

# The Libertarian

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## MINIMUM WAGE LAWS

How do you tell the difference between libertarians and other avowed free-enterprisers? Ask them what their position on minimum wage laws is. Liberals, Socreds and Conservatives have all been in favour of minimum wage laws in their various provinces. Libertarians speak out on principle against the idea of a legislated minimum wage. We do this because a minimum wage is something that each individual has the right to set for himself. No other person or persons, including the government, has the right to interfere.

Of course, we are told by those who pass such laws that they only act in our best interest, that they want to see us get a decent salary so that we can maintain an acceptable standard of living. They also often maintain that no harm will come from such laws, that employers will merely dig into their profits and fork out the extra pay to cover an increased minimum wage.

But harm does result. Each time the wage is raised, jobs that are near the bottom end of the pay scale disappear. People who are typically young and untrained, working at unskilled jobs (often part time) lose their jobs. And if we thought logically for a moment, we would see this to be inevitable. For if prosperity can be brought about by mere legislation with no harmful side effects (such as unemployment), then why not set the wage at \$100 per hour and we will all live happily and prosperously ever after? This is not done because it cannot be done. At \$100 per hour the country goes out of business and we all sit at home watching each other slowly starve.

All of us want to see people have a better standard of living. But if an employer must let someone go who was earning \$2.50 per hour because the minimum wage is now \$2.75 per hour, who benefits? You — and only you — can say what is the minimum wage you will work for. Only you know how much you need a job and at what wage. Only you and your employer are able to negotiate a mutually acceptable wage. And at that wage, regardless of how "low" it may seem to others, you have a right to work which should not be infringed on by any outside force.

Politicians now know the nature of the minimum wage law. They have seen the jobs disappear. But they play a numbers game. A small increase in the minimum wage makes them look like saints because they appear to care so deeply for the poor. However, this same increase throws some people out of work; and few people take the time to trace this back to its source. Instead we blame other forces, such as seasonal adjustments, lazy kids, Arab oil prices, etc.

Any law raising the price of labour above its market value will cause unemployment. Period. Let us do away with this regressive legislation and leave each person free to set his own minimum wage.

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### THE LIBERTARIAN FOUNDATION: PROGRESS REPORT

The summer doldrums have set in on British Columbia. In spite of the difficulty in finding people at home in July and August, libertarian activity continues to accelerate on the educational front.

#### U.B.C. Libertarian Society

The U.B.C. Libertarian Society will be launching its fall program on campus with an all-out effort to reach as many students as possible. Cam Osborne, president of the Libertarian Society,

has been working with Foundation members over the summer preparing a campus tabloid, *The Libertarian Advocate*, which will cover a number of issues of interest to students. The Libertarian Society will man a booth during Clubs Day, distributing *The Libertarian Advocate*, answering questions and selling libertarian literature. Also to be distributed will be a program of events for the coming year.

#### S.F.U. Activity

Activity at Simon Fraser will be starting with the September semester. As is to be expected, there already are libertarians on campus, some of

whom have responded to ads placed in the campus newspaper by Marco den Ouden. Planning meetings are being held regularly to establish a club similar in form and function to the U.B.C. Libertarian Society.

### **Burnaby South Libertarian Society**

The libertarians from Burnaby South Senior High have been active all summer putting together September's plan of attack. They have decided to call their club The Libertarian Society, patterned after the U.B.C. organization. The club will be established for the purpose of promoting libertarian ideas at the high school level, especially as they relate to young people. Activities will include a self-study program, ongoing discussions of libertarian ideals and how they can be implemented, and speeches from outside libertarians.

A long-term project is being planned to bring to the attention of all students the effect that minimum wage laws have had on the supply of part-time and summer jobs, and to launch a petition drive calling for the abolition of all such wage laws. The club also plans to promote the establishment of identical clubs at other high schools.

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### **LETTERS**

In your last issue you published an appeal for support by the United Right-to-Work Association of B.C. Several questions come to mind about this matter. Does the individual indeed have the right to join or not join a union when he is hired by a closed shop employer? What about the rights of the employer? Doesn't he have the right to demand union membership as a condition of employment? Some companies might very well prefer a closed shop union in their businesses as this would be better for the morale of their employees than dissention over unionism. If a closed shop is freely negotiated between an employer and a union, then certainly no one can object to it. Although it would be wrong for a government to impose a closed shop union on an employer, one freely negotiated is perfectly acceptable. Is URTWA completely opposed to closed shop unions or only opposed to coercively imposed unions? If URTWA is opposed to the right of an employer and a union to freely negotiate a closed shop, then I cannot support it.

Marco den Ouden  
North Vancouver

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### **THE CANADIAN ALLIANCE TO LIMIT TAXES**

On July 11, the Canadian Alliance to Limit Taxes held its first public meeting at the Sheraton Landmark Hotel. CALT was formed by the Libertarian Foundation to foster action against oppressive levels of taxation. The meeting was attended by about 175 people who heard speakers Roger Lea MacBride, U.S. presidential candidate for the Libertarian Party ; Vic Stephens, BC Conservative party leader ; Walter Boytinck, Vancouver lawyer and tax protester; and Mike Little, co-founder of CALT and the Libertarian Foundation. Questions were posed to the speakers and the meeting adjourned to an informal discussion session. About forty of those present joined CALT that evening.

Media coverage of CALT activities was exceptional. Pre-meeting coverage included a taped interview with Mike Little by BCTV for their Sunday news show, and a CJOR hot-line show in which Chuck Cook talked with Roger MacBride and Mike Little. Coverage after the meeting included a segment on the CBC-TV evening news on July 11, items in both the *Vancouver Province* and *Sun* newspapers, and coverage on at least five local radio stations. Subsequent coverage included live and taped interviews for radio stations CFRO, CBUF-FM and CKWX. In addition, Mike Little and Rick Bolstler were heard on July 21 on the CJOR John Reynolds show, talking specifically about CALT. And perhaps of most significance, on July 17 Pat Burns of station CJOR devoted his noon-hour commentary to CALT, advising Canadians that a tax revolt was both timely and proper and declaring that *all* citizens should join the organization.

CALT will be a self-funding operation managed by concerned Canadians, and will not in any way use any Foundation resources. Any Foundation subscribers wishing to know more about CALT should phone 688-2309 or write to:

CALT  
115 - 444 Robson Street,  
Vancouver, B.C. V6B 2B5

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## THE WAR ON FREE TRADE

(An article in three parts\*)

by Jerome F. Smith

*(Part One of this series concluded with the prediction that "if present trade war trends continue, they will lead to a shooting war before another five years have passed." Last month, Jerome Smith showed that tariffs benefit only special interest groups, at the expense of consumers. In this final installment, Mr. Smith discusses the prospects for free trade.)*

### III THE BENEFITS OF FREE TRADE

If just one of the major trading nations were to eliminate all tariffs and trade restrictions forthwith, the effects that would soon follow would be so obviously beneficial to that nation that the emerging world trade war would be stopped dead in its tracks as other nations fell into line and followed the example.

For empirical proof of this statement one need only observe the phenomenal prosperity in Hong Kong, a tiny place compared to the major trading nations, which (except for liquor and cigarettes) is completely a free-port city, free of any form of taxation or restriction on imports or exports. And, in spite of its tiny land area, it is the most important manufacturing and trading city in all of Southeast Asia. It stands in startling contrast to its huge closed-economy neighbour, Red China.

**"It is difficult to imagine the great store of human energy that would spring forth with the removal of trade barriers."**

No president, premier or any other functionary is justified in seeking broad authority to impose tariffs or other trade restrictions. Instead of seeking such dictatorial power, heads of state should ask their legislators to repeal every piece of legislation having to do with any and all tariffs and trade restrictions.

What would be the result? The immediate result would be a sharp drop in domestic wholesale and retail prices of practically every item that is imported and hence an immediate increase in the real income of practically every consumer in

the nation. In a short time there would be a great increase in both imports and exports. It is true that those domestic industries that had enjoyed an artificial protection from international competition, at the expense of the consumer, would be forced to shape up and become more competitive.

Within such industries some companies would be able to meet the competition, perhaps enjoying a smaller profit margin. It is also true that the more inefficient of such companies, and/or those less favourably situated, would be forced to go out of that particular line of business and apply their capital and other resources to more appropriate pursuits. This is not a bad thing. It is simply a correction of the misallocation of capital that has occurred by reason of the tariffs and trade restrictions. The rechanneling of this capital into more efficient, more productive domestic output would work to the immediate benefit of consumers (through lower prices), the mediate benefit of re-employed and more productive workers (at higher pay) and, ultimately, even to the benefit of the shareholders of the affected corporations (through higher earnings). Over a period of time it would mean that that nation's industry overall would become more productive and more competitive and that the people's standard of living would rise.

Most importantly, in order to meet the new competition that domestic industry would be able to offer internationally, other nations would soon follow its example and eliminate their tariffs and trade restrictions. It is difficult to imagine the great store of human energy that would spring forth with the removal of trade barriers by a large nation such as the United States. If the United States government made America a "free-port nation" and put its fiscal and monetary policies on a sound basis, these measures would be the greatest single contribution to prosperity that could possibly be made not only for the citizens of the United States but for the citizens of all nations of the world as well.

*\*Adapted from World Market Perspective, Vol. XI, No. 2, February 16, 1978. Copyright @ERC Publishing Company, West Vancouver, B.C. World Market Perspective is a monthly economic newsletter analyzing global economic forces and trends and their impact on international investors.*

**"The resources tied up in uncompetitive enterprises act as a drain upon the economy"**

Far from being "protected" by tariffs, the consumer is exploited by them. He not only pays in the form of higher prices and shoddier merchandise, he pays through the nose for the cost of administering his "protection". According to a recent estimate, \$6.5 billion of America's international trade is related to the required documentation accompanying imports and exports. This is in addition to the cost to the consumer of the tariffs themselves. And, to repeat, tariffs, like any tax, misallocate resources. The resources tied up in uncompetitive, unproductive enterprises act as a drain upon the economy, reducing the number of real, economic jobs and products.

Can nation-state officials learn these lessons? No, not likely. History has shown us that. If they don't, then much more serious trouble is in store. The underlying source of these and other societal crises is state interventionism. The plain truth is that the state, an archaic institution, is

being rendered obsolete by modern technology, particularly in transportation and communications, which is making popular belief in the efficacy of tribal-territorial borders increasingly difficult for official propaganda to sustain; herein lies the hope for a reversal in the twentieth-century regression into statism.

If they do learn, or, more likely, when their accumulated interventionism finally produces such a deep and widespread chaos that they are forced to resort to free markets as the only alternative left, then the world's resources will soon supply food, energy and minerals, and all the many thousands of products derivative therefrom in abundance and at an ever increasing rate for as long into the future as anyone alive today can hope to anticipate.

*Jerome F. Smith, an Austrian-school economist, is editor of World Market Perspective and founder of Economic Research Counselors. One of the world's most highly respected authorities on silver investments, he is author of Silver Profits in the Seventies and Understanding Runaway Inflation.*

### HELP WANTED

The Foundation is looking for people to help us recruit new supporters. If you would be willing to phone two or three potential supporters a day as a follow-up to a mailed-out information package, please phone Foundation Headquarters at 688-2308. Each call would take no more than five minutes, and twenty-five supporters each reaching two people would mean fifty new contacts per day, two hundred and fifty per week, or 12,500 per year. Your participation is needed and will be appreciated.

### FORTHCOMING EVENTS

Sept. 9 Nathaniel Branden, author of *The Psychology of Self Esteem* will be the feature speaker at a dinner to be held at the Norway Center, 300 - 3rd Avenue West, Seattle. Mr. Branden will discuss his work at the Biocentric Institute, his forthcoming book on romantic love and his upcoming intensive, to be held in Seattle in February.

The dinner is hosted by the Libertarian Party of Washington State. Tickets are \$10 at the door, or send \$9 (U.S.) to: The Committee for the Reasonable Alternatives, 1436 Elliott Avenue West, Seattle, Washington 98119.

### TIPS FOR DELINQUENT TAXPAYERS (Part 2)

by Michael Crosbie

There are many ways we taxpayers can combat the long, groping and insatiably greedy arm of government. As individuals we can make a unilateral decision such as resolving to give only ten per cent of our earnings to the government instead of 81. Remember how in days gone by, we used to pay a tithe to the church of our choice?

We could stop working altogether and sit cross-legged, Mahatma Ghandi style, in a government limousine parking lot or perhaps smack in the middle of their helicopter landing pads. Everyone of us could refuse to eat, sleep, drink (a noble sacrifice indeed), walk, talk, work, wonder, whisper, whimper or whine, until government members hand over the keys to their jetliners, bullet-proof limousines, helicopters, country club lockers, and the R.C.M.P.'s secret code.

Of course, assuming that we collectively had sufficient common sense we could join hands with our neighbours and have a decent, orderly, good old-fashioned revolution. The French got away with it, and so did the Americans. Why couldn't we? Mind you, I'm not advocating a bloody revolution (a risky business in my opinion) but a bloodless one.

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**Tips** (from page 4)

Possibly we could take a fifteen minute crash history course and find out how William of Orange did it in 1689. Should a Bloodless Revolution prove practical in this day and age, all that remains is to find a middle-aged Protestant Dutchman with a wife called Mary, to lead it. Failing that, I'm willing to fill the breach. However, I don't want to be called Michael of Orange (too corny), although I'd be willing to lead the Revolution as Michael of Banana or perhaps Coconut.

I must warn my readers, though, that I have absolutely no experience in leading a Revolution, and despite the obvious need for one in the long run, I cannot deny the principle tenet of my profession, that the pen is mightier than the sword.

I have a few other ideas that might prove useful. As the government tends to treat us like children anyway, why don't we start behaving in the manner we are treated. For example, a small child screams, stamps his feet, hits his grandmother and sheds buckets of tears, all because you were unwilling to permit him or her to chew three packets of bubble gum at the same time.

The next time you have to pay a tax bill, go to the tax office and simply stand in front of the wicket and cry loudly for two hours (take tissue). Make the tax collector pry the tear-stained dollars out of your hand. This is your signal to sit in the middle of the floor and throw a temper tantrum.

The tax collector might call the mounties, who probably will try to charge you with crying in a public place or even disturbing the peace. If this happens call Legal Aid, who will move that the charges against you be dismissed on the grounds that crying is not a crime and it's impossible to disturb the peace in a tax office because there isn't any peace in a tax office to disturb. The judge will confirm your lawyer's uncanny observations and order your handcuffs removed.

A lot of people, and very clever ones at that, have spent years of study trying to stem the growth of government and consequently the amount of tax dollars we must pay. After forty-five years of intensive research in the Outer Hebrides, a political science scholar, who incidentally won the Nobel Peace Prize for this outstanding contribution to mankind, came to the conclusion that the best government was NO government. Such a clever conclusion at least deserves a chance to prove itself. Too bad that we'd be stuck with all those monstrous domed buildings.

Naturally there are going to be many sceptics reading this article who will say that my tips and ideas are unworkable. Perhaps they are, but at least there is a chance of somebody having a good laugh, which is about all there is left for us to do these days without having to buy a government licence.

I do have one parting suggestion. The popular conception of politicians is that they are either crazy or crooks. Sooner or later there's going to be another election. Why doesn't some enterprising M.P. introduce a private member's bill that in order to be a member of Parliament the person must at first either be certified insane or undergo a lobotomy just like the guy who tried to fly over the cuckoo's nest? Private members would have their lobotomies returned only when the government was in recess or dissolution. Those of the Prime Minister and his Cabinet should not be returned, however, since they didn't need a lobotomy in the first place. Excuse me, there goes the phone. Yes constable. Revolution? Constable, believe me, I was only joking, honestly. Right, I won't mention the word aga'n. I wonder how they found out so quickly?

*Michael Crosbie is a widely traveled freelance writer, composer and conductor, presently living on Vancouver Island.*

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**LIBERTARIAN GOES TO THE MOVIES**
**Convoy**

Directed by Sam Peckinpah  
Screenplay by B. W. L. Norton

The most significant movie for libertarians now playing might very well be ignored by most of us as just another brainless Sam Peckinpah violence yarn. That would be a shame, for *Convoy* is the most overtly and consistently libertarian film to come down the highway in years. I have never been so astonished by the contents of what I expected to be just an action film.

Director Peckinpah and screenwriter Norton have combined to produce a masterpiece that integrates libertarian principles with action. It is a masterpiece because it does so not on the level of "hey look at me; this is what I am doing and this is what I believe and this is what's good, etc., etc.", but on a more subtle level, which requires the audience to pay attention to what is going on and take the step of drawing some conclusions from it.

It is a story of individuals, holding individual values, making individual decisions and taking individual actions. The plot centers around a trucker called "Rubber Duck" (Kris Kristofferson),

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and his escalating conflict with an Arizona sheriff, one "Dirty Lyle" (Ernest Borgnine). As a result of this conflict, Rubber Duck finds himself running from Lyle at the head of a steadily growing convoy of truckers who are angry at everything from the 55mph speed limit ("The Double Nickel"), to the attitudes and actions of the police towards truckers, to Watergate and David Rockefeller.

The whole point of the film is that the convoy has no real meaning or existence. It is simply a number of individuals who have come together each for their own reasons. It is only the phony politician who becomes involved who tries to make it into a group of people with some common grievance. Duck is the only one who understands explicitly what is going on: when he is told that he is the leader of these people, he replies, "No, I ain't; I'm just in front."

Screenwriter Norton has produced a script which develops the characters and the plot with an elegant economy of dialogue.

*Aide* (to Duck): The governor has been requested to call out the National Guard on you. But it's an election year ... ;

*Lyle*: I knew you'd come. I didn't think you'd need help.

*Duck*: I didn't bring them. They came on their own.

The extent of Peckinpah's and Norton's success may be gauged by the audience

reaction to the film. It was clear to me at every point in the film what reaction was appropriate. (it was also clear that the director was not beating the audience over the head to show them what was appropriate.) The audience reacted in every case as Peckinpah wanted them to. Furthermore, they reacted strongly. It has become fairly common these days to hear cheering and applause in a theatre. What I had never seen before was a film that made the audience angry. *Convoy* did and I think it is worth asking why.

Certainly, Peckinpah's masterful handling of the movie allowed the audience to deduce the message from the action, and built up the emotional pressure through the story. The fact is, however, that the audience was reacting positively to the values and actions of a peaceful, productive individual who wants to live his life without interference, and reacting negatively to those who believed that it is their right to interfere in any way they pleased.

It has been said that the libertarian movement will never get anywhere until libertarians are prepared to live their principles. In *Convoy*, you will see a man living our principles and succeeding. (Convoy was reviewed by Robin Gillespie, the Alberta correspondent for Option magazine. A Libertarian Party of Canada candidate in the 1974 Federal election, he has held various executive positions in the Federal and Alberta libertarian parties.)

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Dear Reader,

Many of our supporters have indicated that they would like to become actively involved in the Foundation. If you are interested, one excellent way of doing this is to get a friend to support us. With this in mind, we have provided an application form and I urge you to do your best to increase the number of our supporters.

Bill Buckler  
Secretary

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- \$ Please accept this donation to assist the Foundation in its activities.
- \$25 I wish to receive *The Libertarian* for one year plus notices of special events.
- \$100 I wish to give further support to the activities of the Foundation. I will receive *The Libertarian* for one year plus a hardcover copy of Dr. John Hospers' *Libertarianism*.

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