

## Power and Market

By Murray Rothbard  
Kansas City: Sheed Andrews and  
McMeel. 2nd edition.  
1977. 304 pp. \$15/\$4.95

Reviewed by Eric Mack

Not that we need a special reason for doing so—but the reissue of Murray Rothbard's *Power and Market: Government and the Economy* (originally published in 1970) provides a welcome opportunity to recall the insights and analyses of this very readable book.

*Power and Market* is a systematic and lucid study of the economic consequences of coercion—especially State coercion of economic activity. At most, it is possible to give a partial list of the many coercive practices with which the State blesses us and with which Rothbard deals.

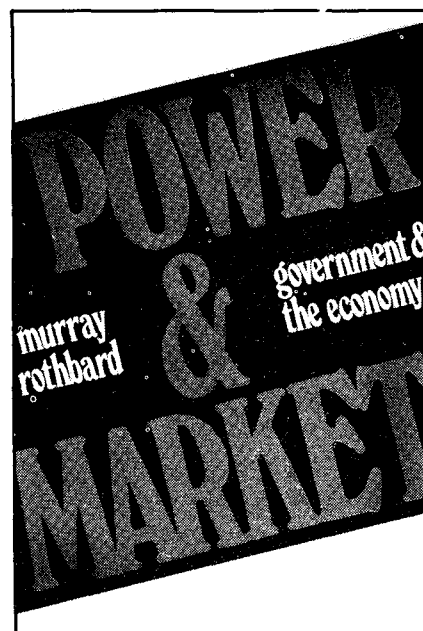
One major chapter presents a detailed critique of all forms of intervention by which free association or exchange between two parties is forbidden or restricted by a third party—the State. Rothbard dissects price controls, prohibitions on the production or sale of goods or services, and grants of monopoly. Under this

last rubric we find criticisms of compulsory cartelization, licensing, tariffs, immigration restrictions, child-labor laws, antitrust laws, and many other restrictive practices.

Two major chapters deal with taxation. The first is a survey of the distribution of the burdens of various tax schemes and of the real economic consequences of these different programs. All sorts of highly touted tax schemes are shown to have counterintuitive characteristics and counterproductive outcomes. Included here is a fine critique of various proposed canons of "justice" in taxation. The second chapter on taxation deals with consequences of State use of the resources acquired through taxation. Here we encounter criticisms of: the subsidization of poverty and unemployment; the possibility of "business-like" State operations, or efficient socialism; and the idea of "public" ownership.

Another major chapter, "Antimarket Ethics: A Praxeological Critique," provides generally excellent challenges to ethical criticisms of market society that turn on alleged psychological or sociological "insights" destructive of capitalism.

This listing of a portion of the myriad topics Rothbard takes up may give the impression that his work is entirely nega-



tive and piecemeal. This is not at all true. All the failures of nonmarket and involuntary forms or coordination are presented against a background account of how and why market and voluntary forms work.

We are presented with a recurring contrast between the "market principle" and the "hegemonic principle," between the

# MURRAY N. ROTHBARD'S Power & Market

**Power & Market: GOVERNMENT AND THE ECONOMY** offers a systematic analysis of the *political* approach to governance through the power of the state, in contrast to the *economic* approach of the free market.

The book opens with an examination of how the free market could provide defense and police services for protection and compensation against violence.

Professor Rothbard then examines the various kinds of



government intervention in society. He focuses on the effects of state control over prices, products, and manpower. He also undertakes an extensive analysis of taxation and government expenditure policy.

Throughout the book, the deleterious results of intervention are contrasted with the dynamic benefits of *laissez-faire*.

"**Power & Market** is, indeed, the most rigorous and far-reaching critique of state intervention into the economy in existence, encyclopedic in scope."

— *Libertarian Review*

"The book includes one of the most piercing analyses ever made of the possibility of justice in taxation... The book contains brief and powerful rebuttals of the two dozen most common arguments against the free market."

— *National Review*

"**Power & Market** is absolutely indispensable to any libertarian in combating statism on all levels. The book is an arsenal of arguments in defense of liberty."

— Roger L. MacBride

"It is original and comprehensive in scope: its systematic critiques of statism are devastating on every level!"

— Roy A. Childs, Jr.

Order through  
your local bookdealer:  
\$15.00 Cloth—\$4.95 Paper.  
Or directly from:

SHEED ANDREWS **S&A&M**  
AND MCMEEL, INC.

6700 Squibb Road/Mission, KS 66202  
Enclose 50¢ postage and handling.

mutually beneficial and efficient order that follows from voluntary association and freedom of action and the exploitative and inefficient order that follows from coercive interference. This theme is nicely pulled together in the final chapter, "Economics and Public Policy." Rothbard's continual and insightful development of this contrast, his systematic refusal to reify "the market," "the economy," and so forth, and the merciful absence of any bridge building to the left makes this a thoroughly enjoyable book and one of the best for conveying the libertarian world view.

Nevertheless, this work may encounter serious methodological problems in connection with, for example, the status and meaning of Rothbard's praxeological axioms, his insistence that only actions of buying and selling reveal preferences, and the contrast between the praxeologist's inability to make meaningful statements about what someone would prefer and the entrepreneur's ability to do this all the time. But these possible difficulties cannot be examined here.

In *Power and Market* Rothbard also presents some of his reasons for favoring a system of competing private defense agencies over a monopolistic State. His position appears as a simple extension of the values of free association and trade and the disvalues of forced association and State monopolization and resource allocation: the same reasons that favor free market provision of other goods and services favor the market provision of legitimate defensive and juridical services. But those who prefer that their anti-Statist passions be rational passions may find Rothbard's arguments deficient in rigor.

For one thing, Rothbard's argument in chapter one turns on including taxation among the defining characteristics of the State. Libertarian limited government-alists will insist that the State they favor does not tax. Rothbard's best reply to this occurs within his discussion of "voluntary taxation"—but here, and in other areas, Rothbard takes stands that ultimately raise many of the methodological questions previously noted.

Lastly, there are Rothbard's surprising references to "the basic legal structure of a free society." This phrase seems to ignore the possibility of diverse pairs of individuals tailoring the law that is to govern their relationships to fit their particular preferences. This is a remarkable omission from someone so attuned to the diversity of (legitimate) human wants and to the market's sensitivity to these differences. □

Eric Mack teaches philosophy at Tulane University and recently joined REASON as a contributing editor.

## The Coming Breakpoint

by Barry Goldwater.  
New York: Macmillan Co. 1976.  
184 pp. \$8.95.

After all these years, after the times of grand struggle when he was reviled by the press, after a spectacular nomination for the presidency and an equally spectacular defeat at the polls, after the recent and unfortunate disagreement with the Young Americans for Freedom over the Ronald Reagan campaign... after all these things, the name of Barry Goldwater still carries the weight it always did—strong, tough, assertive.

*The Coming Breakpoint* is his latest book, published at a time when Goldwater has become the darling of the same press that treated him so shabbily in the past. Despite the passage of time and the different context (when even CBS has learned to respect Goldwater's integrity) this book is still good old solid Goldwaterism, highly recommended.

The title refers to that moment when the United States will collapse, a hybrid creature of the mixed economy attempting to live off its own blood as it grows more emaciated with each passing hour—a vampire that is its own victim. The "breakpoint" is old stuff, of course, the nub of free-market doctrine. But Goldwater gives it new life, as he always does, with his forceful language.

There is nothing fancy about this book. It is basic. Work is its theme. How much of it, or how little, can support the American nation-state? Goldwater fears that we are reaching a point where the private sector (those who create wealth) will be so small that it can no longer support the public sector (those who govern and those who toil not). Some free-market theorists tell us this has already happened and we just haven't noticed yet, like the brontosaurus requiring a day's notice before he realizes that he's dead. Goldwater is an optimist, giving us at least a decade before the breakpoint—if we're lucky.

He stresses that our system of checks and balances is a contrivance of honor. Being an honorable man, Goldwater is disheartened by the growing number of people in all walks of life (especially bureaucrats) who seem dishonorable. There's no reason to wonder about this. Honor is out this year. No one knows what exactly has taken its place—some amalgam of expedience and bad taste too disreputable to have a label.

But, alas, as one reads about the dic-

tatorial power of a sinister federal agency known to its friends and enemies alike as the FCCFDAEPACPSOSHA, there is the nagging feeling that you're alone in reading this new Goldwater book; that those who need to read it won't, and those who already agree won't read it either. Wasn't that a young conservative the other day who said one Goldwater book is like another?

Goldwater doesn't write theoretical works but grants the right assumption, then proceeds to illustrate with case histories the loss of liberty in the red-tape swamp. *Breakpoint's* only drawback, in this reviewer's opinion, is that it doesn't deal directly with Goldwater's distaste for aggressions by the state that sometime receive "conservative" sanction. A chapter outlining the bad manners of the vice squad would have been appropriate here, along with a reiteration of Goldwater's support for the decriminalization of marijuana.

Stylistically, each of his books adopts a conversational tone, and this latest one is a fine example of this. In the introduction, he writes, "In rereading the preceding and following pages, I find that I have occasionally repeated myself. I have allowed these slips to remain because I believe in the power of repetition to stress certain points." One can imagine the composition teacher smiling somewhat patronizingly and nodding her approval. Or: "The do-gooders who believe labor unions can do no wrong and corporations can do no good make me downright sick to my stomach with their righteous, double-standard politics."

It is this informal approach that endears him to us; it is not enough to share values if we cannot also (forgive the liberal twinge) communicate! *The Coming Breakpoint* deserves to be widely read, especially by us.

Brad Linaweaver

*"Those who profess to favor freedom, and yet deprecate agitation, are men who want crops without plowing up the ground. They want rain without thunder and lightning. They want the ocean without the awful roar of its waters. This struggle may be a moral one; or it may be a physical one; or it may be both moral and physical; but it must be a struggle. Power concedes nothing without a demand, it never did, and it never will. Find out just what people submit to, and you have the found out the exact amount of injustice and wrong which will be imposed upon them; and these will continue until they are resisted with either words or blows, or both. The limits of tyrants are prescribed by the endurance of those whom they oppress."*

—F. Douglas