



## Episode 458: May a Libertarian Take Money from the State?

Guest: Walter Block

**WOODS:** I came up with this idea, because — you know what, actually somebody suggested it. I have a private Facebook group just for supporters of the show, and I was soliciting ideas, and somebody said, "What about this controversy about whether or not a libertarian can accept money from the government?" And this could take the form of Social Security payments; it could take the form of a paycheck if you're working at a state-funded university, for example. There are all kinds of forms that this could take. And you wrote an article back in early 2011 that we're going to link to on today's show notes page, [TomWoods.com/458](http://TomWoods.com/458), for this episode number 458, and it's called, "May a Libertarian Take Money from the Government?" You and Bob Murphy have two different ways of thinking about this subject. You come out with the answer being yes, and I want to tease out from you what the logic behind that answer is. If I said to you, you can't take the government's money, because you would be contradicting your libertarian stance in doing so, why do you think I'm wrong to say that?

**BLOCK:** Well, because I think not only is it allowed, but it's an actual Mizpah, an actual virtue to take money from the government, because the government is an evil institution, and therefore the less money it has, the better off we all are. Wouldn't it be great if everyone took all the money from the government and the government had no money? I think so. So therefore any little baby step in that direction of relieving the government of its ill-gotten gains, I think is a step in the right direction, not the wrong direction.

**WOODS:** Okay, so explain — obviously there's a theory of property rights beneath that analysis of what it means to hold property legitimately and what it means to hold it illegitimately. So even though I'm sure that's obvious to most listeners, I think for the sake of completeness we ought to spell it out.

**BLOCK:** Well yes, I think from the libertarian point of view, the only legitimate property is based on homesteading or what Robert Nozick calls legitimate title transfer, such as voluntary trade, gifts, betting, barter — any legitimate way of transferring property titles. And therefore, as an anarchist libertarian, I say that the government has no property legitimately, because all of its property is obtained from the rightful owners by force and coercion and threat. Therefore, the optimal amount

of money that the government should have would be zero. And right now it's got a lot, and the less it has, the better.

**WOODS:** But the money that it has it takes from other people. So if you take that money from the government, are you not in some way complicit in taking it from those other people?

**BLOCK:** Well, I don't think so. Ragnar Danneskjöld, my favorite character of all the characters in *Atlas Shrugged*, wanted to take money from the government in order to give it back to the people from whom it was stolen, say, Hank Rearden, another hero of *Atlas Shrugged*. And I claim that in order to return money to Hank Rearden, he first has to take it from the government. So it's sort of like a two-part step. There's a dance step, I guess the two-step, if you want to return property to the rightful owner. First you have to take it from the thief, and that's that government, and then you have to return it to the people. So if the two-step is a legitimate thing — namely, taking money from the government and giving it back to the rightful owner — is a legitimate thing — then certainly all parts of that — namely, part one, taking it from the government, and part two, giving it back to the rightful owner — would be legitimate, no?

**WOODS:** All right, suppose I'm a farmer who gets agricultural subsidies, and let's say that up until the moment I began farming, I was a layabout who contributed nothing to society; I paid nothing into the government, but now I'm collecting all these agricultural subsidies. In what way am I the rightful owner when I never put any portion of my wealth into this system? I'm just taking it out.

**BLOCK:** Well, I would say — I think in one of my other articles, I forget where I said this — what I said was, suppose you come from Mars, and you've had nothing to do with any government, and then you take money from the government — like Ragnar Danneskjöld would attack, I don't know, a government ship or a government bank or a government Fort Knox kind of place — and you just take money from a thief? Isn't that a virtue? Look, let's take another criminal besides the government, because sometimes it's hard to see the government as a criminal. And by the way, the only governments that are criminals are places that I'll never visit. Any place that I will visit is not a criminal. Don't ask me why. I guess the reason why is because I don't want to go to jail, and I think it might be illegal to say that the government is a thief.

But let's take a bad government — the Nazi government or some government that everyone agrees is a bad government. And now Ragnar Danneskjöld or you or I goes into a Nazi armory and starts taking a Jeep. And now the Nazis have one less Jeep. Isn't that great? And even if you never put anything into the system, as you say with this farmer, well, the Martian never put anything into this system and just goes to the Nazi armory or Nazi garage and takes a Jeep. And now the Nazis have one less Jeep, and I think that that's quite all right. That's quite good. Now, it'd be nice also if you then returned the Jeep to the original owner of it or the rightful owner of it, which might be a little difficult to figure out, but that's a separate issue. The issue we're

discussing is it okay to take the Nazi Jeep from the Nazis, and by gum and by golly, I think it's a no brainer that yes it is.

**WOODS:** I think I remember you saying somewhere, though, that there were certain requirements that had to be met in order for you to take the state's money and to feel morally good about it, and I thought you qualified it at some point by saying that you have to be a libertarian. So how does that fit into this?

**BLOCK:** Yes, well, I was talking about, let's say, becoming a college professor. And let me back track a little bit. Murray Rothbard used to say that it is legitimate to work for the state in any capacity where what the state is doing would be done by the free market. So for example, under the free enterprise system, presumably the market would collect the garbage. So is it per se illicit for you to go and work for a government sanitation, you know, the public sector of sanitation? And Murray would say, no, it's not illegitimate, because in a free society there would be garbage collection. But would it be legitimate to work, say, for the Fed or the central bank? And Murray would say, no, it wouldn't be, because in a free society, there'd be no such thing as a Fed or a central bank.

I respect the tenor of what Murray's saying, but I don't fully agree, because it seems to me that there is an exception: namely, if you go and work for the Fed and you try to undermine it, then it's okay. And I even go so far as to say it would be legitimate for a libertarian to go and work in a Nazi concentration camp under the following situation: let's stipulate that right now, every Nazi concentration camp has to kill 100 Jews, gypsies, blacks, gays, whoever aren't good Arians a day. But you're going in there to save people, so you'll only kill 90 a day. Why 90? Because if you killed 89 they'd catch you. Whereas, if you can get away with killing 90 and they won't catch you, then you'll save 10 people a day. And at the end of the week, you've saved 70 people, and you've killed 630 of course.

And now you're brought up into the Nuremberg Trials, and you're accused of murder. And I would say that, well, you did murder 630 people, of course the reason you did it was not because you wanted to murder them, but because you wanted to save 10 a day or 70. And the libertarian punishment theory as I understand it is that this isn't up to the state. Crimes are not against the state. Crimes are against the victims. And since the victims are no longer here, the people in charge of determining whether to forgive you for this would be the victims' heirs. So I would say that the libertarian Nazi concentration camp guard could say, look, I wish I could have saved your brother, your cousin, your uncle, your child, your father, but I couldn't. I could only save 10 a day, and if any of you wants to put me to death, well, I deserve it. I'm a murderer. However, I plead with you for my life, and also I insist that if you do put me to death, you have to give me a medal or something or ticker tape parade, because I saved 70 people, and that was the purpose of it.

And similarly with the Fed. If you go in and somehow wreck the Fed, which is an evil institution, I think Murray would agree with me on the Fed that if the reason you go

there is to ruin it, that would be okay, although we can't know what Murray would say now. But I think it's in the spirit of what he's saying.

So to get back to your question, I'm a professor, as you know. You were once. We have to be roundabout; we can't answer anything directly. So do you have to be a libertarian for this to work? And I say yes, because let's say I'm a college professor, and what I do is I promote liberty, and I promote good, Austrian economics, and I convince people that this is the right way. And now there's a Marxist professor who also teaches economics, and what he does is he denigrates liberty. And now we're in the Nuremberg Trials, and both he and I are on the dock. And I would say that I ought to be let free or not even have a wrist slap, because what I did is I promoted liberty, whereas what the Marxist professor did, well, he did the opposite of promoting liberty. He denigrated liberty. He supported statism.

So yes, I think Ragnar Danneskjöld was a libertarian, and I, the libertarian concentration guard is a libertarian, and the libertarian professor is a libertarian, and I think that the logic of it — I know it sounds a little self-serving, but I think it's okay for libertarians to work for the state, whereas it would be problematic for anyone else to work for the state, certainly a Marxist professor.

But you know to generalize it even a little bit more, why just pick on working for the state? Why not look at — the people like Bob Murphy or other people who take that view, what I ask is, well, how did you get here? Did you use a public road? And they'll have to say, yes, because the only way to get anywhere is using a public road. And then I'll say, do you ever mail a letter in the U.S. post office? And presumably they do. And I'll say, do you have any U.S. currency in your wallet? And presumably they do. And I could say, do you eat food? Well, yeah, they eat food. But the government subsidizes food. So the point is that the government is omnipresent. The government is all around us. The only way not to have any truck with the government is to either commit suicide or to become a hermit and go live in the woods of Alaska or somewhere.

And I hardly think that this is what libertarianism requires of us, either to commit suicide or — libertarianism is not a death sentence or a death agreement. I think what we ought to do as libertarians is promote liberty, and in order to promote liberty, we have to live in a house and eat food and use a public road and all these other things. So I think that the view of these other people, they just misconstrue libertarianism.

**WOODS:** Now I bet there are people listening who say, you know, all right, I think I can go with Block on this, and I know I have listeners — because I get the same kinds of emails that you get — who are morally conflicted about questions like this, and maybe they're feeling a little bit better at this point. But the implication of what you're saying seems to be that maybe it would be a positive good for libertarians to sit around and try to apply for housing subsidies, and fake disabilities so they can get disability payments, and be on food stamps, and there's a part of us that recoils at that. Why, if what you're saying is true?

**BLOCK:** Well, I think because those people for whom it recoils haven't really thought through libertarianism. You know, as only a libertarian kid, and you and I probably get two or three emails or messages a week on this, you know, some kid is saying I want to go to graduate school and the only the only way I can go to graduate school is to get a government subsidy or to go to a public university or something like that. The Marxists aren't conflicted about this. The Pinkos aren't conflicted about this. The conservatives aren't conflicted about this. Only libertarians are conflicted about this. Ayn Rand, God bless her, so to speak, also would counsel people, yes, go to the public university.

Now, I think the reason food stamps recoils in us is because the people who get food stamps are sort of people who are — I don't know what to say — bums. Not to put too find a point on it. You know, no-goodniks. People who aren't upholding making a contribution. So we recoil at that. But let's take, instead of food stamps, let's take a kid going to university and he's going to take a course in economics or political science or history, and he's going to become a professor and promote liberty. And now what he does is he gets a scholarship from the government. Now what's the difference between a scholarship and food stamps? I don't see any real difference, except that a scholarship hasn't got that association with welfare queens who sit around and watch TV and eat bonbons or something like that and are lazy bum types. So I think it's just that reason that viscerally we recoil at it, but to me, it's the same thing economically, whether you take a subsidy to go and get a PhD in economics or whatever and whether you take food stamps and sit on your couch and watch TV and eat chocolate or something.

**WOODS:** You know, I really am out of questions. (laughing) I've done 458 of these, Walter, and I've never at the end said that's just it. I have nothing else to ask. And I wanted to — I was considering having Bob Murphy come on and talk to you, because I know he disagrees with you, and I just know he's running around crazy, and I felt guilty asking him. But I just had him do a Q&A with me last night that was live, and I just couldn't do it twice in a row. Because Bob's view, by the way, is that he refuses to accept government money in the form of payment for services, so he won't teach at a university if the university is getting government money. So that meant that he could teach at two institutions, right? He could teach at Hillsdale College and Grove City College. Well as a matter of fact, he was a professor at Hillsdale for several years, and now he's just signed on as a research professor at the Free Market Institute at Texas Tech University, and he sat Ben Powell down, who's the director; he said I need you to assure me that this is all private money. He said it's absolute private money, Bob; there's not one dollar of tax money. And so Bob accepted the position. Now on some level, I wonder if even Walter Block can say, I disagree with Bob on this; I think he's putting an unnecessary burden on himself, but yet I respect the fact that he lives by his principles.

**BLOCK:** Well, look. Suppose my principle is that I don't like pistachio ice cream. That's my principle. Would you respect me for adhering to it? I suppose, sort of. It's a subjective, personal thing. And look, I revere Bob Murphy. I think he's magnificent. He's made magnificent contributions not only to libertarian theory, but to Austrian economics, and he's a friend of mine and a friend of yours, and I'm not going to say

anything bad about Bob. Bob is magnificent. However, this is problematic. I mean, Texas Tech is a government university; it's a public university. It's not private; it's not Hillsdale and it's not Grove City, and I think there are one or two others in the country; I'm not sure. There's something in Florida, the guy who sells pizza or something – I forget the name of that other place.

**WOODS:** Oh, Ave Maria, I would be surprised if they don't even take government student aid, but I could be wrong about that.

**BLOCK:** I don't know. But so let's stick to Grove City and Hillsdale, because we know those two. But even Grove City and Hillsdale, I spoke at Grove City, and I got there on a government highway, you know?

**WOODS:** Yeah, okay, but I guess the objection would be Bob can make a living in multiple ways, and indeed he has. He makes a perfectly good living. And he does private consulting, and he has a newsletter, and he does things like that. Whereas barring my getting a horse or something, there is no real practical way to get around, other than to use the roads. And that I'm obligated to do. But I could make a living in some other way. Maybe he would say that.

**BLOCK:** No, no, no, look. If you're going to uphold principle, let's uphold principle. Just because you can make a living, you know, to hell with your living. Principle über alles, principle first. And if you really have the principle that you're not going to get any government subsidies, stay off the government roads. And don't eat food, because the government subsidizes food. And don't wear clothes, because the government subsidizes clothing. The government subsidizes everything – anything, everything. This is totally misconceived. Now look, Texas Tech – Bob's salary might be coming from private sources, but he's going to have an office in Texas Tech, and that office isn't going to be – in other words, it's only his salary that's going to be subsidized privately. But he's going to Texas Tech, and he's going to, I don't know, have an office, and he's going to teach a class, and then the class is going to be in a classroom building of Texas Tech, which is government. So I don't think he's fully consistent with his principle.

**WOODS:** All right, let me ask you a totally unrelated question before we wrap up for today. You are on track, you hope, to have written 500 peer review articles over the course of your career. That doesn't of course include all the who knows how many newspaper articles and articles online and all this other stuff, and you have all the books and everything. How close are you to that magic number 500?

**BLOCK:** I'm at 476, and I usually do around 20 a year, so I think I'll be at 496 in a year from now, and I'm not really concerned anymore with 500. (laughing) I'm now thinking of 1,000.

**WOODS:** (laughing) Well, we would love to see that happen.

**BLOCK:** Look, Hitler had 1,000 year Reich; why can't I have 1,000 articles? Of course, I'll have to live another 25 years, but then again I'm only 75, so if I don't get senile by 100, I ought to make 1,000 if I keep this up.

**WOODS:** Yeah, but on the other hand, hubris can come get ya. How'd that 1,000 year Reich turn out?

**BLOCK:** (laughing) Well, my 1,000 year articles is a little different.

**WOODS:** How many articles do you have out for review right now?

**BLOCK:** Oh, I don't know. Maybe 15? I don't count how many are out; I just count how many are accepted for publication or are already published.

**WOODS:** Well I just mean that in theory, tomorrow you could wake up and you could have 491.

**BLOCK:** Well, I have maybe 15 or 20 outstanding that different journals are now considering. So tomorrow if they all say yes, then I'll be at 500 roughly.

**WOODS:** Wow, that is something else. Well, that's great. Now on your website, WalterBlock.com, people can look at pretty much your entire run of scholarly pieces, and many of them actually can be clicked on and read online, right?

**BLOCK:** Yes, yes, and also I've written about 20, 22 books – the number keeps changing, so I'm not sure of that. But at least half of them are available on the web. For example, *Defending the Undefendable I* is available electronically, and maybe five or six or eight or ten of the others are also, so people can access this without any payment. Although I refuse to endorse anything electronically, so if you want an endorsement on the fly cover from me, you have to buy a physical book – ha ha ha.

**WOODS:** Yeah, indeed, indeed. Well, first of all, I love a guy who's not entirely sure how many books he's written. That's fantastic. If you've written two books, there's never any question in your mind of how many books you've written, right? (laughing) It's two. But that's great, that's wonderful. I'm glad you're able to join us today all the way from Vancouver. Man, you get around.

**BLOCK:** Well, yes, I was just in Alabama with you, as you know. Look, at some future time, let's get Bob and me both on the show, because I'm sure he'll do a better job of defending himself than we can do in his behalf, because he really believes in this stuff, so when he's a little less busy, maybe the three of us can have a conversation about this.

**WOODS:** Yeah, yeah, yeah. I would be very, very glad to moderate that discussion, so let's see when that can be worked out. Well, Walter, thanks for talking about this. I want make sure that everybody reads your article on it; TomWoods.com/458 is where they can find it. Thanks again.

**BLOCK:** Tom, thanks for having me on your show. It's always a pleasure.