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# The Voluntaryist

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Whole Number 167 “If one takes care of the means, the end will take care of itself” 4th Quarter 2015

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## Voluntary Government as a Marketable Service: Reminiscences on the History of an Idea

By Alvin Lowi [1]

Back in 1954, when he was at the Foundation for Economic Education at Irvington-on-Hudson, New York, economist Baldy Harper called the idea of voluntary government a most radical one. [2] At that time, Harper said he could count on the fingers of one hand all the people he knew in the world who entertained the notion of a “total alternative” to tax-funded government. Spencer Heath, Spencer MacCallum, Robert LeFevre, and Murray Rothbard were the only ones who came to his mind. [3] Today, given the Internet, there are probably tens of thousands, maybe even millions, who entertain this notion, at least furtively. Yet, the history of the idea, its inception and spread, is sketchy and tentative.

My encounter with this idea began when my friend and colleague, Andrew J. Galambos, introduced me to Spencer Heath. [4] At the time, 1961, I was associated with Galambos and his Free Enterprise Institute. There, I was privileged to observe and participate in the development and exposition of such ideas. I had always known this was a unique opportunity, but until recently had not thought to memorialize the experience. I was prompted to do so when I recently discovered a reprint of J. Huston McCulloch's 1977 translation from the French of a remarkable essay entitled THE PRODUCTION OF SECURITY. [5] I found the essay, written in 1849, a most compelling read in itself, and the inspiring introduction by Murray Rothbard made it virtually irresistible to put down. It brought to mind some of the experiences I had almost forgotten.

The author of the essay was an obscure laissez-faire economist from Belgium named Gustave de Molinari (1819-1912), a contemporary and intellectual kin of the better known French liberal political economist, Frederic Bastiat. Born in Belgium and educated there in the new academic field of economics, Molinari was associated with the French *économistes*, a group of laissez-faire liberals recognizable nowadays as a rare breed: pro-capitalist, non-political libertarians. Throughout his long life (he was 92 when he died), Molinari argued for peace, free trade, freedom of speech, freedom of association, and liberty in all its forms.

Molinari was unique among economists in his conviction that the economy did not need the slightest

vestige of political protection, not even as represented by constitutionally limited, representative republican government. He was apparently the first person to realize that the market economy contained the means for its own protection and to advance a theory of a society entirely devoid of political regimentation, which is to say, a society without a state.

Molinari envisioned a stable and humane social paradigm. He took individual human liberty to the limit to see if it could stand on its own legs. Libertarians nowadays call this position individualist anarchy, market anarchism, or anarcho-capitalism. Society without political statecraft has also been referred to variously as economic government, voluntary government, or government via market-delivered property protection services.

### The Free Enterprise Institute

My colleague Galambos came to think like Molinari about a century later. He did so apparently without a prompt from Molinari - but not without some prompting from his students. Even so, this was a remarkable transition for Galambos, who had no academic preparation in the humanities. He was an astronomer and astrophysicist who left the government-dominated defense industry in 1959, during the height of the Cold War, to return to academia to make the world safe for astrophysicists. In 1960, while still a tenured physics professor, he launched his campaign, “Capitalism, The Key to Survival.” This was a short-lived seminar at Whittier College where he taught, but it was soon transformed into a profit-seeking educational enterprise in Los Angeles under the banner of The Free Enterprise Institute (FEI) and continued for several decades. Galambos died in 1997 after a long illness. In 1999, some of his taped FEI lectures were transcribed and published in a volume entitled SIC ITUR AD ASTRA.

On founding FEI, Galambos embraced the limited government framework of classical liberalism. He was an enthusiastic promoter of the writings of Mises, Read, Hazlitt, Harper, Hayek, and Rothbard. In the early 1960s, he brought Read, Mises, and Harper to Southern California for well-attended seminars. Galambos was obsessed with American constitutionalism. He had a strong sentimental attachment to the American Revolution as fomented by Thomas Paine, which represented for him the break with old-world political despotism and elitism and especially the break-through in social technology that resulted, enabling the liberation

*(continued on page 5)*

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# The Voluntaryist

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## Subscription Information

Published quarterly by The Voluntaryists, P.O. Box 275, Gramling, SC 29348. A six-issue subscription is \$25. For overseas postage, please add \$5. Single back issues are \$5. Gold, silver, and bitcoin readily accepted. Please check the number on your mailing label to see when you should renew. Carl Watner grants permission to reprint his own articles without special request. THE VOLUNTARYIST is online at [www.voluntaryist.com](http://www.voluntaryist.com).

## Insurance Companies as Competing Governments: Whose Idea Was It?

By Richard Boren

[Editor's Note: As some of you may know, I operate a small retail tire store and auto service center. Several problems in the store involve questions regarding the sale of used tires and the proper way to repair punctured tires. If a customer brings in a tire with plenty of tread, but which was manufactured ten years ago, is it safe to install? Should a tire be 'plugged' from the outside or must it be inspected and repaired from the inside? These are questions the tire industry is struggling to answer. Many leading tire associations look to the federal and/or state governments to offer legislative and regulatory solutions. When I suggested to the editor of a tire magazine that the insurance companies should set these standards, he responded: "Where did you ever get that idea from?" Well, I got it from several decades of studying and thinking about voluntaryist solutions to societal problems.

In a state-free market economy it would only be natural for insurance companies to establish safety and procedural standards for those that they insure. Among other things they would probably fund organizations like Underwriters Laboratory and Consumers' Union to test products and to establish minimum requirements for obtaining insurance. Thus, rather than the state dictating the rules regarding tire aging, tire repair, (and thousands of other standards, such as the way to store explosive fertilizers or the use of seat belts and air bags in autos), it would be the insurers of these products and procedures that would be responsible. After all, they would have a large amount at stake should an insurable event occur and cause them a loss.

In a voluntaryist world, by definition, all products and services would be provided via private, voluntary action. Gustave de Molinari (1819-1912) was probably the first person to envision the role that private defense and protection agencies might play in a state-free world. (See his 1849 monograph, THE PRODUCTION OF

SECURITY, partially reprinted in Issue 35 of THE VOLUNTARYIST.) However, Molinari made no mention of the role of insurance. That idea appears to have first been expressed more than 100 years later by someone else, as will be described below.

When I received a copy of an email from subscriber Richard Boren in September 2014, I had already been thinking about the pivotal role that defense and insurance companies would play in a state-free society. Richard had written that email to Hans-Hermann Hoppe, the author of a book, DEMOCRACY, THE GOD THAT FAILED, he had recently read. That book, first published in 2001, placed heavy emphasis on the role of insurance companies in a free society. In it Hoppe gave credit to Morris and Linda Tannehill for their "brilliant insights and analysis" in that regard, as expressed in their 1970 book, THE MARKET FOR LIBERTY. The purpose of Boren's email to Hoppe was to suggest that perhaps the Tannehills were not the true source of the ideas he so greatly admired. I suggested to Richard that he write an article on the history of the insurance concept, and he offered me the following.]

I first heard the idea that insurance companies would play an important role in a state-free society in 1975, while taking Course V-50 at the Free Enterprise Institute (FEI). The concept had been taught there for over 10 years, which is to say about five years before the Tannehills published their book. My instructor was Senior Lecturer Jay Stuart Snelson (1936-2011). He did a superb job of teaching concepts innovated by Andrew J. Galambos (1924-1997) and others in what was labeled the Science of Volition. Galambos had founded the Institute, a profit-seeking venture, in the early 1960s. I was so taken by what I learned there that I took classes continually for four years, all but the first taught personally by Galambos. FEI operated under Galambos' direct management until the mid-1980s when he was sidelined by Alzheimer's disease.

Prior to reading Hoppe's book, I had never heard of the Tannehills but was inspired to purchase their book. What they had written about insurance companies sounded a lot like what I had learned from Galambos. I tried to find out more about the authors but hit a dead end. I could find no mention of them anywhere, other than references to their book. It didn't appear that they had written anything before THE MARKET FOR LIBERTY, or anything since. Apparently the book was quite successful in libertarian circles when it first came out. I asked myself, "Who comes out of nowhere, writes a well-received book, and then disappears?" The answer, as far as I know, is pretty much limited to J.D. Salinger and Harper Lee. I began to suspect that the Tannehills might not have existed, and were the pennames of someone else. However, thanks to the help of Brian

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Doherty of REASON, I learned that the Tannehills were real, as evidenced by an interview with Linda Tannehill in the March 1991 issue of LIBERTY MAGAZINE. But still, their appearance out of nowhere to write a book of great substance, including the blockbuster insurance idea, was suspicious. Who in that position doesn't remain active on the scene? Was the work really theirs?

In the "Acknowledgments" section of their book, the Tannehills expressed gratitude to "Skye d'Aureous" and "Natalee Hall." I learned that these were the pseudonyms of Durk Pearson and Sandy Shaw. I knew these names because of their prominence in the health-food, life-extension book and lecture business.

And then I learned something else. In the late 1960s, immediately preceding the 1970 publication of the Tannehill's book, Mr. Pearson was a student of Andrew J. Galambos. In fact, Pearson was described as a "precocious" student by Alvin Lowi, Jr., who had close business and personal ties to both Galambos and Pearson.

When trade is free, "when no man may use physical force to extort the consent of another, it is the best product and the best judgment that wins in every field of human endeavor," . . .  
- Ayn Rand in "For the New Intellectual"

The insurance-as-government concept was central to the state-free society that Galambos wanted to develop. He lectured for hours on how to build such a society, and Pearson could not have been a Galambos student, let alone a precocious one, without learning about the central role of insurance. Could it be that Pearson gave those ideas to the Tannehills?

Galambos recorded all of his lectures on audiotape, and made the recordings available to new students so that he wouldn't have to deliver the same course over and over. He gave Course V-50 for the last time in 1968. After that, new students either heard that recording or attended the live presentations by Jay Snelson, as I did. Galambos also promised to write a book containing the ideas of V-50 and of a more advanced course, V-201, but never did. However, he pre-sold the book to a number of students (I am one of them) and promised that in the event of his death or other inability to write, his trustees would publish a transcript of his lectures to satisfy the book obligation. Galambos died in 1997 (after many non-productive years due to his disease) and in 1999 his trustees published Volume One of his book, consisting of a lightly edited transcription of the 1968 rendering of Course V-50. These are the ideas that Durk Pearson would have heard in person.

Galambos was an excellent lecturer, seemingly speaking without notes. V-50 was a 16 session course, with each session lasting about three hours. Anyone who

could hold an audience's attention for that long must have been doing something right. Nevertheless, a transcription is not as good as a carefully written book, but it had to do. The transcription of V-50 was released as an 800+ page book titled SIC ITUR AD ASTRA (This is the Way to the Stars). The title reflected astrophysicist Galambos' desire to be involved in proprietary space travel. He would quip that he was "trying to make the world safe for astrophysicists."

Galambos, in endeavoring to create a bona fide science of volition, insisted on developing and using a precise, uniform vocabulary. In the same way that physicists have standard, universally-used terms such as "mass" and "energy," Galambos developed precise definitions of such words as "freedom" and "property." He distinguished between "state" and "government" and gave credit to Albert Jay Nock and his book, OUR ENEMY THE STATE, for sensitizing him to that distinction. Galambos defined "state" as "any organized coercion which has general accreditation and respectability by the people; a monopoly of crime." Then, rather than abandoning the word "government" in favor of something with no negative connotation, he attempted to rehabilitate it by defining it as "a person or organization which offers services or products for sale for the purpose of protecting property, to which owners of property may voluntarily subscribe." He said, "Please note the indefinite article: 'a' government, not 'the' government. It's not a monopoly. It is not unique." He counted lock makers and fence makers and private detective agencies as government. But, he added, "... the highest form of government available in this world is the insurance company. If all else fails, and you do lose your property, they'll pay you the financial value for which you have insured it, and that is a government service."

He called insurance "one of the great inventions of all time. It compares in importance with the invention of the wheel." In his book, over 7,000 words are devoted to the concept of insurance companies providing services traditionally assigned to government. Galambos pointed out that an insurance company has a proprietary interest in its customers' well-being, meaning that a customer's loss would be the insurance company's loss. The insurance company was a "totally impersonal organization operated by total strangers" but highly motivated to prevent the loss in the first place, and, in the case where there was a loss, to apprehend the person responsible and recover that loss.

In explaining this to students, Galambos emphasized that under the state the highly regulated insurance industry offers nothing like what it would in a state-free society. The service provided by insurance companies competing in a voluntary society would be vastly better than under state supervision. Many more insurance options would be available, and most people would

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insure a wide variety of things, out of habit, without thinking much about it.

As a requirement of attending classes at FEI, Galambos required students to sign a non-disclosure agreement. This policy has been attacked by some of his detractors - people who never took a course from him. I will not discuss it here other than to say that the point was to help ensure proper use and dissemination of knowledge, not to suppress it. Durk Pearson would have had to have signed such an agreement, and would have been in violation of it if he had disclosed the insurance concepts to the Tannehills without Galambos' permission. Although the evidence is circumstantial, and I am speculating, I suspect that this is what happened. Galambos would never have given permission for anyone to publish his ideas before he had done so himself. So, since Pearson couldn't legitimately write about the ideas, he used a pseudonym and gave them to the previously and subsequently unremarkable Tannehills.

Carl Watner reports having correspondence with Morris Tannehill in 1969, a period when Tannehill must have been thinking about and even writing the book, but there was no mention of insurance. It's hard to imagine someone coming up with a big idea like that and not mentioning it, especially since Watner was not yet convinced of the state-free solution, and the idea goes a long way toward making that feasible. Once someone hears the idea and "gets it," it is a fairly mechanical process to think of numerous applications. Readers of the Tannehills' book will see that, as will those who are fortunate to read Galambos.

But where did Galambos get the insurance idea? I always assumed it was his, but came to learn that was not the case. As a working astrophysicist, in the early 1960's he began giving freedom-oriented lectures to his colleagues and his following grew. One way of reaching students with his original course, Course 100, was to have his friend and colleague Alvin Lowi, Jr. listen to each session, take notes, and then deliver that session to another group a week later. In one of those other groups was Peter B. Bos, an MIT aeronautical engineering graduate with a blossoming interest in libertarian issues.

According to Bos, he never took a course from Galambos, his exposure coming through Lowi. Like every person considering the idea of limiting or even eliminating the state, he had the usual questions about how the state's putative function of the protection of life and property would be performed. At some point he had the insight that there was no need to invent something new because the answer already existed in a well-established, well-capitalized industry: insurance. For anyone who has ever tackled any project, there's nothing better than realizing that the thing needed to solve a problem already exists and can be taken off the shelf and

used. It was a "Eureka!" moment for Bos.

Bos realized that when it came to protecting your life and property, there would be no better ally than someone who would suffer a loss if you suffered a loss. Bos saw that insurance companies had a proprietary interest in your well-being - something the state does not. In fact the state does not even have a legal responsibility to keep you safe. However, if you are insured, then your insurance company must pay you if you come to harm. Therefore, the insurance company, in its own interest, has a motivation to keep you from having a loss of life or property in order to keep itself from suffering a monetary loss. There are many things an insurance company might do in this regard including, but not limited to, the production of physical defense. To Bos, the insurance company was the ideal replacement for the state because it has an incentive to do the things that make up the main reason for the state's existence - the protection of life and property, but which the state routinely doesn't deliver.

As witnessed by Lowi, Bos presented this idea at the 1963 FEI Alumni Meeting with Galambos in attendance. Galambos, who was in the middle of his own fundamental shift from promoting a society with a limited state to one that was state-free, soon incorporated the insurance idea into what became Course V-50. Perhaps fortuitously, Galambos himself was licensed to sell insurance and investments, and did so, but gave up that business to devote full time to FEI. He went on to develop Course V-30, Investments and Insurance, in which fundamental concepts were brilliantly explained. Galambos clearly had a deep understanding of insurance. However, the idea that competing insurance companies could and should take the place of the state came from Bos. But Galambos never gave Bos credit for the idea, and it was not until 2008 that Bos learned that Galambos had used it. Bos has written a book, *THE ROAD TO FREEDOM* (which should be available by early 2015), that incorporates his ideas for building a free world, and naturally insurance plays the role he envisioned.

Anything that starts with the use of force ... is always destined to fail, and usually ha[s] the exact opposite effect from that intended.

- Jeff Berwick, Dollarvigilante.com, January 18, 2013.

Galambos' failure to give credit to Bos has not been explained. Not to have done so was a violation of the very things he taught. An answer might lie in his recordings and papers from that era, should they ever become available for study. As it is, however, the trustees of Galambos' estate have withdrawn SIC ITUR AD ASTRA from sale. They have also refused to fulfill the rest of the book contract by publishing the transcript

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of what Galambos called his most important course, V-201, The Nature and Protection of Primary [Intellectual] Property and delivering it to those who paid for it. However, the most important material is gradually being revealed at [capitalismtheliberalrevolution.com](http://capitalismtheliberalrevolution.com), created by Frederic G. Marks, Galambos' onetime attorney and confidante. I highly recommend it.

So, did the insurance-as-government idea originate with Peter Bos, then flow to Galambos, to Pearson, and then to the Tannehills, with the latter getting the credit? Among other things, Galambos acknowledged that ideas could be independently discovered, and in course V-201 he proposed a number of tests for independency. It was one of those tests - whether the person claiming independent discovery had a track record in the subject area - that caused me to look into the Tannehills. In fairness, they didn't explicitly claim independency, but neither did they cite an antecedent, so the inference was that their book offered new ideas, and that's how it was accepted by the esteemed Dr. Hoppe. It's likely that we'll never know, but absent evidence to the contrary I'll credit Peter Bos who, by disclosing the idea in 1963, appears to have been first. **V**

Just because you put up with an evil does not endow it with any moral standing.

- Paraphrased from Ronn Neff, "The Government Is Illegitimate ..."

## **Voluntary Government as a Marketable Service: Reminiscences on the History of an Idea**

*(Continued from Page 1)*

and growth of humanity. He subscribed to the thesis of Alexis de Tocqueville and other admirers of this "American phenomenon." [6]

Galambos approached the subject of government as an exercise in constitutionalism. This exercise he played as an intellectual game with organizational structures and political contrivances for limiting the scope of monopoly political government in keeping with the sentiments of the Declaration of Independence and other classical liberal arguments. However, no matter how liberal, creative, or ingenious were his schemes for controlling the political Leviathan, they were inevitably political and therefore authoritarian and collectivistic. The implications were not lost on Galambos' students. And curiously, it was just such implications in Ayn Rand's so-called "objective law," republicanism, and Leonard Read's libertarian GOVERNMENT: AN IDEAL CONCEPT, that later alienated Galambos from those otherwise congenial social movements. [7]

Galambos defended his approach to constitutional political government with the claim that adherence to

scientific method could be relied upon to avert the usual political outcomes. The physicist cum economist would see to it, so he dreamed. He made the separation of economy and state a central feature of his scheme, which was an intriguing beginning. But the clincher would call for a lot more authentic social science not immediately in evidence and perhaps never forthcoming - at least to the extent that force could ever be justified.

Reading Molinari's essay reminded me of the debates among Galambos' students in those early days. Logical extrapolations of his teachings had begun to reveal inconsistencies in the classical liberal treatment of society in the tradition of John Locke, which called for a modicum of political government to maintain a legal framework of order based on private property protection. But such protection, predicated on a monopoly of institutionalized coercion, required an authority that was intrinsically superior to the market and the individual humans comprising it. More specifically, it called for a political state, a supernatural authority, which is alien to individual humans. The dilemma arose - how could mere humans delegate to a committee of other humans, authority they never possessed in the first place? In America, "The Constitution" replaced the king as the symbol of this supernatural authority, invoking as it did the myth of the omniscient and omnipotent majority.

About 1963, Robert LeFevre came onto the Free Enterprise Institute scene. His arguments reduced all political proceedings to absurdity. [8] They had been heard already by some of Galambos' students who went to Colorado to attend LeFevre's lectures at the Freedom School. Afterwards, these students introduced LeFevre's arguments into the discussions at FEI class meetings. Galambos' constitutionalism was severely tested.

But Galambos' conception of government was fundamentally nothing more than the collection of services devoted to the protection of private property. [9] It should not have been such a huge leap of faith to dump the political paradigm altogether in favor of property protection services rendered volitionally for profit in the marketplace by competitive private enterprise, based on the authority of proprietorship. Yet, Galambos was not the first to leap. This idea began to catch on first among his students. The awakening began soon after the first offering of his Course 100 in which he had sanctioned limited political government. A sequence of discoveries occurred soon thereafter somewhat as follows.

Spencer Heath, author of CITADEL, MARKET AND ALTAR (1956) had already begun espousing government by proprietary administration, based on maintaining the integrity of private property by contract. His grandson, anthropologist Spencer Heath MacCallum gave a guest course for FEI in 1963 in which he introduced the idea of the proprietary community. [10]

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His approach followed the work of his grandfather, who would have presented the concept to Galambos' students a year earlier but for the intervention of a health crisis that ended his long life. [11] MacCallum also introduced other provocative ideas of voluntary social organization to the FEI market, particularly those of E.C. Riegel, who suggested that laissez-faire competition in the marketplace is necessary and sufficient government. [12] Riegel was also the first to call for the complete separation of money and state and develop a concept of private enterprise money.[13]

In his FEI guest lectures that same year, F.A. Harper introduced Molinari's vision of an unregimented society to Galambos' market. He was able to offer the attendees of his seminar some rare copies of Molinari's only book in English at the time, entitled SOCIETY OF TOMORROW. [14] Harper billed Molinari's proposal as a "total alternative" to the status quo - an emergent "grand alternative" to political government.

### **The Insurance Industry**

Out of this general exploration of the idea of a free market for government services there rapidly developed various private-enterprise extrapolations into community service and property protection. First, to my knowledge, was "the insurance industry as government" proposition of physicist-mathematician, entrepreneur-businessman and FEI contractor Piet (Peter) B. Bos. [15] Electrical engineer, entrepreneur, and FEI contractor Charles R. Estes next offered his vision of competing companies providing arbitration, dispute resolution, patrol, security technology, and bounty hunting services for fee or subscription. Estes also proposed various private-enterprise money and property restitution ventures. [16] Electrical engineer and FEI lecturer Richard A. Nesbit described a private-enterprise primary school system venture which he and several partners and their wives had set up in Southern California and were now operating as a business.

The following year, 1964, some FEI contractors teamed up with me and FEI to bring Robert LeFevre back to Los Angeles to give his freedom seminar. [17] By this time, many of Galambos' students had already shunned political government, even as a transient lesser evil. Preferring to take their chances with self-government in the marketplace, they were enjoying a bonanza of leisure time liberated from the tedium of political participation in the Republican effort to elect Goldwater that year.

Galambos, himself, finally abandoned all political artifice. All constitutional games with incipient political despotism were demolished, as was any inclination to participate in politics. By the end of 1964, he was espousing purely free-market social organization in which government was defined as follows:

A government is a person or an organization that

offers for sale products or services designed to protect property, to which the owner of that property may voluntarily subscribe. [18]

Galambos called attention to his use of the article "a" in this definition - "a" government, not "the" government, emphasizing the absence of monopoly as an essential attribute.

Then Galambos came out with his Course V-201 - "The Nature and Protection of Primary Property," which he came to call his most important - out of the dozens developed in the years afterward. The course was controversial with existing students because of a new strict non-disclosure requirement. Here he brought out his concept of the pure contractual corporation operating a clearinghouse for businesses utilizing intellectual property for profit. This invention was to supersede coercive patent and copyright privileges issued by political governments, which his for-profit corporations would displace forever. In 2001, FEI contractor Robert Klassen published his treatise, ECONOMIC GOVERNMENT, showing in one of his chapters how Galambos' royalty-clearinghouse business might be implemented with the aid of new computer technology. [19]

Up to the time of McCulloch's translation of Molinari's essay (1977), Galambos and Rothbard had been ideologically and intellectually congenial in most respects, but they became estranged over the fundamental question of politics and its place in the liberty movement. Their differences came into focus in the light of Molinari's "two ways of considering society." Molinari saw politics and society (force versus voluntary exchange) as worlds apart. That is where they belonged, according to Galambos, who was aligned on this point with his predecessor, Spencer Heath. [20] Galambos had developed similar notions to Heath's non-political methodology in his business of promoting freedom. [21] Rothbard, on the contrary, had turned to politics for social salvation. He was influential in the formation of the Libertarian Party. [22].

While Rothbard and his libertarian colleagues were preoccupied with their political projects, Galambos was building a business developing ideological momentum for his non-political "natural republic" (a name which I had suggested). He described the "natural republic" as the societal condition comprised of voluntary entrepreneurial behavior based on economic and ethical knowledge developed via an authentic social science (dubbed "volitional science" by Jay S. Snelson, the Senior Lecturer at FEI for many years). Galambos believed his society of the future would be a technological achievement, one that would result in a wholly voluntary society in which every person would have 100% control over his or her own property, a condition which he defined as freedom.

Galambos envisioned society as an evolutionary process of voluntary human action developing entrepreneurially-delivered property protection services that would gradually supersede all coercive political institutions. The “natural republic” would be built in a step-by-step process according to a design rendered beforehand, much as an architect would build a skyscraper - an analogy Galambos attributed to his architect father, Joseph B. Galambos. [23] The builders of this social architecture would come to the task by way of an ideological program offered by the architect as a proprietary product, which as I have mentioned, Robert Klassen subsequently labeled “economic government.”

Although the nature of man and his government is a long-studied subject in the human curriculum, only a few original thinkers have contributed to Molinari’s blockbuster discovery that political government must be abandoned in favor of private enterprise property protection for a free society to prevail. Galambos was one of few thinkers who conceived of private, profit-seeking businesses providing comprehensive property protection services as the keystone of human society. His reliance on competitive private enterprise to deliver protective services – for a profit – is a monumental idea. While the practice is yet to come to fruition on a large scale, we now know that it is the only reliable method of obtaining property protection consistent with liberty. Since Galambos is no longer with us, it is up to us to pass along his ideas and manner of thinking to the next generation.

People in government do not have any special epistemological powers; they have no means of knowledge not available to other men.  
- paraphrased from Roy Childs

### End Notes

[1] Alvin Lowi is a mechanical engineer and thermodynamicist in private practice in Rancho Palos Verdes, CA. This article was originally prepared in October 2014, and revised with help from Richard Boren and Carl Watner. Alvin Lowi has written many articles on free-market subjects. He was a friend, colleague, and business associate of Andrew J. Galambos for many years and lectured for Galambos’ Free Enterprise Institute in Los Angeles from 1961 to 1969. He taught Galambos’ original course “Capitalism, the Key to Survival” from 1961 through its final offering in 1965. That course was superseded by Galambos’ and Snelson’s more familiar Courses V-50 and V-201.

[2] F. A. “Baldy” Harper was professor of marketing at Cornell University and the first staff economist with the Foundation for Economic Education (FEE). He founded the Institute for Humane Studies, a community of libertarian scholars originally located in Menlo Park, California, now at George Mason University in Virginia.

[3] Spencer H. MacCallum, in a personal communication, wrote that he was present when Harper made this statement. Acknowledging the difficulty of tracing the propagation of ideas back to their source, Harper thought this perspective had come to him from a typescript of Heath’s CITADEL, MARKET AND

ALTAR that John Chamberlain had sent him. He said the idea ruminated in his mind a full year before it became clearly planted. So the chain of custody may have been from Heath to Baldy and thence to LeFevre and Rothbard. Baldy suggested MacCallum ask Rothbard whether he thought the idea had come to him from Baldy, but MacCallum never did.

[4] Alvin Lowi, “The Legacy of Spencer Heath: A Former Student Remembers the Man and Offers Some Observations on the Scientific Orientation of His Work,” January 3, 2001. Available from [alowi@earthlink.net](mailto:alowi@earthlink.net).

[5] “Weekend Read, MisesDailyArticle.org, March 25, 2006. The complete essay in English is at <http://mises.org/story/2088#6>.

[6] Alexis de Tocqueville, DEMOCRACY IN AMERICA, Vintage Books, 1945.

[7] Leonard Read, GOVERNMENT - AN IDEAL CONCEPT, New York: The Foundation for Economic Education, 1954.

[8] Robert LeFevre, “Must We Depend on Political Protection? - ‘Yes,’ Edmund A. Opitz; ‘No,’ Robert LeFevre,” STUDIES IN HUMAN ACTION, Vol. II, No. 1, Colorado Springs: The Freedom School, Pine Tree Press, 1962.

[9] Andrew J. Galambos, SIC ITUR AD ASTRA, San Diego, CA: Universal Scientific Publishing Co., 1999, p. 29. See [www.amazon.com/Sic-Itur-Ad-Astra-Volition/dp/0880780045](http://www.amazon.com/Sic-Itur-Ad-Astra-Volition/dp/0880780045).

[10] Spencer H. MacCallum, THE ART OF COMMUNITY, Menlo Park, CA: Institute for Humane Studies, 1970.

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[20] Spencer Heath, POLITICS VERSUS PROPRIETORSHIP, Self-published 1936. Available from Spencer H. MacCallum, [sm@look.net](mailto:sm@look.net). Heath was a lecturer at the Henry George School under the direction of Frank Chodorov in New York City at this time.

[21] Galambos actually launched his freedom business out of a licensed securities and insurance business, Universal Shares, Ltd., from which he sold mutual fund shares and insurance policies as a means of making money while selling laissez-faire capitalism along with personal property and financial security.

[22] J. Michael Oliver and Donald C. Stone, “Exclusive Interview with Murray Rothbard,” THE NEW BANNER: A FORTNIGHTLY LIBERTARIAN JOURNAL, February 25, 1972, Columbia, SC: New Banner Institute. Excerpted from <http://www.lewrockwell.com/rothbard/rothbard103.html>.

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A politician is a [person] who wields coercion.  
- Andrew J. Galambos, SIC ITUR AD ASTRA (1999), Session 4, p. 114.

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## Let Us Imagine “Perfect” Protection

By Robert LeFevre

[Editor’s Note: This is taken from a Freedom School pamphlet, titled PROTECTION (Colorado Springs: Pine Tree Press, December 1964, pp. 14-16).]

Conceive of an electronic device capable of creating a force field around any person or object. Imagine this force field of such intensity that it would actually stop a bullet or deflect any other object of force. Were such a force field available to you in the market, you could obtain one and place it around your home. You could even place it around yourself if you strolled abroad. With it in place, you or your property would be safe. No predator could possibly penetrate this shield.

Now, imagine a community in which all property and all persons were thus protected. What chance would a predator have in such a community? Would it be necessary to arrest and punish a malefactor? No. Because no predation could occur. The evil wisher would be confronted by an impenetrable shield standing between himself and the target of his ambition. He would have to learn to cooperate and to live in peace and productive effort, or starve. If he hurled himself against a person or a property so protected, he would injure himself in the effort. You would not have to arrange for his punishment or even for his arrest. He would be engaged in an act of futility and thus would be a proper object for your compassion, not for retributive justice.

We do not know that the market place could produce this device or anything similar. But we do know that the market place can and has produced seeming miracles. Once we accept the idea that we must rely on the market and look to it for our protection, stimulation of invention and devising will occur. Whether the market can or will provide for such protection is not the point. The point is that we begin thinking in terms of protection rather than in terms of retributive justice. A free society requires protection; it cannot at the same time hold to views in support of retributive justice. Ideas of retribution are contrary to ideas of freedom.

If we are to persist in retributive concepts, then we will have to discard freedom as a total concept. The best we can hope for is limited freedom; freedom limited by a government which will have the power to trespass anyone's property or life at will.

If, however, we can discard this ancient and worn-out idea that protection is impossible or ineffective in the sense that we are made safe, then we will have opened a door long bolted shut in our minds. Real protection is possible. But only the market place provides it.

Retributive justice is the last vestige of the ancient idea of an eye for an eye and a tooth for a tooth. **V**

Setting a thief (the government) to catch a thief doubles the amount of loot stolen.

- Robert LeFevre in the “Epilogue” to A WAY TO BE FREE.

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