

REJOINDER TO CARNIS ON PRIVATE ROADS

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I. Introduction

FOR A LONG TIME, I have been writing about the importance of privatizing highways, mainly because of the carnage that occurs on our socialist roads. People die like flies on these statist vehicular thoroughfares, some 40,000 per year in the U.S. alone. My first publication on this topic appeared in 1979, my most recent was published in 2009, and I have written on this horrid subject many times during the intervening thirty year period.¹

Until Tullock (1996) my writing on road privatization was pretty much ignored. Some of it was cited by other scholars in this field, but until Gordon Tullock had the kindness to subject my views on this topic to intensive and critical scrutiny, they were not made the subject of any extensive and critical scrutiny. Tullock (1996) singled out for his critique my paper Block (1979) and Block and Block (1996); I replied to it in Block (1998c).

Then Carnis appeared on the scene with a series of magnificent and insightful articles on this topic (Carnis, 2001, 2003, 2006). These were splendid contributions to the free market side of this debate, strongly making the case for, and defending against objections to, conversion of our present socialist roadway network to a private enterprise institution. Carnis's pedigree in this regard is not as long as mine, but what he lacks in years (he is

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¹ See on this for example Block, 1979 1983a, 1983b, 1996, 1998a, 1998b, 2009, Cadin and Block, 1997.

a far younger man), he more than makes up in terms of insight, logic and verve.

Carnis (2009), the subject of this present essay, is somewhat of a different matter, in my view. In this case, while I acknowledge that he has continued to build onto the road privatization edifice, for the first time in his contribution to this literature, I must part company from him.² I thank him for his kind words about my previous publications,³ but shall devote this rejoinder to what I consider problematic statements of Carnis (2009).

Let me summarize the debate between Tullock and myself, the one that Carnis (2009) now joins. I had originally (Block and Block, 1996) denied that a private road owner with a highway stretching from Los Angeles to Boston⁴ could in effect cut the north and south parts of the country into two parts that would be disconnected from one another via surface transportation. How? By building tunnels under, or bridges over, this LAB highway. The controversy between Tullock and me mainly concerned whether or not this would, or would not, conflict with the property rights of the LAB owner.

II. Critique

1. Lack of realism

Carnis (2009) enters the lists in the Block-Tullock debate with the following criticism of me (material in brackets supplied by present author):

Nonetheless, the imagination he (Block) evinces as to possible solutions is marked by a lack of realism regarding current technical means of developing these kinds of infrastructures. Future technical advances could doubtless make it possible cope with these considerations, but to my knowledge this kind of overpass does not exist at present; and the problem raised demands a solution now.

Carnis (2009) is saying, if I can put words into his mouth, that while my heart is in the right place in this matter, and while my suggestions re tunnels and bridges may well be able to be implemented some time in the future, they

² Could this be, possibly, because this is the first publication of his critical of my own work in this field? One cannot entirely eliminate that as a possible explanation.

³ "... displays real imagination," "in refusing access the owner would, as Block rightly points out, devalue his capital..." "Block also emphasises (sic) the anticipatory capacity of the agents concerned in terms of preventing such a situation from coming about" "Block analysed (sic) the blockade argument and came up with a detailed refutation."

⁴ Call it the LAB Corporation, or LAB for short.

are impractical in the present day, and we need some pragmatic solutions right away.

But underground tunnels have been with us for many decades, centuries, even. According to this source⁵ they have been in existence since at least 2100 B.C. That is over 4,000 years ago. I am hardly being “unrealistic” in terms of modern technology being able to construct tunnels.⁶ And, why tunnels could not be built, in the present day, under the LAB highway, is not explained by Carnis.

What about bridges, specifically, those (Carnis, 2009) “avoiding negative external effects for the owner of the road: the passage of light, water, etc.”? Are they beyond the scope of present technology? Not a bit of it. Consider the following as but one example. The Marine Park Gil Hodges Memorial Bridge in Brooklyn, south of Flatbush Avenue, is precisely a case in point. That edifice⁷ is a vertical lift bridge, which allows boats and even substantially sized ships to travel below. It enables rain and sunlight to pass through underneath it, since the center part of it is built with cross hatching translucent material; that is, with literal holes in it.⁸ This bridge was built in 1931. Surely, it involves no “lack of realism” to note that we *already* have “current technical means of developing these kinds of infrastructures.”

Thus, I must reject this criticism of Carnis (2009) to the effect that I need “to be more realistic and pragmatic in defending them (my own) efforts.”

2. *Economics and politics*

States Carnis with regard to the LAB highway:

... the purpose is to cut off the populations from each other and the goal is no longer economic but political. Once again, this is a project that sits ill with the functioning and conditions of a free market economy. Historically, unfortunate experiments of this kind actually have been carried out, notably in the form of the Berlin wall and the North Korean border. However, they concern socialist economies

⁵ www.britannica.com/EBchecked/topic/609297/tunnel/72433/History

⁶ For more recent analyses of why such infrastructure could be built purely under free enterprise conditions, absent eminent domain laws, state expropriation, etc., see Nedzel and Block (2007, 2008)

⁷ http://en.wikipedia.org/wiki/Marine_Parkway-Gil_Hodges_Memorial_Bridge

⁸ I know this from personal experience. I used to regularly drive a motorcycle with relatively thin wheels (it was a 90 cc Honda bike) over this bridge during from about 1960 to 1975, when I lived in Brooklyn.

and reflect predatory behaviour. The situation—an uncooperative monopoly—reflects hegemonic rather than peace-oriented relationships and has nothing to do with trade as conceived of within a market economy.

This is a serious misunderstanding of the debate between me and Tullock. He and I are debating whether or not it is possible, *purely under free enterprise conditions*, for a road owner to build a highway stretching from one end of the country to the other, and, if so, if such an entrepreneur could cut off one half of the nation from the other. We both agree, at least, to *stipulate* the first of these two premises; that is, we are both in accord, Tullock and I, *arguendo*, that it is indeed possible for a private entrepreneur to build such a thoroughfare without violating any property rights; the two of us are only divided as to whether or not doing so would enable the owner to separate north and south as far as surface transportation is concerned. If Carnis, or anyone else, wants to enter the lists on this issue, he *must*, he absolutely *must*, stipulate with the two of us, me and Tullock, that such an enterprise would be part of the free market economy; would be compatible with *laissez faire* capitalism. This, Carnis, spectacularly, fails to do.

Instead, Carnis posits that the LAB roadway is part of the political, not the economic process. According to Oppenheimer (1926, pp. 24–27):

There are two fundamentally opposed means whereby man, requiring sustenance, is impelled to obtain the necessary means for satisfying his desires. These are work and robbery, one's own labor and the forcible appropriation of the labor of others. . . . I ... call one's own labor and the ... exchange of one's own labor for the labor of others, the "economic means" for the satisfaction of need while the unrequited appropriation of the labor of others will be called the "political means." . . . The State is an organization of the political means.

In other words, Tullock and I are *agreeing* that the LAB highway is part of the *economic means*. In very sharp contrast, Carnis maintains that this road is part of the *political means*. Thus, Carnis's remarks, however salutary and correct, are not, and cannot be, part of the debate conducted by me and Tullock, as Carnis intends them to be.

3. Restraint of trade

Unhappily, not only are Carnis's statements irrelevant to the discussion undertaken by Tullock and myself, they are erroneous apart from that. On numerous occasions in his paper, Carnis (2009) characterizes the behavior of the LAB Corporation as "uncooperative." He goes so far as to claim that

such a policy is a “monopolised (sic) road infrastructure”; further, he goes so far as to say that it is incompatible with the “division of labour.”

But why cannot the erection of a highway from Los Angeles to Boston without access points in between be part of the marketplace in good standing? Why must it necessarily be “hegemonic rather than peace-oriented?” Why is it “monopolistic”? Why does it necessarily play havoc with the “division of labor?” It would appear that this is not due to the mere construction of this facility. Rather, it is because of the road owner’s refusal to allow anyone to enter or exit into or from the highway at any intermediate point. This facility serves *only* those interested in driving from Los Angeles to Boston (or in the opposite direction), and that would appear to stick in Carnis’s craw.

But these claims are incompatible with the Austrian theory of monopoly.⁹ In that view, the *only* time monopolization takes place in the economy is with a grant of state privilege. The U.S. post office is a monopoly, since anyone who competes with it for the delivery of first class mail will go to jail. A similar penalty awaits those who drive taxi cabs without government medallions (permits). It is off to the hoosegow with them. There is no such thing as a “monopoly price” in the absence of a special grant of government monopoly power, nor is there any monopoly quantity produced without government support, less than the competitive quantity that would otherwise be offered to the market.

In Carnis’s understanding, the LAB road isn’t cooperating with people. It is not allowing them to do what they want to do: enter and exit all throughout the length of this highway. But, suppose a farmer burned all of his corn, without bringing it to market; or an automobile manufacturer destroyed all of his cars without selling them to anyone. If Carnis carried through, consistently, with his analysis of the “uncooperative” LAB firm, he would label the corn farmer and the vehicle producer in the same manner. He would castigate these worthies for being “hegemonic,” “monopolistic,” etc. Why? Because they would not be doing with their own property what Carnis, now adopting the role of central planner, wants them to do. But who is Carnis to tell any of these entrepreneurs what they must do with their own property? And then to banish them from the rolls of private enterprise if they fail to abide by his desires? This is patently unjustified.

⁹ Anderson, et. al., 2001; Armentano, 1999; Block, 1977, 1982, 1994; Block and Barnett, forthcoming; DiLorenzo, 1997; DiLorenzo and High, 1988; High, 1984–1985; McChesney, 1991; Rothbard, 2004; Shugart, 1987; Smith, 1983; Tucker, 1998A, 1998B

4. *Planes, Trains, and Automobiles*¹⁰

In place of my “futuristic and impractical” solution of bridges and tunnels over and under the “uncooperative” road owner, Carnis offers

... one solution: the use of planes or boats, or the creation of a road network skirting the obstacle at each end rather than going over or under it. This means, then, creating air, sea or road links which, while more costly than simply creating overpasses and underpasses, is the best alternative for meeting the requirements of those concerned.

Well, I suppose that a boat *could* work. It would embark from LA, go south on the Pacific Ocean to the Panama Canal, and then north in the Atlantic Ocean, until it finally reached Boston, or vice versa. But this would take a *long* time. Surely, a bridge or a tunnel or two at around, say, Albuquerque, Denver, Omaha or St. Louis would be more “practical”? But, even this suggestion takes Carnis (2009) outside the realm of the debate between me and Tullock. When he and I talked about “surface” transportation, neither of us had in mind sea routes; we were both discussing other *highways*, which were to be built on the *land*.

The use of airplanes would also be irrelevant to the debate I was having with Tullock, and is thus beside the point in our present discussion. We were discussing *surface* transport, not air space.

What about “a road network skirting the obstacle at each end?” I confess, I am not entirely clear as to what this would portend. The roadway that Tullock and I were contemplating reached from one *end* of the country to the other. That is, there would be no *room* for any north-south highway to be placed on the west side of Los Angeles, or on the east side of Boston. I suppose one could build up a land mass in these two areas (to the west of Los Angeles, or to the east of Boston), and put in a highway on these two new land-filled areas. Instead of a bridge over, or a tunnel under, this would amount to, what?, a sideways movement. Good point. I confess, I had not thought of it. The northern and southern parts of our nation would once again be linked for surface transportation. But, this is still a long way from addressing the objection to private roads that Tullock leveled against the idea. It would *still* be rather inconvenient for someone from, say, New Orleans to travel by car, to a city across LAB, for example to Chicago. The New Orleanian would have to go all the way to the east side of Boston, on this

¹⁰ With apologies to the creators of the movie “Planes, Trains, and Automobiles” (www.imdb.com/title/tt0093748/).

new Carnis north-south highway located east of Boston on this new landfill. Hardly convenient.

Conclusion

I do not want leave the impression that Carnis (2009) has not made a contribution to our dialogue, and, for the most part, on the correct (free enterprise) side of it.¹¹ He continues to be, and over the years has been, one of the very, very good contributors to this debate. To wit, I regard his “sideways” tunnel or bridge idea (east of Boston, west of Los Angeles) as clever and insightful, and Carnis has also, quite correctly pointed out that LAB would likely not attain much cooperation from suppliers of the raw materials it needs to maintain its capital structure.¹²

But, I think his (Carnis, 2009) dismissal of my own work on the ground that it was too futuristic, missed its mark. I fear that he has inadequately grasped the difference between the economic and the political means, that Carnis’s understanding of the Austrian theory of monopoly is less than it should be, and that his boat, plane and road “solutions” are all either highly problematic or irrelevant to the Block-Tullock debate, which he has, not fully successfully in this case, attempted to enter.

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¹¹ I need not guard against any such misunderstanding with regard to Carnis (2001, 2003, 2006). I am an *enthusiastic* supporter of these splendid contributions to the literature of freedom as far as highways are concerned.

¹² Tullock might reply to this sally that he doesn’t *care* if the roadway falls apart due to lack of new supplies of concrete, and the labor to install it. His only point was to attempt a *reductio ad absurdum*; under free enterprise, an entrepreneur *could* amass the land necessary to build a road, and not allow anyone to enter it or exit from it. A (road) socialist, Tucker was intent upon establishing yet another “market failure.” Government, not the free enterprise system, must therefore supply this good, lest chaos would be brought down upon us all.

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