A PRAXEOLOGICAL AND ETHICAL CHECK-IN FOR THE ALLEGED VIRTUES IN STATESMANSHIP

Octavian-Dragomir Jora Mihaela Iacob^{*}

Abstract

This paper starts from the faith and conviction that the intellectual adventured in the social sciences who is not supported by a logically consistent and naturally realistic (political) "philosophy", a logically consistent and naturally realistic "ethics", will enter "unarmed" the arena of scientific knowledge, while he will enter, if interested, the political arena with an entire "rack" of vicious judgments. If praxeology (the pure logic of human action, as developed by L. Von Mises, the "dean" of the modern Austrian School), as the master-matrix of economics, helps us identify "absurd virtues" (that is virtues against the nature and logic of human action), property ethics (as the arguably sole rational ethics, passing simultaneously the Kantian universalisation test and serving to orderly frame the work of society, following the Austrian-libertarian Rothbardian phylogeny acquis) might help us test the alleged plenitude of otherwise good-oriented actions. The ethical test may help to discern between all virtue's work and its fake work: if "virtues" (e.g., those claimed by the political healers of nations – egalitarianism \mathcal{C}^{∞} Co.) fail the minimal ethical test, meaning if the concrete means used for their exercise are inconsistent comparing to the principle of non-aggression, of noninitiation of violence against a fellow in the City, defined by his own person and property, then, immediately, the alleged "virtue", purportedly served by it, becomes incomplete, and the moral supporting it becomes lame. If the otherwise praxeologically meaningful virtue of altruism conceivable, for instance, as democratic charity for those in great need – is preceded by seizure of private property, it cannot remain a true virtue. So, the institutions of political power cannot per se be reliably used for virtue related goals. Those included in the logics of State's political apparatus, either having been elected as leaders, declared heroes, or proclaimed good intellectuals, cannot be systematically deemed candidates for becoming workers of all virtue, or strong guides, or true masters, in their wish, although righteous and generous, to make the nations, as, once, Benjamin Franklin sincerely told us, "less corrupt and less vicious".

Keywords: morality, rational ethics, economics, politics

JEL Classification: A11, A13, B53, K11

^{*} Octavian-Dragomir Jora is at the Bucharest University of Economics, Faculty of International Business and Economics Bucharest, Romania. E-mail: *octavian.jora@yahoo.com*

Mihaela Iacob is at the Bucharest University of Economics, Faculty of Finance, Insurance, Banking and Stock Exchange, Bucharest, Romania. E-mail: *miuiacob@yahoo.com*

This paper is supported by Research Project CNCSIS TE nr. 38 / 03.08.2010 entitled "Contagion Effect of Financial Crises in Case of Eastern European Countries".

Methodological prolegomena and paper's thesis. The minimum justice first, and only then the entire virtue

Among the multiplicity of epistemological treatments applied to the *sciences-aboutman* – the "social" ones, in other words, the sciences different from those analyzing his physical nature –, there is a happy singularity named *praxeology*. This *general theory of human action*¹, which includes *economics* just as a subset², as conceived by Ludwig von Mises, regained the trust in the capacity of human reason and judgment to analyze the laws governing the personal action and interactions, that is what we call "social phenomena". The "human action" became a fundamental axiom for a theoretical construction having the same infallibility as the Aristotelian logics³. *Homo agens* had the chance to be taken out of the historical pictures (where historicism kept it in refuge) and out of the social engineering laboratories (where positivism, unfortunately still present, arrested it), and be studied under its natural *onto-logical* structure. And recovering reason did not stop there.

While the *economic theory* (as subset of praxeology) was gaining its philosophical and methodological foundations thanks to Mises – brilliant ones despite the periphery position granted to them by the *academic democracy* of *mainstream economics* – the same Mises, as a strict "value free" economist, was going, on the other hand, to exclude, right from the start, the possibility of an *objective ethical theory*, anchored in praxeology and having its epistemic strength. However, misesian praxeology was not going to be totally useless for ethics: it remained extremely useful for deconstructing fake ethical and moral positions (Rothbard 2009, pp. 1297-1327). The idea would be that, if we may prove that X is an impossible *praxeo-logical* goal, and, by consequence, an absurd goal, it results that any attempt to approach X becomes also absurd (see the attempt to have "morality by force" – a contradiction in terms – or the "egalitarian" goals – contradictory to *human nature* itself). Murray N. Rothbard, a disciple of Mises who followed the praxeological line, but also who criticized the limits of the Misesian *utilitarian defence*⁴ of the voluntary social cooperation, freedom

¹ On praxeology, see extensive treatments "from the source" in Mises (1998; 1981; 1978). Other extremely valuable insights, in Rothbard (1997, pp. 58-77), Hoppe (1995), Hülsmann (2003, pp. ix-lv). ² "Praxeology handles it by a division of labour between the theory of value and the theory of the market economy. The latter one deals with phenomena such as profit and loss that can only come into being in a context in which economic calculation is possible. The former deals with human decision-making in general, whether aided or unaided by calculus" (Hülsmann 2003, p. xxv).

³ "The truth of this cognition [that man acts] is as self-evident and as indispensable for the human mind as is the distinction between A and non-A" (Mises 1978, p. 6).

⁴ Mises' standing in favour of freedom and property is however a utilitarian one. Implicitly, the case for liberty and property, in all great economic works written by Mises, could be synthesized as follows: private property is the foundation for meaningful economic calculation in terms of monetary prices emerging from contracts between property owners, the calculation is the basis of the rational allocation of resources in society, and the rational allocation of resources is the foundation for general welfare; ergo, private property is the foundation for general welfare, ergo, property is a good social institution, ergo, everything that comes against it, is not. An interesting debate about absolutism in economics and relativism in utilitarian ethics, in Mises (1960) and in Rothbard's reply (1960).

and property, acknowledged the necessity of an ethical system to round out the "value free" economic science. Drawing on the natural rights theory, as it was formulated by the Scholastics and, especially, on the work of John Locke, Rothbard (2002a, pp. 21-45; 1998, pp. 28-157) built-up a *scientific* ethical system – the libertarian one –, based on the principles of *self-ownership* and, respectively, *original appropriation of unowned natural resources through homesteading*. Moreover, he demonstrated that an ethical construction built upon opposite premises is completely unable to be considered an *ethical system equally applicable to all individuals as human beings*, since following it *ad litteram* would suppose, at the limit, the extinction of the species (that being in contradiction to the very purpose of an ethical standard – to guide the human *life*⁵).

The above digression is important for our thesis. We are going to propose hereinafter *an ethical test applied to (allegedly) exercising virtue.*

First of all, we will distinguish between *ethics* and *morality*, in other words, between *justice* and *virtue*⁶. We will name *ethical* behaviour "the limited meaning of justice" – "don't take the other's right" –, meaning non-aggression and the "sacred" respect of private property, and *moral* or *virtuous* behaviour "the comprehensive meaning of justice", respectively – "work all virtue". When saying *virtue* we will choose the meaning attached to it in the Christian tradition, pointing that, without any other further inquiry in "comparative moral religious systems", there is an evident *common denominator* in moral traditions across cultures, isolating a common core of virtues – e.g., in the following discussion, we will often speak about the universal virtue of altruism.

If praxeology helps us identify "absurd virtues" (that is virtues against the nature and logic of human action), *property ethics* might help us *test* the alleged *plenitude* of otherwise good-oriented actions. The *ethical test* may help to discern between *all virtue's work* and *its fake work: if* "virtues" (e.g., those claimed by the political healers of nations) fail the minimal ethical test, meaning if the concrete means used for their exercise are inconsistent comparing to the *principle of non-aggression*, of non-initiation of violence against a fellow in the City, defined by his own person and property, *then*, immediately, the alleged "virtue", purportedly served by it, becomes incomplete, and the moral supporting it becomes lame. If the otherwise praxeologically meaningful virtue of *altruism – conceivable, for instance, as democratic charity for those in great need –* is preceded by seizure of private property, it cannot remain a true virtue. Actually, our pleading is oriented towards setting forth that the institutions of *political power* cannot *per se* be reliably used for virtue related goals. Those who are included in the logics of State's political apparatus, either having been elected as leaders, declared heroes, or proclaimed *good* intellectuals, cannot be systematically deemed candidates for

⁵ If using a *resource* (human body or any other physical thing) would require the prior consent of a *second comer* whose consent would depend, on its turn, on the consent of a third comer and so forth we would be stuck in non-action and finally in death. Moreover, for an intellectually sane person, such a position cannot be argued at all because in the absence of property over your own body or things needed to keep it alive, there cannot take place any *argumentation* at all (Hoppe 1989: ch. 7; 1993: ch. 10).

⁶ On this distinction, common in the *libertarian* line of thought, see Block (1994, pp. 119-128).

becoming workers of all virtue, or strong guides or true masters in their wish, although righteous and generous, "to make", as once Benjamin Franklin told us, "the nations less corrupt and less vicious".

About good as "truth of the justice" both in scientific area, as well as in "political agora"

This paper starts from the faith and conviction that *the intellectual adventured in the social sciences* who is not supported by a logically consistent and naturally realistic (political) "philosophy", a logically consistent and naturally realistic "ethics", will enter "unarmed" the arena of scientific knowledge, while he will enter, if interested, the political arena with an entire "rack" of *vicious* judgments. Preparing the discussion about which virtue is worth validate and wish, we will summarise the announced two investigative levels connected by a logical order of *inclusion*: ethical level and moral level. Based on this relationship, *ethics/justice* becomes a tester for *morality*.

I. Just/ethical level: The ethics of liberty and private property succeeds to give a rational answer to the question "when is physical violence *allowed* from a social point of view? (*Not advisable! Forgiveness still exists.*)". The answer is: only for legitimate defence of the person or the property against physical aggression, or for the purpose of obtaining due remedies further to such aggression, and only from the aggressor, and only for the victim or their agents. The ethics of non-aggression, freedom and property is *the only ethical position which may be universalised and which is non-contradictory when applied*.

II. Moral level: The actions are here divided into *moral (virtuous)* and *immoral (vicious; non-virtuous)*. The essential dissimilarity with ethical conduct occurs due to the fact that the moral level supposes some virtually *unlimited* means to work virtue (defined from the religion or philosophy point of view, in accordance with a personal *Weltanschauung* as assumed or accepted by the community), possibilities that go from the minimum threshold assigned by the ethical level (do not transgress your fellow's freedom and legal area – in other words, the legitimate private property) up to the maximum limit of self sacrifice for the other's sake. Immorality includes in-ethics, but is more comprehensive. The differential between non-virtue and aggression may be strictly sanctioned by non-aggressive opprobrium (e.g., the indecency manifested within the strict limits of the *property* of the indecent person deserves no more than "blame & shame".)

Two mentions (see Topan 2009, pp. 222-6): (a) a virtue⁷ which would breach the non-aggression principle becomes self-contradictory because it ruins exactly its own completeness. (b) given the *unlimited* nature of virtue, of the moral facts in the most comprehensive meaning, to include some moral elements at the ethical level would

⁷ Taking into account the inner wish towards good – "the fulfilment of being" (Wild *apud* Rothbard 1998, p. 13) –, we may say that *virtue* is just one. But because life's necessities and the human relations are numerous and various, it is natural that also *virtue*, which guides the human life's necessities and relations towards good, takes several appearances and thus we *pluralise* the aspects under which we imagine it.

be equivalent to giving a blank check to those invoking the said principle on all those they had in view as not enough virtuous and "therefore" punishable. If the entire *virtue* becomes *duty* (to be extracted even by force if necessary) towards third parties, it may reasonably bring the question of claiming the supreme sacrifice of someone for our sake. To generalise this possibility results in unimaginable consequences for the right order (which would be anything but order). As – like a world in which the presumption of guilt would be valid instead of the presumption of innocence – everybody would be permanently guilty. Because who would pass and elude brilliantly the test of having done "everything" under a given circumstance?

Another piece of attention should be paid to certain mind-twisting cases against "lack of virtue". For instance, is *lie* a non-virtue? There is a relative agreement according to which lie is invariably *immoral*. It is immoral to deceive. But a lie that limits an evil which someone endures undeservedly it is not to be blamed. For instance, a lie used against an aggressor in order to alter their plans. In front of evil every defence that is proportionate and thoughtfully targeted is allowed. Steinhardt tells in the *Diary of Happiness*, remembering an interrogation he underwent in a Romanian prison during the philo-Stalinist era:

"If I admit it was broken [a glass - n.n.], I tell the truth (the objective truth) and, once I utter the truth I must continue and admit everything and also that Nego [a cell mate - n.n.] has spoken with hate. [...] Lie. A skilful and peaceful lie. That's what remains for me [...] be a clever peasant and a deceitful suburban man. Calm and firm. At their height [of the torturers - n.n.] [...] Not higher. I don't remember, and that's that. And I don't know. And I don't say a word. And I become mute. I don't admit. I don't give up. I don't know, man."

Two more ideas (Topan 2009, pp. 222-6): (a) who brings into question the conflicts settlement in this world of scarcity, brings into question implicitly the property, either one admits so or not. Then, (b) Rothbard or Hoppe's obsession does not have an impersonal goal – *idolatry of property rights* – but it rises from the mere necessity to *effectively* valuate *human being* – *human person*. Thus, it's no use someone would say to valuate human being if they are not preoccupied in the same time to put into operation the concept of being – in other words to *delimit* the being (and implicitly beings from one another) in a manner that may be applied *hic et nunc*. For Rothbard, the domain of legitimate private property is important in itself only for the fact that it represents *operational explanation* of the idea of being.⁸ To assert the valuation of being in the same time with the rejection/failure of clarifying operationally the legal limits of its influence area represents in fact the lack of any

⁸ Because human being is not self-sufficient at the biological organism level and it must, for a complete manifestation, make necessarily use of material world (the earth on which it stands; the food it eats for not dying with hunger, etc.) its material property becomes its material expression, as a natural continuation. The entire expression of the being becomes the being in a restricted meaning (body/soul) plus the material property acquired through legal ways (that is non-aggressively).

valuation/failure to really valuate the human being.⁹ Finally, the valuation of the human being is the beginning of a definition of virtue as an exercise assuming a good which is common to spirit.

Given this pleading for reasonability in aspiring to the work of virtue (the morethan-the-minimum-justice-of-non-aggression) and the exercise of the minimum justice, we are going to analyse hereinafter the case of an entire social institution living right from making the ethics and moral ambiguous, according to a double social standard (privileged and vulgus), based on intellectual lie and, finally, on institutionalised aggression.

The emphasis will be put, due to the leitmotiv of *common sense science* in our paper, on the *moral and material betrayal* of "some intellectuals", either by moral negligence, or by obvious fault, or by despise (savant-utilitarian or not) for the idea of genuine justice. The "Bodyguard of the Political Establishment" and the "Political Establishment" itself are called on duty in the name of common sense. Their claim of virtue is to be checked. And conclusions are to be *reasonable* and *intelligent*, at least as a form of moral *restitutio*.

About state, state's idea of justice – or where virtue should be carefully sought

Our world is currently represented almost invariable as State-centred.

The history is, especially, the history of the vertebrate communities of State structures. For Hegel, maybe the most important theoretician related to the idea of State-as-anecessity-in-historical-order, things are clear: "universal history cannot talk but about those nations having a State existence". In other words, the nation which is not included in the State list cannot exist in History as such. According to the philosopher, the State is "the combination between subjective will and rational will", "the ethical unity", "the reality where the individual finds his own freedom and enjoys it", but only because it is in the same time the "science, faith and will of the common" (Hegel 1997, pp. 34-35). And the architects of State are the heroes, "great people of the history" whose particular own goals include that substance which is "the will of the universal spirit" (Ibid. p. 35). Finally, for the enthusiastic scholars of State, we may say that the State is no more and no less than the Rousseauan "social contract" kept in custody by great people, namely the Hegelian "heroes"¹⁰. Similarly, the economy is mainly a national one, meaning all wealth and productive processes on a State's territory (and as a study matter, economics is the science which offers solutions to the Governments

⁹ For instance, Immanuel Kant in *Metaphysics of Morals* argues that in order to preserve the moral integrity of each individual, every individual should behave as though every other one was an "end": "Act as if you were through your maxim a law-making member of a kingdom of ends" (Kant 1797, p. 74 *apud* Bowie 2004).

¹⁰ "Hero-worship is strongest where there is least regard for human freedom" doubts Spencer (no year (1850), pt. 4, ch. 30, sect. 6.), seeing the danger of decreeing "ontological ranks" in society. Idolatry was always a stratagem to move the attention of the masses from the effective exploitation suffered from their *hero-look-like-leaders*.

about their good management)^{11 12}. Then, law is mainly legislation¹³, meaning a product of a centralised legislative system (a power in State), rather "created" by the law-makers and coercively implemented by it¹⁴ than naturally discovered, non-intrusive, reparatory. Education¹⁵ and health are especially public goods, products of certain national systems. Last but not least, charity, mercy, solidarity are first of all the results of some public welfare systems, operated by the "State apparatus".

But the healthy feeling of the *State unnaturalness* has, on the other hand, Biblical roots.

^{**1} He said, "This is what the king who will reign over you will do: He will take your sons and make them serve with his chariots and horses, and they will run in front of his chariots. ¹² Some he will assign to be commanders of thousands and commanders of fifties, and others to plough his ground and reap his harvest, and still others to make weapons of war and equipment for his chariots. ¹³ He will take your daughters to be perfumers and cooks and bakers. ¹⁴ He will take the best of your fields and vineyards and olive groves and give them to his attendants. ¹⁵ He will take a tenth of your grain and of your vintage and give it to his officials and attendants. ¹⁶ Your menservants and maidservants and the best of your cattle and donkeys he will take for his own use. ¹⁷ He will take a tenth of your flocks, and you yourselves will become his slaves. ¹⁸ When that day comes, you will cry out for relief from the king you have chosen, and the Lord will not answer you in that day" (Samuel 8:11-18).

The man who accepts State – "with goods and bads" – is automatically and unfortunately worshiping what we may call the "fecundity of evil" – "the evil which gives birth to good". The "fecundity of evil" is the dangerous *case* pleaded by those who *cannot see* "the State's bads", but also *cannot accept the idea that no evil – as initiation – must be necessary*. For example, let's talk about three classic texts (from Sophocles, Plato and Machiavelli) "reread" by Liiceanu (2006) in his essay "On lie". The "lie", in Liiceanu's work, should be read as "evil", the *social evil, but having the function of public good*, the "fecundity of evil" or what the author calls the "moral of second resort".

Once, in a Sophocles tragedy (*Philoctetes*), Odysseus explains to the young son of Achilles, Neoptolemus, that only lying he will be able to obtain Philoctetes bow and, therefore, the victory over Troy. We discover here two existential and moral "equations": that of Achilles (founded on a code of honour, on truth) and that of

¹¹ On the "modern economist", accustomed to tell Government what to do instead of saying what is necessary for Government to abstain from doing in Marinescu (2009).

¹² And this even though the State's presence means a series of severe dislocations of the market's process for the allocation of resources, which make appear in the entire social structure of the production some oases of "calculation chaos" (Rothbard 2009), of impossibility to reasonably decide what is worth doing and what is not (due to the absence of profit-private criterion and its replacement with the absurd, sterile, cynical criterion of cost-social benefit).

¹³ On legislation and the discovery of law in a free society, see Kinsella (1995).

¹⁴ The State creates different contradictions, being in the same time the guarantor of property, and also its invader through taxes, regulations, inflation.

¹⁵ On the role of the Government in education, from an allegedly free market liberal, see Friedman (1995). On the higher education and its trans- or mal-formation in State's hands in Kimball (1990).

Odysseus, which is more cynical and more proficient, founded on the verbal ruse. But delivered as being at the service of a "just cause".

Then, in Plato's case, with his *Hippias Minor*, written several years later than Sophocles play, the dialogue (between Socrates and Hippias from Elis) is centred on the idea that "the more a man knows about a subject, the better position he will be in to lie about it", so he may skilfully master the mechanisms of evil and may use them against evil. Being prepared both for truth and for its obstruction, he is above the sincere ignorant. In the post-heroic/Homeric "political" area (extensive meaning), this would be the "right rule" of operation, notices Liiceanu (Idem p. 39).

Finally, Machiavelli in *The Prince* makes, according to Liiceanu, who "processes" Pierre Manent's *Intellectual History of Liberalism*, a double revolution in the political thinking: he relieves it from the burdens: i. the "ethical and metaphysical burden related to the inner good, which the Hellenic citadel was compelled to produce according to Aristotle's *Nicomachean Ethics*" (Idem. p. 45), ii. the "ethical and theological burden, related to the transcendental good which the medieval citadel was held to produce according to the Church. Machiavelli, placing evil in his rights, is not a distorted villain, but a realistic adapter of good thinking in the current social pragmatics. Just for the reason that his thinking is freed from two essential moments of tradition – Aristotle and Church – he is the first modern political philosopher in the full meaning of this word" (Ibidem.).

What can we say, from a property-ethical point of view, about the "social function of evil"?

Under property logics, we may suspect Neoptolemus of committing more than one lie (*pseudos*). He commits (*dolos*), which is a fraud that in its essence represents an aggression form. He takes Philoctetes property, by mystifying his own counterperformance. His contractual part is not fulfilled, so the contract may be terminated as not being performed. Philoctetes would have not given him the bow otherwise. He is not expropriated by force, but he is cheated. In the second text, Socrates tries to persuade Hippias about the superiority of the person who knows to do good and evil, because knowing he may defeat evil with its own arsenal. The remark would be harmless if the ethical criterion is observed (as for example, if evil is, let's say, violence, the person who is expert in the skills related to it, and does never initiate it, and, yes, is in advantage should he uses it in a defensive - restitution-like manner, is also superior de facto according to the survival logics, is all right also from an ethical point of view, and therefore is at least minimum virtuous). Within an aggressively institutionalised framework (State politics), such remark is no longer harmless. It cynically announces the identikit picture of the modern politician (who may defeat as easily the good with the evil's arsenal). The "competitive" politician can lie and manipulate democratically or within the support-oligarchy (instruments, which strictly ethical, are not imputable), but he does it in order to get afterwards a position where he may aggress (which is benefit of privileges - instruments that ethically cannot be validated). Well, he might not aggress, but, as a rule, he cannot survive *politically* unless he "fulfils" a part of the lies by aggressing or aggressing despite these (he will apply taxes in order to redistribute,

will grant privileges by formulating regulations, will constrain all those opposing him). The mechanism of natural selection in politics may bring to the top "the best". Meaning, using absolute terms, *the evilest*. Finally, Machiavelli's Prince, as a prototype, definitively personifies the modern social–engineering thinking. "In all men's acts, and in those of princes most especially, it is the result that renders the verdict when there is no court of appeal" (Machaivelli 1981, pp. 63-64). Freed from the anchors of natural justice and of Christian moral, he already divides justice pragmatically, in a utilitarian manner¹⁶, keeping always also the "commission" for administrating it (the difference between theft and redistribution).

A scientific case is impossible to be built in favour of the State. The contempt for natural order, for natural justice, cancels any claim of *better* and economic and ethic and moral. It is not an order, it is a coercing system, a system obtained by force and sustained with a real intellectual forceps: we are used to believe that *it is right for us what results from "calculations" to be better for most of us.* We remain masters only of what remain from the person and property as left us by the "society" – in fact by its "divine"/ "chosen" representatives, finally the *rulers' class.* Their concern is only as regards the relevant majority of the society, which under dictatorship must be kept away from revolting, and under democracy, kept away from changing their mind. Tyrannical or democratic, defined as a privileges' system based on imposition and the final word as regards the laws, the State may be collocated with an Orwellian Big Brother¹⁷.

What is the conclusion we can draw about those populating it (the State apparatus)? That even if they are not strict aggressors, they do not pass the test of *the virtue worked till the end*. Even if they do not harm (e.g., teachers or physicians do not apply taxes to society, and their services are *productive*, useful in absolute terms¹⁸, comparing to those of the Governmental bureaucrats who are paid according to his "productivity" in messing the real productivity!). Education or health could be demanded and produced also in a strictly private order, being universal goods. The work of the employee as tax collector is "productive" as the taxes and fees are "productive"! But those working with the State, although they are really productive,

¹⁶ Put in other words: "For when the safety of one's country wholly depends on the decision to be taken, no attention should be paid either to justice or injustice, to kindness or cruelty, or to its being praiseworthy or ignominious." (Machiavelli 1983, p. 515)

¹⁷ "State is not only the big brother, duller actually, but which keeps us under severe observation because wishes us well. It is a Big and Mean Brother because what is good for it, it is bad for the others. The tax consumers are parasites for the payers of taxes (although we cannot superpose the categories of net tax payer and net tax consumer on those of victims and aggressors, respectively). And the regulations, the limitation of freedoms are acceptable for some in exchange of the others' dissatisfaction and material damages. State is a perverted big brother, which comes against life, it is an evil and it is not necessary." (Smirna et al, 2004)

¹⁸ The price of the public good – we repeat, that which is really useful (nor the issuing the authorisation X or processing the fiscal form Y) – no one can say whether is "correct" or not, as long as this is not settled voluntarily along with the final consumer, but with the State as intermediary. In this way, teachers or physicians may be considered expropriators for the counterfactual difference (the price of their services in, respectively, in the absence of a free market).

they do not do all the good they would be able to. They have at hand the escape off the tutelage of Big Brother, but are too weak to do it. *Obey the State, give Caesar what "belongs" to him, but do not cooperate, do not work for it.*¹⁹

This being said on State's poisoned presence in terms of material and moral welfare, we will discuss hereinafter about a particular category of public domain servants. We will talk about a possible character that apparently has the best of intentions, but on the other hand is at home in the State's strict entourage. We will talk about the character that, even with only the intuition of minimum justice, we identify as not making much disorder (being often disliked for this, somehow for his fault of not doing *democratically* enough!).

We will talk about the *intellectual who is liberal oriented* (according to the classical meaning of this word²⁰), who finds minimum goals for the State, and finds besides these, in the same time, its own minimum goals in serving it. *Minimum*, but *not null*.

We will talk about him as the intellectual who remains as liberal as his consciousness allow him, being amended by the "necessity" to answer punctually and pragmatically to the democratic needs. We will talk about the intellectual who says "do not demand redistribution,... but if you do, let's have a small one,... and if someone has to do it,... then let me because I know the measure of things". We will talk about the virtues of the liberal intellectual who indeed accepts the State, indeed, from the position of a minarchist, indeed, used to have a dialogue with him and, indeed, not excluding being *part of the Government*. Will he be able to prove that he is working *all virtue*, is he able to be a true master?

About state, "liberals" and liberals and a place where, once sought, virtue may be found

We have settled up to this point that, *scientifically* speaking, the exercise of virtue needs i. man's natural possibility to *act* towards it (*praxeological test*) and ii. once the praxeologically possible *virtue/set of virtues* is found, it needs ethical consistency (*the more-than-minimum-good work must therefore include the minimum good, meaning the non-aggression*). We have also implicitly suggested that if the *order of private property* is the necessary (but not sufficient) premise of the work of virtue in society, the State is diametrically opposite, and people who materially depend on it cannot claim the virtue and cannot inspire the virtue all the way. Moreover, people *operating* the State system are not deemed as virtuous because they are *the very* "organization [that]

¹⁹ "First of all, at individual level and looking to eternity, we have the trust that if we are good, after death, we will go to a world where evil cannot enter. Then, at social level and in a close temporal plan, if we take into account the fact that parasite group must necessarily be less numerous that the group affected by parasites, we understand that Big Brother's power is finally ideological" (Smirna et al, 2004).

²⁰ Classical liberalism believes that the provision of negative freedom constitutes liberty and is therefore a strictly laissez-faire philosophy. Social liberalism, however, sees a role for the State in providing positive liberty for individuals, because not doing so infringes the possibility of acquiring true freedom. For a brief account on the modern alteration of senses regarding both "liberal" and "conservative" concepts once socialism entered the scene, see Patapievici (2005, p. 419-431).

provides a legal, orderly, systematic channel for the predation of private property; it renders certain, secure, and relatively <<pre>peaceful>> the lifeline of the parasitic caste in society" (Rothbard 2000, p. 55–88). The case in favour of the "illuminated leaders" seems to be lost. The State stigmata do not leave unmarked any character which is lost around it. Not even the case of the classical liberals, of the *laissez faire* and the natural right disciples, who have trusted probably with sincerity that they were able to fight from inside with "the organization of the political means [...] [of] warlike robbery" (Oppenheimer 1975, p. 11-13).

It is clear that the idea of natural elite (entrepreneurial or intellectual) dilutes within State framework. The usual elites are those politically allowed, only after they have been tested as acceptable. Mises and Rothbard are not quite parts of the intellectual elite *democratically established*, due to their unfriendly opinions regarding the State. As opposed to Krugman or Stiglitz, who are. The adverse selection in the politicised areas changes the place of the intellectual from the library of truth to boards of advisers or to those universities preparing students for the "democratic values", and of the entrepreneur from the consumer to the office of election campaign of X. If the entrepreneur is submitted to taxes and regulations (ideally in such manner so that it does not become Laffer-non-responsive), the intellectual cannot by "tithed" by his neurons or restricted to think only in a certain direction. But as liberal democracy is more profitable than dictatorship, and under its regime the prison camp or the insane asylum cannot be current destinations for incommode people, for the intellectual the *carrot* must be bigger than the *stick*. Politician's calculation is simple. He needs the intellectual for the ideological mantra which makes the management seem a relaxation walk to vulgus. He needs as much of them as possible in order to eliminate the systematic dissidence. He rises /educates them in public schools and then hires them directly or indirectly. The intellectual becomes a good produced by the State-owned consumption cooperative. The intellectual also needs the State because market demand for intellectual services is not, historically proven, exactly high and stable.

The weak intellectual is doomed to betray Society for the State. The philosocialist, even if not admitting this stance, the planning-minded, empiricist, positivist, relativist, nihilist intellectual betrays more rapidly and with less regrets than the honest liberal. But the latter one does it with traces that are more dramatic for society. He was the *alternative*. Once he is absorbed, the system cannot be questioned as regards its *nature*, but *tuned* in degree.

In its condition *of principle*, "Liberalism is the politic ethics of physical or visual non-conflict, coextensive with the social harmony of the civilisation of peaceful interpersonal dialogue, and its economic accords are an important corollary" (Comănescu 2002a). But in the *political* order, liberal creed falls into palliative. Raising the liberal-classic question has debuted in agora with an error and logics, and strategic (Spiridon 2004). Briefly put, the world in which the classic liberal acts, which he *accepts*, although he tries to change it, looks as follows: Government is invariably in the centre of society. Its right to make any decision is *acknowledged*. It is a *datum*.

Various suggestions for changing the political regime, different solutions for settling the issues that the society faces at a certain moment, are directed towards this bastion. The liberal is launching too its own solutions towards the State. The difference would be that absolutely accidental he may be relevant. If he is consistent, he recommends the Government to limit the governance, the politician to depoliticise, the bureaucrat to eliminate bureaucracy. But if he is consistent, he is lost, along with his ideas. The *consistent liberal* is scarcely *dialoguing* with the State. The exact place of the liberal is in *society*, outside the State and against the State.

"That is why I am not a liberal, because I don't believe that entrusting honour in the hands of those interested in plundering represents an intelligent solution" (Spiridon 2004).

Raising the liberal-classic question from uninspired becomes virtueless when the classic liberal becomes *pragmatic* and *goes to govern*. State liberalism is filled with "sins": "using utilitarian criteria in order to justify de decision of economic and social policy; accepting the minimal State, namely the "minimal" breach of property, equivalent to the abandon of freedom principle; unifying with the nationalist trend and with the democracy supporters, and the fatal result is the elimination of the capital distinction between the net payers of taxes and the net beneficiaries, namely between the exploited and the exploiters" (Idem).

Let's see the virtue of *altruism*. We suppose that the classic liberal intellectual exits the private order and enters in dialogue or entirely in the State system due to his altruism. Because of his kindness towards the people he feels as robbed by the catastrophic dynamic of the *economic interventionism* (a spiral noticed by Mises, of the *nonsense of policy necessary to hide the effects of some previous nonsense* a.s.o.). He wants to stop the deterioration. He suggests the liberalisation, knowing that is unable to offer *market freedom*. His unsolvable moral issue is that although he materially supports the society to reasonably grow, he does it by perpetuating the moral of second resort, which inherently maintains a latent aggression. The altruism capital of the liberal entered into the politic apparatus and of those inspired by him, starts to diminish even if he has the illusion of development. It's like a malinvestment.

"I think the strictly economic discourse teaches us only that, although neither the property nor the State settles the issue of the minimum "altruism" necessary for the social order, the property has the advantage of "saving" the existing altruism capital, while the State misspent it. How is the altruism "produced" and whether any kind of liberalism is compatible with its (re)production remain separate issues, questions to which the politic economy does not give an answer, as the Manent-like politic philosophy (which authorises the idea of fecundity of evil) does not too" (Comănescu on Mises Romania Blog Nov 7, 2007).

As an example, we will present the story of the impossibility to be in the State and also against it, in other words to be entirely altruist, with the help of two stories of two liberal classic intellectuals (both of them deemed "too liberal" for their times): *Milton Friedman* and *Václav Klaus*. Freidman is considered as "the most influential economist of the second half of the 20th century...possibly of all of it" (*The Economist* 2006). In the folk culture of the laissez faire liberalism, he is thought to have wakened the political economy from the Keynesian sleep. His views on the monetary policy, taxation, privatization and deregulation have opened the eyes²¹ of governors on different meridians during the neoliberal revolution that was carried simultaneously by Margaret Thatcher in Britain, Ronald Reagan in the US, Brian Mulroney in Canada, Roger Douglas in New Zealand, Davíð Oddsson in Iceland, Augusto Pinochet in Chile, and (after 1989) in many States in Eastern and Central Europe.

Friedman saw the liberal idea like primo non nocere.

"I start...from a belief in individual freedom and that derives fundamentally from a belief in the limitations of our knowledge, from a belief...that nobody can be sure that what he believes is right, is really right....I'm an imperfect human being who cannot be certain of anything, so what position...involved the least intolerance on my part?...The most attractive position...is putting individual freedom first" (*apud* The Free Library).

But he did not experience it at its home, in society, outside the State, against it. "If he is such a genuine liberal, how come he is the favourite of the political establishment?" As advisor of Nixon, and an Establishment *favourite critic*, he armed himself like many other intellectuals with the *moral of second resort* and entered into the liberalism vertigo existing here and there.

"Difference between me and people like Murray Rothbard is that, though I want to know what my ideal is, I think I also have to be willing to discuss changes that are less than ideal so long as they point me in that direction" (Doherty 1995).

The reply came to a criticism which was not at all condescending, that Rothbard always addressed him:

"in many spheres, he has functioned *not* as an opponent of statism and advocate of the free market, but as a technician advising the State on how to be more efficient in going about its evil work. (From the viewpoint of a genuine libertarian, the more inefficient the State's operations, the better!). He has opposed tax exemptions and "loopholes" and worked to make the income tax more uniform" (Rothbard (2002b, p. 40).

This is Friedman or an altruism not-continued to its end.

Then, somewhere in Central and Eastern Europe, in full transition from the *socialist* economy, *planned upon order* behind the *Iron Curtain*, to market economy of the EU, *socialist by harmonisation, regulation and worshipping the knowledge, environment and growth&jobs*, a character exists. Called the Professor by his friends, Václav Klaus, the

²¹ According to Paul Krugman or Naomi Klein, too abrupt and brutal for the "democratic sensibilities", read either *dogmatic banality* (market fails. full stop - Krugman), or without having the *propriety of terms* (the transnational corporations abused the citizens of those worldwide economies, made vulnerable by the neoliberal policies and hasty economic openings – Klein; although, do not confuse the free economy with the economic corporatist fascism, the alliance State – business related on a minimum *propriety of terms*).

2 145

current President of the Czech Republic, is one of the few politicians in Europe and worldwide who learned "free market economics" and taught others from its source (he was well educated in Mises, Hayek,... Friedman). This before he was compelled to forsake more than "three times" the liberal idea and "socialise" in order to have a firm authority.

Within European political circles, Klaus is seen as a bugbear. He is the "lunatic" who is sceptic as regards the "orthodoxy" of the idea that the prosperity of half billion EU citizens will depend on the European political continual centralisation, or that the global warming has to be settled by giving more powers to the State-*cooler*, or that the current financial crisis is not the product of deregulation of market but, *horribile dictum*, of the error of project within the modern monetary and banking establishment and that it could be remedied by do-nothing-policies. When he came to give a speech in front of the European Parliament in Brussels (on 19 February 2009)²² about the risks of Europe indulging on the thought of political and economic centralisation, he was *booed by the Union representative democracy*.

The reforms inspired by the liberal readings of Klaus have helped him assist the transition to the market economy in Czech Republic in the '90s as member of the Government: elimination of the administration of prices and currency exchange rate, privatisation, property restitution (although it is applied with some problems). But, as everywhere in case of transitions, the poison pawn was transformed into a queen: "Government special part". Pursuant to this dangerous concession, Klaus-the pragmatist has often sabotaged Klaus-the orator: i). the control of rents; ii) the *universal* principle of property restitution was amended by the citizenship principle; iii). delays in reconstructing the army based on voluntary actions; iv). delay in eliminating the monopoly in telecommunications field; v). inconsistent discourse about European Union and NATO, both problematic and inefficient superstructures, and in the same time indispensable for the nation's future; vi). absurd interdiction for the Czech population to hold bank accounts abroad, such measure having for purpose the protection of the weak national banking system, at that time (but not even he observed such regulation!) and several other minor sins of socialist-altruist nature that may be reduced to "private-property attacking, freedomof-exchange-restricting, individual-rights-violating and legislation-stock-piling, EUstyle welfare state" (Sima and Stasny 2000, p. 175).

The lesson of Klaus story is identical to that of Friedman story:

"This story should also give you pause before you get too excited the next time you hear someone talking like Mises introduce himself as a politician." (Sima and Stasny 2000, p. 176).

In other words, without any hard feeling, but just with realism: if the goal towards which the *non-aggressive liberal, supporter of generalised interpersonal dialogue*, is the

²² "We must say openly that the present economic system of the EU is a system of a suppressed market, a system of a permanently strengthening centrally controlled economy" (Vaclav Klaus, European Parliament, Brussels, 19 February 2009).

political relevance and the power of political exercise of the liberal idea, then what are we going to *realize in effect* in the order of virtue will be "sadly small".

So, it is absolutely against nature to believe you can go governing and elaborate liberal work. Be liberal all the way would mean, in terms of positive law, to be *unconstitutional*, to breach the "positive" rights, the historical outstanding debts of a social category towards the remaining society. According to democratic logics, virtue is impossible for the liberal. For remaining an altruist (that is to come back to the virtue as a foundation for the long-lasting society), the liberal must keep the civil cloths (strictly in the civil society). When he sees that the *reason's fruits – his knowledge about freedom, propriety and prosperity –* have no longer power, the liberal may chose to resist the temptation to be "pragmatic" and thus to lose the principal/principle-based fight: *of the uncompromised idea and of the unaltered personal example*.

Thus, virtue cannot be defied in the political agora, but taught with modesty and only where the society is present under its natural expression: in family, in the authentic school, in the respectable mass-media, in the true church. And not where their contraries emerge: not in the "forced family" of the "politicians-designednation" where all people are bound to offer me support; not in the school where the heretic ideas are not to be allowed (such as the State would not be the only form of non-conflicting closeness); not in the mass-media tamed to take part to the campaigns of brainwashing and brain cleaning made in the spirit of hypocritically humanist political correctness; and unfortunately not in that church devoted to the State, under its doubtful cassock.

The question regarding the virtue - *as social relation and referential* – resides strongly enough in the order of human nature, which as told can be discovered by reason (both "positively" and "normatively"), as a necessary condition, but might remain intelligible and, therefore, fully liveable only under another register.

Before the end, a superb comment, from the many on the theme of moral between reason and faith belonging to Dan Cristian Comănescu (2002a; 2002b; 2005).

"To summarise, the culture and spirituality *subjacent to perpetual liberalism* are proved to be coextensive to the world of one incarnated God, who tells to all <<What you are doing to the youngest of My brothers, you are doing to Me!>>, offering *in addition* to the dilettantes also the practical method to go on an appropriate life path, embellished by the needs of redemption under this eschatological horizon. Indeed, the others will join them: the interpersonal altruism indispensable to conviviality in this world and the renunciation to the most hedonistic self (Tocqueville could say <<democratic>>), which feeds the <<legitimacy>> of mutual exploitation and the related intellectual <<errors>>" (Comănescu 2005).

Being so rounded-up by the moral anchor *of beyond reason*, the authentic liberal program presents itself as antonym to the understanding and Machiavellian practice of life in the City (politics). Using common sense, naturally, in a Christian way after all, and living it without abatement may be the real and sole way and strategy to defend the *social harmony based on personal virtue*. We do possess for this a few strong

instruments: first, the minimal but rich proofs, which may be discovered by means of reason, of the non-aggressive freedom; then, for the chosen ones in the City, those of the God's gift. "And the reward of such [virtuous] life is not to have sculptures in parks, not laurel wreaths, nor support granted by the State, but eternal life" (Saint John Chrysostom).

References

Block, Walter (1994) Libertinism versus Libertarianism, Journal of Libertarian Studies 1:119-128.

Bowie, Robert (2004) Ethical Studies. Nelson Thornes.

Comănescu, Dan Cristian (2002a) Despre har și libertate (Nicolae Bobia în dialog cu Dan Cristian Comănescu), Institutul Ludwig von Mises România, http://misesromania.org/294/.

Comănescu, Dan Cristian (2002b) Numai țintind de la început foarte sus putem să ajungem la "simpla moralitate" (Cristian Pătrășconiu în dialog cu Dan Cristian Comănescu), Institutul Ludwig von Mises România, http://misesromania.org/293/.

Comănescu, Dan Cristian (2005) Un poem al legii, un poem al ordinii, ba poate chiar un poem al respectabilității, Review of *What has Government done to Our Money*, by Murray Newton Rothbard, *Idei în Dialog*, October.

Doherty, Brian (1995) Best of Both Worlds, Milton Friedman reminisces about his career as an economist and his lifetime "avocation" as a spokesman for freedom, *Reason*, June.

Hegel, Georg Friedrich Wilhelm (1997) Prelegeri de filosofia istoriei. București: Humanitas.

Hoppe, Hans Hermann (1989) A Theory of Socialism and Capitalism. Economics, Politics, and Ethics. Boston: Kluwer Academic Publishers.

Hoppe, Hans Hermann (1993) The Economics and Ethics of Private Property. Studies in Political Economy and Philosophy. Boston: Kluwer Academic Publishers.

Hoppe, Hans Hermann (1995) *Economic Science and the Austrian Method*. Auburn: Ludwig von Mises Institute.

Hoppe, Hans Hermann (1999) Murray N. Rothbard: Economics, Science, and Liberty. In *15 Great Austrian Economists*, ed. Randall G. Holcombe, 223-241. Auburn: Ludwig von Mises Institute.

Hoppe, Hans Hermann (2001) *Democracy: The God That Failed*. New Brunswick: Transaction.

Hülsmann, Jörg Guido (2003) From Value Theory to Praxelogy. Introduction to *Epistemological Problems of Economics*, by Ludwig von Mises, ix-lv, 3rd ed. Auburn: Ludwig von Mises Institute.

Johnson, Paul (2002) O Istorie a Lumii Moderne. București: Humanitas.

Johnson, Paul (2006) Intelectualii. București: Humanitas.

Jora, Octavian-Dragomir (2009a) Trei teorii liberale ale proprietății și fundamentele analizei economice în termeni de proprietate (I – Mises și utilitarismul liberal), *ŒCONOMICA*, an. XVIII, nr. 1, pp. 91-118.

Jora, Octavian-Dragomir (2009b) Trei teorii liberale ale proprietății și fundamentele analizei economice în termeni de proprietate (II – Rothbard și etica naturală), *ŒCONOMICA*, an. XVIII, nr. 2, pp. 109-138.

Jora, Octavian-Dragomir (2009c) Trei teorii liberale ale proprietății și fundamentele analizei economice în termeni de proprietate (III – Hoppe și apriorismul argumentării), *ŒCONOMICA*, an. XVIII, nr. 3, pp. 217-250.

Jora, Octavian-Dragomir (2009d) Trei teorii liberale ale proprietății și fundamentele analizei economice în termeni de proprietate (IV – Analiza contrafactuală a aproprierii), *ŒCONOMICA*, an. XVIII, nr. 4, pp. 119-154.

Josef Sima and Dan Stastny (2000) A Laissez-Faire Fable of the Czech Republic, *Journal of Libertarian Studies*, 2:155–178.

Kimball, Roger. (1990) Tenured Radicals – How Politics Has Corrupted Our Higher Education, Harper & Row.

Kinsella, Stephen N. (1995) Legislation and the Discovery of Law in a Free Society, *Journal Of Libertarian Studies* 2: 132-181.

Liiceanu, Gabriel (2006) Despre minciună. București: Humanitas.

Machiavelli, Niccolò (1981) The Prince, Bantam Books.

Machiavelli, Niccolò (1983) Discourses, Penguin Books.

Manent, Pierre (2003) Istoria intelectuală a liberalismului. București: Humanitas.

Marinescu, Cosmin (2009) "Economistul recent": între relativismul științific și recursul la etică. Centrul pentru Economie și Libertate, http://www.ecol.ro/content/%E2%80%9Eeconomistul-recent%E2%80%9D-intre-relativismul-stiintific-si-recursul-la-etica.

Mises Romania Blog. Dialog despre liberalism & "capitalul de altruism, http://misesromania.org/492/

Mises, Ludwig von (1960) Epistemological Relativism in the Sciences of Human Action. Auburn: Ludwig von Mises Institute, http://www.mises.org/story/2975.

Mises, Ludwig von (1978) The Ultimate Foundations of Economic Science. Princeton: D. van Nostrand Company, INC.

Mises, Ludwig von (1981) *Epistemological Problems of Economics*. New York and London: New York University Press.

Mises, Ludwig von (1998) Human Action. Auburn: Ludwig von Mises Institute.

Oppenheimer, Franz (1975) The State. New York: Free Life Editions, http://www.franz-oppenheimer.de/state0.htm.

Patapievici, Horia-Roman (2005) Omul recent: o critică a modernității din perspectiva întrebării "ce se pierde atunci când ceva se câștigă?". București: Humanitas.

Platon (1976) Hippias Minor, Opere II. București: Editura Științifică și Enciclopedică.

Rothbard, Murray Newton (1960) On Mises's Ethical Relativism. Auburn: Ludwig von Mises Institute, http://mises.org/story/2968.

Rothbard, Murray Newton (1997) The Logic of Action One: Method, Money, and the Austrian School. Cheltenham, UK: Edward Elgar.

Rothbard, Murray Newton (1998) The Ethics of Liberty. New York and London: New York: University Press.

Rothbard, Murray Newton (2000) *Egalitarianism as a Revolt Against Nature and Other*. Auburn: Ludwig von Mises Institute.

Rothbard, Murray Newton (2002a) For a New Liberty. The Libertarian Manifesto. New York: Collier Books, a Division of Macmillan Publishing Co., Inc.

Rothbard, Murray Newton (2002b) Milton Friedman Unraveled, *The Journal of Libertarian Studies*, vol. 16, nr. 4, http://www.mises.org/journals/jls/16_4/16_4_3.pdf.

Rothbard, Murray Newton (2009) *Man, Economy, and State with Power and Market.* Auburn: Ludwig von Mises Institute.

Smirna, Tudor, Vlad Topan and Diana Costea (2004) Statul ca Big Brother, Ordinea Proprietății Private, September. http://misesromania.org/309/

Sofocle (1969) Filoctet, Teatru. București: Editura pentru Literatură Universală.

Spencer. Herbert (no year/1851). Social Statics: or, The Conditions essential to Happiness specified, and the First of them Developed. London: John Chapman, http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=273.

Spiridon, Marius (2004) Eroarea fundamentală a liberalismului clasic. Ordinea Proprietății Private, May, http://misesromania.org/296/.

Spiridon, Marius (2004) Statul și Biserica, Ordinea Proprietății Private, July, http://misesromania.org/301/

The Economist (2006) Milton Friedman, a giant among economists. Nov 23rd.

The Free Library, Quotations from Chairman Milton: more than three decades of wisdom from the late champion of liberty, culled from the pages of reason, http://www.thefreelibrary.com/Quotations+from+Chairman+Milton:+more+than +three+decades+of+wisdom...-a0157587656.

Topan, Mihai-Vladimir (2009) Întreprinderea în afacerile internaționale. O abordare din perspectiva școlii austriece, Teză de doctorat.