

# PUBLIC PRICES FOR PUBLIC PRODUCTS

Edited by Selma Mushkin

Libertarians too often focus their attention on national political and social issues to the neglect of state and local affairs. Yet if the case for laissez faire is valid, it can and should be applied to these levels of society as well. In particular, libertarians ought to be concerned with demonstrating how market mechanisms can be used to provide municipal "public services." To many observers, the idea of the free market providing roads, parks, fire protection, et cetera, borders on the unthinkable. But when carefully examined, this objection usually does not involve the ability of the marketplace to produce the public services in question, but rather the question of how, in the absence of coercive taxation, the services could be paid for. It is here that the subject of user charges and other voluntary pricing mechanisms becomes significant.

Interestingly, the idea of pricing public services has recently caught the attention of a number of liberal economists specializing in urban problems. A rich sampling of their work is provided in *Public Prices for Public Products*. The book is fascinating in that it provides yet another example of the rediscovery of free-market ideas—in this case, the benefits of market pricing as opposed to administrative fiat—by pragmatic liberals. As editor Selma Mushkin points out, "Under present resource allocation practices within the public sector itself, the wrong product is sometimes produced, in the wrong quantity, and with no (or inappropriate) quality differentiation." In contrast to this dismal picture, Mushkin states, "Prices will provide correct signals to indicate the quantity and quality of things citizens desire, and help bring about the proper balance between private and public production of these things. . . . Price signals also offer a method for trying out and responding to the public's desire for quality changes in public services," that is, more frequent trash collection, more (or fewer) police patrols, new kinds of schooling, et cetera.

The book therefore sets forth the state of the art on pricing urban public services—both in practice and in theory. As Mushkin points out, pricing is already used extensively for such municipal services as water, sewers, electricity (often government-provided), airports, mass transit, and garbage collection. Even police, public hospitals, and recreation departments charge for certain services, though they are largely supported by tax revenues. On the average, 13 percent of municipal revenues were derived from user charges in 1969-70; if water and other utility charges are included, the figure increases to 34 percent.

Following an overview of the current extent of pricing, Part I of *Public*

*Prices* presents four articles on the theory of public prices, including "Economic Efficiency and Pricing" by William S. Vickrey of Columbia, an economist well known for his ideas on pricing urban roadway use for maximum efficiency. These essays, as well as those in Part II, look at pricing pragmatically, not ideologically, pointing out its advantages in many cases, as well as the difficult problems involved in cases of "public goods" (those services which cannot be readily divided into purchasable units, and from which, therefore, nonpayers cannot be excluded). The various authors disagree on the seriousness of the public-goods problem, with several pointing out that very few services are truly public goods. Most alleged public goods have identifiable beneficiaries, and the problem is to develop imaginative enough marketing and pricing schemes. Clearly, here is an area in need of work by libertarians.

Part II provides a number of applications-oriented chapters, applying pricing concepts to such services as solid-waste handling, public transit, fire protection, recreation services, municipal hospitals, and primary and secondary education. Also included are two chapters on effluent charges as an alternative to antipollution regulations. The final two chapters provide additional food for thought. In one, Mushkin proposes that, despite the enumerated benefits of pricing, the poor should still receive certain basic services without paying. How strange it is that liberals remain so paternalistic that they must give the poor the services rather than (as Milton Friedman has suggested) giving them money and letting them make the choices (and in the process preserving all the demand-revealing benefits of pricing that Mushkin has earlier set forth)! The last chapter lays out an agenda of unanswered questions about pricing urban services. Libertarian students of economics and urban problems will find here a wealth of ideas for thesis topics and other research projects.

Obviously, *Public Prices* is not a libertarian book. Its authors are reformist liberals in search of marginal improvements in the provision of public services within the framework of existing municipal governments and taxation. Nonetheless, it is an important book for libertarians to be aware of and for students of economics and urban problems to own. For by providing legitimacy to the concept of user charges, the book helps prepare the way for those libertarian scholars who will demolish once and for all the case for taxation in a municipal setting. REVIEWED BY ROBERT POOLE, JR. / *Economics* (460 pages) / **LR Price \$6.50**

## SCRIABIN: Third Symphony

Philadelphia Orchestra, Eugene Ormandy, Conductor

## Fourth and Fifth Symphonies

U.S.S.R. Symphony Orchestra, Yevgeny Svetlanov, Conductor

How can I describe the music of Alexander Scriabin?

Since I am reviewing his last symphonies, I could begin by discussing their purely musical uniqueness, citing Scriabin's development and use of his own distinctive chord (C F sharp B flat E A D), a chord around which his entire Fifth Symphony is built, with the result that it possesses a truly extraordinary coherence and unity, a unity which had become gradually more and more implicit through his Third and Fourth Symphonies. But this mode of description seems inadequate. It isolates only one aspect of the music, namely, the ways in which its component sounds are patterned.

I could begin by discussing the titles and programs which Scriabin provided for his later orchestral music. The Third Symphony is called "The Divine Poem" and is, according to Scriabin's mistress, who wrote the program for the work's first performance, designed to represent "the evolution of the human spirit which, freed from the legends and mysteries of the past which it has surmounted and overthrown, passes through Pantheism and achieves a joyful and exhilarating affirmation of its liberty and its unity with the universe." Through the Symphony's three movements, the human spirit frees itself from its slavery to any God, learns to delight in the pleasures of the sensual world, and finally abandons itself to the supreme joy of free existence, in need of no God because it is God in itself.

The Fourth Symphony is entitled "The Poem of Ecstasy." While he was composing it, Scriabin wrote a poem bearing the same title. And though he later declined to have the poem printed for performances of the symphony, he more than once referred to it as the music's explanatory text. The poem presents a sense of life not markedly different from the one in the program of "The Divine Poem." Scriabin's biographer, Faubion Bowers, describes it this way:

It is Spirit's great self-assertion, 'Ya es'm or 'I am,' reached after a gamut of emotions and experiences—delicious excitement followed by soothing languor, terror, doubt, 'the maggot of satiety . . . the bite of hyenas . . . sting of serpent,' intoxication, burning kisses, spiritual and temporal love-making and, ultimately, ecstasy.

The Fifth Symphony is titled "Prometheus, The Poem of Fire." It is a free fantasia on the myth of Prometheus, the demigod who defied Olympus and gave Man the gift of fire. The work is highly programmatic, introducing eleven different themes in succession, to represent Original Chaos, the Creative Principle, Will, the Dawn of Human Consciousness (Reason), the Joy of Life (Self-discovery), the Play of Creative Spirit, and Self-affirmation. But even though Scriabin's programs cast light on his music, they are words, not periodic tones. And they cannot convey the nearly indescribable experience of listening to these symphonic poems.

If any single word can encapsulate that experience, it is: passion. Scriabin's music is above all passionate, whether it sings of a passionate desire for freedom, as in the "Divine Poem," or of passionate love, as in the "Poem of Ecstasy," or of passion for life, as in "Prometheus," or of passionate self-affirmation, as in all of his later music.

In the end, though, words, one or several, can never do the trick. Writing about music must always be a more-or-less doomed attempt to translate the untranslatable. In the case of Alexander Scriabin, they can at best be used with indirection—to suggest, if not actually to convey, the almost unbelievable intensity, heroism and purely musical innovativeness of his achievement. REVIEWED BY JEFF RIGGENBACH / *Classical Recordings* / *Third Symphony* / **LR Price \$4.95** (List price \$6.98) / *Fourth and Fifth Symphonies* / **LR Price \$4.95** (List price \$6.98)

# LIBERTY AND THE GREAT LIBERTARIANS

Edited by Charles T. Sprading

Students of liberty can justifiably rejoice at the republishing of this collection of essays gathered by Charles T. Sprading. The original 1913 compilation reissued in 1972 without an alteration is a classic and a must.

Those who are serious in their pursuit of understanding within the libertarian/individualist framework would do well to begin their perusal with Sprading's excellent introduction to his own gleanings from the individualist vineyard. Without this guide, it might be difficult to justify some of his selections as indicative of the thinking of the great libertarians. What Sprading has done is to set down his own particular viewpoint and then choose essays by more than two-score writers which help to sustain and flesh out his position.

Writing in the opening years of the twentieth century, Sprading is filled with optimism concerning the inevitable triumph of libertarian principles. He sees the nineteenth century as a time of struggle and anticipates the twentieth as one of peace and fulfillment. The collection, published a year before the opening guns of World War I, is filled with bright promise, on the assumption that the logic and rightness of individualism and liberty will inevitably pervade the minds of thinking men and that we are (circa 1913) on the threshold of a libertarian century. Ironically, one is reminded that libertarians, however right they may be in principle, have been but indifferent seers. To date, this century has been the bloodiest and perhaps the costliest in terms of lost liberty of all the centuries for which records have been compiled.

Sprading makes another sweeping assumption. It is that by common consent all "economists are agreed that there are four methods by which wealth is acquired by those who do not produce it. These are interest, profit, rent, and taxes, each of which is based upon special privilege, and all are gross violations of the principle of equal liberty."

Modern scholars are not so certain that economists have agreed in this case or, for that matter, in any other. There are a number of libertarian scholars who see taxes as a privilege but who recognize profits, rents, and interest as arising from the voluntary actions of customers or those who enter into contracts volitionally.

If the reader will hurdle the misplaced optimism which haloes the twentieth century and the bland agreement with Marx concerning the villainy of those who accept profits, rents, and interest, he will find a rich harvest of ideas and arguments useful to the libertarian position as it seems presently to be.

Consider these splendid examples:

"An appeal to the majority is a resort to force and not an appeal to intelligence; the majority is always ignorant and by increasing the majority, we multiply ignorance...." "Liberty leads to peace, while authority necessarily leads to war." (Sprading)

"Liberty for the few is not liberty. Liberty for me and slavery for you means slavery for both." (Samuel M. Jones)

"War never can be the interest of a trading nation any more than quarreling can be profitable to a man in business. But to make war with those who trade is like setting a bulldog upon a customer at the shop-door." "Society in every state is a blessing, but government, even in its best state, is but a necessary evil; in its worst state, an intolerable one." (Thomas Paine)

"A general concurrence of opinion seems to authorize us to say it [the Constitution] has some defects. I am one of those who think it a defect, that the important rights not placed in security by the frame of the Constitution itself were not explicitly secured by a supplementary declaration." "Every constitution, then, and every law, naturally expires at the end of thirty-four years [the average life]." (Thomas Jefferson)

"Our judgment will always suspect those weapons that can be used with equal chance of success on both sides. Therefore we should regard all force with aversion." (William Godwin)

"Society everywhere is in conspiracy against the manhood of every one of its members." (Ralph Waldo Emerson)

"When I look at these crowded thousands, and see them trample on their consciences and the rights of their fellowmen at the bidding of a piece of parchment, I say, my curse be on the Constitution of the United States." (William Lloyd Garrison)

"How does it become a man to behave toward this American government today? I answer, that he cannot without disgrace be associated with it." (Henry David Thoreau)

There is much, much more here, from the pens of Herbert Spencer, Stephen Pearl Andrews, Lysander Spooner, Robert G. Ingersoll, Benjamin Tucker, Auberon Herbert, Maria Montessori, and more than twice that number, which sustains the individualist or libertarian position in one or another manner.

*Liberty and the Great Libertarians* is a pivotal book; it belongs in every free man's library. In the attractive hardcover edition now available, those who cherish liberty can find courage as well as ably turned phrases by means of which to advance their cause. REVIEWED BY ROBERT LEFEVRE / **Political Philosophy—Libertarianism** (540 pages) / **LR Price \$23**

## INSIGHTS AND ILLUSIONS OF PHILOSOPHY

By Jean Piaget

Let me confess one of my own inner conflicts from the start. After putting down what struck me as the most important volume I had run into in the past year or so, I was tempted to urge every person I know to buy a copy of Piaget's *Insights and Illusions of Philosophy*. In terms of its application to a question which has not yet been given sufficient serious scientific reflection by libertarians—I refer here to the very "nature of man's consciousness"—the book is an absolute must.

Yet I must in all truth confess, my didacticism crumbling before a fundamental sense of honesty, that Piaget is not for the general reader. Wolfe Mays' translation from the French is quite readable, but it does not lessen the impact of the Swiss psychologist's style, which is replete with technical terminology borrowed from a number of disciplines. This is not to say that Piaget is writing in "fifty-cent word academic" prose. Quite the contrary. The absence of the author's skilled usage of philosophical and psychological jargon would double the length of the book and make it vague and incomprehensible. But forewarned is fair-warned; if you enjoy having ideas handed to you by authors who do not expect you to bring to your reading a knowledge of the fundamentals of their subject matter, then this book is not for you.

If, on the other hand, you are interested in obtaining an introduction to a comprehensive epistemology from a writer who will not leave you hanging on the edge of rationality, ready to topple into a metaphysical pit as soon as the nature of knowledge proceeds from a discussion of stage A (the integration of perceptions) to something more worthy of a twentieth-century mind, then you owe yourself the delightful frustration it takes to grasp Piaget.

*Insights and Illusions of Philosophy* is a multifaceted volume, part intellectual autobiography, part reportage of the author's own research

into the cognitive processes of children, and part well-reasoned disgust with the vogue enjoyed by phenomenology and existentialism in contemporary philosophy. But the volume centers primarily on the limited usefulness of speculative philosophy. As the author notes, speculative reflection "can only lead to the elaboration of hypotheses," for without "verification by a group of facts established experimentally or by a deduction conforming to an exact algorithm... the criterion of truth can only remain subjective...."

Piaget brilliantly cites twentieth-century developments in all areas of science and in mathematics to argue that investigations to determine the validity of propositions in all branches of science, save metaphysics, are more properly done by the scientific researcher. Whereas at the turn of the century we did not have the tools given us by the physics of relativity and by the discipline of cybernetics, thus causing us to see man as either an automaton à la mechanism or else a free-willed creature endowed with some metaphysically-based élan vital, these developments have led us to treat epistemology as a science.

The founder of an interdisciplinary research group devoted to studying epistemology in a scientific fashion, Piaget essentially views free will as a function of man's nature as a highly developed autoregulatory mechanism. Without going into more detail, suffice it to say that he is far from being a behaviorist, and at the same time, far from being a metaphysician.

Piaget's example of Bergson, lacking training in science, struggling to defeat Einstein's spatio-temporal models, might well serve as a warning for some libertarians who persist in being ostrich-headed armchair speculators. For those who have become increasingly uncomfortable with pie-in-the-sky epistemological speculation, Piaget offers a charming, tasty morsel. REVIEWED BY C. RONALD KIMBERLING / **Philosophy** (232 pages) / **LR Price \$3.95**