INTRODUCTION

This chapter commences with a fairly brief account of a moral philosophical perspective on the basis of which all taxation has been condemned. This perspective is essentially Lockean and focuses on each individual's moral status as a possessor of sovereignty over his own person and not, to any degree, over any other person. The portions of this perspective that immediately speak to the ethics of taxation are its theory of private property rights and justice in economic holdings. It will not be argued that all existing holdings are just and hence should be immune from governmental seizure. Indeed in light of the libertarian doctrine, which will be outlined, many existing holdings are not just. But no existing or pending tax scheme targets for confiscation precisely those holdings that should be judged unjust. All existing or pending tax schemes, in fact, deprive many individuals of holdings to which, in the libertarian perspective to be developed, those individuals have every right. If this is correct, then all such schemes are morally unacceptable, and alternative means must be found for financing the relatively few projects currently financed through taxation and worthy of continuation.

While the second section of this chapter attempts a plausible rendition of the ethics of tax-condemnation, the third and fourth sections
circumvent this antitax ethic. The
is that the Lockean/libertarian ar-
tually strikes against redistributivism,
tems of wealth or patterns of what
ity, utility, etc.) in order to bring
health (or opportunity, utility, etc.).
against redistributivism by denying
meaningfulness, of the notion of
ity, or even the meaningfulness, of
pective from which a redistributive
al improvement. But if the
ly, or with most force, against re-
m is suggested for outflanking this
ists of looking for modes of
not based on some redistri-
chapter deal with the sort of non-
obvious to an economic way of
ication. If each individual subject
wealth on balance benefits (in
ies) because of the value to him of
idual can claim to have had a loss
other’s benefit or to have been
(i.e., other people’s) interests.
ment yields is simply the right not
ren there seems to be a strong case
ublic goods do not violate liber-
ment occurs at the ethical mar-
not the basic moral vocabulary and
advocate simply argues that this
forced yet nonredistributive
such a precluding right, there are
utive forced takings that finance
or of this chapter is devoted to de-
ue against this flanking attack.
or less aggressive form. The phil-
axlike schemes that are not redistributive and
re taxlike forced takings as rectifications of past
osophically more aggressive form would so fortify the foundations of
this moral perspective that anything at all contrary to this perspective,
e.g., any tax scheme, could be dismissed out of hand. This form
would insist that, of course, the right that people possess is one against
any forced taking and, of course, that right settles the matter. The
more modest approach taken here sees that right as a moral pre-
sumption against forced takings, a presumption that might, at least in
principle, be overcome in special cases—specifically, cases that do
not fit the paradigm of unjustified forced redistributions. But it is
maintained that when we think through the various specific bases for
overthrowing the presumption against forced takings, we find no suffi-
ciently plausible basis for actually overthrowing this presumption.
Thus, the flank attack by the public-goods argument is strong enough
to resist this campaign on behalf of nonredistributive taxation. Per-
haps it is morally significant that, by not being redistributivist, certain
tax schemes, e.g., taxation structured to finance true public goods,
ove closest to being permissible. Perhaps it could be argued that
being closest to permissible equals being minimally permissible. But
this issue will not be pursued.

It remains only to note that, for the most part, the argument of this
chapter bears only indirectly on the connection between taxation and
capital formation. There is here no concern with what specific effects
on voluntary capital formation this or that particular tax scheme would
have. There is only the moral that people should have vastly greater
choice over the disposal of their justly achieved holdings. The satis-
faction of this prescription is compatible with vastly greater capital
formation or with none—depending on people’s free decisions. Of
course, insofar as public-goods arguments are seen as arguments for
coercive, governmental capital formation, the bearing of this essay is
quite direct.

THE LIBERTARIAN PERSPECTIVE

As noted in the introduction, the moral philosophical perspective from
which this essay proceeds is essentially Lockean. Among individuals
there are no natural moral slaves and no natural moral sovereigns. No
one’s purposes or goals take moral precedence over the purposes and

2. In this section I draw on portions of my paper, “In Defense of ‘Unbridled’ Freedom
actions—are not like natural resources that are equally morally available to whoever desires to put them to use. Rather, the possession of a separate moral purpose removes each person as an embodied, active, choosing being from the domain of objects that simply exist as possible material for the use of other individuals.

Morally speaking, a person’s faculties and capacities are therefore uniquely means to an end, that person’s well-being. One cannot coherently affirm that the well-being of each is his separate and distinctive end without affirming also that some things stand as distinctly means to that end, and hence, as means not available to others. On the most fundamental level, it is the person himself, his existence as an embodied, living, purposive being, that stands as a means to the end (which is his well-being) and hence as material that is morally out of bounds for another’s exploitation.

Since each person is an end-in-himself in the sense that the most cohesive realization of his person, desires, capacities, etc., is the distinctive rational ultimate value (for him), each person is a means to that separate ultimate value which is his successful life; therefore, no person is a means for anyone else’s life or purposes. This is our reading and explication of the Kantian slogan that because each is an end-in-himself, each has a moral immuity against being treated as a means. A person’s moral sovereignty over himself involves claims, i.e., rights, to life and liberty, to property in his own body, and to other property permissibly acquired. There are correlative obligations in all others not to (nonconsensually) deprive him of life, liberty, and legitimate property. These (natural) moral rights and obligations exist independent of and prior to any agreements among persons and independent of the social utility or positive legality of recognizing these rights and obligations.

This doctrine of people’s propriety over themselves and their legitimate possessions must be fleshed out with at least a minimal account of property rights in extrapersonal objects. Following Robert Nozick’s discussion in his Anarchy, State and Utopia, we can see these rights being determined by three principles: a principle of initial ownership; a principle of just transfer; and a principle of rectification. Initial property rights in any object come about through the creation

4. But this is not intended as an explication of what Kant himself actually meant.
This theory of justice in holdings is what Nozick calls a “historical non-patterned” theory. What a given individual has property rights to depends on how he has acted and how others have acted toward him. If he has created much or elicited much in the way of gifts or payments, he will have just claims on much. If he has created little and elicited little from others in the way of gifts or payments, he will have just claims on little. And there is no antecedently specifiable pattern, such as equality or proportionality to intelligence or proportionality to virtue, that the profile of just holdings across individuals will fit. A just “social distribution” is whatever distribution is created by individuals engaging in acquisition in accordance with the constraints laid down by the three principles. Insofar as individuals’ just holdings are seized by bandits or by governments, rights are impermissibly violated. It does not require wild empirical premises about how people have actually acquired their current holdings to conclude that all existing and prospective tax schemes of the U.S. government and its political subdivisions do involve many such impermissible seizures—seizures that, from the perspective developed here, have the same moral status as banditry.

There are two common philosophical replies to this sort of condemnation of taxation. The first is that the taking carried out as taxation at least sometimes is, contrary to appearances, carried out under the consent of its subjects. A belief in some sort of voluntary background consent was, after all, the basis for Locke’s having accepted taxation. But here the appearances have far more veracity than the alleged underlying reality. There has been no actual consent for most people. Nor can the most plausible candidates for actual consenters—naturalized citizens, for example—be said to have consented to particular taxes with the degree of specificity normally required for legally binding consent. And even their oaths can be construed as being made under duress, under threat of being denied freedoms (e.g., the freedom to move unencumbered across the “state’s” boundaries) that the state has no right to deny peaceable individuals.

Similarly, the existence of democratic electoral processes does very little to legitimize coercive taxation. It cannot legitimize the impositions upon those who do not vote, those who vote against the taxes in question and/or against the champions of those taxes, or those who voted for the taxes in question and/or for the tax champions on the basis of lies and false promises. That leaves, at most, very few people who can reasonably be said to have incurred obligations to pay taxes.
participation. Nor is there any other mystical control exercised by the "prerogatively" over our rulers that constitute to coercive taxation or that shows anything "we" do to "ourselves." As such Rousseauistic fantasies, "... cent" and "the power of people over true state of the case." 8

evidence within the state’s boundaries consent to its exercise of taxation. For they have many motives for maintaining their allegiance to some political in

tate has no right to make people’s legal area it controls (and claims to rule mission to its takings. A private owner of his property must agree to a certain condition of remaining on his property. May make comparable stipulations is to be established, viz., that the state property rights in “the country's” wealth 9. Finally, we should note that if one yielding consent to a point where everyone United States can be said to have conceived his notion of consent will be so people under almost all regimes, no matter will count as having consented to their

argue, hence a part of reply to the libertarian position developed here involves some over-riding goal. The greater realization of such the infringement upon individual entitlements, may be the greatest good for the (yet incommensurable?) equality of wealth and social "compensation" to the wretched, or "social ideals." One level of response denies any positive basis for believing the status of imposing enforceable obli-
gations on nonconsenting individuals, exists. A full version of this response would consist of a systematic critique of all positive arguments for each of these overarching goals. Such a systematic critique would be easy, but very lengthy. 9 Here we will only cite a passage from Nozick which, in effect, combines the premise that at least some presumption against violating Lockean rights has been established with an all-purpose debunking of the social goal approach. Why not, Nozick rhetorically asks, require "that some persons have to bear some costs that benefit other persons more, for the sake of the overall social good?” This is his answer:

But there is no social entity with a good that undergoes some sacrifice for its own good. There are only individual people, different individual people, with their own individual lives. Using one of these people for the benefit of others, uses him and benefits the others. Nothing more. . . .

Talk of an overall social good covers this up. (Intentionally?) 10

Two brief rejoinders to social goal proposals that go beyond the debunking of these purported goals are also possible here. The first of these rejoinders is that, insofar as the rights that would be infringed by forced allegiance to this or that social goal are well established, we have structural reasons to disbelieve in the social goal. For, given a well-founded belief in individual natural and property rights, the additional endorsement of a countravailing social goal would leave us in a theoretical morass of conflicting claims of different sorts, claims that somehow were supposed to be measured against one another. And since there would be no rational method for weighing these competing claims, to accept the addition of such a countravailing social goal would be to surrender the possibility of rational judgments about people’s rights.

The deeper brief positive rejoinder refers back to the agent-relative or positional conception of value, in terms of which the separate and equal (yet noncommensurable) value of each person’s life-fulfillment

9. One powerful critique of the rationality of utilitarianism is to be found in John Rawls, A Theory of Justice (Cambridge: Harvard University Press, 1971). Rawls rejects utilitarianism for insufficiently taking account of the importance of the separateness of persons and their rational plans of life. But instead of concluding that all proposed principles of “social choice” must be rejected (where the alternative is the adoption of a set of interpersonal rules that merely define people’s rights and do not specify what is “socially” better or worse), he simply advocates an alternative principle of social choice. For a critique of Rawls’s proposals and of egalitarianism, see Nozick, n. 5.

agent-relative, then there can be some of the sort posited in any social whose value transcends particular good of the greatest number, or in such cases they are merely making of a certain type of life. They are transcendent value of greatest not responding to a mandate that in some people.

agent-relativity of value, against of overarching, extra-individual realistic, indeed Hobbesian, argument in some people. The argue to consider those cases of fundamental losses for many can only be preclude some smaller number of people. People will starve unless a sixth per- or. (The five are so disadvantaged to compensate the pig lover. Their in- money exchange is not due to trans- and at least not impermissible to an emergency to save themselves and the pig? And if so, would not the endangered five be (acting permissibly) on behalf—and engage in any action? According to this argument, in terms of the individual benefits in terms of any alleged “higher”

point is to insist that justice must be respected, though the heavy (sometimes) satisfying reply insists by the basic principles of social that some submit to (undeserved) when people are confronted with conflict of interests, i.e., social cooperation, the interpersonal cooperation. Fortunately, in reality, such ca-

tastrophe/conflict-of-interest situations are extremely rare—especially within (generally) just and free societies. We are usually too quick to conclude that, for example, the starving five have nothing to offer the pig lover. But cases of absolute conflict of interest can exist—the proverbial lifeboat cases, for instance. The question is how we should interpret such circumstances.

Under such circumstances we revert, morally speaking, to a Hobbesian state of nature in which the notions of justice and rights no longer have significance. And that is why it would be not impermissible for the starving five or even some agent of the five to “steal” the pig. But to say that it would be not impermissible is not to say that it would be right or just. Indeed it would be precisely as “not impermissible” for the pig lover to resist the five. For they are all, by hypothesis, in a Hobbesian state of nature. Thus, even under the hypothesized circumstances, one should not conclude that a governmental seizure of that loveable pig would be legitimate. It would be no more legitimate than for the government to protect the pig lover’s possession of his pet. And it would not be impermissible for the pig lover to resist such a governmental taking. Governmental seizure would simply constitute a preferential use of force on behalf of some of the conflicting parties. It could not be justified by any interpersonal principles binding on all the parties concerned. It could not be represented as an act of government neutrally pursuing the rational or the good or the just among its citizens. Fanatical pig lovers should, however, be on notice that they would not have a right to governmental protection against the (unjustly) starving. And they would probably be well advised to avoid the Hobbesian situation by offering their fellows simple humanitarian aid.

Social goal objections to the antitax ethic described here are objections from far outside the libertarian moral landscape. And the Hobbesian argument turns out not to be a moral argument at all. But, as indicated in the introduction to this chapter, there may be objections from the periphery of the libertarian's position—objections from the ethical margin. The theory of individual rights proposed here seems to rule out infringements upon an individual's right even if such an infringement would leave its “victim” no worse off (except for being a “victim”). But much of its rhetorical force may come from its association with the less extensive demand that individuals not suffer infringements of rights which leave them worse off, that no individual's well-being be sacrificed (without his consent) to enhance the
example, that in the passage from
document is, strictly speaking, directed
to and sacrifice. So perhaps the core of the
underlying intuitions that give it plausi-
ble margin for infringements on (what
are dual rights when those infringements
are most obvious candidate for such an
example of financing a public good. Whether
leave room for such coercive takings
is two sections.

The Argument

As some state of affairs, condition, or
state of affairs every individual within some in-
clusive such a nature that it is impossible or
impossible to exclude any significant number of its mem-
bers, the public good come into
exist is a public good only with respect
to scarcity. The standard and useful example
of national defense (anarchists can
see). Seemingly, given the existence
of something impossible or infeasible to exclude any
one from the benefits of the system.

Ability to exclude potential beneficiar-
ees noncoercive, rights-respecting, mar-
Kant. The entrepreneur who seeks to finance
me will encounter potential customers who
I do not contribute, I will enjoy the
good. What it actually comes into existence. True
prices such that I would be better off
in the price and receiving the good than I would
be in the price and receiving the good. Furthermore, the action
not) will not significantly affect the
benefits being realized. So my signing
contract is not. It is rational for me to attempt to be a

However, are disturbed about free-ridership per
cherish would be acting unfairly or taking
improper advantage of those who did sign up. Often it is claimed that
if others have (or would have) contributed to funding the good, our
calculating hero owes a like contribution. But this objection to free-
ridership per se is not very plausible. We are all free-riders with respect
to all sorts of different social institutions. That is one of the
general advantages of social life. As long as the contributions others
make are made freely and in accord with their own chosen purposes,
they have no basis for requiring the free-rider to improve further the
terms of their voluntary and already beneficial arrangements. Sup-
pose, for example, that I eat at a fancy restaurant only once a year.
Fortunately for me lots of people in New Orleans dine out more often,
and this sustains a large number of excellent restaurants. Their
existence is a public good and I free-ride on this when I indulge once
a year. For, although I pay for my meal, I could not get such a meal
at that price were it not for others’ more extensive patronage. Yet,
clearly, it does not follow that I should subsidize their eating habits.

The problem is not the immorality of free-ridership but, rather, the
possibility that enough individuals will pursue the free-rider strategy
that the potential producer of the public good will never raise the
financing necessary for its production. So many people may seek the
most preferred alternative of enjoying a good while not paying for it
that everyone will end up in the least preferred alternative of not hav-
ing the good at all. Here we would, by hypothesis, have a case of
rational individuals, being left to their own devices, not entering into
mutually advantageous arrangements. The core of the public-goods
argument for taxation for the financing of public goods is that this
coercive taking would cut through the self-defeating strategic maneu-
vering involved when many seek to be free-riders and would leave
everyone better off than they would be were this self-defeating manu-
evering allowed to take its course.

Before proceeding further with a moral philosophical analysis of
this argument, two points should be recorded. The first point is that
it does not at all follow from the fact that a good is public in the
specified sense that it will not be financed noncoercively. Indeed the

11. See the discussions of the “principle of fairness” in H. L. A. Hart’s “Are There Any
Natural Rights?” Philosophical Review 64 (1955): 175–91; and in Rawls, n. 8, and Nozick,
n. 5.

12. Some would say we are in the worse yet situation of paying for public goods and
getting very little of them.
tive defense and these nonbeneficiaries would be redistributively. It would impose net sacrifices on some to increase the net advantages enjoyed by others. Allowing interpersonal utility comparisons, the scheme as a whole might increase total utility in our society. The scheme might even increase total utility moreso than any nonredistributive scheme for financing defense, for it might avoid the costs of discriminating between beneficiaries and nonbeneficiaries. (Similarly, a particular system of deterrence against ordinary crime might produce the greatest net utility by sometimes avoiding the costs of discriminating between the guilty and the innocent.) Morally speaking, nothing can be said in favor of such a scheme except that it satisfies utilitarian ambitions. And this moral defense is readily rejected on the basis of the position developed in section two of this chapter.

At the very least people’s rights over their own lives creates a moral presumption against imposing sacrifices (in particular, sacrifices comprising infringements on their rights) in order to benefit others. The only thing that could overcome such a presumption would be a showing that the goal achieved through the imposed sacrifice, which in this case is the enhancement of aggregate utility, is an overarching, “higher” goal that each person affected may be forced to serve. But no such showing is available. Nor is the idea of such a “higher” transcendent goal plausible in light of the agent-relative conception of value.

So, for the public-goods argument to get off the ground, we have to assume that we can pick out at least most of the individuals who would benefit from the public good in order to target them for taxation. But even this will not ensure avoidance of redistributivism. We must further assume that the amount of taxation to be imposed on each given individual is less than the benefit to him of the public good to be financed. There is the further problem for the public-goods argument of assigning a tax to each individual such that the distribution of net benefits among the good’s consumers will itself be fair. So we must further assume knowledge of the extent of each individual’s benefit from the public good, and knowledge of some moral rule about fair distribution of net benefits, e.g., that net benefits should be equal or that net benefits should be proportional to taxes paid, etc. Let us, for the moment, make the first two assumptions and ignore the further need for the last two assumptions. Thus we are allowing ourselves to imagine that we have at hand a tax scheme that, if imposed, will leave
imposed better off than the status quo.\textsuperscript{13} The libertarian object to the imposition of precisely this tax scheme on the grounds that, on the basis of each who is subject to it, clearly does not sacrifice-imposing \textit{redistribution} whether standard economic sort, or of bodily parts, the framing of innocent people to assure them might offer the objection that this tax poisoned paternalism. Each is forced, conscription, to do what is in his own best interest (as by Locke side-constraints limited to a punitive rights would not proscribe paternalism does violate the broader Locke’s life. Nevertheless, the defender of public goods might respond that the paternalism is a particularly benign sort. Malign parents individuals in the name of a concept do matter how correct, they do not share. Domination, the position of each individual the \textit{individual’s own current conception of} the independence of their own (true) good that poses externals, but rather it is the danger that too still (by hypothesis) leave them worse off.

There are ways to fortify the public-goods argument. Indication for taxation is accepted, and the proposals are focused on the institutional pressure to implement these mechanisms and more and more effective, arguments about how the funding

\textit{Note} that the status quo is the failure of voluntary means of that coercively advances its subject’s interest as he would allow forcing people to avoid perversely requiring that a person act rationally, at least by the good.

right, then, can be summed up as the view that A’s right to be protected against A’s infringement of B’s o is a right of A to require that he consent to any taking of o if and only if a process of consent is feasible. If a process of consent is not feasible, then o may be taken as long as A subsequently receives due compensation.

The greater feasibility of determining market compensation directly through antecedent negotiation, rather than subsequent counterfactual reasoning, justifies broad application of the policy of prohibiting infringements of rights rather than allowing them as long as due compensation is made afterwards. But this reason may not apply in all cases. And where it does not apply, A’s right to o may only require that any taker of o subsequently, duly, compensate A. What is crucial for our present topic is the reason for favoring prohibition of taking does not apply to takings for the financing of public goods.

For, it can be argued, the peculiar bargaining incentives had by individuals negotiating about the purchase of a public good make antecedent bargaining a relatively poor method for determining market compensation. (Here we are speaking of compensation for money taken which is to come in the form of enjoyment of some public good.) Each individual, noting the prospect of being a free-rider, will have reasons to refuse offered terms that have nothing directly to do with his valuation of what is asked of him or what is offered to him. In such cases someone may reject offered terms even though he would benefit from the proposed exchange, and his refusal would not show that the offer did not constitute true market compensation. Since, in these cases, antecedent negotiation is not preferable, A’s right to o entails only that a taker of o must make due subsequent compensation to A. In the case of A for whom national defense is a public good, his right to the coins seized to help finance national defense is not violated as long as that national defense is produced, since his enjoyment of national defense, under the hypothesis that is a public good for him and that he benefits on net from this coercive financing of it, duly compensates him for the seizure.

THE PUBLIC-GOODS ARGUMENT: A CAUTIOUS CRITIQUE

The philosophical reply to the public-goods argument may begin with a rejoinder to this second, revisionist, fortification. It should be noted that there is a tension between this fortification and the first one. For...
under the revisionist conception, it would be permissible for our wholesaler to seize $10,000.00 from each of the serious potential pur-
chasers as long as he duly compensates them with the delivery of one
of the mini-vans. (Indeed, he might well claim that relative to this
set of potential purchasers his existence as a 1,000-unit "seller" is a
public good which, of course, each of them may be forced to help
finance!)  
The moral problem here is not that these forced exchanges would
be disadvantageous. The case is set up so that they are beneficial.
Rather, the problem for the revisionist is that these forced sales are
justified by his doctrine and yet, at the same time, are clear violations
of the "purchasers" rights. Many such cases can be imagined—all of
which turn on some excellent deal being available only if the pur-
chasers' actions are better coordinated than they will be if the pur-
chasers are allowed to decide freely. And other embarrassing cases
exist. The revisionist seems to be committed to its being permissible
to appropriate anything owned by another, even in nonemergency
situations, as long as it would be difficult or impossible to negoti-
ate with the owner and as long as the appropriator leaves the owner
what he would have agreed to sell for had he been asked. Such takings
would avoid the normal transactions costs, some of which would fall
on the appropriator. Thus, it would often be wise and permissible for
a potential buyer to wait until the seller is unable to negotiate, seize
the property in question, leave the amount of money that would have
been agreed to, and save himself his normal share of the transaction
costs. 

Finally and more generally, the revisionist conception of rights seems
untrue to the core idea of rights. If A has a right to a certain object
or condition, e.g., some tool he has fashioned or his very life, then
it is wrong for others to take or destroy that object or condition, and
A may prohibit such acts in the name of his rights. A's prohibition
need not appeal to the idea that only by forbidding these takings or
acts of destruction can he (in ordinary circumstances) ensure that he
will be duly compensated for these acts. Persons who desire to take
or destroy any of those objects or conditions must negotiate with A,
not because this is the best way of ensuring that A's loss of such an
object or condition will be duly compensated, but simply because,
being A's by right, others may take or destroy them only with A's
permission.

Let us move back to a consideration of the first fortifying argu-
two premises. The first is that A only
which, if seized from him, would
be second is that a taking of a merely
marginal taking is necessary for and conducive
preference to suffer a more extensive
marginal premise are dubious. With regard
claim to those coins merely arguably
taking those coins were already well
those coins would indeed be arguably
precisely the issue at hand. It cannot
what seeks to undercut that right to the

grounded to the status of merely arguable,
more strictly arguable by a stronger version
the assertion that, since rights are to
attainable goals, the proper response to A’s
reduction to the greatest possible real-
longer version of the second premise
is made to the coins if, in fact, this was
preventing a more extensive violation
true. But the libertarian endorses a dif-
vention of rights. Rights are moral side-
moral actions. Both B and C are morally
not to take his life. And the fact
incur A’s life by his (i.e., B’s) taking
his obligation not to take A’s coins.
full and arguable right against B’s

that A’s right to the coins is merely
that is needed to draw the protax con-
originally stated. But is this premise
against its bolder variant at least casts
itself. Moreover, if we accept the predica-
have to accept that there are degrees
is true is a more modest than origi-
that, if it is true, that, if A’s right to the
taken to secure more extra-
then what the protax advocate has to
argument, is not simply that A’s right is
arguable but rather that it is at least as highly arguable as this modest
version of the second premise requires. As the creator of the first
fortifying argument, I can see no way to refortify it against this problem.

Having disposed of the fortifications for the public-goods argu-
ment, we can turn to our core criticism. Simply put, it is that the
assumptions needed to get it morally off the ground are highly un-
reasonable. These are the assumptions about it being known which
individuals are included in that subset of individuals for whom some
activity or object is a public good and to what extent each of these
individuals benefits from the activities or objects that, respectively,
are public goods for them. The latter assumption, it will be recalled,
is needed so that a tax schedule can be drawn up which, if imposed,
would still leave each member of the subset a net beneficiary. Indeed,
the most attractive vision of the argument would have it that there is
some sort of equity in the distribution of net benefits. And this would
require quite precise information, somehow acquired in the absence
of a market, about the value of the given public good for each relevant
individual.

If the taxing authorities do not have such information available to
them, then it is a practical certainty that a considerable number of
individuals will have rightful property seized for the financing of
something that is not, for them—at least at the prices imposed upon
them—a public good. And it is also a practical certainty that a con-
siderable number for whom the activity or object as such is a public
good will end up net losers from the financing scheme. In both cases
large numbers of people will be subjected to the coercive redistrib-
bution of their rightful belongings. They will be hurt, not merely sub-
jected to paternalism no matter how benign. If we allow interpersonal
utility comparisons in principle and commonsensical comparisons in
practice, we might still expect such scheme to increase net social
utility (over the nonfinancing of the public good). But this expectation
is not enough to justify the numerous violations of rights committed—
unless, of course, one retreats to utilitarianism. But, on the basis of
the rejection in section two of transcendent social goals such as gen-
eral happiness, such a retreat constitutes not getting the argument
morally off the ground.

Even this utilitarian “justification” assumes, for example in the case
of national defense, that a public good financed by taxation will be
provided in an efficient manner—though even if social utility were
thereby greatly enhanced, many individuals would be worse off and
of rights than with attempts to finance them. There are, of course, many reasons why such a mandate were restricted to the public goods, but it is not even obvious that the aggregate benefits of public goods is greater than a world in which everyone is free to dispose of their wealth in private pursuits. For, after all, there are good reasons to suppose that an empowered government would be anything like what would really sell the idea of consuming the goods in question. It is to believe that, whatever the government-imposed charges will often be sufficient to pay for the net benefits of exchange, if any, to all.

In the absence of this knowledge, too many potential beneficiaries might choose to go under the public-goods argument morally and finance in bad shape at all. For a major part of the voluntary agreement from individuals ends is the absence of this knowledge. It might be that if offered (with minor revisions) it would benefit from a particular public-goods project that does not seem impossible to design that if offered (with minor revisions) could eventually be agreed to by enough individuals to enact and for it to generate the needed service to each person what his proposed public goods be provided, and be sure that the proposal is to all these individuals.

The hood of defense (and other public goods, both real and resources to judge the amount of defense by the government. But it would be more accurate to speak that being perfectly consistent with its actual un-

But what can be done in our actual world of highly imperfect knowledge? While potential solutions to the problem may be rather complicated, at least a very informal approach suggests some basis for hope. To begin with, consider a genuinely defensive system, one truly protective of our lives, liberties, and property; it would seem to be of immense value for most people. Perhaps one can estimate that, for many people, the value of being so defended is in the same ballpark as the current cost to them of the civilian government. The argument for this estimate is as follows:

1. The sort of defensive system that would appeal to a rational purchaser of defense (and that would have to be offered by a “government” seeking voluntary funding) would be very much more valuable to most people than the current military structures.

2. The difference in value between this rational system and the current system is at least as great as the other benefits people (think they) get from the federal government.

3. Very few people, if presented with a magic button that would save them their current federal taxes at the cost of all their supposed current federal “benefits,” including current defense, would push that button.

4. Hence, very few people would push a magic button that would relieve them of costs equivalent to their current federal taxes if they would thereby forgo the benefits of a rational rights-protecting system of national defense.

But, presumably very much less need be spent on the sort of defensive system a rational purchaser would be voluntarily attracted to than is spent currently by the federal government.

There is thus a lot to be gained by the voluntary purchase of public goods (over their nonfunding). There is a great deal to be lost if voluntary funding schemes fail through. Moreover, it is probably possible to know enough about the vast majority of people (and other possible payers) to draw up a schedule of proposed payments such that, for a high percentage of these people, as individuals there is a lot to be lost if voluntary funding is not approved. Finally, one needs clever conditional contracts that do three things. They must leave room for those who, in fact and contrary to the supplier’s estimates, would not benefit from receiving defense for the fee proposed. But they must not leave so much room as to tempt potential beneficiaries with the
retical work in schemes for getting people to reveal their willingness to pay for public goods, combined with the potential of two-way cable television and other communications technologies, suggests, however, that much optimism is justifiable. Not surprisingly, the most controversial area of discussion involves public goods with large numbers of beneficiaries, where the transactions costs of negotiating conditional contracts are presumably high.\(^9\)

If certain public goods would not to any significant degree be voluntarily financed, the costs of refusing to allow taxation would clearly be very high. As I have argued, however, in the real world allowing taxation does not benefit all. It is redistributive. It does impose sacrifices on some for the sake of the greater sum of benefits to others. And morally speaking, there is no way to distinguish this from the many other rights-violating impositions of sacrifices in which utilitarian doctrines would have us indulge. Fortunately, the more likely real-world voluntary outcome would be one of significant provision of public goods, albeit at somewhat “suboptimal” levels of funding. This, however, does not necessarily mean that the actual quantities provided would be any less than with coercive and superoptimal funding: The noncoercive provider (of, for example, an environmental preserve funded through the Nature Conservancy) must offer a product that convinces its buyers of its value in a way in which coercive financiers of public goods rarely have to convince their customers, and has greater incentives to maximize output per unit of input. But let us acknowledge that significantly lesser (noncoercive) funding might mean reduced quantities of public goods. The worst plausible cost, then, of the libertarian refusal to allow forced takings for public goods would be a heightened risk of suboptimal levels of provision. In light of the argument in section two of this chapter, however, incurring this cost satisfies what is at least a moral presumption against any

---

It is far from clear that the deviations from optimum the voluntary provision of public goods would actually occur under coercive government-financed goods, as the libertarian's principled rejection of coercive actions against advocates of forced financing solely for (or to be) rights-protecting public goods—may turn as well as moral.

SELECTED BIBLIOGRAPHY
PART IV