
The Voluntaryist

Whole Number 178 "If one takes care of the means, the end will take care of itself." 3rd Quarter 2018

Oh, The Joy(s) of Slavery!

By Carl Watner

In mid-May 2017, I received a proof copy of Gerard Casey's book, FREEDOM'S PROGRESS?- A HISTORY OF POLITICAL THOUGHT. In this massive tome of 960 pages, I found several references to a book by Richard Murphy, titled THE JOY OF TAX – HOW A FAIR TAX SYSTEM CAN CREATE A BETTER SOCIETY.

Reading that book didn't make me sick, but it did make me feel, as Gerard Casey put it, "as if I had fallen down the rabbit hole into some alternate reality" where paying taxes was the norm and where anyone who thought otherwise was considered "paranoid" (as Murphy labeled my way of thinking in an email). Murphy's book deserves attention because it propagates the views that government is an institution which should exist and which should be supported by taxation. Furthermore, it asserts that when a citizen earns an income, part of the income automatically belongs to the government. Why? Because the taxpayer has agreed to the government's laws and to "the social contract" under which the citizen and the government coexist.

After I read Murphy's book, I emailed him. Here are the questions I asked him:

1) How does the government's property (which the taxpayer is holding in trust until the tax is paid) come into the citizen's possession?

2) Who created the property and who transferred the property into the hands of the taxpayer(s)?

Could you please explain?

Although Murphy declined to let me quote from any of his emails, I did forward it to Gerard Casey, who responded as follows:

First, congratulations on getting a response from Professor Murphy. Let's take it step by step.

[Murphy wrote] "The government's property is [the] tax owing."

I'm not sure what this is supposed to mean, unless it's something like "The government's property is the tax that is owed to it."

So, where's the theory of property that would support such a claim? ... Any theory of property must, in addition to providing for acquisition by exchange, provide for original acquisition, otherwise, the whole process

could never start. Where is Murphy's theory of original acquisition? If a government could be shown to have originally acquired all the land over which they now exercise control, then they would relate to their citizens as landlord to tenant. Did/does any government even make such a claim, let alone defend it?

[Murphy wrote] "It comes into the taxpayers' possession when they make money on which they owe tax."

Leaving aside the question-begging nature of this assertion, it implies that the government's property only comes into existence when you (or some other idiot: "only fools and horses work") makes money. If all the citizens stopped making money, the government would have no property!

[Murphy wrote] "My argument is that they never own the gross sum of their income, they only own the net sum after tax is due, meaning that the tax due is always the property of the government that they merely hold in trust for it."

This is not an argument; it's an assertion. An argument requires at least one premise and a conclusion. His conclusion is that the government owns the tax you owe it, and which you are holding in trust for it. The question is, what's the premise on which this conclusion rests?

[Murphy wrote] "No one as such transferred this property to the tax payer: the property was created by the taxpayer but is not theirs to enjoy because it belongs to someone else - the government."

His whole screed is simply the repetition of the same non-argumentative assertion - **you don't own all of your income - the government owns part of it.** (Why not all of it, by the way, and why the proportion that it does claim?) Interestingly, this last repetition of his assertion contains the seed of a counterargument against it. If X creates Y then, prima facie, barring some form of antecedent alienation, X has the best claim to own Y. So, if the taxpayer creates the property, then it is hard to see why it (or part of it) should be deemed to belong to someone else. Was there an antecedent agreement to

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Editor: Carl Watner

Webmaster: Dave Scotese

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Would You Agree to This?

By Robert E. Alexander and Carl Watner

[Editor's note: Voluntaryists have often been told to "shut up or put up." In other words "if you don't like it here, leave!" These crude rebuttals to voluntaryism implicitly rely upon the United States government having total control over large parts of the North American continent. But what does our continued residence here really mean? Robert E. Alexander answered this question in 1989, when he prepared "Your Social Contract." The following is a revised version of what he believed the government was asking you to accept. Words appearing in brackets are changes made by your Editor.]

You've probably heard many times the argument that we have some kind of "social contract" with government or society. Such reasoning is used to defend gross intrusion into our lives and finances by big government. Since a contract is an agreement entered into freely by two or more parties, without coercion, I thought you'd like to [see what you are agreeing to by staying here.]

I [understand that any property I have or that may come into my possession is actually owned by the federal government in Washington, D.C., or the state government where I reside. Such property is rented or leased to me so long as I make payment(s) to these governments, including the municipal government of the place where I live. These payments (which have no upper limit)] may be based on my income, the value of the property I hold, the value of purchases [I make], or any other criteria the Government chooses. To aid the Government in determining the amount(s) that I owe them [it is agreed that] I will apply for a Government identification number that I will use in all my major financial transactions.

Should the Government demand it, I will surrender my liberty for a period of time determined by the Government and typically no shorter than two years. During that time, I will serve the Government in any way it chooses, including military service in which I may be called upon to sacrifice my life.

I will limit my behavior as demanded by the

Government. I will consume only those drugs permitted by the Government. I will limit my sexual activities to those permitted by the Government. I will forsake religious beliefs that conflict with the Government's determination of propriety. More limits may be imposed at any time.

In consideration for the above, the Government will permit me to find employment, subject to limits that will be determined by the Government. These limits may restrict my choice of career or the wages I may accept.

The Government will permit me to reside in the area of North America which it controls. Also, the Government will permit me to speak freely, subject to limits determined by the Government's Congress and Supreme Court.

The Government will attempt to protect my life and my claim to the property it has allowed me to keep. I agree not to hold the Government liable if it fails to protect me or [the] property [in my possession].

The Government will offer various services to me. The nature and extent [and prices] of these services will be determined by the Government and are subject to change at any time.

The Government will [encourage me to vote and to participate in electoral politics because political methods invariably provide it with an aura of moral legitimacy which helps sustain it in power.] The influence of my vote will vary inversely with the number of voters, and I understand that it typically will be miniscule. I agree not to hold any elected Government officials liable for acting against my best interests or for breaking promises, even if those promises motivated me to vote for them.

I agree that the Government may hold me fully liable if I fail to abide by the above terms. In that event, the Government may confiscate any property that I have not previously surrendered to it, and may imprison me for a period of time to be determined by the Government. I also agree that the Government may alter the terms of this contract at any time.

[I agree that for all practical purposes I am considered to be a slave of the government and will abide by any rules, regulations, and/or political laws that it promulgates.]

In the early seventeenth century ... [t]o say that something was a man's property, or - and this was by far the commoner usage - that he had property in something, was to precisely to say that the thing in question could not be taken from him without his consent. To take property without consent was to steal, and thus to break the Eighth Commandment.

- J. P. Sommerville, *POLITICS AND IDEOLOGY IN ENGLAND 1603-1640* (1986), p. 147 (Chapter 5, paragraph 6).

Bandit Gangs, All of Them

Excerpts from Gerard Casey

States are criminal organizations, all states, not just the obviously totalitarian or repressive ones. The only possible exceptions to this sweeping claim are those mini-states that are, in effect, swollen bits of private property, such as the Vatican. I intend this statement to be understood literally and not as some form of rhetorical exaggeration. The argument is simple. Theft, robbery, kidnapping and murder are all crimes. Those who engage in such activities, whether on their own behalf or on behalf of others are, by definition, criminals. In taxing the people of a country, the state engages in an activity that is morally equivalent to theft or robbery; in putting some people in prison, especially those who are convicted of so-called victimless crimes or when it drafts people into the armed services, the state is guilty of kidnapping or false imprisonment; ...

Freedom is an essential condition for the generation of truth and ... the free market itself is a grand generator of truth. Government intrusion of any kind operates to substitute falsehood for ... truth, with devastating consequences for the genuine flourishing of human beings in their social and economic lives.

- Robert Higgs, *TAKING A STAND* (2015), p. 151.

For many people, perhaps most, these contentions will seem both shocking and absurd. Some will immediately object that taxation is clearly not theft. They may say as Craig Duncan does that since you do not have legal title to all your pre-tax income the state commits no crime in appropriating that part of your income to which it is entitled. The problem with this objection is that it completely begs the question – is the state entitled to part of your income?

The libertarian contention that taxation is the moral equivalent of theft can be true, Duncan believes, only if people have a moral right “to keep and control all their earnings” but this claim, he thinks, is beset with fatal problems. To illustrate this point, he rehearses the tragedy of Annie the antiques dealer who has to hand over 20 per cent of her earnings to the owner of the premises she rents to conduct her business. If Annie were to claim that she had a right to all her earnings and should not be obliged to fork over the 20 per cent, the building owner will respond that without his premises, she would not have been able to make any sales in the first place. “Something similar”, says Duncan, “is true of government taxes.” If it were not for the state’s enforcing contracts, protecting property rights, keeping the peace, printing currency, preventing monopolies and so on, you or anyone else would not be able to go about your daily business. So, the

argument goes, by analogy the state has a moral entitlement to a portion of your earnings, at least to an amount sufficient to cover the costs of the services the state provides.

This analogy is so weak it not only limps, as most analogies do, but it positively staggers around on one leg. First of all, Annie presumably has made an agreement with her landlord and did so freely. If she does not want to hand over 20 per cent of her earnings to him, she can try to renegotiate the contract or take her business elsewhere. In stark contrast, the average citizen has made no agreement with the state. The state unilaterally determines the amount that citizens must “pay.” Citizens are not at liberty to take their “business” elsewhere since the state forcibly excludes competitors who might be willing to supply more cheaply the services provided by the state. Duncan’s analogy, if it has any force at all, has it only if it runs in the opposite direction. On the libertarian way of thinking about it, taking commercial relations as the norm, Annie Citizen is forced to do her business in premises of her landlord’s (the state’s) choosing, paying whatever rent he (the state) determines he deserves, and her landlord (the state) can legitimately use violence to prevent someone else offering her a better deal.

[Editor’s Note: The above excerpts are from pages 1-2 of Gerard Casey, *LIBERTARIAN ANARCHY: AGAINST THE STATE*. Copyright by the author, Continuum Publishing, 2012. Used by permission of Bloomsbury Publishing Plc. The references to Craig Duncan are to be found at pages 46-47 of Craig Duncan and Tibor Machan, *LIBERTARIANISM: FOR AND AGAINST* Lanham: Rowman and Littlefield, 2005.] **V**

... just as the State has no money of its own, so it has no power of its own. All the power it has is what society gives it, plus what it confiscates from time to time on one pretext or another; there is no other source from which State power can be drawn. Therefore every assumption of State power, whether by gift or seizure, leaves society with so much less power. There is never, nor can there be, any strengthening of State power without a corresponding and roughly equivalent depletion of social power.

- Albert Jay Nock, *OUR ENEMY THE STATE*, Chapter I, Sec. 1, p. 3, (1935).

Oh, The Joy(s) of Slavery!

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this effect between tax-levier and tax-payer, justified by some variation on the 'tacit consent' argument? If so, then the usual objections to this dubious doctrine apply. If not, then what?

I then wrote Murphy a second time as follows:

Before I sent you my email, I had composed a short article titled "Oh, The Joy(s) of Slavery!" (draft attached) in which I tried to lay out your definition and argument for tax. I sent you my email in an attempt to better understand your position.

It appears that the basis of your position on tax is that

(A) all money and property possessed by the citizens of a country belong to the government.

Am I correct in thinking this?

If so, how did the government come to own everything? What is your theory of original acquisition? It would appear that the property that I own was obtained by my exchanging my labor for money and then exchanging that money for food, shelter, and clothing, which other individuals have produced. Other individuals come to own things in the same way. How do such products created by the activities of individuals become the property of government?

If your position is A, is that position an axiom, neither having nor requiring evidential support, or does it rest upon some evidential base? If so, what is that base?

No one I know has explicitly agreed that when they create property it then automatically becomes government property. Does your position depend upon some form of the doctrine of tacit consent? You would probably respond that their agreement is implied by an individual's continued presence in the country where they reside. However, I can assure you that there are some citizens who would deny this.

Would you agree that A (above) imposes on citizens a form of involuntary servitude, that is, slavery? If not, why not?

When Murphy responded, he appeared very upset with me. He would not agree to let me quote from his emails because he considered my interpretation manipulative and bizarre. He basically accused me of putting words in his mouth. He would not agree that the government owned all the citizens' income and property, but only that before people create their income, they have agreed to be taxed. Then whatever they "owe" in taxes automatically becomes the government's property (which they hold in trust for the government until such time as the tax is due).

After all of these email exchanges, Gerard Casey sent me a link to another article containing arguments similar to Murphy's. It was written by Philip Goff, an associate professor in philosophy at the Central European University in Budapest, and is titled "Is Taxation Theft? - The assumption that you own the

contents of your pay-packet, although almost universal, is demonstrably confused." So Murphy is not the only academic thinking this way. This is government propaganda and indoctrination, pure and simple. Its aim is to make the citizen a docile taxpayer, who never questions the legitimacy or morality of government or its revenue-collecting processes.

In looking back, Murphy is correct that he never actually wrote that all the taxpayer's property belonged to the government. However, he clearly asserts that the government has a lien on the taxpayer's property and income, which if not satisfied allows the government to confiscate enough of it to satisfy its lien. I would have been more prescient to have asked him where and how this lien originates. Even better, I should have asked him why he assumes a coercive, monopolistic institution, like government, should even exist.

You, the reader, must decide who is right and who is wrong. Do you really think you owe the government the tax(es) it demands? That decision will affect your pocketbook for the rest of your life.

Here follows the original essay I sent to Murphy:

In his 1973 libertarian manifesto, *FOR A NEW LIBERTY*, Murray Rothbard observed that "it is startling for someone to consider taxation as robbery, and therefore [view the] government as a band of robbers. But anyone who persists in thinking of taxation as in some sense a 'voluntary' payment can see what happens if he chooses not to pay. ... [So] *[w]hat* distinguishes the edicts of the State from the commands of a bandit gang? ... Indeed, it would be a useful exercise for nonlibertarians to ponder this question: *How* can you define taxation in a way which makes it different from robbery?"

Everybody but university economists knows that you have to produce more than you consume, and save the difference, if you want to avoid starving to death.

- Doug Casey Daily Dispatch, July 3, 2016

Now comes Richard Murphy to answer these questions in his book, *THE JOY OF TAX* (2015). His answer is clear and concise:

... *tax is that property held in trust by an individual or company that is due to the state whose rightful and legal property it is.* (46, emphasis in original)

In other words, as Murphy puts it, "tax is actually the government's money that we sometimes hold on its behalf." (46)

What Murphy neglects to explain is: How did this money (or property) belonging to the government get in to the hands of the taxpayer in the first place? Was it stolen by the taxpayer from the government? Who originally created this property and how did it come into the hands of private citizens? Although he does

not come out directly and say it, the whole premise of his explanation is that all property and money “owned” by the citizens of a country belongs to the government, but he never explicates how the government comes to own everything. This also explains his statement that “the action that we call paying tax is actually the process by which we transfer to the government that part of the funds that we hold which rightfully are not ours but are in fact the property of the state.” (46) And as he adds a page later, “We do not own our gross income, we only own our net income. (47-48)

Murphy takes issue with the online Oxford Dictionary's definition of tax as “A *compulsory contribution to state revenue ...*” (33, emphasis in the original) He claims that taxes are not collected under duress because people (a) have “the right to vote in elections that result in the formation of governments that set the taxes in the countries in which they reside”; (b) “those same people also have a right to try to influence the democratic process”; and (c) they “have a right to leave the country if they really do feel they are being compelled to do something they do not want.” (35) Nevertheless Murphy admits that it is “impossible to deny” that there is some “element of compulsion to tax,” but he points out that compulsion is not an essential element of the tax system. (40) He argues that since most people consent to the government they live under, any compulsion found in the laws enforcing collection of taxes is not really compulsion. Follow this reasoning if you will:

Just as most of us refrain from burglary without the requirement of any law to tell us not to do so, so do most of us in a modern democracy voluntarily pay our tax. It is for those who break the norm of society, by refusing to comply with what most of us think is the right thing to do, that we have law that penalizes anyone who persists in doing the wrong thing. The fact that we have these laws and use them relatively rarely ... is not evidence of compulsion but the exact opposite, which is that compliance is the norm that needs to be enforced only exceptionally. (41)

In other words, the violent penalties (imprisonment and/or confiscation of your property) for not filing a return and/or not paying your tax is not compulsion. Or if you believe Big Brother in 1984, “War is Peace; Freedom is Slavery.”

Democracy is essentially coercive. The winners get to use public authority to impose their policies on the losers.

- John E. Chubb and Terry M. Moe, *POLITICS, MARKETS, AND AMERICAN SCHOOLS*, Washington, D.C.: Brookings Institution, 1990, p. 28.

Nowhere in his discussion does Murphy discuss how property comes into rightful ownership. He simply assumes that the government owns everything in the area over which it claims jurisdiction. As I observed earlier, Murphy's philosophy of “voluntary” tax is based on the claim that “tax represents the 'consideration' paid by people who live in a country in exchange for the social contract that exists between them, its government, and each other.” (156) What this social contract implies is that all monies and property coming into the possession of the citizen belongs to the government. So long as the citizen pays his rent (the tax) to the actual owner (the government) he may retain temporary possession. Failure to pay will result in seizure (foreclosure) of the property and it being auctioned off to the highest bidder, who will then have to make payments to the state.

Near the beginning of his book, Murphy writes that “the ability to tax is an exercise in economic power over others.” (18) Later he writes that “the reality is that ... tax can be seen to be one of the cleverest of human inventions ...” (51) Legitimizing taxation in the eyes of the taxpayers, and convincing them that they actually owe the tax is not only diabolically devious and deceptive, but is the simplest and least costly way of reducing the amount of violence required to collect money and property from the government's citizenry. Taxpayers are happiest when they think there is no alternative (as in “death and taxes are inescapable”); just as slaves are happy when they think there is no alternative to slavery. Both the taxpayer and the slave are content to turn over the products of their labor to whomever “exercises” economic power over them. But voluntaryists are not content to be tax slaves because they view taxation as “sophisticated slavery” and “a disgrace to the human race.” Voluntaryists find no joy in slavery. Nor do they find any joy in taxation. If Richard Murphy enjoys paying his taxes, let him do so, but let him keep his Joy to himself.

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Addendum

Philip Goff, "Is taxation theft?" <https://aeon.co/essays/if-your-pay-is-not-yours-to-keep-then-neither-is-the-tax> accessed September 23, 2017. 

The Author's Story Behind LOOKING BACKWARD:2162-2012

By Beth Cody

In 2012, when I published "LOOKING BACKWARD: 2162-2012: A View from a Future Libertarian Republic," I had been interested in small-government libertarian ideas for nearly a decade, but was only just beginning to understand that we might not really need any government at all.

My changing views, and the story of how I came to write my book, are actually the story of my encountering several books written by others.

Some background: I grew up in Ames, Iowa, the daughter of a geology professor and a botanist, and I progressed through the political spectrum over time: as an undergraduate music student, I started out with liberal/progressive leanings and voted for Bill Clinton; later, as a graduate student in economics, and then as a financial analyst, I became more conservative and voted Republican. But after buying my small business in 2000, I began to wonder if either party got it right.

No one has a right to anything just because they exist. ... Simply being alive doesn't give you the right to demand things from other people.

Doug Casey on Universal Basic Income, CASEY DAILY DISPATCH, June 3, 2017.

Before the birth of my first child in 2003, I became interested in our dysfunctional educational system, and read several books along the lines of "why Johnny can't read." Then, in a thrift store, I stumbled across a used copy of Sheldon Richman's book, SEPARATING SCHOOL AND STATE, and it was like a light bulb went on above my head, like in the cartoons. That was the beginning of my understanding that we don't need government in order to get things done. (It also led to my decision to homeschool my two children.)

By 2005, I was firmly a libertarian, writing monthly op-eds for the local newspaper in Iowa City. As the recession hit in 2008, my growing unease with government regulations and spending led me to begin to speculate what would happen if the U.S. government ever "ran out" of money. It was around this time that mainstream publications such as the WALL STREET JOURNAL began to publish occasional articles about the idea of states seceding or the breaking apart of the U.S. – a forbidden topic in polite society until then.

It was also around 2008 that my book-collecting father gave me a 1920s copy of Edward Bellamy's

1887 book, LOOKING BACKWARD FROM 2000 TO 1887. The novel recounts the story of a Boston aristocrat who enters a hypnotic trance in 1887 and wakes up in the year 2000 to find a socialist-utopian world in which all of the problems of the 19th century have been solved. Poverty has been eliminated; everyone is employed by the government, assigned work for which they are fitted, and retires at age forty-five. Every person receives the same income and distribution of goods, eats together in common dining halls, and children are cared for in government-run centers so women are free to work.

Bellamy's book was hugely popular and influential at the time of its publication (the third-best seller after UNCLE TOM'S CABIN and BEN-HUR: A TALE OF THE CHRIST). It inspired over 150 local "Bellamy Clubs" for discussion and promotion of the author's Marxist ideas, as well as several utopian communities.

Surprisingly, I found myself attracted by the story's hopeful, optimistic view of the future and almost felt sadness that such miracles had not come to pass, despite hindsight from the spectacular failures and mass graves of communism in the 20th century.

Then I wondered if a similar libertarian vision of society had ever been published? Surely someone must have written a fictional work describing how a limited-government society could work?

Not the dog-eat-dog, sinister corporation-controlled dystopian worlds imagined by those who do not understand the benefits of competitive markets governed by limited laws, but the world of prosperity and limited – or no – government coercion that most libertarians strive toward.

Sadly, I was unable to find any such fictional imagining. So I set out to write one, loosely modeled on Bellamy's story. It took me more than two years to complete.

In my book, a progressive professor, rightly concerned with the problems facing the U.S. in 2012 – poverty, bad schools, endless wars and corruption of democracy by special interests – believes that government could fix these ills, if only government could *do more*.

But following a fluke accident, he awakens after 150 years in a new nation that has largely resolved these issues – by government *doing less*. He learns what caused the Decline and Fall of the former United States and how multiple new republics were formed. He wakes up in the Free States of America, a nation of drastically limited government, free markets, civil liberties, and widely shared prosperity.

During the period I worked on my book, I came across Linda and Morris Tannehill's 1970 book, THE MARKET FOR LIBERTY, which describes how an anarcho-capitalist society could function. While I was not immediately convinced that we could do entirely

without government, I began to understand that we could get along with much less of it than I had previously imagined. And as my views continued to evolve, government seemed less and less necessary as I continued to think and write my book. Toward the end of my novel, I hint at this growing awareness by describing a region of the Free States of America experimenting with no-government, implying that the limited-government FSA might be only a stop on the journey to even greater freedom from coercion.


Do I think that things might happen as I wrote in my book? The United States of America will almost certainly break apart at some point, perhaps before 2050. It has become increasingly clear to me that the U.S. cannot continue in its current iteration; it's just not possible to get 300 million people to agree on so many things – and an increasingly centralized federal government means that we must vote to decide more and more things together, instead of deciding them individually. The result is increasing unhappiness with political results, and decreasing trust in government. This is a good thing for voluntaryists. The rancor and hatred inspired by the results of our last presidential election show that it's merely a matter of time until the idea of separation becomes acceptable in the mainstream.

Once the U.S. has separated into multiple regions, most of the regions probably will become European-style socialist nations or U.S.-style “socialist-light” nations (and possibly some could descend into dictatorships).

But perhaps one region could become less coercive if enough Americans who appreciate the liberty and prosperity that strictly limited government fosters will congregate there. The most socialist Americans will choose to live in the socialist regions, which will allow freedom-loving Americans to institute more limits on their own government. While the result would not be the completely non-coercive society that voluntaryists hope for, it could be a big step in that direction.

And once government no longer controls education, people will be more likely to learn about the dangers posed by coercive government. They will be free to try new ways of helping others, and will be able to see the effectiveness of peaceful, voluntary efforts. This is the environment in which voluntaryism can grow. This is my hope, at any rate.

I don't know if many people will ever read my book, but I hope that it might eventually influence a few readers, the way the three above-mentioned books have influenced me.

[Editor's Note: See our review in Whole Number 177, pages 2-4. This book is highly recommended and can be ordered from The Voluntaryist for \$19 postpaid to U.S. addresses.] 

The Grasping Hand: The Modern Democratic State Pillages Its Productive Citizens

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amass a personal fortune of more than \$20 billion.) Free-market observers of this kleptocratic monster do well to call attention to its dangers: overregulation, which impedes entrepreneurial energy; overtaxation, which punishes success; and excessive debt, the result of budgetary rigor giving way to speculative frivolity.

Free-market authors have also shown how the current situation turns the traditional meaning of exploitation upside down. In an earlier day, the rich lived at the expense of the poor, directly and unequivocally; in a modern economy, unproductive citizens increasingly live at the expense of productive ones - though in an equivocal way, since they are told, and believe, that they are disadvantaged and deserve more still. Today, in fact, a good half of the population of every modern nation is made up of people with little or no income, who are exempt from taxes and live, to a large extent, off the other half of the population, which pays taxes. If such a situation were to be radicalized, it could give rise to massive social conflict. The eminently plausible free-market thesis of exploitation by the unproductive would then have prevailed over the much less promising socialist thesis of the exploitation of labor by capital. This reversal would imply the coming of a post-democratic age.

“When the rulers c[o]me to see the people as 'their property' and the people's possessions as 'a common stock from which they have a right to take what they will,' Richard Price [1723-1791] wrote, governments become oppressive.”

- cited in Max Edling, *A REVOLUTION IN FAVOR OF GOVERNMENT* (2003), p. 61.

At present, the main danger to the future of the system involves the growing indebtedness of states intoxicated by Keynesianism. Discreetly and ineluctably, we are heading toward a situation in which debtors will once again dispossess their creditors - as has so often happened in the history of taxation, from the era of the pharaohs to the monetary reforms of the twentieth century. What is new is the gargantuan scale of public debt. Mortgaging, insolvency, monetary reform, or inflation - no matter, the next great expropriations are under way. Today, the state's grasping hand even reaches into the pockets of generations unborn. We have already written the title of the next chapter of our history: “The pillage of the future by the present.”

[This essay first appeared in *CITY JOURNAL*, Winter 2010, as translated by Alexis Cornel.] 

The Grasping Hand: The Modern Democratic State Pillages Its Productive Citizens

By Peter Solterdijk

... [T]he political history of the twentieth century, and not just in its totalitarian extremes, proved unkind to both classical liberalism and anarchism. The modern democratic state gradually transformed into the debtor state, within the space of a century metastasizing into a colossal monster - one that breathes and spits out money.

This metamorphosis has resulted, above all, from a prodigious enlargement of the tax base - most notably, with the introduction of the progressive income tax. This tax is the functional equivalent of socialist expropriation. It offers the remarkable advantage of being annually renewable - at least, in the case of those it has not bled dry the previous year. (To appreciate the current tolerance of well-off citizens, recall that when the very first income tax was levied in England, at the rate of 5 percent, Queen Victoria worried that it might have exceeded acceptable limits. Since that day, we have become accustomed to the fact that a handful of productive citizens provide more than half of national income-tax revenues.)

When this levy is combined with a long list of other fees and taxes, which target consumers most of all, this is the surprising result: each year, modern states claim half the economic proceeds of their

productive classes and pass them on to tax collectors, and yet these productive classes do not attempt to remedy their situation with the most obvious reaction: an antitax civil rebellion. This submissiveness is a political tour de force that would have made a king's finance minister swoon.

With these considerations in mind, we can see that the question that many European observers are asking during the current economic crisis - "Does capitalism have a future?" - is the wrong one. In fact, we do not live in a capitalist system but under a form of semi-socialism that Europeans tactfully refer to as a "social market economy." The grasping hand of government releases its takings mainly for the ostensible public interest, funding Sisyphean tasks in the name of "social justice."

Thus, the direct and selfish exploitation of a feudal era has been transformed in the modern age into a juridically constrained and almost disinterested state kleptocracy. Today, a finance minister is a Robin Hood who has sworn a constitutional oath. The capacity that characterizes the Treasury, to seize with a perfectly clear conscience, is justified in theory as well as in practice by the state's undeniable utility in maintaining social peace - not to mention all the other benefits it hands out. (In all this, corruption remains a limited factor. To test this statement, it suffices to think of the situation in post-Communist Russia, where an ordinary party man like Vladimir Putin has been able, in just a few years as head of state, to

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