

# Taxes into Plowshares

by William E. Pike

Yet another monument to state control has been erected in Washington, D.C. No, not the Franklin D. Roosevelt Memorial. In this case, the monument is a lesser-known sculpture called “Guns into Plowshares.” This work, erected in 1997, stands in Judiciary Square close to the National Law Enforcement Officers Memorial. Dubbed a monument to peace, the sculpture is actually a monument to the anti-gun-rights lobby.

The work has its origin in a 1994 gun “buyback” program administered by the District of Columbia Police Department. Through this effort, the District purchased 3,000 privately owned handguns in the name of ending handgun violence. The question of what to do with all these guns was answered by artists Esther and Michael Augsburgers, who suggested using them in a sculpture of a plow, playing on the well-known scriptural reference: “He will judge between the nations and will settle disputes for many peoples. They will beat their swords into plowshares and their spears into pruning hooks. Nation will not take up sword against nation, nor will they train for war anymore” (Isaiah 2:4).

The result was a four-ton, 16-foot high sculpture composed of steel and 3,000 disabled handguns, imitating a tremendous

plow. Some might call it art, but others might call it instead the art of exploitation. The sculpture represents the fallacy of gun control and government intrusion at many levels.

First, the term “buyback” wrongly insinuates that the government has some primary right to all property to begin with, and that it was simply regaining possession of what originally belonged to it. In fact, it couldn’t buy the guns *back* at all.

Second, the program was based on the oft-repeated fallacy that guns, and not criminals, commit crimes. Purchasing 3,000 handguns from citizens can do nothing to reduce crime. Criminals, obviously, will not sell their weapons to the police department. As for crimes of passion, which an otherwise law-abiding gun owner might commit, no one ever needed a gun to cause another harm. The logic behind a gun “buyback” also ignores the argument—and the evidence—that gun ownership protects many citizens and actually *reduces* crimes. (See John Lott’s *More Guns, Less Crime*.)

Moreover, the law-abiding citizens who sold their guns were under the mistaken assumption that they would profit from the sale. However, they paid for their small profit in two ways. At some level they were taxed for the program. But even worse, they found themselves with slightly less freedom than before: the program represented one more lurch forward in big government’s bid for control.

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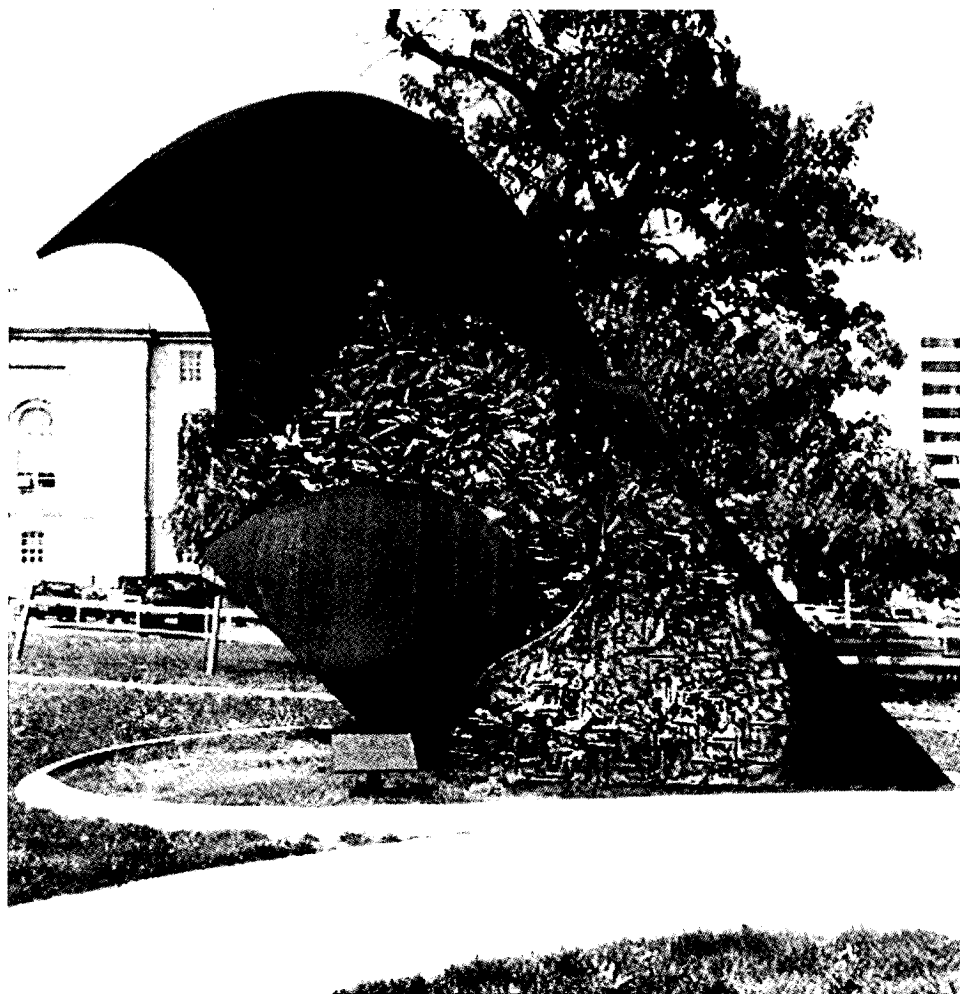


PHOTO BY KEITH STANLEY

*"Guns into Plowshares," Washington D.C.*

One can also find an interesting misuse of scripture in the very theme of the sculpture. The scripture being referenced refers to the peacefulness of nations, not the disarming of the populace. Those who believe in a powerful, coercive government should not celebrate such a government by quoting scripture about peace. Liberties are not stripped away by peaceful governments.

Finally, the very placement of the sculpture can be seen as insulting. Those who planned the sculpture felt that the work's proximity to the National Law Enforcement Officers Memorial would point out the role of handguns in violence against peace officers. On the contrary, the sculpture is a slap

in the face to peace officers who serve with the intention of protecting citizens' rights. In this case, those who gave their lives that constitutional rights might be preserved are memorialized by one monument, while another nearby lauds the stripping of one of those rights from the citizens they died to protect.

Perhaps the saddest aspect of this monument is that so many citizens will pass by it in an attitude of awe and reverence, never realizing what it *truly* symbolizes. It is up to lovers of liberty to point out that in this case art has been used to commemorate the power of the state and the death of individual freedom. □

# Enron and the Law of the Market

by Fred E. Foldvary

**P**eople will learn lessons from the collapse of Enron. Some of these will be the wrong lessons.

Critics of markets claim that the Enron debacle shows how “capitalism” is defective and proclaim that the government should increase the regulation of corporations and financial markets. There does need to be a change in government policy, but not in the direction of greater interference with business.

A market needs to have clear rules about property rights, and this implies a general Law of the Market about telling the truth. What we need is a clearer codification of the Law of the Market, enforcement, and penalties against fraud. Fraud is a type of theft, and theft is a violation of market rules.

Let’s start with the accounting firms that are supposed to audit corporations. The purpose of such audits is to ensure that the company has truthfully and fully accounted for its operations. This implies that the auditor should be impartial and not be swayed by any financial interest in the company.

That was not the case with Enron. Its auditing firm, Arthur Andersen, was also a consultant to Enron. In my judgment, that constituted a potential conflict of interest. If the auditor reported accounting problems, that might reduce its consulting income.

Some argue that the government should prohibit auditing firms from also doing consulting work for the firm it audits. I argue for a noninterventionist policy.

The Law of the Market would require that all statements made by firms be truthful unless the company charter clearly and explicitly states that it might lie. The Law of the Market would also require that external audits of corporations be impartial, with firms having no financial interest in the company or any links other than the auditing, unless it is clearly and explicitly stated in the charter that it might have other business with the auditing firm, or that it might not be audited at all. It should be up to the shareholders to take on risks, but they should know what those risks are regarding company reports.

If the company’s charter states that it may be audited by firms that also have other financial interests in the company, then all shareholders are warned that the audits might be suspect, and that the accounting reports—the balance sheet and income statements—might be misleading. The value of the shares will then be discounted to reflect this.

The Law of the Market would also specify that the accounting reports of a company fully show all assets and liabilities of the firm at current market prices, unless its charter states otherwise. Enron was able to hide liabilities in partnerships, which were not fully disclosed. A firm’s business includes its

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