

PARROT TALK:
THE REPETITION OF COMMON FALLACIES
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Many social scientists and political journalists keep parrots as useful labor-saving pets. These parrots are hidden in their masters' bosoms and are so well trained that when they start talking, we believe we hear their masters' voices. One can nevertheless recognize that it is the parrot holding forth, by the fact that it is always the same few texts that are repeated. Most of the parrots like one or other of the brief texts that are reproduced here in italics.

The Production-Distribution Nexus

The social market economy, as well as market socialism, rests on the principle first enunciated by the great liberal thinker J. S. Mill that production must be governed by the laws of economics, but distribution of the product is for society to decide.

It is a sad truth that Mill did in fact say this. He must have imagined, as do so many social reformers to this day, that production and distribution are two distinct events that follow one another in real time. First, the cake is baked, and then we set about slicing it and distributing the slices. At this stage, it is decided whether the slices are to be equal or whether some should be bigger than others, who shall get which slice, and whether all should get slices. Fortunately, the cake has already been baked and will neither shrink nor swell depending on how it is sliced.

Cato Journal, Vol. 28, No. 1 (Winter 2008). Copyright © Cato Institute. All rights reserved.

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This, of course, is a childish fairytale image, for a moment's thought reveals that production and distribution are simultaneous aspects of the economic process. Output is distributed while it is produced. Wage earners get some of it as wages in exchange for their efforts; owners of capital get some of it as interest and rent in exchange for past saving. Entrepreneurs get the residual as profit in exchange for organization and risk bearing. By the time the cake is "baked," it is also sliced and those who played a part in baking it have all got their slices. No distributive decision is missing, left over for "society" to take.

What "society" can and typically does do is to use the state's coercive powers for taking possession by direct and indirect taxation of bits of everybody's slices. Thus, it can modify the primary distribution by a secondary redistribution. However, if you believe that doing this does not impinge on the "baking of the cake" that is taking place at the same time, you will believe anything.

The Myth of Equal Opportunity

Extreme egalitarianism is not a realistic objective. The aim should not be equality of outcomes, but equality of opportunity.

Once again, the parrot has been taught a childishly naïve misunderstanding of how individuals cooperate and compete in making their way in society. The misunderstanding appears in its most catchy and persuasive form in the American philosopher Ronald Dworkin's much-cited phrase about "equality at the starting gate" as the proper aim of social justice. But there is no such thing as "the starting gate." More precisely, every day's march on the way we travel in life is both a "starting gate" to the way ahead and an "outcome" of the voyage travelled so far.

It is impossible to line up in some kind of "starting gate" all individuals at a certain age, say at 12, 18, or 24, in such a way that they should all have "equal opportunity"—each having the same chance to win as every other. The well-known American social scientist Bruce Ackerman, no doubt the master of a voluble parrot, has recently proposed that every young man and woman should be given a once-for-all capital sum of \$80,000 in place of the inheritance, if any, that they might otherwise have received. The inheritance would be taxed away. By this measure, every young person at

the “starting gate” would receive the same legacy from “society” instead of some receiving millions and others nothing from their families. The consequence for the personal savings rate would of course be disastrous, for as people aged, they would have every incentive to dissave so as to leave nothing to the taxman on their death, since they would be prevented from leaving anything to their descendants.

However, even if the effect on personal saving could be ignored, the basic futility of the “starting gate” idea could not be. Different children have different parents. Different parents transmit to their children different genetic endowments of brains, willpower, sense of duty, and physical perfection or imperfection. Different parents give their children different home education ranging from intense attention to utter neglect. Even if all schools could be made exactly alike—surely, a basic condition of equal opportunity—at the school-leaving age young people would have different friends, access to different networks, and vastly different equipment and capacity for running the “race.” Moreover, by the time the race was halfway run, some would be miles ahead of others in wealth, reputation, and experience. If the starting gate were set for middle-aged people, they would have to be stripped of the advantages they had acquired in earlier life before being led to the starting gate. The equality at the starting gate would have to be secured by imposing equality of outcomes up to that point.

Logically, to maximize equality of opportunity, the starting gate would have to be set at a point in life where acquired advantages were at a minimum, presumably at pre-kindergarten age or at birth. At any later stage, more and more equality of outcome up to the starting gate would have to be administered to make the starting position as equal as possible. In any case, it is a gross mistake to assert that equality of opportunity can be separated from equality of outcome.

The “Right to Liberty”

In a just society, individuals must have a right to the greatest possible liberty compatible with the same liberty for all.

This statement, combined with the so-called “lexicographic” priority of liberty that excludes tradeoffs between liberty and other values, is the substance of the first principle of justice put forward in

John Rawls's celebrated *Theory of Justice*.¹ It is one of the most-repeated items of parrot talk, though it would not be fair to blame Rawls for that.

The greatest possible liberty for me compatible with the same liberty for you and everyone else implies that I am at liberty to steal from you or anyone else and you are at the same liberty to steal from me and anyone else. We are also free to perform any other feasible act if our doing so leaves all other people free to perform any of their feasible acts.

Obviously, the proviso "compatible with the same for others" is insufficient, and if left alone as the criterion of freedom in a society, defines an absurdity. Such unfortunate missteps do occur; no one can be absolutely sure-footed. Plainly, Rawls did not mean to say what his statement implied. Nor is it the parrots' fault to repeat what they have been trained to say. If matters stopped here, all could be forgiven.

Alas, a less noticeable fault in the definition is perhaps less forgivable. It is easy to see that the concept of liberty becomes an absurdity if all feasible acts are free; only some feasible acts can be free. The limits of feasible acts that are also free are drawn by rules that prohibit acts that are torts—that is, wrongs that no one must do to anyone else. By the same token, acts that are not wrongs in terms of the rules are liberties. (Some liberties can in turn be transformed into obligations by free contract.) They are the residual left when wrongs are excluded.

This being the case, it is worrying to hear parrot talk repeating Rawls about the "right to liberty." The term "liberty" refers to acts one is free to perform. But if one is free to do an act, why does one need a right to do it? The term may also be interpreted to mean that we have a right to our liberties, so that if somebody infringed them, he would be violating our rights, and he must not do that. But the person (or institution) in question could not infringe one of our liberties without committing a wrong and breaching the rules that define and circumscribe our liberties. The "right to liberty" simply means that we have a "right" not to be wronged. But since the rules say this anyway, what is our "right" doing? Between rule and right, one is redundant.

¹Rawls's exact statement of the "first principle" is "Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all" (Rawls 1971: 250).

What is deeply worrying about this thoughtless misuse of the word “right” is that it can be straightened out at a single stroke by simply assuming that every feasible act is prohibited unless we are somehow granted a “right” to perform it, in which case it becomes a liberty. It takes a right to lift it out of the universe of prohibitions. As the saying goes, “Everything is prohibited unless specifically permitted.” This is a rather frightening perspective. It ought to make us wonder who gives the permission, in whose gift is our “right to the greatest possible liberty,” and who decides what is and is not possible?

Property Rights versus Property

Property rights are granted by society and defended by its protection. It is generally useful for property rights to be maintained, but society is entitled by its protective function to modify, transfer, or revoke them in the public interest.

The basic idea is that property is both socially produced and socially protected. Therefore individual owners hold it only by the grace and favor of society. Society will uphold their right to it against other individuals, but not against itself.

This is a highly simplified and radical form of a variety of related doctrines that all accept individual ownership (“private” property), but advance reasons why it should be entirely subject to the political will of society that may legitimately restrict or regulate its use and disposition and may also expropriate it with or without compensation, the detailed provisions varying from “democratic capitalism” to “social democracy.” Parrot talk adopts the simplified form.

Property is not necessarily a social product. It can come about by individual effort totally isolated from society, as in the case of the subsistence farmer or the herdsman on free range. The vast bulk of tangible and intangible property, though, is obviously produced in the course of social cooperation. That fact, however, in no way makes it social property in any but the purely rhetoric sense. Each object owned by its proprietor has come to exist in its present form by virtue of countless contributions in goods and services by past and present members of society. However, they have all been remunerated for what they gave and did at the time they have given and done it. Awarding them some share in the product would be to remunerate

them a second time—a gratuitous suggestion that cannot be meant seriously. The present owner holds his property not because society allows him to hold it on a grace-and-favor basis, but because he remunerated all who helped to produce it, or because he bought or inherited it from someone else who had done so. At some link of the chain of successive owners, there may have been conquest, confiscation, usurpation or other involuntary breaks in the series of mutually agreed transfers from one owner to the next. Robert Nozick would repair those breaches by applying his “principle of rectification,” but the advisability of such redress must decrease quite rapidly with the passage of time.

Property is neither “social” because many or most of “society” has contributed to its making, nor held conditionally by individuals because “society” guards it for them. If the latter were a true inference, one could say, as the present author said in an earlier treatment of the question, that “your dog owns your house.”

Much of the muddle generated by the parrot’s cry may well be due to its saying “property right” when it means “property.” Here is another flagrant case of the thoughtless use of the word “right.”

A right is either created by bilateral contract in which one party assumes the obligation to satisfy the right the other party acquires and can exercise, or it is created unilaterally when an authority, such as the state, confers a right on one party and imposes the obligation on another to satisfy it.

When property is acquired by contract, right and obligation exist until delivery is received and payment made. When the transaction is completed, neither right nor obligation remains. The property is clear and free. It incorporates a set of liberties having to do with its use, usufruct, and disposal, acts that all fall within the rules against torts. In one word, property is a liberty.

“Property rights” do exist in all but the most primitive societies. They all involve property. Lending money creates a right to reclaim it and an obligation to repay it. Similar right-obligation pairs are created by mortgaging, leasing, insurance, options, futures, and other derivatives and securities that are assets to the right-holder and liabilities to the obligor. One might say that within the maze of these “property rights,” property represents the equity—an asset not offset by a liability.

It should now be clear why the parrot’s use of “property rights” when it means “property” is mischievous. It subliminally insinuates

that some higher authority has created a right-obligation pair. A right to hold the property has been conferred on the owner and an obligation to suffer this as been imposed on everybody else. But the subliminal suggestion is that a grant can be withdrawn just as it has been awarded. The higher authority is entitled to do both. The error in this insinuation becomes apparent when it is realized that whatever the high authority has done, it has not created a new right-obligation pair. To think that it did is the same mistake as to accept that one can have or be given a “right to a liberty,” a mistake (not to say a howler) that was the subject of some mild fun in the preceding example of parrot talk. Like all liberties, the kind we call property exists and is exercised within the rules that prohibit certain wrongs (torts). Staying as it does inside the rules, it needs no separate right to exist and be exercised. Nor does it make sense to think of an obligation imposed on all not to do against property what the rules prohibit them from doing anyway.

The result of this inadvertent double counting is to do to property what is also being done to liberty: It is tacitly to represent them as gifts from above, no doubt deserved by good citizens conscious of the blessings of a wise constitution, but gifts from above all the same.

Conclusion

Clichés, such as the four pilloried in this article, are noxious not so much for being fatuous and mind-numbing, but because their falsity is of the dangerous kind that breeds other falsities that are not simply fatuous and an insult to logic, but commit to a destructive political agenda.

“We first bake the cake, then we decide how to slice it” (Mill) teaches that market efficiency and redistribution do not clash. “Calling for equality of opportunity is not to ask for equality of end-states” (Dworkin) is an intellectual passport to a dream world in which you can have the first without having the second. “Right to liberty” (Rawls) transforms liberty into a privilege that you need a right to exercise. “Property is a bundle of rights” (Alchian) suggests that such rights can be given or taken like sticks from a bundle of sticks.

Such clichés, and some others, roll off the tongue with great ease and are quickly learnt by the labor-saving parrot. The present author is confident that no reader of this journal would roll them off his tongue or teach his parrot to repeat them. Perhaps the readers will

also have the public spirit to advise their friends and colleagues to be likewise fastidious about them.

Reference

Rawls, J. (1971) *A Theory of Justice*. Cambridge, Mass.: Harvard University Press.