

In response to Gordon Gamm's *THE FLAWS OF LIBERTARIANISM*

I didn't get this before the talk and only saw part of it on Ralph's laptop screen, but along with the talk, everything I heard or saw was misleading, misconstrued, strawman arguing, stereotypical, or just wrong. There was no way to pin down the speaker or even pull out one area to question. So I thought I'd respond by doing an inline response to his writeup.

Scott L Replogle

[response is in bold]

THE FLAWS OF LIBERTARIANISM

By Gordon Gamm, J.D.

How many people here identify themselves as libertarians?

[Perhaps most of us since it's the Boulder County Libertarians, but I don't "identify" as a Libertarian or even a libertarian. I'm an individual — libertarian is the best term to describe my sociopolitical philosophy]

I want to explore with you what you mean by "libertarian."

[Yes, small "l" libertarian is the best way to describe it but it would seem your talk was on what you think is libertarian]

Why do you consider it important to identify yourself as "libertarian"?

[I don't. You, on the other hand, seem to need someone to "identify as" rather than discussing issues.]

Among those of you who identify yourselves as Libertarian, do you mean by "libertarian" that the only role for government should be the protection of private property, national security, and defense?

[I would say the role of the federal government is as outlined in the original Constitution and Bill of Rights and includes protection of individual rights, making and enforcing law equally, dealing with interstate and international

relations, and actual defense of the country. Most of the rest is (or was) reserved to the states or local government.]

Some libertarians oppose taxation, victimless crimes, and the use of government other than to prohibit and punish those who use force against innocent victims, such as murder, rape, assault, and battery.

[Yes, the legitimate job of government is to protect the rights of its citizens and to make good law and apply it equally]

What other roles do you consider appropriate for government consistent with your libertarian beliefs? What about fraud?

[Fraud is illegal and should be prosecuted equally, ideally by local or state government]

Are you a libertarian because:

[I don't "identify" as a libertarian. I have opinions on various issues that are associated with libertarian opinions]

1. You believe market capitalism is the greatest engine for economic growth in human history?

[I don't "believe" anything. That's a religious concept. Free market capitalism is not an "engine" or a system. Economic growth occurs because of human exchange, not by government planning or force. So free market capitalism is what's behind economic growth. "greatest in human history" is a typical exaggeration.]

2. You believe that private companies are inherently more efficient than government because there is a profit motive?

[Profit motive is part of what's behind voluntary human exchange and private companies, and yes, private companies are more efficient than government and politics but a major reason is that private enterprise has a means of self-correction and learning from experience that government lacks]

3. The rich need tax cuts to be encouraged to spend and create economic growth during times of recession?

[And here we see the simplistic and labeling type thinking typical of authoritarians/statists/progressives. Who are "the rich"? Is that a fixed group of people that are objectively defined and unchanging? But the answer is no. People do not have to be "encouraged" to spend and create economic growth and certainly not by government. Taxes are legalized

theft and always work against wealth and economic growth so cutting taxes always works in the other direction and not just in “times of recession” that are mainly caused by government.]

4. The U.S. has the highest standard of living in the world because of its free market capitalism?
[The US has the highest standard of living because of its people and in spite of government, not because of it. Currently the US is far from “free market capitalism”]

5. America is a capitalist economy?
[The US (not “America”) is closer to a capitalist economy now. But it certainly didn’t get to the wealth and economic strength it has because of government.]

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6. Adam Smith is the source of revealed authority that established that markets work perfectly and government can only worsen outcomes?
[Here’s where we start to see what I could see during the talk — lots of misconceptions, simplistic all-or-nothing thinking, and strawman arguments. There is no source of revealed authority except to the religious and other types of authoritarians. Markets don’t work “perfectly”. Nothing does, and definitely not governments. Governments worsen outcomes for a number of reasons including the use of force and top-down, central planning thinking by those who are sure of what’s best for other people and for society.]

7. Free markets are the sublime expression of human liberty?
[Free markets are nothing of the sort. Only authoritarians would think there is a “sublime expression”. Free markets are what people do under stable ROL and government even has trouble making good law and applying it equally. Liberty is what the government is supposed to protect, not run the country or its economy.]

8. Federal regulation has a negative impact on employment and is particularly hurtful to small business?

9. **[A typical exaggeration and blindly biased statement. A certain stable level degree of “federal regulation” is required as part of ROL but not when it’s used for social engineering, pushing an ideology, or running the**

country or the economy. The “negative impact” of federal “regulation” isn’t just on employment, but, yes, small business has less ability to work around government controls and engage in crony capitalism.]

I. People with experience as successful business people recognize that government is an impediment to innovation, job creation, and business expansion?

10. **[Not just “people with experience as successful business people”. Only socialists who are sure they know what is best for the People or for Society think that government is necessary for “innovation, job creation, and business expansion”. They also think we’d be dying-in-the-streets without government. Government produces nothing and is all about power and control, not helping exchanges between free people.]**

11. Democrats and liberals don’t understand the dynamics of capitalism in the risk that investors and small businesses undertake when they risk their capital in the market and expect the rewards for their work unencumbered by regulation and taxation.

[Well he’s got the first part right although “liberals” is an out of date and meaningless term these days. The “dynamics of capitalism” is certainly not about politics or top-down controls and central planning. Government also doesn’t have to “undertake risk” in the same sense, not to mention the lack of individual motivation and learning from experience that comes with personal responsibility]

12. Liberals want to take money from those who earned their money from work or venture capital and give it to people that don’t want to work, pretend to work, or don’t have initiative to start a business? **[Again, “liberals” is an outmoded term — I think he means socialists/progressives/authoritarians — What is the justification for taking money from those who earn it and redistribute it to those who are PC or helpful in maintaining those in authority? It doesn’t matter who you give it to; they didn’t earn it and it won’t solve perceived social problems]** There are plenty of jobs for people who want to work and programs to train people for skills necessary in the workforce. **[And they should be free to do that and be rewarded in the free market. The “plenty of jobs” aren’t there because of the government.]**

Which of these reasons serve to motivate you to be a libertarian?

[I don’t need to be “motivated to be a libertarian”. It’s how the real world works and government is only needed to protect individual rights and protect people from those who would force them to do things (like government does)]

Are there other reasons I haven't mentioned for your commitment to being a libertarian?

[Plenty, but I don't have a "commitment to being a libertarian". I try to look at the real world and see how it works as well as allow people to believe what they want and do what they want to do as long as they don't force it on others (like government does)]

My presentation today will be to respond to each of the reasons you have selected as your reason for being a libertarian.

I am not opposed to or naïve about the benefits of capitalism. I am a capitalist insofar as I have had a successful experience in business as a lawyer, natural gas investor partner, investor in the stock market in stocks, mutual funds, etf's and have shorted markets. I understand the risks and have had the experience of the heartbreak of losses in the marketplace.

[And yet you think capitalism is a system, government is necessary to run things and control the economy, and libertarians are ideologues with the wrong beliefs.]

In this country we have a mixed economy that has elements of socialism and free market capitalism. **[Actually it's best described as crony capitalism or crapitalism but it certainly contains elements of socialism. We are doing as well as we are in spite of government, not because of it.]** There is no country in the world that has a libertarian economic system for good reason. **[based on your simplistic thinking and blind assumptions of the necessity of government as well as the bogus argument that the absence of a "pure" example is proof it's wrong]** I am opposed to libertarian economic theory and unfettered free markets because it undermines the values of democracy, a trust in the collective wisdom of "we the people" to make public policy responsive to the general welfare based on human conscience. **[And there you have it — blind belief in abstract concepts like "collective wisdom", democracy, and "we the people" and "human conscience". Religious-like ideology revealed in all its glory.]** Libertarianism as a theory is a trust in the magic of the invisible hand of the market without regard to the lived experience about how the market effects our lives. **[Libertarianism is not a theory, not a "trust in the magic", not an "invisible hand" — another abstract concept — and not a "market" that "effects our lives". It's essentially impossible for an authoritarian to understand how decentralized decision-making and market economies could work without a central authority. The religious have the same problem with understanding and accepting evolution.]** Libertarianism presumes that the way we spend our money is the sole basis for determining what we collectively value. **[There is no such thing as "collectively" in any objective sense and "value" is also determined by individuals, not some abstraction or authority.]** This blind faith

would have had us prolong the recent recession or experience a depression worse than the one in 1929 in order to wait for the market to correct itself through extreme suffering that was avoided by the bailouts. **[Wow. The bailouts are government in action. The “blind faith” is in government — the aphorism is: The government can never be wrong or the source of the problem and the answer to all problems is more government and/or more money. Blind assumptions are a thing to behold.]** The 2007-9 recession was a direct result of libertarian blind faith in deregulation, disparagement of market oversight over deceitful private market lending practices, private investment banking hyper leveraging exotic debt instruments, and mismanagement by private investment rating agencies. **[Double wow. Talk about blind self-righteousness and being totally wrong. Hard to argue against such thinking. It’s like arguing with a religious fanatic.]** All of these demonstrated shortcomings in the private market that were inadequately regulated by government agencies because of underfunding staffs **[The answer to all problems is...]** and public disparagement of their essential role by Alan Greenspan, (chairman of the Federal Reserve Bank) a worshiper of Ayn Rand. **[That’s known as an ad hominem attack or argument]** Greenspan publicly acknowledged his lifelong mistake in trusting that markets self correct for deficiencies in the marketplace without the need for government oversight. Greenspan even acknowledged his belief that there doesn’t need to be laws against fraud because businesses that engage in fraud will be punished by the market without the need for criminal liability.**[So is Greenspan wrong or right?. There is a need for stable ROL and enforcement equally, the government can’t even do that well. But basically the government can never be wrong or the source of the problem.]**

I would like to begin my presentation by explaining what is necessary for capitalism to work and why oversight is necessary to correct for the failures in the theoretical foundation for capitalism in the real world. **[Again, he’s arguing that capitalism is a system and nothing can work without government controls and central planning. When you’re blind to your assumptions and wrong about cause and effect it’s hard to do anything except bow to an authority.]**

For free markets to work well there must be transparency in the information available to buyers and sellers in the marketplace. **[Define “transparency” and how government performs or solves it.]** There must be equal bargaining power between the parties. **[Might be nice but not possible to force and, again, how does government achieve that with it’s power/force?]** The marketplace must be able to account for and cost externalities that impose burdens on others than the parties to agreements.**[This is also utopian thinking and can’t be done by external force. Who is to decide what the “externalities” are and what they cost? The best that can be done is to enact fair law and enforce it equally]** There must be punishment for fraud, deceit, false advertisement, the use of monopoly to distort prices.**[Well,**

duh. Fraud, lying in business, false advertising are all illegal and it's the government's job to enforce such law equally (not preferentially or ideologically). Monopoly is not legally possible except when the government does it as Single Payer would be)] Regulations play a role to insure that our food and drugs are safe and to provide for testing that individual consumers don't have the capacity or time to test the effectiveness of drugs.[Another "dying-in-the-streets-without government" argument. Anything the government does can be done without it by people acting voluntarily and cooperatively. And, just as in free markets under stable ROL, they would do it better than government does with politics and power.

Regulations insure that our cars are safe and that manufacturers are held accountable for dangerous products.[**No they don't. Statists/authoritarians just like to think that. And "held accountable for dangerous products" is best done by enforcing the law equally — government and its lawyers acting as agents of the court do that poorly enough.** Regulations insure that businesses are competing in a fair market. [Another statist myth. **The faith in government is much like faith in God. Try defining a "fair market".**] Government also provides incentives and training to encourage businesses to invest in businesses of the future and provide our country with a leading edge in competing with foreign companies.[**Except that it doesn't do that well and a free market does it much better. We also don't need to "compete with foreign countries — another statist misconception**] Our government insures that we have access to foreign markets through trade agreements with fair international competition.[**"Insures"?** **We have "access" to foreign markets anyway. If we don't the foreign countries suffers as much as we do**] Government provides copyright and patent protection to protect inventors from having their investment ideas stolen for which they have a substantial investment in research. [**Yes, this is part of stable contract law and does require government to do. It's not an argument against free markets though.**] In other words it is the government that provides the umpire to enable free markets to succeed and to maximize their benefit for the general welfare.[**Yes, pure anarchy doesn't work. We do indeed need stable ROL and apply it equally rather than for social engineering or ideological purposes. The federal government has lots of trouble even doing that basic function.** That is, a market without government is like a baseball game without an umpire to call the balls and strikes. [**Again, not an argument against libertarianism or free markets. Most people would agree that a government is needed to protect rights and enforce good law equally. Typical of statists/authoritarians it's all-or-nothing thinking the opposite of too much government done poorly is NO government.**]

[Notice that I'm not arguing "I'm right and you're wrong". I'm only arguing that government is seldom the answer and the alternative is not no government.

The “authority” that arises from decentralized decision-making under stable conditions is quite difficult for statist/socialist/authoritarians to grasp. For the religious it’s like understanding how the world could work without God overseeing everything. At least he’s not lumping libertarians in with conservatives...]