt Chamberlain.

Nozick assumes at the beginning of his argument that, in position D_1 , all goods are distributed equally. A socialist is invited to consider this initial position just. Nozick then proposes that there is no injustice in voluntary exchanges between members of society. He argues that free trade will shatter the equality by bringing about D_2 marked by considerable inequality. But since the latter unequal state emerged from a *just distribution* by means of a series of *just moves*, it, too, is just. In particular, it seems permissible for a million basketball fans to pay a quarter each to see Wilt Chamberlain play. Yet in the process Wilt will garner a considerable sum of money.

Cohen claims that “the Chamberlain story... impugns not the original distribution but the *exclusive* rightness of the principle mandating it,” i.e., equality. (24) That seems like a wrong interpretation. The story illustrates rather that justice is fully compatible with both equality and inequality alike; and hence equality cannot be a principle of justice at all.

One move by Cohen is simply to define justice as equality in which case of course just steps do not preserve justice, because they do not preserve

equality. Instead, he argues, *legitimate* steps preserve *legitimacy* by which he means roughly a state of affairs about which no one can complain. (CEJ: Ch. 6) This seems strange, because the injustice of D_2 would seem to be a cause for complaint; and moreover, promotion of justice would seem to require that the cause of injustice, the voluntary exchanges, be repressed. But how does it make sense for a person to complain *ex ante* about the consequences of his own choices? Perhaps Cohen means that the sacrifice of equality, and hence by definition of justice, is a cost everyone reluctantly bears in order to watch Chamberlain play. It is only human to complain, even if futilely, about costs. This is problematic. For justice demands compliance with its duties independently of ends and desires. The moral law is a set of categorical imperatives: one ought not to murder even (and especially) if he wants to murder. If equality is just, then it cannot be breached to satisfy one's ends. "But I *wanted* a candy!" is no excuse for shoplifting the candy; similarly, "But I *wanted* to watch the game!" is no excuse for ruining the holy equality. Therefore, the steps of voluntary exchanges are in fact unjust and wrongful. But Cohen accepts that they *are* just and so is caught in a self-contradiction.

Cohen objects to capitalist acts between consenting adults on the grounds that they (may) have wider consequences. He finds the Chamberlain fans "insufficiently reflective, when we think through, as they do not, the *full* consequences of what they are doing." (SO: 23) What are those? They consist in Chamberlain's "special position of power in what was previously an egalitarian society." (25) If the fans had realized the pernicious newfound power this sinister tyrant has acquired over them, then they might not have *collectively* agreed to exchange with him. Yet Cohen's only example is that

a person's effective share depends on what he can do with what he has, and that depends not only on how much he has but on what others have and on how what others have is distributed.

If it is distributed equally among them, he will often be better placed than if some have especially large shares. (26-7)

I am mystified by how Cohen came up with this idea. He does not defend it; nor did I ever see it asserted elsewhere. Why, when *others* have equal wealth, am I better off than when they do not? What economic logic demonstrates this alleged principle or law? It's true that after earning his quarter million,

Wilt has power over consumer goods, i.e., “purchasing” power; he can take off the market for himself a lot of goods by spending his cash. But first, a million *other* people (namely, his fans) now have a tiny bit less (namely, 25¢ less) of such power, with the overall effect being that the supply of money in *all* other people’s hands is the same, which makes me in general neither worse off nor better off than before. The consumer goods are still on their shelves in stores awaiting my own money. And second, he compensated the rest of the people for this “power” with the happiness he produced for them. His purchasing power is not only justly acquired but also justly spent. Cohen fears that Chamberlain might “buy a set of houses and leave them unoccupied, with speculative intent” (27), as though there was something either morally wrong or economically inefficient about that.

Our author’s second attempt to trace the more remote consequences of free exchanges is that people might be upset that “a society of equality is in danger of losing its essential character. Reflective people would have to consider not only the joy of watching Chamberlain and its immediate money price but also the fact, which socialists say that they would deplore, that their society would be set on the road to class division.” (26)

But how can an *individual* be committed to equality? One may desire to live a just and prosperous life; in a libertarian society, it is within his own power to achieve both (the former by abstaining from stealing, etc.). But an individual cannot of his own accord become “equal” to everyone else. In order for that to happen, he must crush his fellow men. In practice, he must unite with everyone else to form a government that will be crushing everyone equally. One can commit personally to, say, a religion, without any need to involve anyone else in his decision. But one cannot thereby commit to “equality.”

We may ask, what if people like equality? Can’t they repress these exchanges so as not to spoil their utopia? But equality is not a consumer good like a smartphone, nor a lifestyle, but an ideological vision. It’s not an arbitrary subjective preference, as if for chocolate ice cream, in comparison with which capitalism would be vanilla. If it were such, then we might argue that there is no accounting for taste. But if it’s an ideology, then figuring out whether this ideology is true is precisely the issue at hand. It would, after all, be irrational to commit to a set of false ideas, and an objectively false or

vicious doctrine can hardly be a source of subjective value. For example, Cohen has not established that group G, the members of which all want to be equal with each other, may justly coerce people uninterested in equality also to be equal to G, which is what his reflective socialists must resort to.

But if a commitment to equality is absurd, such as if we can prove that it is abhorrent to justice, liberty, and welfare, then Cohen's argument fails.

Socialists will defend their prohibition of the Nozickian capitalist acts between consenting adults, Cohen suggests, "by reference to the social good and widened freedom that it promises." (30) Now regarding the first, Cohen replies to a deontological argument with a utilitarian one: good consequences (in terms of welfare?) make an inherently unjust act Ok. This is hardly decisive. Further, what if it can be proven that socialism results, as it in fact does, in the destruction of the economy, abject impoverishment, and mass extinction of the human race? (Given Cohen's recently raised "environmental" consciousness, perhaps that's exactly what he wants.) For example, contra Cohen, a self-interested exchange is a Pareto-superior move, whereby two people (such as a given fan and Chamberlain) become better off with no one becoming worse off. Outlawing this transaction straightforwardly diminishes human happiness. Regarding the second, no proof that *freedom* would in fact be widened by a *prohibition* is adduced by Cohen, which keeps this claim obviously self-contradictory on the face of it.

In *RJE*, he argues: "You cannot begin with equality because all inequalities are morally arbitrary in origin, and therefore unjust, and then treat an unequalizing Pareto-improvement as lacking all strain of injustice." (170) The injustice must then lie in the fact that exchange is permitted by the state. Now Mises had this to say about the bogeyman of "insecurity":

The farmer in a European mountain valley waxes indignant upon encountering the competition of Canadian farmers producing at lower cost. The house painter boils over with rage when the introduction of a new appliance affects conditions in his sector of the labor market. It is obvious that the wishes of these people could be fulfilled only in a perfectly stagnant world. ...

What harms the vested interests is the urge of the consumers for the

best possible satisfaction of their needs. Not the greed of the wealthy few, but the propensity of everyone to take advantage of any opportunity offered for an improvement of his own well-being makes for producer insecurity. What makes the house painter indignant is the fact that his fellow citizens prefer cheaper houses to more expensive ones, and the house painter himself, in preferring cheaper commodities to dearer ones, contributes his share to the emergence of insecurity in other sectors of the labor market. (*HA*: 852)

Inequality has the exact same cause. What explodes any initial enforced equality is every person's desire and actions to seek his own happiness. Cohen of course is aware of that: "if all means of production were distributed equally across the population, and people retained self-ownership, then differences in talent and time preference and degrees of willingness to take risk would bring about differential prosperity..." (*SO*: 120) Luck egalitarianism which forbids inequalities due to brute luck ("the luck which, unlike that of a deliberate gamble, we cannot reasonably be expected to avoid or escape" (*CEJ*: 116n2)) but permits them due to individual choice is thereby undone, because any egalitarian D_1 will inevitably slouch into an unequal D_2 if people are left free to produce and trade with each other.

It seems that Cohen must bite the bullet and call mutually beneficial exchanges, indeed all trade as such, to be unjust, because the two parties, by benefiting from their transaction, become not only happier than *before* but by that very fact happier than *the rest of their fellows* to whom they were equal before the exchange but no longer are. The egalitarian ethos thus prohibits all trade and commerce, and history abounds with utopian communities organized on precisely this principle. E.g., the English communist Gerrard Winstanley, Rothbard relates, in 1649 had a vision in which

a version of God had created the universe; but the spirit of "selfishness," the Devil itself, had entered into man and brought about private property and a market economy. The curse of the self, opined Winstanley, was "the beginner of particular interest," or private property, with men buying and selling and saying "This is mine."

He realized, Rothbard continues, that in his utopia

all wage labor and all commerce would have to be prohibited on the penalty of death. Winstanley was quite willing to go this far with his program. Everyone was to contribute to, and take from, the common storehouse, and the death penalty was to be levied on all use of money, or on any buying or selling. (1990: 131-2)

Again, in the French writer Étienne-Gabriel Morelly's design in *The Code of Nature* published in 1755, "In accordance with the *sacred laws*, nothing will be sold or exchanged between citizens." (Fried 1992: 21)

Cohen is too squeamish to bring his ideology to its proper logical conclusion. If he wants to crush people's souls, then he should, like Winstanley and Morelly and numerous others, go all the way.

But perhaps coercion will be unnecessary. "In traditional socialist doctrine capitalist action wanes not primarily because it is illegal, but because the impulse behind it atrophies, or, less Utopianly, because other impulses become stronger, or because people believe that capitalistic exchange is unfair." (*SO*: 28) If the impulse within human beings to better their lot in life including through production and trade does atrophy, and humans become machines without a will of their own, then I concede the argument.

People may "develop... desire for community, a relish for cooperation, and an aversion to being on either side of a master/servant relationship." (29) Cohen confuses community with coerced conformity. It is not a community in which his "mean and spiteful" comrades pull down anyone who dares to stand out from the crowd. It is not community where people, deprived of any chance of advancement in the rigid bureaucratic regime, take to the bottle. Cohen does not realize that capitalism is indeed a system of social cooperation with competition being an aspect of cooperation. Competition means "the opportunity to serve the consumers in a better or cheaper way without being restrained by privileges granted to those whose vested interests the innovation hurts." (*HA*: 276) It is rivalry by the businessmen as regard who can please their customers best, not as he absurdly holds, an aspect of "the predatory phase in human development." (*WNS*: 82) In *competing* against each other, entrepreneurs and workers *cooperate* to promote the greater social

good. And Cohen ignores the fact that under capitalism, there are no masters or servants; it is the pinnacle of social development under which institutional exploitation, unlike under the more primitive slavery and serfdom, does not exist.

Cohen's replies assume a special "socialist psychology." (SO: 31) Well, if human beings stop being human and turn into ants with the corresponding psychology of the ants, then perhaps his argument will work then.

I am not sure whether Cohen rejects deontological talk of rights as such or merely libertarian rights. He complains that "if children are undernourished in our society, we are not allowed to tax millionaires in order to finance a subsidy on the price of milk to poor families, for we would be violating the rights, and the 'dignity' of the millionaires." (31) But we are not talking about a situation in which a holy Old Testament prophet loots a greedy and grasping rich man in a top hat and monocle and spends the plunder on children's health *but* about either a capitalist society that has millionaires or a socialist society that does not have any at all. In the former, an act of theft (and make no mistake, taxation is theft as per libertarianism) is impermissible according to basic justice. In the latter, such acts can never occur for lack of millionaires in the first place. What then is Cohen's point?

In addition, capitalism is the premier form of human social cooperation that alleviates poverty with maximum efficiency. I do not grant to Cohen the claim that capitalism endangers children; on the contrary, children fare worse, and in the long run *much* worse, under socialism than under capitalism. Cohen's arguments concern equality and he should stick to that; in regard to welfare, whether of children or the poor, he has no case at all.

Cohen also confuses power (which he carelessly calls "effective liberty" (31)) with freedom. The fact that I lack the power to travel to Alpha Centauri does not mean I have no right to (try to) do so; the fact that I have the power to kill a person does not mean I'm free to do it. Granting to him all his preposterous assumptions about the callousness of capitalism and of rich men, taxing the millionaire may enhance *welfare*, but it *both* restricts freedom and diminishes its total amount. It does not follow from his example that socialists can successfully "restrict freedom in order to expand it." (33)

Regarding the meaning of “force” or “coercion,” Nozick is himself unclear. To test his definition, Cohen compares the situation of villager Victor with either farmer Fred or farmer Giles, both of whom, let us suppose, own a tract of land near Victor. Victor has a right of way across Fred’s land but not Giles’. When both Fred and Giles build an insurmountable fence around their properties, Victor is said to be equally “forced” to find another route. But the word “force” is inextricably linked to injustice. Fred violates Victor’s right and so forces him to adjust his life unjustly. But since Giles is within his rights, no injustice occurs, and there is no “forced” imposition on Victor.

With the semantics thus clear, it remains to ask Cohen whether he really imagines that under socialism, people will not be subject to hunger and will not be “forced” by the prospect of starvation to work. “It would be highly inexpedient and misleading to say that a man is not free because, if he wants to stay alive, his power to choose between a drink of water and one of potassium cyanide is restricted by nature.” (*HA*: 281) “When we say that ‘man is not “free” to leap the ocean,’ we are really discussing not his lack of freedom but his lack of *power* to cross the ocean, given the laws of his nature and of the nature of the world.” (*EL*: 33) A worker is free when he (1) is mobile as opposed to bound to land; (2) has permission to seek work at any business firm as opposed to enthralled to a particular lord; (3) is subject to no government licensing requirements; (4) can at will become a capitalist and entrepreneur as opposed to being fettered with state-imposed barriers to entry into any industry. All these hold under capitalism; none hold under socialism, where a single authority determines (as it should if there is to be a coherent central plan) one’s occupation and place and conditions of work.

Do just steps preserve justice?

We have seen that Nozick has argued that if we start in a just situation and from then on permit only non-unjust transactions between persons, such as voluntary “market” exchanges, then any resulting state after however long a time will also be just. Cohen aims to cast doubt on this law with several counterexamples. As we will see, none of them turn out to work.

1. “Imagine that one of my justly held rolling pins rolls out of my front door and down the hill and through your open door, without your knowledge. You innocently mistake it to be the one you mislaid, and

you keep it and use it. Now, so I take it, not everything is justly held, but no one has behaved, or is behaving, unjustly.” (44)

I find this a rather inoffensive state of affairs. To spice things up, let’s consider an even stronger case. Smith loses a \$20 bill; Jones finds it and keeps it. This time, Jones *knows* that the money (or pin) is not his. But what’s the big deal? Who convinced Smith that he is guaranteed never to suffer any unfortunate accident? In this case, straightforwardly Smith loses ownership of the \$20; the banknote is then put back in the state of nature and becomes unowned; finally, Jones homesteads it and gains ownership of it.

In cases where the lost value is considerable, the justice of the situation depends on the possibility and cost of rectifying the mistake. If Jones cannot find the owner, nor the owner, him, then the title to the money goes to Jones. If the parties can find each other at a reasonable cost, then Jones may have a duty to cooperate in fixing the error (and perhaps be entitled to a reward for his conscientiousness). For example, the situation would be relevantly different if Jones were to receive a package containing \$1 million in cash intended for Smith by mistake. It would be reckless, criminal, and quite likely suicidal for Jones to up and keep it without an earnest attempt at setting things right. In this latter case, Cohen would grant that if Jones keeps the package, then he is doing something wrong, but he insists that Jones’ crime consists in merely perpetuating an already unjust distribution of goods. And this distribution appears to have resulted from a just state without anyone’s being guilty of any wrongdoing.

However, “distribution” is of legal titles to property rather than of physical locations of items. That an object moves from point A to point B is neither necessary nor sufficient for a change in who owns what to occur. When Smith exchanges his apple for Jones’ orange, titles are transferred lawfully, preserving a just distribution. The actual positions of the apple and orange in space are incidental. There is a difference between buying an object and having it delivered; the delivery is incidental to and may not even be a part of the transaction. When I buy an item online, I come to own it the moment my credit card is charged, long before I obtain physical possession of it when the package arrives. If a thief steals X from me, I remain the true owner of X. If the thief avoids detection and convinces society that the stolen good is really

his, I may have no recourse other than to let the matter be and acquiesce in an unjust distribution. But if I catch the thief and recapture X, then there would have been no change in the distribution of titles to property, because I was owning X even when the thief had physical control of it.

Again, when an authority falsely yet publicly *denies* that Smith has a property right to X (such as a natural right) in the first place, accuses Smith himself of an injustice if he insists on holding on to X, seizes X by overwhelming force, and “officially” grants the title to X to Jones, the title is transferred wrongfully resulting in an unjust distribution. Of course, both the thief and the government would be committing unjust acts in the process, so Nozick’s law survives. An unjust distribution then arrives at the scene only when the true owner gives up on finding justice. But in the case of the misdirected package, Smith still owns the money, and everyone knows it. Again, the mere fact of the Cohen’s pin innocently finding its way through my door to me does not create an unjust distribution. Either Cohen still owns the pin despite temporarily forsaking control over it through a “misadventure,” or the pin has been “lost” and is now up for grabs, in which case I can appropriate it.

More distinctions are in order. Let an unjust *act* consist in deliberate unauthorized use of another’s property marked by contempt for that person’s rights. An unjust *situation* would be securely continued such use of another’s property over a period of time. And an unjust *distribution* prevails when there is a reluctant general acceptance of unjustly obtained existing property titles. We have to be practical here and assert that in a market economy where there is continuous production, exchange, and consumption, the injustice of a distribution *fades* over time. Mises puts it this way:

... the fact that legal formalism can trace back every title either to arbitrary appropriation or to violent expropriation has no significance whatever for the conditions of a market society. Ownership in the market economy is no longer linked up with the remote origin of private property. Those events in a far-distant past, hidden in the darkness of primitive mankind’s history, are no longer of any concern for our day. For in an unhampered market society the consumers daily decide anew who should own and how much he should own. The consumers allot control of the means of production to those

who know how to use them best for the satisfaction of the most urgent wants of the consumers. (HA: 683)

In addition, every claim of an injustice must be proven; everyone is innocent until proven guilty. For practical purposes, a distribution will be just so long as no convincing proof of its injustice, such as in a court of law, can be furnished.

Thus, every time Jones spends some of the money in the package (perhaps indeed under false pretenses), he acts unjustly; if he is allowed to persist in this, then he will have also created an unjust situation. But there is an unjust distribution only at the point when Smith abandons his efforts to locate the money, so that Jones' *de facto control* over the \$1 million is upgraded to *de jure ownership*. Thus, if Jones keeps the package locked up (say, to wait out Smith's frantic search while Jones arranges a retirement in the Caribbean), he is physically and in a clearly unauthorized manner preventing Smith from recovering and using his property. This is an unjust situation. When Jones finally moves to the Cayman Islands and is safely out of reach, there is now an unjust distribution. As a result, my knowingly misappropriating Cohen's pin creates an unjust situation but not, at least at first, an unjust distribution. The former, because I am using it continuously without permission and also perhaps because I am refusing to return it. The latter, because Cohen still owns the title to the pin which has not been transferred or redistributed either lawfully or, insofar as he is still looking for it, unlawfully.

To summarize:

- (1) If Cohen concedes in his heart that the pin has been lost, then by that fact he abandons ownership of it. If I then find it and keep it, there is no unjust distribution.
- (2) If I find the pin and can't locate the owner though I try, then the pin becomes mine at least provisionally even if Cohen is still looking for it, because it makes no sense to let a good pin just sit there in the barn doing nothing. Such a rule is also pro-social by posing rigorous incentives to people *not* to lose their stuff. Again no unjust distribution follows.
- (3) If I find the pin and maliciously hide it, and later Cohen gives up trying to find it because of my efforts, then there is an unjust distribution, but it was

brought about by my unjust acts.

Nozick's law then is undamaged by the first of Cohen's attacks. His further examples fail more straightforwardly.

2. A case of "extreme ignorance: I sell a diamond to you for a pittance (or I give it to you on a whim), a diamond that we both think is glass. By that... just step, a situation arises in which you hold a diamond. But few would think that justice is fully served if, its true character having come to light, you now hang on to it, even though no one behaved unjustly in the generating transaction." (45)

It is a perfectly just from the libertarian point of view both situation and distribution. No one is immune to making mistakes; and a mistake like undervaluing a diamond is one's own responsibility. Even if I know that the diamond is real, I am not obligated to inform Cohen that his choice to sell it to me is foolish. It is completely just (even praiseworthy, though at times perhaps not "nice") to take advantage of another's economic ignorance. A fortiori, it is not unjust to keep the diamond if I did *not* know it was real at the moment of the exchange. Let it be a lesson to Cohen not to be a sucker.

3. "An insurance company (innocently) goes bust and thereby (in the absence of state assistance to them) ruins the lives of people who could not have known that its position would come to be exposed, people who now have to sell their assets voluntarily (in the relevant libertarian sense), for a snip, to alert non-fraudulent buyers." (46)

What could indeed be more innocent or ubiquitous than a company in the free market losing money and going out of business? If *that* is "unjust," is there anything that isn't? The people who trusted the company in vain will learn to be smarter in the future, that's all.

4. "Nozick's own example of the monopoly holder of drinking water, such as presumably an oasis in a desert which is the only source of water for hundreds of miles in any direction." (46)

This falls under "need." It may be true that the word "need" should be expunged from economics; but it can be defined virtuously as a state of affairs in which one wants a good not to obtain pleasure or relief from

discomfort but to preserve his very life, and getting that good by lawful means, i.e., by buying it on the market, is somehow impossible. This is because one is never under a necessity to enjoy a particular pleasure, but *must* do anything to survive, religious considerations aside, since a corpse has no use for pleasure at all. A typical situation is a finding shelter in someone else's cabin without explicit permission during an Alaskan snowstorm; or breaking into a drug store at night to get a life-saving medicine needed immediately. Even those situations are almost always "take-and-pay" where compensation is due legally and gratitude is due morally after the danger has passed.

But how relevant is this case for a paradigmatic market economy where people *transform* deserts into thriving civilizations?

5. Voluntary slavery: "*A* and *B* are identical in talents and tastes. Each would so like to have a slave that he is willing to risk becoming one in exchange for the same chance of getting one. So they toss a coin, *B* loses, and *A* clamps chains on him." (47)

There are three problems with slave contracts, such as when I pay you a large sum of money up front to commit you to serve me for the rest of your life. First is that such a contract is self-contradictory. (1) It seems a part of the definition of "slavery" that a slave cannot own property, including whatever the master paid him as per the contract's terms. Or, whatever the slave allegedly "owns," the master can lawfully expropriate at any time at will. (2) The slave need not be allowed any leisure time to enjoy himself or his money. (3) The master's power over the slave is unlimited and absolute; hence for example, if a slave gets sick and the master does not want to expend money on treatment, he can kill the slave. This is a reason to condemn a slave-master relationship as inherently unjust.

Second, such contracts are counterproductive, since slave labor is mostly worthless, and the incentives proper to free workers to accumulate human capital, i.e., improve their skills, under capitalism disappear. It would usually make no sense for any two people to contract this way. This is a reason to condemn a society that recognizes slavery as legitimate as barbaric and primitive.

Finally, voluntary slavery is contingent on the fact that humans are mortal

which limits the master's initial lump-sum payment to the would-be slave to a *finite* amount of money. If men lived forever, then voluntary slavery would not be logical; but a free worker under capitalism is compatible with earthly immortality.

As a result, it is reasonable to outlaw voluntary slave contracts at the outset.

This particular example, however, does not seem self-contradictory, any more than, say, a freely entered into 2-man Russian roulette where the winner obtains some prize while the loser dies. Boxing matches have been known to end in one contender's death. I would not say therefore that a libertarian must necessarily consider such a slave contract to be unjust. If it is not libertarianly unjust, then Cohen has run out of examples.

Cohen objects to the idea that *actual* market transactions preserve justice on the ground that future consequences of exchanges are mysterious. From the point of view of the market process, there is indeed uncertainty of the future and people's different knowledge about the present state of the market and opportunities for gain and different powers to actualize their plans. But that's the bird's eye view, such as when we discussed the Keirseyan archetypes above. The down and dirty details, the nitty-gritty material cause of the market are individual exchanges, as simple indeed as Smith's knife for Jones' fork. If Smith justly owns the knife and exchanges it for an equally justly owned fork, what possible argument can be made against the proposition that Smith now justly owns the fork? Cohen adduces no such argument, and his quaint appeal to Austrian economics (he even quotes Israel Kirzner) is a red herring. He asks, for example, suggesting that ignorance and entrepreneurial error make trouble for justice: "How could everyone, or even anyone, know, for example, what (all) future stock market prices are (so much as) *likely* to be?" (52) Of course, no one knows such things. But, supposing that I justly own \$20K and buy a stock with that money, how does this ignorance result in the injustice of, upon completing the transaction, my owning the stock and taking the future profits or losses of my investment? Justice regards *rights* to property, not *value* of property. One owns a *thing* which is an either-or proposition, not its *market value* which can fluctuate wildly, since such value depends on other people's attitudes. Losing money on the stock market or having the value of my house drop after some

undesirables move in next door does not make me a victim of injustice, as I would be if someone hacked my brokerage account or threw a brick through my window. It is precisely security of property rights that makes stock market speculation and house ownership possible and often rational.

Defining freedom, rights, and ownership.

Cohen notes correctly that libertarians cannot extol mere “freedom,” understood as the state of affairs of not needing to ask anyone’s permission to use an object. For freedom as such is maximized in an anarchist society which has no laws at all. Suppose that

I want to perform an action which involves a legally prohibited use of your property.

I want, let us say, to pitch a tent in your large back garden, perhaps just in order to annoy you, or perhaps for the more substantial reason that I have nowhere to live and no land of my own, but I have got hold of a tent...

If I now try to do this thing that I want to do, the chances are that the state will intervene on your behalf. If it does, I shall suffer a constraint on my freedom. (56)

It is obvious that freedom is inextricably linked with *rights* to property. One is *free* to *exercise his right* without asking anyone’s permission. The question then is, what is my protected sphere of action? Rights to me come with duties to you to respect those rights. As rights enhance my freedom, so duties diminish yours. Libertarians like libertarian rights, such as the right to private property in the means of production, and dislike anti-libertarian rights, such as the alleged right “to health care” or “not to be discriminated against” by a private business. It’s true, for example, both that a private property owner will call the cops if you steal from him and that a socialist state will punish you if you misappropriate something from the state-owned factory you labor for. But *that* is not at issue, and both laissez-faire capitalism and communism will take recourse to violence in self-defense, deterrence, and punishment. So, one difference is that the positive laws that are in effect under socialism are monstrously *unjust*. It’s not that they are enforced with violence that it is the problem but that the violence used in this enforcement is wicked, wrongful.

Cohen objects that this explanation “entails that a properly convicted murderer is not rendered unfree when he is justifiably imprisoned.” (*CEJ*: 153) Well, normally a person has a right to “walk around.” To imprison him is to make him straightforwardly unfree – the prison authorities are unjustly preventing him from exercising his right. But a murderer forfeits that right; in fact, he has a duty to report to prison. If he is unfree, then only *vacuously*, since one cannot lose a freedom to do what he has no right to do in the first place.

Cohen complains that Nozick does not provide his own “characterization of people’s rights.” Well, this is a non-trivial and complex problem, and Cohen is engaging a straw man in claiming that libertarians hold that “people have those rights the possession of which secures their freedom.” (61)

In any case, freedom is not thereby reduced to a zero-sum game between systems of rights, because some such non-irrational systems increase *overall* freedom. For example, let Cohen have a right to pitch a tent on anybody’s property. Either he has obtained a unique government privilege granted to him only, or everyone has such a right. In the first case, Cohen is some sort sovereign monarch-beggar. Our author dislikes “classes”; but this is much worse: it’s a *caste* society with Cohen and perhaps his buddies becoming a superior caste whose legal claims automatically override everyone else’s.

In the second case, everyone has a right to squat on any “private” property. Here are some implications:

1. I have a right to pitch a tent *inside Cohen’s own tent*.
2. I can throw Cohen out if I am stronger than him and pitch my own tent where his used to be.
3. I can go to the CIA headquarters in Langley and pitch a tent there.

It is clear that this universal right to squat on any piece of land results in complete chaos, as land is effectively nationalized, yet absurdly the government that now owns the land refuses to allocate it via appropriately strict bureaucratic rules. Instead, it permits an utter – and self-contradictory – free-for-all, i.e., a war of all against all. But rights that are not secure from violence are hardly rights at all. Far from being enhanced, freedom

understood as permission to exercise one's rights vanishes, along with the rights themselves. But if the government does adopt such rules, then it takes freedom away from *everyone*, because everyone will now have to ask permission from the government whether they can use any parcel of land as they want to. Cohen might of course point out that the *bureaucrats* will now possess maximal freedom to dispose of the land. But this is hardly satisfying.

Again, it is true that rights to private property make you unfree to steal. But the "right to steal" is self-contradictory. It might mean that anyone has a right to take any object he wants for his own use. If Smith takes a hammer, say, for his use, then he is within his rights, and Jones ought not to interfere. Yet Jones, too, has a right to take this very hammer that Smith has just taken and is using for *his* own use. Jones then both lacks and has a right to the hammer. The "freedom" to steal destroys both rights and itself when understood as unfettered exercise of rights. The prohibition of theft is merely a corollary of the fact that different people's rights cannot clash.

In another example, let there be in society a pen-loaning market. At one point, Cohen the philosopher-king decrees that everyone has a right to chew on borrowed pens. Far from increasing freedom, this policy decreases it by removing the *freedom of a pen-owner and borrower to contract* with each other as they see fit or as they negotiate the terms according to their own counsel. An owner will no longer be able to demand as part of the agreement that the borrower abstain from chewing on the borrowed pen.

Economically, there are two negative effects of this policy, one immediate and one possibly more remote. First, it would reduce the number of pens loaned, since some owners would rather refuse to loan than suffer from having their pens chewed on. It will coincidentally raise interest rates, as pen owners seek extra compensations from potential pen-chewers.

Second, consider an innovation in pens that will be made 10 years from now. It promises to massively enhance consumer happiness, but the new advanced pens are slightly fragile and cannot be chewed on. The government regulation in a nuclear blast from the past destroys the pen loan market, since lenders cannot ensure that the pens will be returned to them undamaged. In a coup de grace, because of Cohen's reckless and imprudent intervention, the pen revolution is never even commercialized in the first place. The

entrepreneurial freedom to bring novel goods to the market has diminished.

Cohen may again object that one's freedom to compete against existing business firms entails the latter's duty to put up with competition or that it entails absence of protectionism and special handouts to the vested interests which would be a form of "freedom" to them, a sort of freedom "from competition." This, too, is a weak and implausible move. "Freedom from competition" is not a liberty but an (unjust) government privilege.

Cohen has an amazing view of money, arguing that it grants freedom:

If A owns P and B does not, then A may use P without interference and B will, standardly, suffer interference if he attempts to use P . But money serves, in a variety of circumstances (and, notably, when A puts P up for rent or sale), to remove that latter interference.

Therefore money confers freedom, rather than merely the ability to use it, even if freedom is equated with absence of interference. (*CEJ*: 176, italics removed)

Money provides freedom because it extinguishes interference with access to goods and services: it functions as an entry ticket to them. (181)

Cohen the communist probably imagines that goods are owned in common, and the "poor" are deprived from taking their "fair share" from the common storehouse. Everyone is, or for Cohen should be, issued the same number of tickets which they give to the storehouse guardian to obtain goods. A ticket for him represents a right of access to the storehouse, as if perhaps a password to a computer resource; hence lack of tickets means you're locked out and in a certain sense unfree. And certainly to a primitive intellect money may indeed appear to be a ticket which grants access to pleasure, a magical key that unlocks the merchants' chests full of wonderful treasures. Even some economists who should know better have referred to money as "non-interest bearing debt" by which they mean debt of "society" to the money holder; in exchange for money, society is obliged to shower the individual with gifts. The fallacy here is that no one *has to* exchange any goods for money as if one was in debt and according to justice. People exchange not because they are duty-bound to do so but in order to profit from the

exchange. A dollar is a “ticket” for Cohen to a candy, but the candy is equally a ticket for the store owner to the dollar and through that, to some other good.

“The whole point of money is to extinguish unfreedom,” writes Cohen. (178) No, the whole point of money is to serve as a medium of exchange, normally a commodity or indeed a “thing” that has over time acquired exchange-value in addition to its use-value. You have to produce first before you exchange and in order to exchange. Under barter, your strawberries will be means to someone else’s walnuts if you can manage to overcome the problem of double coincidence of wants. It is grotesque to propose that, if you lack strawberries, then you are unfree since you can’t avoid the interference by the authorities if you try to seize the walnuts from their owner by force. And it is autistic to argue that offering the (sufficient amount of) strawberries in exchange for the walnuts “extinguishes interference” with one’s enjoyment of the walnuts, as if one were adjusting his TV antenna for better reception.

In any case, once B has bought P , it will be A and indeed everyone but B who will now lack the freedom to use P . Money does not “extinguish interference”; it merely changes who will be doing the interfering, in this case from A to B . If P is a consumer good, such as a candy bar, then once B has it, he is presumably going to eat it, thereby denying it to everyone else, and this time, not even money will be able to “extinguish the interference” that B is going to apply if anyone tries to take the candy bar from him by force.

Further, since one cannot have the (as we have seen, self-contradictory) right to steal, and freedom regards permission to exercise one’s rights, one’s freedom is not diminished by private property or the facts that consumer goods are owned by merchants and that punishments are inflicted by the state for theft. The “interference” with theft is not an abridgement of freedom, because stealing is an evil deed, and it is the moral law itself that prohibits it. A ’s readiness to interfere is a corollary of the fact that A cannot both have his candy and let B eat it, too. B who lacks the money to buy P has no right to P and hence no freedom to use P ; moreover, stealing P is a wrong, and one likewise has no freedom to do what is wrong; hence even if B lacks freedom, he lacks it *vacuously* for these two trivial reasons.

Genuine freedoms, when belonging to both A and B , do not clash. But A ’s

money competes with *B*'s money for the goods on the market. The particular *P* that *A* buys and keeps for himself cannot also be bought by *B*. If the government inflates the money supply by printing banknotes and gives the new cash to *A*, it by that very fact makes *B* poorer. The total supply of goods stays the same, and the increase in *A*'s purchasing power has come at *B*'s expense. And this – power rather than freedom – is precisely what money confers. Under capitalism, *A*'s and *B*'s freedoms to exchange goods are compatible and secure even if in a given situation they are unwilling to trade *P* for money, such as when *B* is not willing to pay the price that *A* is asking. Capitalism enshrines freedom in this straightforward sense of “free trade.”

Our author babbles something about how being poor allegedly restricts one's freedom, such as when someone “is too poor to visit her sister in Bristol.” (SO: 58)

Suppose the woman lives in a totalitarian society where travel is prohibited, and people are bound to their places of work and residence. She will then need a special government permission, a pass, to go to Bristol. Perhaps it takes months for the bureaucracy to issue a pass. Perhaps the government needs her toiling at the factory and refuses to let her go. She is unfree and cannot of her own pleasure visit her sister, *even if* she is rich as Croesus.

In a free society, she may indeed be too poor to go. But that's a qualitatively different constraint. It's true that she is surrounded by other people's private properties, but those are open to her on the condition that she pays for access, such as to the train. The entrepreneurs running these establishments will love her and cater to her every whim for money.

How much money she has depends mostly on her skill at earning it. She remains her own free woman and a sovereign consumer. Other people, the entrepreneurs, serve her and depend on her arbitrary whim as to how it pleases her to spend her money, including on the trip to Bristol. In bossing around the producers, she is the master. On the other hand, whether she gets a state-issued pass depends on the indifferent bureaucrats who this time are sovereign over her. In being thus dependent on the arbitrary whim of another, to whom she is an annoying nuisance, she is a slave.

These are some of the senses in which freedom is lessened by government

interference with private property and free market. Since freedom is permission to exercise one's rights, we don't want too few rights; but since rights to one man entail duties to all others to respect his rights, we don't want too many rights either. A judicious collection of rights would be able to maximize meaningful freedom. Libertarian rights, in particular, straightforwardly enhance individual liberty quite apart from their grounding in self-ownership, theories of property, aggression, self-defense, etc.

Finally, to *own* X is to have an exclusive *right* to use X at pleasure, to improve or on the contrary destroy X, to prevent others from using it, or, more generally, to grant and withhold permissions to others to use X, and especially to rent out X or sell any of the bundle of rights over X or X as a whole.

Initial appropriation.

Cohen wants to block the inference from self-ownership to ownership of external resources. To further this end, he seizes on libertarian original appropriation of unowned land and capital goods and criticizes its justice.

Locke's theory stresses that appropriation is permissible as long as the new owner leaves "enough and as good" for others.

Nozickian proviso seems weaker, as he requires only that those whose position may have been worsened as a result of any *particular* appropriation be compensated with the *overall* benefits of capitalistic social cooperation.

Our author chides Nozick for comparing a private property regime solely with the state of nature and not with *all* the alternative property arrangements. As an example, he describes a situation in which two men, *A* and *B*, presumably on some small island, get *m* and *n* units of some good respectively when the land is unowned. If *A* were to appropriate the entire island and employ *B* for wages, then both men's shares would increase to $m + q$ and $n + p$, where $q > p$. The Lockean proviso is obviously violated; but the Nozickian proviso is seemingly satisfied, because both *A* and *B* are better off under private property than under a commons. But not so fast. For if *B* had been able to appropriate the land, then it would have been he who would be enjoying the increase of *q*. Hence, *A*'s claim harms *B* relative to the counterfactual situation of *B* staking the claim instead.

This, of course, is a contrived and unrealistic scenario which does nothing to help us formulate rules for developing the human civilization starting at the beginning of the recorded history until a thousand years in our future. The “nature” whose “state” we are considering in Cohen’s fantasy bears no relation to the actual human environment. It’s almost a “lifeboat situation” such as when two people are contesting for a plank to hold on to after a shipwreck. Ought the first person who reaches the plank to keep it and save himself, while the second guy who was a minute late drown? Says Rothbard:

Does the concept of aggression and property right apply even here? Yes, for again, our homestead principle of property right comes into play: i.e., the first person who reaches the plank “owns” it for the occasion, and the second person throwing him off is at the very least a violator of the former’s property and perhaps also liable for prosecution for an act of murder. ...

To those who believe that such a homesteading principle is unduly harsh, we may reply (a) that we are *already* in an intolerably harsh and fortunately rare situation where *no* solution is going to be humane or comforting; and (b) that *any other* principle of allocation would be truly intolerable. (EL: 150-2)

Even this implausible situation can be resolved by the rule that the *first* person to mix his labor (or whatever) with matter gets to own the resulting good. Whoever arrives at the scene later has the duty to respect the newly arisen property right. In that case, *B*’s claiming the land instead of *A* ceases to be a counterfactual if we keep fixed the assumption that *A* was there first, and there is no longer a need to deem it an alternative. In other words, *B* cannot claim the land *if he is not there*, and *A* is permitted to claim the land, because at the moment of asserting ownership, there is no one around to complain. When *B* at long last makes his appearance, he is faced with an existing property right and must take it as given; once again he does not have the luxury of objecting. Cohen seems aware of this argument: “Why should *B* be required to accept what amounts to a doctrine of ‘first come, first served?’” he asks (SO: 80). There are a number of reasons.

1) It is an orderly rule to conduct privatization of resources conflict-free.

2) There is no rational alternative. Should it perhaps be “second come, first serve”? But that’s essentially tax serfdom wherein the second person is a self-proclaimed feudal lord who subjugates the rightful owner, forcibly converts him into a mere “tenant,” and demands that he pay rent-tax to him. This seems singularly senseless and illegitimate.

3) It encourages everyone to go out and explore the earth as fast as he can, so that he may claim for himself land and other goods. This presses resources into social use most efficiently.

4) Prior to homesteading, no one controlled or used the land. But controlling and improving (or having at one time improved) the land are both necessary and sufficient for the land’s coming to be under private ownership. Thus, (a) the land was first unowned; (b) whoever makes profitable use of the land first gets to own it.

Cohen goes on: “Perhaps *B* abstained from appropriating out of regard for *A*. Ought *A* to profit only because he is more ruthless than *B*?” (80) *B* has a strange notion of “regard” if he abstained from a course of action that would have made *A* better off by *p* units. And if *B* is an “After you, my dear Alphonse” kind of guy, then yes, *A* ought indeed to profit because he is more ruthless than *B*. Another word for ruthlessness is courage and enterprise.

We then want *someone*, whether *A* or *B*, to own the land, so that the process of human subduing and mastering the earth can commence, and we adjudicate competing claims with the help of the (exceedingly reasonable) “first come, first serve” rule. If *A* and *B* are *both* working the same unowned patch of land at the same time, they may well be considered de facto co-owners and will need to bargain with each other if they want to privatize it.

Now there is a regress problem with the Lockean proviso (*L*) which seems to make it difficult to satisfy. Nozick describes it as follows:

Consider the first person *Z* for whom there is not enough and as good left to appropriate. The last person *Y* to appropriate left *Z* without his previous liberty to act on an object, and so worsened *Z*’s situation. So *Y*’s appropriation is not allowed under Locke’s proviso. Therefore the next to last person *X* to appropriate left *Y* in a worse

position, for X 's act ended permissible appropriation. Therefore X 's appropriation wasn't permissible. But then the appropriator two from last, W , ended permissible appropriation and so, since it worsened X 's position, W 's appropriation wasn't permissible. And so on back to the first person A to appropriate a permanent property right. (1974: 176)

Thus, even A cannot appropriate anything, because there is not "enough" for B - Z collectively; some people, such as Z , will not be able to appropriate at all. We can repair L by modifying "enough and as good" with:

L^* : Enough (1) for at least one more person (2) if at all possible. (1) ensures that X can appropriate since there is enough for *one* of Y or Z ; (2) ensures that Y can appropriate since it's impossible to leave enough for Z .

Cohen's example can be neutralized by similarly modifying the Nozickian proviso (N^*) with "if at all possible (fully to compensate the latecomers, whoever they turn out to be)." Then A can appropriate the land even if, had he abstained, B would have been much better off. This is because it's impossible to ensure such maximum prosperity for both A and B .

Our author suggests that Nozick presupposes the "empirical" fact of capitalism's superior productivity in order to establish that "if a private property system exists, then the fact that some people own no or little private property in it is not a reason for removing it." (85) The idea again is that the advanced capitalism began eons ago with original appropriations compensates all adequately for the disadvantage of the loss of the primordial freedom. No one's appropriations have made anybody worse off. It's a true, good, and important argument if it is used to justify previous appropriations to *latecomers*. But it's beside the point when applied to *non-property owners*.

Even in regard to L^* , it may be that in AD 3,000, all or most land and even oceans will be privately owned, which will result in the proviso to "leave enough and as good" becoming inoperative at that time. But this fact would not invalidate the then *existing* property titles, which will have been justly traded hundreds of times by that time; nor will it make unjust the original appropriation of parcels of land amidst a mostly wild world by our ancestors in 4,000 BC. Hence, we do not need the argument in favor of keeping private

property proposed by Cohen. In the first place, it is unclear what the propertyless people have to do with the case. Maybe people who own no private property (i.e., means of production) don't *want* to own it; they are Ok living paycheck to paycheck. Non-owners can always sacrifice immediate consumption, save money, and invest it in land or the stock market, say, and hence come to own private property; some owners may want, on the other hand, to sell their investments and spend their money on consumer goods. It's not as if the drying up of opportunities to appropriate unowned goods entails the drying up of opportunities to *buy owned* goods.

If the fact of some people's owning no property *were* a reason to "remove" the private property system, Cohen's job would be easy. For clearly, children are born owning literally nothing; their parents grace them with the gift of care. It is perfectly legitimate for a parent to throw a child out of the house at a high enough age with nothing but the clothes on his back and tell him to go and fend for himself. But no one takes the existence of children to impugn capitalism. Neither then can the existence of propertyless *adults* do so.

Cohen's second counterfactual is cooperation between *A* and *B* "under a socialist economic constitution." (87) Now socialism does not work. But abstracting from that point, Cohen asks why we cannot consider the world's resources to be jointly owned by all mankind, such that "what each may do with it is subject to collective decision." (84) First of all, ownership is a legal notion, but in the state of nature there is no law other than natural law. Though self-ownership is part of natural law, nothing in natural law specifies anyone's *particular* ownership of any specific parcel of land or capital good, least of all joint collective ownership by all humans of the entire world.

Second, it is explicitly absurd; Rothbard considers the "communist' Universal and Equal Other-ownership," perhaps whereby each man out of the 8 billion presently living owns $\frac{1}{8}$ billionth share of ownership in every other man. Nobody out of this multitude will be able to do anything but upon securing universal permission or approval from everyone else:

It is physically impossible for everyone to keep continual tabs on everyone else, and thereby to exercise his equal share of partial ownership over every other man. In practice, then, this concept... is Utopian and impossible, and supervision and therefore ownership of

others necessarily becomes a specialized activity of a ruling class. Hence, no society which does not have full self-ownership for everyone can enjoy a universal ethic. ...

Can we picture a world in which *no* man is free to take *any* action whatsoever without prior approval by *everyone else* in society? Clearly no man would be able to do anything, and the human race would quickly perish. But if a world of zero or near-zero self-ownership spells death for the human race, then any steps in that direction also contravene the law of what is best for man and his life on earth.

[Hence, “communism” is contrary to natural law.] (*EL*: 45-6)

The same sort of argument can be deployed against universal and equal *world-*ownership, too. If people in North America, say, had to wait for the permission of the people in Mongolia to appropriate land, then they’d all have starved or at least never taken any steps toward improving their lot and creating a civilization. Cohen presents a rather similar objection himself:

the joint ownership element deprives the self-ownership with which it is combined of its intended effect, which is the provision of autonomous self-government. For people can do (virtually) nothing without using parts of the external world. If, then, they require the leave of the community to use it, then, effectively (as opposed to formally, or juridically), they do not own themselves, since they can do nothing without communal authorization. (*SO*: 93-4)

What is the point of my owning myself if I can do nothing without the agreement of others? ...

Does not joint world ownership entitle a person to prohibit another’s wholly harmless use of an external resource, such as taking water from a superabundant stream, and is it not, therefore, inconsistent with the most minimal *effective* self-ownership (and independently indefensible to boot)? ...

Self-ownership is not eliminated, but it is rendered useless... (98)

Cohen’s reply is stark in its brazen terseness. You see, a capitalist society *also* fails to make self-ownership effective. Libertarians and Nozick in particular

imagine that “the most abject proletarian – call him Z – who must either sell his labor power to a capitalist or die, enjoys the relevant rights.” In fact, however, Z *lacks* effective self-ownership, too, because he cannot “do anything without the agreement of the... capitalist”!

Cohen considers an example of joint ownership of some land by “Able” who can work and “Infirm” who cannot and decides that Infirm will likely withhold permission to Able to do anything unless Able agrees at least to keep Infirm alive or even to give him $1/2$ of the fruits of his labor. This seems unjust because it denies to Able effective self-ownership. But now,

Either capitalism does not confer consequential self-ownership, since Z’s self-ownership is not robust enough to qualify as such;

or, if it does so qualify, then genuine self-ownership allows the enforcement of equality of condition, since Able’s self-ownership is at least as robust as Z’s, and no inequality follows from self-ownership in the Able/Infirm world. (100)

In the first case, we have “the bare bourgeois freedom which distinguishes the most abject proletarian from a slave”; in the second, it is “the more substantive circumstance of control over one’s life.” This latter Cohen cashes out as “autonomy” which he believes is what self-ownership under capitalism implicitly promises but fails to deliver, though in a different manner than joint ownership. (101-2) It is plain that Cohen’s argument depends fully on the truth of the assumption, so far in the book nowhere proven or even elaborated on, that “propertyless proletarians” under capitalism fail to enjoy effective self-ownership. But isn’t it obviously false? Let’s list some basic facts about even somewhat well-developed laissez-faire capitalism.

1. Able must literally accede to being robbed by Infirm. But in a capitalist economy there are numerous capitalists who compete with each other for labor, thereby bidding up wages. Z fares far better than Able.
2. An individual capitalist, no matter how well endowed with capital goods, too, must buy the proletarians’ labor – as an essential complementary factor of production – or die. Of what use would a capitalist’s factory full of machines and raw materials be to him without workers?

3. As capital goods become more complex and varied purely from the engineering standpoint, the complementary to them human capital, i.e., workers' skills at using such capital productively, too, become increasingly more diverse, and division of labor intensifies. As previously unconnected markets unite into a more global economy, this division also becomes more extensive. Capitalism grants to each "proletarian" a massive choice of his vocation, as well as regarding places, wages, and conditions of work.
4. It's not the case that entrepreneurial profits or interest returns to savers always or even typically exceed income from wages to workers. Rothbard points out further that "above-subsistence living standards depend on the supply of labor being scarcer than the supply of land, and, when that happy situation obtains, considerable land will be 'sub-marginal' and therefore idle," still the case at the present time. (*EL*: 64-5n3)
5. There are no legal barriers to entry into any social role: any proletarian can save a part of his income and start his own business or invest it into stocks or what have you, becoming a capitalist and entrepreneur; or develop submarginal land and become a rent-collecting landowner.
6. Finally, let me quote Mises for a decisive coup de grace:

Modern capitalism is essentially mass production for the needs of the masses. The buyers of the products are by and large the same people who as wage earners cooperate in their manufacturing. (*HA*: 590)

The outstanding fact about the Industrial Revolution is that it opened an age of mass production for the needs of the masses. The wage earners are no longer people toiling merely for other people's well-being. They themselves are the main consumers of the products the factories turn out.

Big business depends upon mass consumption. There is, in present-day America, not a single branch of big business that would not cater to the needs of the masses. The very principle of capitalist entrepreneurship is to provide for the common man.

In his capacity as consumer the common man is the sovereign whose buying or abstention from buying decides the fate of entrepreneurial

activities. (621)

A Cohenian proletarian then, far from being mostly a slave, is in fact, together with his not-so-disenfranchised brethren, a *ruler* of the economy. Capitalists serve *him*. Armed with this understanding, we can reject Cohen's claim of the "dire predicament" of his proletarian Z (100n11). It is inexcusable for Cohen to be so economically naive.

Libertarians vs. Mensheviks vs. Marxists

Cohen levels a devastating critique of a contradiction within Marxism. Marxists claim that workers are exploited under laissez-faire capitalism. Capitalists viciously expropriate and steal workers' "labor time" in much the same manner in which feudal lords stole the time of their enthralled serfs by forcing them to cultivate the demesne. In that case, the worker is cheated of the full product of his labor. Now this is actually nonsense animated only by a lamentable failure to grasp the nature of the market process and the social function of entrepreneurs. But let's assume it for the sake of argument. How then can there be a *theft* by a capitalist of the worker's sustenance, unless the worker had a *moral right* to the fruits of his labor and in particular, owned himself? Thus, Marxists must willy-nilly accept the fact of self-ownership and all that it implies.

This has two consequences. First, it breaks apart the political alliance between socialists and welfare statist. For the taxes extracted from the workers by the state, too, violate self-ownership that the socialists implicitly affirm and denude workers of the full product of their labor. Feudal lords exploit workers (both Marxists and libertarians agree); capitalists exploit workers (only Marxists think so); *but also* the state exploits workers (as only libertarians hold, but as Marxists, Cohen argues, are led to admit, as well).

There was indeed for a long time a tension between socialists and interventionists; as Mises pointed out,

Marx was opposed to social legislation – social security and so forth...

On the advice of Marx himself and, after his death, of Friedrich Engels, the German Reichstag voted against socialized medicine,

social insurance, and labor legislation, calling them frauds to exploit the laboring classes even more than before. (2004: 28-9)

On Cohen's interpretation of Marx, communism becomes possible only under "limitless abundance." Socialism as its lower stage is supposed to develop the "material productive forces" more efficiently and speedily than any other system, until such abundance is generated. Capitalism, though causing impoverishment of the great masses of men while at the same time concentrating wealth in the hands of the very few, should be left in its pure laissez-faire variety so that it could "mature" and be transcended as fast as can be. As a result, government interventionism, welfare state, etc. only delay the revolution.

Second, it neatly destroys Marxism's own exploitation doctrine.

Let e = in any capitalist relationship the worker is unjustly exploited, and let s be the self-ownership thesis. The Marxist's account of e (his condemnation of the capitalist as a thief) shows that he is committed to s ...

But the case of the cleanly generated capitalist relationship [via libertarian just original appropriation and just transfers thereupon] shows that s disproves e . So, if e is true, s is true; but, if s is true, e is false.

And that is a *reductio ad absurdum* of the Marxist claim that propertyless workers are, as such, exploited. (SO: 162)

The Mensheviks (i.e., left-statists) can apparently reject the self-ownership thesis with less trouble for their own doctrines than the Bolsheviks (i.e., socialists) can. As we'll see, Cohen has promised to reject it, too.

Gurgling and guggling.

As Cohen concludes, "the thesis of self-ownership [SO] cannot be refuted." (244) But he hopes to cast doubt on it and make it less attractive.

Three arguments for SO are analyzed. 1) First, that rejection of SO licenses slavery. Cohen objects that *all* duties, such as between parents and children, limit freedom. Of course, the duty to care for one's mother, etc. is merely a

moral not legal duty enforceable by the state, and Cohen is fully aware of that. In political philosophy we deal with the question of just and unjust uses of *violence* in society. An obligation that, if you fail to fulfill it, entitles the injured party to punish you with violence is a legal one; your duty to help your mother is at most a moral duty. Your mother cannot imprison you for failing to assist her. You have a right to refuse to help your mother; a slave does not have a right to refuse to work for the master. In the first case, there is self-ownership and freedom; in the second, no self-ownership and slavery. Thus, it is only *legal* non-contractual obligations that can be likened to slavery. Self-ownership is thus incompatible with non-contractual legal duties but compatible with non-contractual moral duties whose breach does not constitute an unjust use of violence on the part of the offender. There might be “good reasons” to help your mother other than fear of punishment by the authorities. It is grotesque to equate state coercion with familial love.

Cohen replies that there may be an independent (though indeed non-contractual) political obligation of a citizen to, say, pay taxes. If we have natural duties to serve each other, then the state, in enforcing these duties, does nothing wrong. In such a case, absence of self-ownership does not entail slavery. But doesn't that beg the question? Self-ownership precludes such obligations. Hence Cohen must *prove* that the latter exist, which is a non-trivial task that is not broached in his books. Even more, it seems easy to prove that there are no natural “welfare” rights, nor corresponding duties for any one man to labor for another without compensation.

For any human interaction is naturally voluntary and to mutual benefit, or else it will not occur. If Smith has welfare rights against Jones, then Smith's existence is a burden to Jones. Jones loses from the fact that Smith is in the vicinity. He'd prefer it that Smith drop dead and free him from laboring to support Smith. Where before, realizing that another human being is present was a cause for rejoicing, since specialization and division of labor greatly increase the productivity of labor to everyone's advantage, now Smith is an enemy, either to be fought or endured through despair. All human beings are natural friends of each other, but welfare rights turn people against each other; they make enemies out of friends, war out of peace, and hatred out of love. Hence they are unnatural. If any positive obligation is incumbent on Jones toward Smith, it is not a natural one but in the order of Christian grace

and so above nature. It may come into effect if Jones loves Smith as himself, as his brother, and feels a holy personal duty to assist Smith without asking anything in return. All *natural* rights are by their essence negative.

Cohen mentions the idea that “the state simply cannot have the particular right [such as to tax] unless it has the comprehensive right over me that betokens slavery.” There is much wisdom in this observation. For if the state has the right to tax us, then it is the state and only the state that determines the *amount* of the tax. Nothing other than public opinion (and perhaps the Laffer curve) prevents the legislators from imposing either a 1% or 99% income tax. The government then effectively owns everything that we produce and alone decides how much to take and how much to let us keep. It follows that individuals *are* almost fully enslaved, and the only freedoms they enjoy are due to the magnanimous decision of the rulers not to interfere too much. That the slave master is at times less cruel and demanding than he could be does not take the sting out of being a slave. Or, as Mises thought, “But for the inefficiency of the law-givers and the laxity, carelessness, and corruption of many of the functionaries, the last vestiges of the market economy would have long since disappeared.” (*HA*: 859)

Cohen adduces two more arguments in regard to slavery. First, that even many libertarians agree that taxation for the purpose of financing the police is justified. “It is impossible to argue that an hour’s labor that ends up as part of somebody’s welfare payment is like slavery, while an hour’s labor that ends up as part of a policeman’s salary is not, when focus is on the condition of the putative slave himself.” (235) Now it’s true that self-ownership has anarchistic implications as Rothbard amply demonstrates. The problem with natural-law anarchy is that it would only work in the state of pure and uncorrupt nature. But nature in fact fails at least occasionally. The inherent injustice of taxes for law enforcement and a few other essential government services is permitted to a small degree *so that* the heavens do not fall. Further, taxation for the sake of police, etc., constitutes the absolutely essential taxes which fall far short of Cohen’s preferred egalitarian redistribution. His first argument can in fact be brought to bear *in favor* of self-ownership: “Suppose that you are an innocent person and that I forcibly detain you in a room for five minutes. . . . there is a massive *normative* difference between this brief detention and life-long imprisonment. Brief detention of an innocent person

might be justified by, for example, temporary needs of social order, even if life-long imprisonment of an innocent person could never be justified.” (231) Very good, then SO survives practically intact the imposition of a small tax by the local government to preserve law and order.

Second, that slavery is as much a problem for libertarianism as it is for statism, because it need not be unlibertarian to allow voluntary slave contracts. In the first place, Cohen wants to show the compatibility of absence of self-ownership and absence of slavery. Showing the compatibility of self-ownership and slavery hardly helps. Further, as I suggest above, slave contracts are both somewhat self-contradictory and senseless. And finally, while you can alienate and therefore sell your labor, you cannot alienate your control over your body as such. These are reasons not to recognize slave contracts in a free society. If, however, some such contracts are not unjust, then Cohen’s argument is fixed by modifying “slavery” with “coerced / non-contractual” (such as regarding its being morally intolerable).

2) The second argument deals with decreased autonomy under no-SO. By “autonomy” Cohen means “the range of a person’s choice, as opposed to a feature of a person’s character, related to his powers of deliberation and self-control.” (236) In response, Cohen invokes his pathetic propertyless proletarians who allegedly lack autonomy under capitalism. I’ve dealt with this claim earlier. But it’s precisely the self-control that is lacking under no self-ownership. This becomes obvious when we consider the situation of a creative artist that Cohen uses. Mises makes the following point: to promote the arts “all that society can achieve... is to provide an environment which does not put insurmountable obstacles in the way of the genius and makes the common man free enough from material concerns to become interested in things other than mere breadwinning.” (*HA*: 155) The plight of a creative man under socialism is twofold. First, socialist citizens are required to worship the totalitarian state. A creative artist becomes a popular rival to the state for the people’s affections. This cannot be and usually is not tolerated. In addition, “under a bureaucratic system it is necessary to convince those at the top, as a rule old men accustomed to do things in prescribed ways, and no longer open to new ideas. No progress and no reforms can be expected in a state of affairs where the first step is to obtain the consent of the old men. The pioneers of new methods are considered rebels and are treated as such.

For a bureaucratic mind law abidance, i.e., clinging to the customary and antiquated, is the first of all virtues.” (1946: 67) Self-ownership then permits creative advance by freeing artists and innovators from the necessity of seeking permission from the authorities to contribute to society.

3) The third argument suggests that absence of self-ownership entails using people in an un-Kantian manner as only means rather than also as ends. Cohen replies that even in the free market people “use” each other quite legitimately: “*Of course* I treat the ticket-seller as a means when I hand him the money and thereby get him to hand me my ticket. For I interact with him only *because* he is my means of getting a ticket.” (SO: 239) But this is beside the point which is rather that Cohen may not coercively conscript any Smith into causes for which Smith himself does not care, including helping the disabled or whatever, threatening him with punishment if he disobeys. Cohen would then be using Smith to further ends to which Smith is opposed or at least indifferent to, with Cohen commandeering Smith’s property against his will and imposing a pure cost on him without conferring any corresponding benefit. Treating one as an end means recognizing that each person has *his own* ends for which he cares; and that in a good society each transaction between any two individuals should profit both of them. One should naturally rejoice that other human beings exist. Unlike social cooperation, state coercion introduces a discordant element into life, a contempt for the nature of the person being coerced. One on the receiving end of violence is being treated as an inanimate object to which no reciprocity or consideration is due. Thus, unlike a ticket-selling machine, a human ticket seller is presumably receiving a mutually agreed-upon wage in exchange for his work, and his employer profits, too, from the sale of the ticket to Cohen, just as Cohen in his turn obtains a psychic profit from buying the ticket. These exchanges immediately benefit all the parties involved. It is in this sense that redistributive taxation ignores the victim’s own values and goals and projects, treating him only as a mechanical tool to be used by the redistributor and his allies for the latter’s own selfish ends. As we have seen, Cohen has not made peace with the teleological nature of human beings; he has remained a wolf to man, precisely because he doesn’t know what sort of creature he is.

Finally, Cohen proposes the following thought experiment:

Suppose that people are born with empty eye sockets... and there is a well-established practice of perinatal implantation of perfect artificial eyes by the state. Sometimes a mishap occurs in which a grown-up loses her eyes, and the only way to endow her with an eye is to take one from a “sighted” person... If an eye lottery is proposed by way of remedy, should we not feel as unhappy about it as we would about such a lottery for natural eyes? If so, the suggestion arises that our resistance to a lottery for natural eyes shows not belief in self-ownership but hostility to severe interference in someone’s life. For... eyes... could be regarded as on loan, with one of them being retrievable if your number comes up in a lottery. (243-4)

Yet Cohen himself regards this scenario as inconclusive: “stalwart believers in self-ownership will think that... the difference between congenial and state-implanted eyes makes a big difference to the acceptability of the proposed lottery, precisely because the former are owned by the sighted person and the latter are not.” Under SO, I could object to a lottery in natural eyes on the ground that it is unjust; if all there was to it was visceral distaste over “severe interference,” one could argue that the disutility of being interfered with, even severely, is outweighed by the utility to blind people of being able to see; or even that equality *is* the true meaning of justice, and no one by this correct justice should enjoy better vision than anyone else. The Cohenian lottery in state-owned artificial eyes could not take recourse to this argument from SO and may well be permissible and even praiseworthy. Another example is that there is something “untoward about marketing one’s own eye, whether by selling it or by hiring it out.” I agree that this, rather like selling one’s own kidney, is creepy, but probably because one ought to love one’s own body in a special way. If one loses a sum of money, he can earn more; one can’t replace a ruined body. But creepiness does not entail unlawfulness. Further, “you can condemn rape (the violent borrowing of sexual organs) while also condemning prostitution (the peaceful hiring out of the same), and thereby questioning some rights of self-ownership.” (244) Perhaps, but you’d condemn these things for different reasons. Rape is a violent crime; prostitution is at most a sin or vice, and vices are not crimes. It may even be strictly speaking unjust for local cops to chase away hookers, but they might sacrifice libertarian justice in this case for the sake of public health or maintaining property values.

Two Men Enter, One Man Leaves

Cohen admits that individual proletarians are free to exit their “class” and become bourgeois. Workers can save and borrow money and use it to buy capital goods and start their own businesses. He claims, however, that this is not true of the proletarians collectively. The fact that some workers may exit is contingent on the fact that not all workers try to exit: “each is free only on condition that the others do not exercise their similarly conditional freedom.” (1983: 11) The number of exits is strictly limited. The only reason why a worker is free to leave is that the majority of other workers choose to remain. This predicament he calls “collective unfreedom.” The *individual* freedom of some to leave the proletariat is only “part of the genius of capitalist exploitation”: it promises salvation by disguising its true purpose to divide and disarm the proletariat ideologically and politically. Only perhaps a socialist revolution will free everyone at the same time.

Gordon (1990) has an excellent discussion of this problem. One argument he deploys is that even if it’s false that if all workers *can* exit, it remains possible that the counterfactual “if they *were* to exit, they would soon succeed” is true. Here’s why. All people in America right now are collectively unfree to buy fancy Japanese soap, simply because there is not enough such soap for everyone. Well, of course not, because the quantity supplied of the soap is adjusted to the demand which is actually low. But if every American did suddenly acquire a burning desire to buy Japanese soap, matters would be different. At first prices would skyrocket, but that would create massive profit opportunities for entrepreneurs to enter this industry and ratchet up soap production. Supply would then increase, though it might take a bit of time, and eventually the demand would be met, such that most Americans would enjoy their soap at the expense perhaps of various other goods.

People are collectively unfree right now to buy massive quantities of such soap, but only because they don’t actually want to. If they wanted to do this and were willing to express their desires in action, then the market would adjust and satisfy them. They would then be collectively free. By a similar reasoning, if most people did decide to exit and become employed in cooperatives, the market would in a short order morph to satisfy their new desires.

Cohen contends that “the proletarian is forced at t to *continue* to sell his labor power, throughout a period from t to $t + n$, for some considerable n .” (8) This, however, seems straightforwardly false. People in today’s economy are collectively unfree *all at the same time* to quit their jobs en masse as one and start looking for new jobs, and yet each individual in the course of his career as a worker can be expected to change jobs numerous times. One such change may easily be into a business owner or member of a cooperative. It is therefore grotesque to argue that workers are unfree, either individually or even collectively, to change their places of employment.

Second, Cohen has again confused freedom and power: workers are not coerced into not leaving; no one, including the state, is refusing permission to them to leave; they are simply incapable of securing for themselves the happy consequences of leaving. But it’s hardly a restriction on my freedom that I cannot enjoy the consequences of jumping under a bus (and therefore lack the power to both jump and live). It’s not as if some authority was threatening workers with punishment for acquiring means of production or joining cooperatives; it’s that the workers themselves won’t enjoy a mass exodus. We’re therefore at the most collectively *powerless* to exist the proletariat, not collectively unfree. We’re simply not omnipotent and cannot successfully execute the exit. No defender of the free market said that the market maximizes human power as opposed to human freedom. (In a sense, capitalism does maximize human power over nature. But that is a separate argument.) But that we are collectively powerless to go to Alpha Centauri, for example, because there is no technology that would enable us to do so does not mean that we’re not free to make every effort to do so.

It follows from this that the collective powerlessness of all workers to exit the proletariat at the same time is not a bug of capitalism but its essential feature. If an attempt at such collective exit would be disastrous and destroy the economy, such that everyone would starve to death, then that workers stay put is a great thing. If in addition the state were to *outlaw* such an atrocity, it might serve to save people from themselves. If workers were stupid and reckless enough to try to leave all at once, massive coercive measures against them might be justified paternalistically for their own sake. So, on the one hand, what we lack is not freedom but power; and if we did have power, it would be desirable for all of us to lose our freedom. It is then

true that a worker may want to leave while at the same time not wanting *other workers* to leave, as well, but *not* for the reasons (supposed competition due to collective unfreedom) Cohen gives. Therefore, a system in which a worker can leave only if he possesses some rare talent, such as entrepreneurial prowess, is precisely what we want. And that's capitalism under which this talent is not arbitrary but filters workers who want to become business owners in such a way as to maximize efficiency and human welfare.

Why moreover is this collective powerlessness an indictment of capitalism and not of whatever the alternative system S (socialism, a system of mass cooperatives, or whatever) is being contemplated? Capitalism seems to work; the fact that a mass exodus and attempt to create S would fail condemns precisely S as unworkable or non-functioning.

Sometimes it is considered a counterexample to Kant's categorical imperative "Act only on that maxim through which you can at the same time will that it should become a universal law" that it seems to entail that I cannot become an accountant, since it would be disastrous if *everyone* tried to become accountants, since the division of labor then would be destroyed, and economy could not function this way. Switching from Kant to Cohen, first, surely, our collective unfreedom to become accountants is irrelevant; and second, the fact that there are natural, embedded within the market system protections against this sort of thing (namely, wage incentives) is perfectly great. Gordon similarly points out that we are collectively unfree all to become self-sufficient farmers, since the current level of the population is far too high to be fed like this. That hardly seems important or tragic. Perhaps the proletariat's collective unfreedom is similarly innocuous.

Finally, suppose that the workers are indeed "collectively unfree." If it is contrary to the interest of most of them to leave, of what concern is this lack of freedom? First, obtaining capital requires saving which entails painful abstinence from current consumption, and not everyone is willing to do this. Second, workers get their wages immediately, while an entrepreneur must wait until production is completed (which in complex projects may take months or years) and the product is sold. Third, workers are guaranteed their wages whether or not the business succeeds, while an entrepreneur is saddled with the *risk* of failing to profit and of losing his investment. Not everyone

can make the cut as an entrepreneur. And there are advantages to remaining a worker. Even if it's true (what I deny) that profitable businesses exploit workers, because the goods are sold for more than total wages, it then becomes true that *workers* exploit *failing* businesses, since the incompetent entrepreneur subsidizes his workers by selling his product below costs. Perhaps these cancel each other out, and no overall exploitation ensues.

Gordon gives an example of two people one of whom specializes in growing wheat and the other, in growing barley. If they exchange part of their products with each other, both benefit and no one is subordinate to the other. We could say that the two farmers in this example both *use* each other and *serve* each other. The use each other insofar as division of labor allows both of them to get more goods than they could obtain under autarky. They serve each other insofar as each farmer has an incentive to produce what the other wants. The same relationship occurs in the employer-employee nexus: there is both mutual use and mutual service. In using the other, each is his master; in serving him, each is his servant. Again the two are symmetrical and cancel out, leaving both equal in dignity. Where's the exploitation?

In any case, workers do not ultimately work for capitalists; they work for the consumers, i.e., for themselves. Mises puts it this way:

The orders given by businessmen in the conduct of their affairs can be heard and seen. Nobody can fail to become aware of them. Even messenger boys know that the boss runs things around the shop. But it requires a little more brains to notice the entrepreneur's dependence on the market. The orders given by the consumers are not tangible, they cannot be perceived by the senses. Many people lack the discernment to take cognizance of them. They fall victim to the delusion that entrepreneurs and capitalists are irresponsible autocrats whom nobody calls to account for their actions. (*HA*: 272)

Of course, that's not so, says Mises. Capitalists are subject to the supremacy of the consumers, and so are, through them, their employees. But of course the workers are the main consumers of the stuff they produce. And each worker, in his capacity as a consumer, is keenly interested in the preservation of the capitalist system of production, under which the productivity of human labor increases at the fastest possible speed. Again it follows that the

collective unfreedom (if any) is a blessing not a curse.

There Is an “I” in “Community”

It might seem at first glance that the Cohenian “community” is built upon Christian charity. This, however, is a mistake. Charity or love for fellow man, St. Thomas teaches, has the effects of spiritual union, mutual indwelling, ecstasy, and zeal (of the lover on behalf of the beloved). (*ST*: II-I, 28) It involves an interpenetration of souls, a merging of wills or in economics-speak of values scales not only without destroying individuality but on the contrary sharpening it. Cohen defines community differently:

In community motivation, I produce because of my commitment to my fellow human beings and with a desire to serve them while being served by them. In such a motivation, there is indeed an expectation of reciprocation...

Christian charity does not feature reciprocation and hence is altogether superior to the Cohenian community. A man who loves can serve without asking for anything in return, because the profit he gives to the beloved is his profit, too. Conversely, a man who is loved can take without fearing that he will need to repay the favor: his profit is the profit of the lover, as well. Unlike “unselfish” (by definition) altruism, charity is perfectly selfish; it’s just that it seeks the profit of a united will, of the hearts intertwined. What then is the purpose of Cohen’s uncoordinated “serving”? We can get an idea of how silly our author can get is in the following passage:

The marketeer... does not desire the conjunction (serve-and-be-served) as such, for he would not serve if doing so were not a means to get service.

The difference is expressed in the lack of fine tuning that attends non-market motivation. Contrast taking turns in a loose way with respect to who buys the drinks with keeping a record of who has paid what for them. The former procedure is in line with community, the latter with the market. (*CEJ*: 218)

It appears that Cohen simply and inexplicably hates accounting and wants to abolish it. Mises replied to this bizarre *idée fixe* as follows:

Our civilization is inseparably linked with our methods of economic calculation. It would perish if we were to abandon this most precious intellectual tool of acting. Goethe was right in calling bookkeeping by double entry “one of the finest inventions of the human mind.” (*HA*: 230)

And what will Cohen do with people who consume others’ services but themselves refuse to serve? I see no remedy for such an outrage but to force them to serve. Under the skin of “community” thus lurks the skull of coercion. Presumably, however, *how much* people are to be forced to serve in return for services rendered to them by others must be determined by the state with precision for fear of injustice, of punishment not fitting the crime. Strict accounting must perforce be reintroduced.

I see no value in the “conjunction of serve-and-be-served” other than in its effect of human happiness. Cohen’s community fails at the level of human nature, since he concedes that “we do not know how to make [an economic system] work on the basis of generosity”; and it fails at the level of divine grace, because it falls far short of Christian charity. In short, it’s nonsense.

In his *Why Not Socialism?* Cohen describes a camping trip as an alleged example of a socialist community. This, too, is a mistake. Every activity in the camping trip Cohen describes, from fishing to gathering firewood to cooking, is an aspect of *consumption*. Fishing in this case is not labor which is costly but sport which is a source of utility. It’s a fun part of leisure. The fisherman does not want to minimize the time and effort it takes for him to catch fish; he may try to prolong it. He may even be happy when the fish are not biting too well, as this gives him a reason to enjoy the fishing longer. Since socialism is a system of production which, like any system, seeks to *economize*, i.e., to minimize costs and maximize benefits, and there are no costs in the camping trip, there is no need for *any* system, including socialism. One is free simply to enjoy life. There is, for example, no “government” among the campers that owns the “means of production.” All the objects and tools used during the trip are privately owned and were privately produced by the market economy outside our little society; they are shared only for the duration of the trip. The camping friends are enjoying the trip not equally but to the extent they are capable of. Nor is the distribution

egalitarian, since it would have made sense for each person to bring to the trip things he knew he would want without sharing them with others. It's a dangerous thing to embark on a camping trip unprepared, and it's up to each individual to make his own preparations. As we have seen, it is true that shared danger and hardship can forge bonds and bring people together which is what a camping trip may try to simulate. But a society does not work this way. Cohen has confused not only economic science with *home* economics, but also civil society with some sort of eternal war zone.

Cohen's community sounds like it promotes fellow feeling, but that is an illusion. It's not just that inequalities will inevitably arise from individual actions and will have to be coercively suppressed by the state. But it's false even that one can avoid being ruined by the state by blending in, staying anonymous, as one of numerous innocent people just minding their own business. Why would the state pick *you* to harm? And if you are in trouble, can't following the law save you from destruction? In the movie *Schindler's List*, the Jews in the concentration camp indeed enjoyed both equality and community in Cohen's sense. Was that enough to redeem the situation?

We were on the roof on Monday, young Lisiek and I, and we saw the Herr Kommandant come out of the house on the patio right there below us, and he drew his gun and shot a woman who was passing by.

Just a woman with a bundle, just shot her through the throat. She was just a woman on her way somewhere, she was no faster or slower or fatter or thinner than anyone else and I couldn't guess what had she done.

The more you see of the Herr Kommandant the more you see there are no set rules you can live by, you cannot say to yourself, "If I follow these rules, I will be safe."

The warden could kill that woman without qualms because she was *irrelevant* to him and to all others in that prison. Nothing was lost because of her death. The ant hill is not diminished if a single ant dies, or if a million. The comrades in the Cohenian community are equally worthless and equally disposable. The soothing comfort of imagining that you are not a loser just

because other people are not winners fades when you realize that you're *all* losers. As O'Brien pointed out to Winston in Orwell's *1984*, which is true of all the comrades, "You do not exist." In the movie *The Third Man*, Martins and Harry Lime are up on a Ferris wheel discussing philosophy:

Martins: Have you ever seen any of your victims?

Lime: Victims? Don't be melodramatic. Look down there. Tell me. Would you really feel any pity if one of those dots stopped moving forever? If I offered you twenty thousand pounds for every dot that stopped, would you really, old man, tell me to keep my money, or would you calculate how many dots you could afford to spare?

Nobody thinks in terms of human beings. Governments don't. Why should we? They talk about the people and the proletariat; I talk about the suckers and the mugs – it's the same thing.

They have their five-year plans, and so have I.

Yet Lime's crimes are trivial, pale in comparison with the inevitable crimes of the socialist state which is precisely the point meant to be conveyed by this exchange. As Michael Huemer points out, "no one has ever managed, working alone, to kill over a million people. Nor has anyone ever arranged such an evil by appealing to the profit motive, pure self-interest, or moral suasion to secure the cooperation of others – except by relying on institutions of political authority. With the help of such institutions, many such crimes have been carried out, accounting for tens of millions of deaths, along with many more ruined lives." (2013: 109)

Unlike the former Soviet Union and Communist China, America is composed not of a herd of undifferentiated "masses" but of *individuals*. We prize *success*, and that involves precisely separating yourself from the crowd. The suggestion that we'll be safe from the state only if we toe the line and blend in and be just like everyone else is utterly un-American, not to mention generally inhuman and as we have seen, false. It is a holy society in which one can deviate from the "norm" without being martyred.

Cohen argues that on the market people are motivated by "greed and fear," and these are "horrible ways of seeing other people." Substitute "pursuit of

happiness” or “seeking joy and avoiding sorrow” for “greed and fear,” and suddenly this statement loses its cynical bite. Social cooperation under capitalism promotes the aspect of this pursuit that comprehends material welfare in the most efficient manner possible, and this is one reason why capitalism is desirable. An analogy with the drinks is a bar in which as time goes on, there is an increasingly great variety of drinks, of improving quality, and at ever-lower prices. But to achieve this marvelous result, both the owner and the patrons must use strict rather than loose accounting of their expenses. Isn’t it a small “price” to pay for everlasting progress? The charge that capitalism encourages greedy selfishness is empirically implausible in any case. Certainly people choose their occupations and develop skills and improve their productivity to a great extent for the sake of money, i.e., their own prosperity. But while actually at work, in the midst of their daily hustle and bustle, their motivation is not that they love themselves excessively or that they love others, but that they (eventually come to) love their jobs.

Cohen wants to suppress “self-interest” and promote “generosity,” and “we do that, for example, when we tax, redistributively, the unequalizing results of market activity.” (*CEJ*: 218-9) I don’t know how progressive it is substitute self-interest with fear of punishment for not paying the taxes. And it’s certainly easy, though arguably unjust, to be generous with other people’s money. Perhaps Cohen should’ve learned to be generous with his own.

I agree that man is a lover and gift who gives of himself to the world. However, I hold that this self-giving generosity is not natural to man but is itself given to him by God in the form of grace. And this noble generosity of grace cannot be realized by destroying human nature of enlightened or rightly understood self-interest on which this grace rests. Attempts to do so fail, and have failed time and time again, horribly, and the grace and charity now lacking a foundation, too, collapse. But Cohen is hardly a grace-filled Christian. “All you need is love,” though false, is at least a nice sentiment; “All you need is taxes and some weird ‘ethos’” is ravings of a lunatic.

Conclusion

Socialist subjects are the most materialistic, greedy, base, mean, and ruthless of all people. The Soviets were morally twisted, selfish, envious, ignorant,

crude little goblins. Under socialism, there are no faith, hope, and charity of grace; nor peace on earth and good will toward men of intact human nature; there are only dumb suffering, despair, and hatred of hell as society either ossifies as in Cuban-style “evenly rotating” socialism or falls apart as in Soviet-style “planned chaos” socialism. I suggest that Cohen’s egalitarian socialism is at best a Christian heresy which hopes to destroy the Law in order to make room for Grace. And at worst, Cohen does not care about grace at all, and his “ethos” – the egalitarian ethos, the ethos of service, and the utilitarian ethos – are a corruption of the true law, designed not to justify people but to enslave them. It might be said in Cohen’s defense that if one were to make a mistake, then why not this one? But few human mistakes have resulted in so much global misery and horror as the false religion of socialism. It’s not some gambling vice but an awful mortal sin.

As a result, I fully expect Cohen (who died in 2009) to be in hell, ironically being forced by the devils to strive perpetually to be equal to a tree stump.

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