The Voluntaryist

Whole Number 172 *"If one takes care of the means, the end will take care of itself."* 1st Quarter 2017

Poisoning the Public Mind: Why the Political Authorities Cannot Tolerate Free Speech

By Carl Watner

Murray Rothbard (and others) have identified two crucial features of the state. It possesses a monopoly on protection services within a given geographic area, and it collects its revenues by threat of and use of violence against the people living in the region it controls. It cannot tolerate any serious question regarding the legitimacy of its revenue collection procedures since without the money to pay policeman and soldiers it could not exercise its threat of coercion.

So what is likely to happen to an outspoken leader of a movement to deny the State its tax revenues? The answer to this question can be found in the life and death of Irwin Schiff. Although he was not a voluntaryist, Schiff was still perceived as a direct threat to the government. As his friend, Jim Davies, explained, Schiff began his crusade against the illegality of the personal income tax in the early 1970s. "He stumbled on the fact that filing a 1040 tax form amounted to a confession, and [he] recognized that confessions must not be forced" or made under threat of prosecution for perjury. Since such a "filing must be voluntary," Schiff concluded that he could legitimately stop filing his personal income tax forms. "That came to the attention of a Hartford (CT) COURANT reporter, who wrote an article about him." That led to a TV interview and eventually Schiff "found himself on national TV debating an IRS" official and winning. "From then on, the IRS had to stop him."

By the time he died on October 16, 2015, Schiff's "crusade to force the government to obey its own law earned him three prison sentences," and an injunction against selling one of his books. (Peter Schiff) In 1981, he was finally convicted of willful failure to file tax returns for the years 1974 and 1975. He was sentenced to 6 months and fined $10,000. In late 1985, he was convicted again for not filing for the years 1980, 1981, and 1982. He received a six-year sentence and served three years. In June 2003, Judge Lloyd George issued an Order of Preliminary Injunction prohibiting Schiff and two of his associates from selling Schiff's book, THE FEDERAL MAFIA: HOW THE GOVERNMENT ILLEGALLY IMPOSES AND UNLAWFULLY COLLECTS INCOME TAXES (1990). This was the last book that he wrote. In it he revealed some of the many levels of deception that he found in the legislation allegedly authorizing the personal income tax. For example, Schiff held that there was no law that makes anyone liable to pay an income tax. The injunction was issued pursuant to 26USC7408 and the penalties found in Sections 6700 and 6701. (Hall 568) Strangely enough, the prohibition did not extend to other sellers of the book, nor did it prevent Schiff from giving his book away free on his website, paynoincometaxes.com (an offer which he promptly made).

Finally in October 2005, Judge Kent Dawson of the United States District Court in Nevada "found Schiff guilty of charges including conspiracy, tax evasion, and tax fraud." (Hall 52, Note 7) The following February he was sentenced to 151 months of imprisonment and ordered to pay $4.2 million restitution to the IRS. He was also sentenced to 11 months for contempt of court by Dawson because of his continual attempts - contrary to the judge's instruction - to "cite the law," even though this was his only defense.

During his lifetime Schiff authored several other books, all with the same theme: The government of the United States over the course of the past two centuries has exceeded its constitutional limits. As his friend, Jim Davies, put it, Schiff "passionately desired a drastically smaller government," but he never became a voluntaryist. Schiff believed that "some small level of [government] was necessary," but he could never explain how or at what point a "big and evil" government would morph into a "smaller and good" one. His first book appeared in 1976, and was titled THE BIGGEST CON: HOW THE GOVERNMENT IS FLEECING YOU. It was followed in 1982 with a NEW YORK TIMES best-seller, ANYONE CAN STOP PAYING INCOME TAXES. Then in 1985, he published THE GREAT INCOME TAX HOAX: WHY YOU CAN IMMEDIATELY STOP PAYING THIS ILLEGALLY ENFORCED TAX. In THE FEDERAL MAFIA, which was originally written while he was in jail, he deliberately called all three branches of our government a criminal organization bent upon deceptively and fraudulently extorting money from its "taxpayers." One can readily see why the government wanted to literally "shut him up" by confining his body in prison and not allowing him to call into question the legitimacy of collecting the personal income tax.

Although some of Schiff's supporters have called THE FEDERAL MAFIA a "banned book," in truth it was not. A book is typically banned in two ways: first, by being censored prior to publication; and second, by criminalizing its sale and distribution. "Banning has three principal targets - sedition, heresy, and obscenity. That is to say, speech and writing that goes against the government, against established religion, and against sexual convention." (Rembar xv) So if it is unconstitutional for Congress to pass a law that would violate freedom of the

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Potpourri from the Editor's Desk

No. 1 **"Property Ownership"**

The truth is that all of us are property owners. The clothes we wear are property. The food we eat is property. The home we live in, the cars we drive are all property. And if one has a right to own any of these things, then all have a right to own all of these things. But the owner of one thing has no right to compel another who owns something else, to manage what he owns so that it will make the first owner happy. Each must have full property rights, or in the end, none will have any property rights.

- Robert LeFevre in the COLORADO SPRINGS GAZETTE-TELEGRAPH, December 12, 1956, p. 17.

No. 2 **"The Enemy Is Governments and Their Wars"**

The governments of the world cannot wage war without the participation of the people. Albert Einstein understood this simple fact. Horrified by the carnage of the First World War in which 10 million died in the battlefields of Europe, Einstein said: "Wars will stop when men refuse to fight." …

The most powerful weapon of governments in raising armies is the weapon of propaganda, of ideology. It must persuade young people, and their families, that though they may die, though they may lose arms or legs, or become blind, that it is done for the common good, for a noble cause, for democracy, for liberty, for God, for the country.

The idea that we owe something to our country goes far back, to Plato, who puts into the mouth of Socrates the idea that the citizen has an obligation to the state, that the state is to be revered more than your father and mother. He says: "In war, and in the court of justice, and everywhere, you must do whatever your state and your country tell you to do, or you must persuade them that their commands are unjust." There is no equality here: the citizen may use persuasion, no more. The state may use force.

This idea of obedience to the state is the essence of totalitarianism. And we find it not only in Mussolini's Italy, in Hitler's Germany, in Stalin's Soviet Union, but in so-called democratic countries, like the United States. …

[W]ar is terrorism. That is why a "war on terrorism" is a contradiction in terms. Wars waged by nations … are a hundred times more deadly for innocent people than the attacks by terrorists, vicious as they are. …

[W]ar itself is the enemy of the human race.

Governments will resist this message. But their power is dependent on the obedience of the citizenry. When we withdraw our obedience, the government will be helpless. We have seen this again and again in history.

- Howard Zinn, A POWER GOVERNMENTS CANNOT SUPPRESS (2007), Chapter 24, pp. 189-191, 195-196.

No. 3 **"Southern Sentiments"**

It don't do no good to say it, altho Southerners have been saying it for over 150 years to yankee do-gooders who won't be satisfied till they re-make us in their own image, but I will say it anyway: We just want to be left alone. Don't fix our economy, don't fix the monetary system, don't tell me how much water my toilet can flush, what kind of light bulbs to use, or what to charge for cabbages. I can handle those decisions. Just leave us alone. But that's just the one thing the whole dadburn do-gooding mob can't do, is leave you alone. They got to make you better. I'm just as good right now as I am ever gonna get or want to be, and I don't need no Federal Reserve or federal government or state or city government (for that matter) making me better. Y'all just leave me alone, and I'll be happy. Just get out of my way, & I'll stay out of your'n.

- Franklin Sanders in THE MONEY CHANGER DAILY COMMENTARY, September 15, 2015.

No. 4 **"Where Should the Burden of Proof Rest?"**

Morally speaking, it would seem that those who opt in favor of coercive arrangements ought to bear the burden of proof. If the state is such a superior arrangement, by comparison with genuine, voluntary self-government, why must the state be propped up by all of its police and armed forces? Why must people be constantly threatened with imprisonment and death in order to bring forth the revenues that support the state's activities? Walmart does not put a gun to my head to gain my patronage. ...

Moreover, we need to be constantly aware that if an arrangement depends on violence or the threat of violence to keep it afloat, it almost certainly has severe deficiencies. Raw force is always the resort of someone who cannot present a persuasive argument in support of his actions.

- Robert Higgs, Excerpts from THE BEACON, January 15, 2012

On Bankruptcy and Voluntaryism:
"The Wicked Borrow But Do Not Pay Back"

By Carl Watner

I honestly cannot remember what sparked my recent interest in bankruptcy, but as I began researching the topic from a voluntaryist perspective I realized that bankruptcy, at least as we know it today, would not exist in a state-free world. "Why not?" you might ask.

Because bankruptcy, as Lawrence White described it, is a statist, third party, intervention in the financial arrangements between debtor and creditor. Twenty-first century American bankruptcy is a system of government laws which provides for the coercive elimination of contractual obligations. Creditors are compelled to reduce their claims against their common debtor and to adjust those competing claims to the fund created by the liquidation of the debtor's assets. The debtor, who cannot meet his current obligations, surrenders his property to a legal entity created by fiat, i.e., the bankrupt estate, which then becomes title-holder to the moneys resulting from the sale of that property. Those funds are then first distributed to satisfy any outstanding debts owed to the government and secured creditors, and then usually paid out proportionally by court-approved order among the other outstanding creditors. In contemporary bankruptcy proceedings, the unpaid obligations of the debtor are eliminated, and the debtor is relieved or discharged from all further responsibility of paying those debts. Under the United States federal constitution, all contracts are written with bankruptcy laws as an implicit clause. [1] Bankruptcy laws are part of the rules of the game, specifying the government's interpretation of property rights between debtor and creditor. In short, bankruptcy is entirely statutory: there was never any provision for bankruptcy under the common law. [2]

Despite the fact that Psalm 37:21 describes the person who does not repay his debts as an evil person ("the wicked borrow and does not pay back"), ancient Jewish law provided for the abrogation of debts and slavery on a 49 or 50 year cycle known as the Jubilee Year. In Deuteronomy 15:1-2 the frequency of these debt forgiveness periods was imposed every seven years. [3] Babylonian kings, going as far back as Hammurabi, "occasionally issued decrees for the cancellation of debts." [4] The problems of debt and servitude were faced in ancient Athens, as well as in Rome. Debt forgiveness in ancient Greece was unknown until Solon revised the Draconian Code in 594 B.C. by which "in exchange for the legal discharge of his debts, the bankrupt was to forfeit Greek citizenship for himself and his heirs." [5] In Rome, the debtor was often seized and both the debtor and his family were made slaves of the creditors. As was said of the Romans: "He who cannot pay with his purse pays with his skin." [6] "The history of western law since the Roman era has" generally treated the debtor as a criminal, who stole the property of his creditor when he could not repay it as promised. [7] The origin of the word "bankrupt" has been traced to medieval Italy where the table or bench of a banker was publicly broken "in a symbolic show of failure," otherwise known in Italian as *banco rotto* or broken bank or 'busted' banker. [8]

In England the debtor was regarded as a thief, although the Magna Carta signed by King John, in 1215, decreed that a man's body could not be taken for failure to pay a debt. [9] However, soon thereafter, "imprisonment for debt was instituted during the reign of Henry III." [10] The first English statute establishing bankruptcy was passed in 1542, but it applied only to traders and merchants. Creditors were required to initiate the declaration of bankruptcy. A delinquent debtor was normally imprisoned at the behest of his creditors, even though this restraint often restricted his ability to repay them. Imprisonment for debt generally failed to coerce debtors into paying. Finally in 1869, Parliament passed the Debtor's Act which "limited the ability of the courts to sentence debtors to prison, but it did not entirely prohibit them from doing so." [11] Creditors often resorted to other means of enforcing payment, such as executing mortgages, writing conditional sales contracts, issuing collateralized loans, garnishing wages, and executing writs of attachment by which to seize the debtor's property.

In the United States, a bankruptcy clause was written into the federal Constitution of 1789, even though various colonies and states had previously established their own systems of insolvency, stay or delayed payment, and bankruptcy law. When the first official federal bankruptcy law was written in 1800, there was some discussion about whether the legislature had the right to interfere between a debtor and creditor, "in respect to transactions which took place before the passage of" such a law. Would it not "partake in the nature of an expost facto law, which is prohibited by the Constitution?" [12] The bankruptcy law of 1800 was repealed in 1803. Subsequent legislation has been passed and revised numerous times, until today "billions of dollars of debt are discharged annually, releasing" millions of households and businesses from their legal financial obligations. [13]

Historically, there have been several different systems of settling debts when the debtor had insufficient assets to satisfy all the claims against him. Under ancient Jewish law "nearly all creditors were paid in the order of time in which their claims were created. … In the [old] Germanic system, creditors were ranked according to the time in which their executions were levied … ." In [early] France "the creditors were satisfied in the order of the date the debts were contracted."]14] In England, at least until the time of the first bankruptcy laws, "the first creditor to get wind of trouble and take legal action under the common law" received payment, while less diligent creditors "were left with a large bad debt loss." [15] Thus, depending on the time and place where a creditor lived, the satisfaction of an unpaid debt could depend upon one of two interpretations of the priority principle. Priority could either be based on (1) the date on which

the debt was contracted; or (2) the date on which an attachment or execution of property was made.

A few libertarian writers, most notably Lysander Spooner, in the mid-19th century, and Murray Rothbard and Lawrence White, in the late 20th century, have dealt with the subject of bankruptcy. Spooner devoted the whole of his book, POVERTY: ITS ILLEGAL CAUSES AND LEGAL CURE (1846), to elaborating his ideas about the nature of credit and debt repayment. He returned to that topic without having changed his mind, forty years later in his A LETTER TO GROVER CLEVELAND. [16] Spooner believed that "a debt should be a lien upon the property that a man has before, and when the debt becomes due; and not upon his earnings after the debt is due. If, therefore, a man be able to pay a debt when it becomes due, he should pay it in full; if unable to pay it in full, he should pay to the extent of his ability; and that payment should be the end of that transaction. The debt should be no lien upon his future acquisitions." [17]

Murray Rothbard, on the other hand, believed that "The prime consideration in the treatment of the debtor would be his continuing and primary responsibility to redeem the property of the creditor. The only way" which the debt obligation "could be eliminated would be for the debtor and creditor to agree, as part of the original contract, that if the debtor makes certain investments and fails to have the property at the date due, the creditor will forgive the debt; … ." [18] According to Rothbard, bankruptcy laws violate the ownership rights of the creditor. If voluntary forgiveness is not included in the original loan agreement, then forgiveness might be granted after a default occurs. If a creditor decides to forget about the debt he in effect grants a gift of his property to the debtor. [19]

Writing after Spooner and Rothbard, Larry White summarized how those in a state-free society might deal with the problem, "which bankruptcy attempts to deal with, namely, the inability [of an individual] to repay contracted debts."

> According to the title-transfer view of a loan contract [which White and Rothbard endorse], the creditor first transfers title to his money (in the amount of the loan) to the debtor. At a contractually agreed-upon later date (or dates, if repayment is in installments), the creditor gains title to the debtor's money in the agreed amount (loan plus interest and other charges). The debtor who fails to honor fully the creditor's claim is at that point in illegitimate possession of the creditor's property. The creditor's claim is part of his [the creditor's] property and is not, unless the loan contract so stipulates, contingent upon the ability of debtor to pay at that time. The creditor has a right to payment which is not eliminated by any fact of adverse circumstances surrounding the debtor. Only forgiveness of the debt can eliminate the creditor's unsettled claim by transferring title to the debtor.
>
> There is therefore no warrant for the legal discharge of debtors from the payment of their debts for as long as they continue to live or their estates continue to exist. To put it another way, the debtor is not entitled to the legal elimination of his debt. On the contrary, the creditor is entitled to (properly has a lien against) the future earnings of the insolvent debtor. Thus the feature of contemporary bankruptcy law which most differentiates it from … [that] which would prevail in an unhampered market system is its provision for the extra-contractual dissolution of debts. [20]

White's discussion highlights the differences between Spooner and Rothbard, and also raises the question as to how a contract of debt is to be interpreted in the absence of explicit provisions regarding failure to pay the debt when due. Should it be assumed that a debtor's obligation ends at the time the debt is due or should the debtor be held perpetually liable (until such time as he dies or his estate is settled)? Is a debt a personal obligation that attaches to the body of the debtor, or is a debt a mortgage upon certain property? What becomes of such a mortgage if that property no longer exists?

Spooner answered this last question by arguing that a contract of debt was a bailment and that the debt should be extinguished if the property entrusted to the debtor no longer existed. Under the common law a bailment is the delivery or surrender of goods "in trust for a specified purpose." [21] Thus, Spooner held that since the creditor was entrusting his property to the debtor (for a certain length of time) a bailment was created. Under the accepted law of bailment, so long as the debtor or bailee (the person to whom the property was entrusted) did nothing fraudulent or contrary to the contract of bailment, his responsibility ended if he were not able to return the property when promised. In his book, POVERTY, from which I have previously quoted, Spooner devoted two whole chapters to "The Legal Nature of Debt." It is difficult to compress his argument in a few lines, but it can be summed up by quoting a few brief comments:

> If debt be but a bailment, the value bailed is at the risk of the owner, (that is, of the creditor) from the time he buys and pays for it, and leaves it in the hands of the seller, or debtor, until the time agreed on for delivery to himself. If it be lost during this time, without any fault or culpable neglect on the part of the bailee, or debtor, the loss falls on the owner, or creditor. All the obligations of the … debtor are fulfilled, when he has used such care and diligence, in the preservation of the value bailed, as the law requires of other bailees, and has delivered to the creditor … at the time agreed upon the value bailed, or such part thereof, if any, as may then be remaining in his hands.
>
> If such be *not* the natural limit to the obligation of the contract of debt, then there is *no natural*

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H. L. Mencken on Public Schools

[Editor's Note: The following excerpts are taken from Volume XXVIII, Number 110 of THE AMERICAN MERCURY (February 1933). They appeared in a column titled "What Is Going On In The World." See http://www.unz.org/Pub/AmMercury-1933feb-00129. Mencken begins his comments by pointing out that government expenditures on the public schools had grown from about $ 5 per pupil in 1880 to $ 100 per pupil in 1933 (now in excess of $ 12,000). He then questions what these gun-run schools have accomplished. Contemporary critics of public schools present an ever more detailed view of their history and current effects. For example, see the work of Brett Veinotte at schoolsucksproject.com; Richard Grove's production of John Taylor Gatto's "Ultimate History Lesson" at www.youtube.com/watch?v=YQiW_l848t8, or John's website at www.johntaylorgatto.com. For John's article, "Why Schools Don't Educate," see issue 53 of THE VOLUNTARYIST, page 8, voluntaryist.com /backissues/053.pdf].

There is, indeed, very little evidence that they have ever actually earned the money they have demanded and got, either in 1914 or since. If their fundamental aim is to provide the country with an enlightened electorate, they have failed completely and miserably, for the electorate is no more enlightened today than it was before they were ever set up. On the contrary, there is plausible reason for believing that it has gone backward in intelligence, for it handles its business, not with increasing prudence, but with increasing imbecility. The American people of a hundred years ago, when public schools were still few and meagre, might have been described plausibly as notably political-minded: they were ardently interested in public affairs, and intervened in them, on the whole, with quick understanding and sound judgment. But today they are so lethargic that it takes a calamity to arouse them at all, and so stupid that it becomes more nearly impossible every year for intelligent and self-respecting men to aspire to public office among them.

I believe that it would be rational to argue that the public school, far from combating this immense increase in stupidity, has been very largely responsible for it. For the true aim and purpose of the pedagogue, and especially of the pedagogue who is also a bureaucrat, is never to awaken his victims to independent and logical thought; it is simply to force them into a mold. And that mold is bound to be a cramped and dingy one, for the pedagogue is a cramped and dingy man himself. The office he fills, in its potentialities, is an immensely important one, but in its daily business it is puerile and uninspiring, and so it is seldom filled by a man (or woman) of any genuine force and originality. In all ages pedagogues have been the bitterest enemies of all genuine intellectual enterprise, and in no age have they warred upon it more violently or to sadder effect than in our own. More than any other class of blind leaders of the blind they are responsible for the degrading standardization which now afflicts the American people. They would have done even worse, I believe, if it had been in their power. They failed only because a sufficient number of their victims have always been too intelligent to succumb to them, and because even the stupid majority yet preserves a saving skepticism about their ridiculous arcana. ...

The basic trouble with the public schools is that they have fallen into the hands of a well-organized and extremely ambitious bureaucracy, and that machinery for curbing its pretensions has yet to be devised. In every American municipality, though all of them are desperately hard up and many are hopelessly bankrupt, it has resisted every effort to cut down its demands on the public treasury, and in this black year of 1933 it will actually get a larger relative share of the public money than ever before. It has thrown the grotesque mantle of Service about its extortions, and convinced millions of the unthinking that they are essential to the public good. Let any rash fellow challenge it, and he is denounced at once as an enemy to the true, the good and the beautiful. Operating impudently and over a generation of time, it has deluded the great majority of Americans into accepting its brummagem values unquestioningly, and filled them with the superstition that if the public schools were shut down the country would at once go to pot. …

The first grand effect of universal free education in the United States was to turn the American people, once so independent and self-reliant, into a race of shameless mendicants, looking to the government, as to some cosmic Santa Claus, for all their needs. And its second effect, now more horribly visible every day, has been to ram them all into a single mold, and that a mold shaped by silly *babus*, so that the test of Americanism comes to be the extent to which every American thinks and feels, aspires and exults like every other American, and all approach as closely as possible to the ideas and emotions, aspirations and exultations of a jackass. …

The notion that they [the public schools] have done and are doing any ponderable good is mainly a delusion. What they have actually done is a lot of harm. They have taken the care and upbringing of children out of the hands of parents, where it belongs, and thrown it upon a gang of irresponsible and unintelligent quacks. They have filled multitudes of the uneducable with ideas that make them uncomfortable, and are useless to them, and unfit them for the inevitabilities of their lowly station. They have supported every sort of nonsense that has afflicted the country, from the hog-wallow imbecility of Prohibition to all the more florid and degrading varieties of patriotism. They are responsible, more than any other agency, for the present pathetic helplessness of the American people, stunned and made ridiculous by a common misfortune that other peoples tackle in a realistic and rational manner. Altogether, they have pretty well smeared the United States. It has been going downhill ever since the pedagogues grabbed their first billion [dollars]. V

On Bankruptcy and Voluntaryism

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limit to it in any case, short of the absolute delivery of the amount mentioned; a limit, that requires a debtor to make good any loss that may befall the property of the creditor in his hands, … .

If such be *not* the natural limit to the *legal* obligation of debt - that is, if debts be *naturally* binding beyond the debtor's means of payment when the debt becomes due, then all insolvent and bankrupt laws are palpable violations of the true and natural obligation of debts, and, consequently, of the rights of creditors; … .

On the other hand, if such *be* the natural limit to the legal obligation of debt, then we have no need of insolvent or bankrupt laws at all, for every contract of debt involves, within itself, the only honest bankrupt law, that the case admits of. [22]

Rothbard dismissed the idea of debt as a bailment, but never elaborated why he thought Spooner's interpretation was wrong. Rothbard simply asserted that creditors should "have a lien on the debtor's future assets if the [debtor] had no money to pay at the time of default." [23] However, neither Rothbard nor White explained why this should be the case. Spooner's position has a certain degree of elegance and simplicity because it eliminates the need for externally-imposed Jubilee Years or other forms of debt abrogation. The Rothbard-White position has no way of eliminating perpetual debt slavery (other than by relying on the voluntary forgiveness of creditors). Spooner makes an interesting aside, noting that a creditor who has been so negligent as to entrust his property to an incompetent - but non-fraudulent - debtor, should shoulder responsibility for his own poor judgment. If the debtor (through no fault of his own) can't repay the debt then the creditor should bear the loss, rather than impose it upon the defaulting debtor. [24]

The answer to the problem of debt repayment in a free society is not "neither a lender nor a borrower be," because sometimes the extension of credit is necessary to achieve one's goals in life. However, voluntaryist thinking is in line with the efforts of Robert LeFevre, who once declared personal bankruptcy, but then proceeded later in life to repay or compromise with his creditors. The discharge of liabilities enacted by the state does not relieve the responsible individual of his moral duty to repay what he owes, even if there is no legal obligation to do so. [25] This outlook was described by H. L. Mencken in his book, HAPPY DAYS 1880-1892. Mencken's father, August, had a unique outlook on lending and borrowing.

> [H]e never borrowed a nickel. Indeed, he regarded all borrowing as somehow shameful, and looked confidently for the bankruptcy and probable jailing of any business man who practiced it regularly. His moral system, as I try to piece it together after so many years, seems to have been predominantly Chinese. All mankind, in his sight, was divided into two great races; those who paid their bills, and those who didn't. The former were virtuous despite any evidence that could be adduced to the contrary; the latter were unanimously and incurably scoundrels. [26]

That pretty much sums up the voluntaryist position. Before you borrow, try to establish what your liability might be, if any, in the event of an unforeseen default. If you borrow money, try to be in a position to pay it back. If you can't, seek forgiveness from your lender or make arrangements to pay it back little by little. The man of integrity attempts to pay his bills, even if late, because he is a man of his word.

End Notes

[1] Ian Domowitz and Elie Tamer, TWO HUNDRED YEARS OF BANKRUPTCY: A TALE OF LEGISLATION AND ECONOMIC FLUCTUATIONS, Evanston: Institute for Policy Research, Northwestern University (July 1997), p. 1.

[2] Lawrence H. White, "Bankruptcy As an Economic Intervention," 1 JOURNAL OF LIBERTARIAN STUDIES (1977), pp. 281-288 at p. 281. Also see Philip Schuchman, "An Attempt at a 'Philosophy of Bankruptcy'." 21 UCLA LAW REVIEW (1973), pp. 403-476 at pp. 419-420.

[3] Larry Burkett, BUSINESS BY THE BOOK, Nashville: Thomas Nelson Publishers (1990), pp. 158-159. Also see "A Brief History of Bankruptcy," at www.bankruptcydata.com/Ch11History.htm.

[4] "Jubliee (biblical)," at https://en.wikipedia.org/wiki/Jubilee_(biblical).

[5] White, op. cit., p. 281

[6] Louis Edward Levinthal, "The Early History of Bankruptcy Law," 66 U. Pa. L. Rev. (1918), pp. 223-250 at p. 231.

[7] Schuchman, op. cit. p. 455.

[8] "A Brief History of Bankruptcy," op. cit. in End Note 3.

[9] Hugh Barty-King, THE WORST POVERTY: A HISTORY OF DEBT AND DEBTORS, Wolfeboro Falls: Alan Sutton (1991), p. 3.

[10] White, op. cit., p. 281.

[11] "Debtors' prison," at https://en.wikipedia.org/wiki/Debtors%27_prison.

[12] Charles Warren, BANKRUPTCY IN UNITED STATES HISTORY, Cambridge: Harvard University Press, 1935, p. 14.

[13] Domowity and Tamer, op. cit., p 1.

[14] Levinthal, op. cit., pp. 233 and 244-245.

[15] Alexander J. Field, "Bankruptcy, Debt, and the Macroeconomy: 1919-1946," 20 RESEARCH IN ECONOMIC HISTORY (2001), pp. 99-133 at p. 101.

[16] Lysander Spooner, A LETTER TO GROVER CLEVELAND, Boston: Benj. R. Tucker (1886). See Section XIX, p. 62.

[17] Lysander Spooner, POVERTY: ITS ILLEGAL CAUSES AND LEGAL CURE, Boston: Bela Marsh, 1846, pp. 17-18.

[18] Murray N. Rothbard, MAN, ECONOMY, AND STATE, D. Van Nostrand Company, Inc.: New York, 1962, p. 155.

[19] ibid. Also see Murray N. Rothbard, THE ETHICS OF LIBERTY, Atlantic Highlands: Humanities Press, 1982, Chapter 19, "Property Rights and the Theory of Contracts," p. 143.

[20] White, op. cit., p. 283.

[21] "bail," Lesley Brown (ed.), THE NEW SHORTER OXFORD ENGLISH DICTIONARY, Oxford: Clarendon Press, 1993, p. 170.

[22] Spooner, POVERTY, op. cit., pp. 72-73.

[23] Rothbard, THE ETHICS OF LIBERTY, op. cit., p. 147, Footnote 19, Paragraph 3.

[24] Spooner, POVERTY, op. cit., p. 72, first footnote.

[25] Larry Burkett distinguishes between the Biblical principles of a) "Don't borrow needlessly;" b) Don't sign surety;" and c) Don't take on long-term debt" and the scriptural commandment: "Repay what you owe. There is no option for the Christian when it comes to repaying a debt. … [T]he Scripture is very clear when it equates the breaking of a promise (vow) with sinning." Burkett, op. cit., p. 158.

[26] H. L. Mencken, HAPPY DAYS 1880-1892, New York: Alfred A. Knopf, 1968, p. 251. V

Poisoning the Public Mind

(Continued from page 1)

press or speech, then how could Schiff be prevented from selling his book? Judge George got around this by holding that "the First Amendment does not protect false commercial speech." (Hall 572) This is also how the Securities and Exchange Commission can silence a swindler who makes false statements that assist him in selling stocks and bonds.

In Schiff's case, the judge tried to prevent Schiff from "poisoning the minds of the people." There was no way that the government could allow Schiff to refuse to pay his taxes, and get away with it. The Bolsheviks of the Russian Revolution were the first to use the term "poison" with regard to "contaminating" people's minds. It was they who labeled the capitalist press "poisoners of the minds of the people." (Reed 188) John Reed, in his book TEN DAYS THAT SHOOK THE WORLD, observed that the communists saw that the question of freedom of the press was related to private property: "Who owns the ink, paper, and printing presses?" they asked. "Trotsky argued that the monopoly of the press by the bourgeoisie must be abolished. Otherwise it isn't worthwhile for us to take the power. … If we are going to nationalize the banks, then how can we tolerate the financial journals?" (Reed 188 paraphrased)

Although it has not been thoroughly documented, Lenin is supposed to have delivered a speech in Moscow in 1920, in which he asked:

> Why should freedom of speech and of the press be allowed? Why should a government which is doing what it believes to be right allow itself to be criticized? It would not allow opposition by lethal weapons. Ideas are much more fatal things than guns. Why should a man be allowed to buy a printing press and disseminate pernicious opinions calculated to embarrass the government?

In other words, why should any one be allowed to poison the minds of the pubic? Lenin's point was that ideas are more dangerous to the government than actual weapons. It is also the insight upon which all political control is based. As I wrote in Issue 25 of THE VOLUNTARYIST,

> State hegemony and the ability to command obedience actually grow out of ideas. It is ideology, not force or its threat, which causes most people to obey. That is why governments are so concerned about the unrestricted exposure of their people to a wide variety of ideas, particularly to those ideas which question its legitimacy. It would be suicide for a State to stand idle while it was being criticized and its power base was being undercut. If the State is to remain in control, it can never reconcile itself to unrestrained freedom of the press. Whether the State is trying to retain its legitimacy or fight for its life, as in time of war, it must generally control what the people think.

In Irwin Schiff's life and death we see the proof (if any was ever needed) that when a government is threatened by what it deems "poisonous ideas," it must inevitably persecute those who advocate them. Any other group of people would be content to a let a man be a fool, if that is really what they thought he was. Then the best thing for them to do would be to encourage him to advertise his foolishness by speaking and writing. But of course, the government is the government and its institutional instinct to survive must necessarily direct it to use violence to silence its critics.

Author's Addendum:

The main thrust of this article showed how the government treated a vocal dissident and why. Although the government bureaucrats realized that Schiff posed a threat to their revenue collection, Schiff's assertion that "there is no law" that authorizes the income tax really does not go to the heart of the matter. Schiff did not see taxation (in any form) as theft so long as it was sanctioned by the Constitution. The voluntaryist position is that no amount of constitutional approval can alter the fact that if it is wrong for A to steal from B, then it is still wrong for a large number of people to appoint C as their agent and then have C steal from B. Theft is theft regardless of the numbers of people that approve or participate in it. For more on this topic see www.voluntaryist.com/taxation.

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"Why Should Any Man Be Allowed to Buy a Printing Press and Disseminate Pernicious Opinions?" http://quoteinvestigator.com/ 2011/03/ 02/lenin-free-press/. V

When people put their ballots in the boxes, they are, by that act, inoculated against the feeling that the government is not theirs. They then accept, in some measure, that its errors are their errors, its aberrations their aberrations, that any revolt will be against them. It's a remarkably shrewd and rather conservative arrangement when one thinks of it.

- John Kenneth Galbraith, THE AGE OF UNCERTAINTY (1977), Chapter 12, p. 330.

Books Received

THE METHOD OF FREEDOM: AN ERRICO MALATESTA READER edited by Davide Turcato. Errico Malatesta (1853-1932) was an Italian anarchist/socialist who realized that "the most distinctive and universal anarchist principle is the principle of coherence between ends and means; human emancipation cannot be achieved by authoritarian means." Published by AK Press, Oakland, CA. www.akpress.org. ISBN: 978-1-84935-144-7.

TAKING A STAND: REFLECTIONS ON LIFE, LIBERTY, AND THE ECONOMY by Robert Higgs. This book is a collection of "almost a hundred short pieces" that were written for the Independent Institute's blog, THE BEACON. Some are superb; all are worth reading. Check out Higgs' insight on how "The Welfare State Neutralizes Potential Opposition by Making Them Dependent on Government Benefits," and his answer to "Are Questions of War and Peace Merely One Issue among Many for Libertarians?" and his take on how to argue for "Freedom: Because It Works or Because It's Right?" Highly recommended. Order from the Independent Institute, 100 Swan Way, Oakland, CA 94621. www.independent.org. ISBN 978-1-59813-204-5.

THE ROAD TO FREEDOM AND THE DEMISE OF NATION STATES by Peter Bos. The author of this book has been recently mentioned in THE VOLUNTARYIST (Issue 167, page 4), since he has been credited with the observation that insurance companies would play a pivotal role in a state-free society. Since insurance companies have a proprietary interest in the well-being of their clients, they would be the ideal vehicle that would voluntarily provide the goods and services now coercively financed by the state. Bos identifies this, which he describes as "contractual proprietary government" as one of the five cornerstones of a modern-day free society. The other foundations are "individual sovereign money issuance," "voluntary compliance jurisprudence," "proprietary … management of real property and community services," and "noncompulsory competitive education." There is much to agree and disagree with in this book, but it is still an important addition to one's voluntaryist library. Order from the author at pbbos@aol.com or from amazon.com. ISBN 978-1-4834-3144-4.

[Editor's Note: Both Peter Bos and Robert Higgs have kindly allowed us to post their life stories in "How I Became a Voluntaryist," at voluntaryist.com.]

A debt is never too old for an honest person to pay.
- Unknown

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