
The Voluntaryist

Digital Issue 195 “If one takes care of the means, the end will take care of itself.”

June 2020

The Insane Manias: Medical Pandemonium, Political Idiocy and Economic Lunacy

By Carl Watner

(Written March 15, 2020)

Many people the world over, including politicians, scientists, and economists, have panicked because they are unsure of the future and because their day-to-day lives have changed. Government health regulators have imposed quarantines; financial values in the stock market have disappeared; oil prices have dropped; and government economists have proposed and often implemented monetary policies which will create trillions of monetary credits out of thin air. What as voluntaryists are we to make of this medical pandemonium, political idiocy, and economic lunacy?

On the medical front, we can only grieve for any loss of life caused by the coronavirus. It is hard for the lay person to determine how much danger there is from the panic created by the social media and the news, or from the pandemic itself. Regardless though, we live in a world of statism where people are forced or threatened with force to obey the government experts and authorities. They are threatened with punishment for choosing their own experts. The government's program encompasses all people, and those who resist are made to suffer instead of getting the respect they deserve for acting according to their own best judgment.

The great merit of free enterprise is that it does not purport to know the answers, but rather permits people to discover them. The great evil of government is that it pretends infallibility and then imposes it.

- from *Laissez Faire Books Executive Summary of APOSTLE OF PEACE: THE RADICAL MIND OF LEONARD READ* by Gary Galles (Dec. 2013)

Governments have territorial jurisdiction over the land masses which they have conquered by war; whereas individuals or associations of freely cooperating groups of individuals should be recognized as property owners of that which has been rightfully homesteaded in the past. In such a world, road owners, insurance and surety companies, homeowners associations, charitable organizations, and defense agencies would set the rules for “who could go where” in the event of a medical epidemic. People would not be forced to act against their consciences, but they might well be ostracized and isolated on their own properties because others do not want to interact

with them until the emergency passes.

If the dictates of health officials are useful they are useful because they work, not because they emanate from some government officer. If the government directs us to do something that our reason and conscience opposes, then we should defy the government. If it tells us to do what our reason directs us to do anyway why do we even need a government? Coercion does not convince. It is an admission that one's argument is weak. There is no reason to rely on violence if one's argument is logical and persuasive.

In the political and economic fields, government officials act like they own their nations. In every country all over the world they exercise direct control over the efforts of billions of people. If there is a problem, they will try to fix it, often making it worse rather than better. Instead of letting responsibility fall on the individual, which it would naturally do, and letting the market test various possible solutions, they impose the government's way on everybody. They do not allow competition to flower. They live in a statist world. Every one of them collects their salary from coerced collections of money from taxpayers. Most are psychopathic by nature, and attracted to the good feelings they get from ordering other people around.

Government economists are the worst because they exercise direct control over the life-blood of the economy. Nearly everyone the whole world over trades using government monies which are totally disconnected from reality. A few strokes on a computer creates trillions of these units. Over the centuries legal tender laws have forced people into using government money. Negative or very low interest rates, set by government bureaucrats, are serious evidence of economic lunacy. Even government economists would prefer an apple today over an apple in a year from now (other things being equal). It is a basic fact of life, which government employees and others lose sight of, that production must proceed consumption. If you consume your seed corn today, you will have no corn at the next harvest. And even though purchases are made with money, it is still ultimately real goods and services which pay for the things we trade for. Money, even government money, is worth only what it can be exchanged for, and if it will not buy anything, it is not worth anything.

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“If you put the federal government in charge of the Sahara Desert, in five years there'd be a shortage of sand.”

- Attributed to Milton Friedman

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"There Ought to Be a Better Way": The Voluntaryist Solution

By Carl Watner

[Editor's Note: The following article is the first in a series that were written by Carl Watner during 1990. They first appeared in six publications by Neo-Tech that were identified as "Inside I & O: Money, Power, Romantic-Love Packages," Series 2 Packages XIII thru XVIII. They were published during 1990-1991, and were commissioned by Wallace Ward (1932-2006), aka Frank R. Wallace, founder of Neo-Tech. Despite rationalwiki.org's description of Neo-Tech as a cult based on "warmed-over Objectivism" and libertarianism, Ward was quite supportive of voluntaryism in its purest form. In 1993, Ward was convicted of willful tax evasion for the years 1983-1985. What follows in this issue is Part I of the series, which appeared under the title "How To Live Without Government." Forthcoming issues of THE VOLUNTARYIST will complete the series.]

This article is the first in a series which demonstrates how people can prosper without the State - forever evolving forward to new levels of knowledge and prosperity. In contrast to the possibilities of a stateless society, history exemplifies how a government-based society always faces ever increasing usurpation, demands for sacrifice, regulation, wars, and eventual destruction. Since there are no needs of human beings which cannot be met by voluntary cooperation based on reason and trade, why do we have a State? After all, does the State not consist of people just like you and me? If State officials and bureaucrats have any mystical powers, where do those powers come from?

Although much of man's history is the record of collectivized economies, slavery (upon which they are based) does not work efficiently because always and everywhere human beings are individual entities, exercising control over their own energies. In recent times, Adolph Hitler in Nazi Germany, Joseph Stalin in Soviet Russia, Idi Amin in Uganda, and Fidel

Castro in Cuba, have proven that economic dictatorships flounder, even if they seem to succeed for a time, while middle of the road economies, like Britain, France, and recently The United States, have stagnated and stifled personal opportunity and happiness. Centralized decision-making, the absence of the proper relationships between authority, ownership, and responsibility, as well as lack of incentives, make control of the individual and his business an abject failure, both on utilitarian and moral grounds.

More importantly, however, is the fact that when people are left alone to "do their own things in their own way," we have clear historical evidence that freedom is both moral, practical, and successful. The early tribes of Israel, the medieval Icelanders, the early Irish, and the colonists-pioneers living on the North American frontier are all examples of societies that have lived successfully (in some cases, for centuries) without a centralized government. Services, such as mail delivery, resolution of disputes, police protection, minting of coins, welfare services (like providing for the elderly, handicapped, and "down and out"), construction and operation of roads, etc., have all been, at one time or another, provided voluntarily on the free market. Free and voluntary cooperative efforts are capable of tackling even the toughest jobs handled by the State. They accomplish this more efficiently, less expensively, and in a manner consistent with commonly accepted moral standards.

People may spend their whole life climbing the ladder of success only to find, once they reach the top, that the ladder is leaning against the wrong wall.

- Thomas Merton

This historical record of how people lived without the sheriff or the State needs to be preserved. As State intervention becomes more and more rampant, it becomes difficult to reconstruct and imagine how people lived in both small and large communities without using the power of the State. How many people today realize that most compulsory schooling laws are only 150 year old? How many can imagine a time when there were no tax-supported public libraries? Who fed "the poor" before welfare? Did this mean that children remained ignorant and starving? Did this mean that there were no libraries or voluntary public charities? Of course not.

The main purpose of this series is to recapture the history of voluntary institutions, and identify how the principles of voluntaryism have worked and would work. Prior to the mass acceptance of the State as a necessary tool of our civilization, people had a completely different attitude about how to solve their problems. Since they had to be self-reliant, they were.

Voluntaryism was their only social tool. The principle of freedom was adequate to meet all their needs and would still be adequate today if we allowed it to operate.

Chapter 1: The Problem: How Would a Society Free of Force Work?

Introduction

Government is involved in nearly everything you do. The alarm clock that wakes you up in the morning is set according to government mandated time. The radio that you turn on is subject to many manufacturing and sales regulations. The television station that you watch must have a government license and is regulated by the Federal Communications Commission. If you live in an area where there is city water, you wash and shower in water that you purchase from the government. Your toothpaste has been approved by the Food and Drug Administration; so has the towel you dry yourself with, as well as your clothes.

The food you eat must pass certain governmental tests, and the containers in which it is packed must meet certain government standards and labeling requirements. In many cases, the farmers that raised it were paid government subsidies. You drive to work in a government approved and licensed vehicle whose gas mileage has been certified by another government agency. You use a government road, communicate with others via the government mail, and get paid with money issued by a government institution. Nearly everything you buy is subject to some sort of local or federal tax.

Human history clearly demonstrates that when men and women, employing their free will and God-given talents, are able to innovate, produce, accumulate capital and trade even the weakest and most vulnerable are better off.

- Mary Anastasia O'Grady, THE WALL STREET JOURNAL, December 2, 2013, p. A17.

In short, government touches nearly every aspect of your life. Does this fact make your world a better place? Or are you worse off than if government had left things alone in the first place? Is government the solution to your problems? Or is government the problem itself?

What, in fact, is government? Is it an instrument for good or evil? Is it a social institution designed to improve the human condition? Or does it promote social disharmony, material shortages, and war? These questions set the stage for the first part of our inquiry.

First of all, we must realize that government is a human institution operated by humans just like us. Government officials put their pants on one leg at a time. None is divinely ordained as kings and queens would have had us think centuries ago. The only difference between the work done by government

officials and the rest of us is that they do not need to be concerned with providing valuable services that others would voluntarily buy in the competitive and open marketplace. Although the institution of government has a mystique about it, that is the only difference between it and every other voluntary group of people. Once that veil of mystique has been punctured, we'll see that governments have no supernatural powers.

In order to distinguish between government and other institutions in society we must look at the ways that human behavior can be organized. There are only two ways people organize their lives: peacefully or coercively. There are no other alternatives. Similarly, there are two ways of satisfying human needs and desires: in peaceful cooperation with others or coercively. If people rely on peaceful cooperation, they must necessarily produce values for which other people are willing to trade. If people use coercion, we call it robbery, expropriation, confiscation, or stealing. However we label it, the basic contrast remains: one either cooperates peacefully in the production of values, or else one uses force.

A stranger knocks at your door and, upon opening it, you find him making a request for money. He represents the March of Dimes and is asking for donations to support its activities. Unless you feel generous, you dismiss him with a wave of your hand. You have no particular obligation to support him or his cause, and the fact is you have already contributed to other charities, such as the United Way. Unless the stranger is a blatant thief, he leaves. He doesn't deal with you by using force, or its threat, to collect the money he is soliciting.

Compare this to what happens every April 15th in the United States. Most "good citizens" send in their tax payments to the Internal Revenue Service. The IRS does not need to send out a representative to collect the tax; and if there is any need to do so, he generally needn't carry a gun or make any direct display of force. Of course, he does represent the government, which has at its beck and call the armed might of the police. Few people need to be continually reminded that government is force. Their experiences (in the army, with the police or the courts, or what they read in the newspapers) tell them it is so.

Why don't people dismiss the IRS in the same manner as they would the solicitor who is collecting for a private cause? Many would, except they know that there is a big difference between the March of Dimes representative and the IRS agent. The March of Dimes organization is a group of private individuals assembled together for the common purpose of overcoming polio, muscular dystrophy and birth defects. They do not use force or the threat of force to accomplish their goals. Should they resort to the use of force, we would have no hesitation in labeling them

individual criminals, and the March of Dimes, itself, a criminal organization.

The IRS, on the other hand, represents the government. And we all know that government - when all else fails - uses forces to accomplish its goals. If you do not voluntarily pay your taxes, your property is confiscated, or you are hauled off to jail. The amazing thing about our government in the United States is that it rarely has to resort to force. There are tax resisters, but they form a small percentage of the population. Except for these few disaffected people, no one calls IRS agents criminals, even when they brandish guns, confiscate property, or throw people in jail. Despite the fact that they engage in the same activities as the private thief or kidnapper, we don't look upon their activities as criminal.

Why is this so?

Government is the only institution that is able to cover its coercion (and its use of threats) in the shroud of legitimacy and mystique. There are other individuals and groups in society that use force: individual criminals (the lone burglar, rapist, etc.), and groups of criminals (the Mafia or gangs of thieves, etc.). But none of these claim their activities are legitimate. Government is the only one of these coercive groups that claims and exercises a monopoly over the use of legitimate force in a given geographic area.

Government is the institutionalization of conquest over the people and property of a certain territory. The purpose of government is exploitation: to extract resources from the populace which could not otherwise be obtained without the use of coercion. As we have seen, there are two, and only two, mutually exclusive ways of satisfying human needs and arranging human societies. In their various forms, we label these work vs. robbery; production vs. plunder; laboring one's self vs. the forcible appropriation of the labor of others. One is the economic means (working for a living) of survival; the other is the political means (conquering by force of arms or overpowering ideology).

Birthdays are good for you. The more you have, the longer you live.

Throughout history, governments have taken on many different forms (monarchy, aristocracy, democracy, etc.) but regardless of the form of government, regardless of who occupies the positions of power or what their individual purposes might be, the basic traits of government remain the same. All governments and their officials use the "political" means to support themselves. Their 'modus operandi' is the imposition of some combination of ideological mystique and the threat or actual use of violence.

Governments are conspiratorial. Governing requires that what would ordinarily be criminal acts performed by their agents be deemed acceptable by

the wider society. In order for the government to rule without the continual use of physical force - which is not only expensive, but often of uncertain result - they attempt to strengthen their legitimacy. If the governors can get the governed to accept their conquest as being consistent with widely accepted norms and standards, there is little need to use raw force to continually compel submission.

The primary tools by which the government establishes its legitimacy are: 1) the use of nationalism and patriotism to inculcate the belief that the entire nation is a single community with a manifest destiny; 2) the use of mass public "education" to socialize the younger generation and instill acceptable secular and non-secular values in them; (3) the use of psychological warfare to "brainwash" the populace into supporting the government at all costs. The truth of the matter is that the government uses every means at its command to insure its control over society. Other methods include support of special interest groups with legislation and subsidies, celebration of national holidays, frequent elections, use of the secret ballot, sustaining foreign enemies to help maintain internal control, and honoring the Constitution.

Every one of these techniques is based upon the principle that government is necessary and valuable. In truth, government adds nothing to the sum total of happiness or production in society. Without government, most people believe that society would fall into chaos, that anarchy would run wild. As we shall see in our next section, these are false beliefs created by the government in order to help keep itself in power.

Property, Power, and Persuasion

If government is not the solution to the human desires for peace, prosperity, abundance, and social harmony, what is? How would a society without the State function?

The key to understanding how a stateless society would operate is found in three concepts: Property; Power; and Persuasion. We will discuss each in turn.

1. "Property"

People need property. Without it, the individual cannot be sustained. Property is both the material and immaterial things which are owned. Ownership is the space-time relationship between a human being and his property. A true owner has full authority, responsibility, and accountability for the things owned. When I own a thing (property), I may use it, sell it, barter it, alter it, destroy it, or let it remain idle. In short, I do not have to ask anyone's permission to do with my property as I see fit. If I do, the other person is the true owner.

There is one fundamental reason why property ownership is necessary. We live in a world of scarcity and there are simply not enough physical resources

ready-to-use to satisfy everyone's demands for them. Since the material things we use to satisfy our desires are in short supply, there must be some way of deciding who gets to have what. The concept of property ownership allows us to solve this problem by determining who is the first rightful owner (ascertaining the first user, creator or discoverer of value). Once ownership has been established it is relatively easy to determine if a property is now rightfully owned or wrongfully possessed. A true owner can trace his title back to the person who was responsible for creating, discovering, and utilizing the original property. Possession traced back through a chain of voluntary transfers or successions for a time long enough to exclude any reasonable apprehension of adverse claims is acceptable as proof of a just title.

Under a system of private property ownership, the general rule is that no person may use another's property without the owner's permission. Theft is then understood as the "taking or using of another person's property without his voluntary consent." When no theft occurs, each owner has full control over his property. Every property owner decides how, in what manner, and who, if any at all, gets to use his property. Property rights are not the rights of property (property itself has no rights), but rather the rights of people to the property in question. Can property rights exist where there is no government? Yes. Property rights can be determined by objective standards, and if disputes arise they can be settled by resort to private arbitration.

Quod enim nullius est id ratione naturali occupanti conceditur.

That which is the property of no one is by rule of reason conceded to the person taking possession of it.

- Justinian's DIGEST 41.1.3.

Unless some form of slavery exists, each person owns and controls himself (the body, mind, and the labor thereof). We refer to this right as the right to self-ownership or self-proprietorship. Each person has the right to control that mind and body free of outside coercive interference. People must necessarily exist in a particular place at any given time, and in order to survive, they must apply their labor to the material objects around them. They rightfully become the owners of hitherto unclaimed and untransformed natural resources by the application of their labor. We refer to this right as the right of the homesteader. Thus, first ownership (of unowned resources) goes to the first user. Although this greatly oversimplifies the process (which will be examined in a later chapter), the general principle of property ownership and the establishment of property titles can be derived by relying on the principles of self-ownership and homesteading, rather than on State definition.

Most people are willing to pay for some sort of protection and defense (police, courts, and foreign defense) for their property, just as many of us agree to pay for fire or theft insurance. Safety is a value that must be created and maintained. Like the production of all other values, quality, cost-effective service, and high standards can only be achieved by reliance on free and voluntary transactions in the market. Yet leaving the State to control and monopolize the defense and protection industry is rather like leaving the proverbial fox to guard the hen house.

High cost and low quality service are most likely to exist where no competition exists. This applies to the production of defense and protection services as much as to any other economic activity. The complaints against our criminal justice system in this country today bear this out. Furthermore, the very existence of the State serves to negate property titles because under the plea of "public necessity" governments regularly take private property for "public use" (eminent domain and taxation).

The State operates on a double standard: it outlaws theft but engages in theft itself. It allegedly wants to conserve free market competition, but engages in forced monopoly. All governments exhibit at least two criminal features. They derive their revenue by means of taxation and presume to establish a compulsory monopoly of defense services (police, and/or armed forces) over a geographic area. All competing agencies are outlawed and property owners have no alternative but to patronize the government system.

Under a governmental system, justice is determined by conformity to statist law. This may readily result in real injustice, especially when government laws violate property rights. The existence of such injustices is one of the primary reasons why people never achieve long-lasting happiness and prosperity. When blatant injustice exists, such as when thievery runs unchecked, a society suffers horrendously. What people do not realize is that a statist society is based upon the constant and continual violation of property rights. Therefore it is impossible to achieve abundance and harmony. Great advancements are cut off in the bud. They never occur because government stifles their development by regulations designed to preserve the status quo. Why do governments make such regulations? - to justify their bureaucratic empires.

2. "Power"

Political terminology often refers to the power of the businessmen (for example, the "robber barons" exercising dominion over their business "empires"). This type of language is particularly inappropriate to describe the free market because it masks the fact that all the participants to a voluntary exchange win. In an involuntary exchange one participant always loses;

one person's victory is another's loss. Violence is a negative sum game, whereas mutual exchanges on the free market are positive sum games. When property rights are respected, and exchanges take place, everyone is a victor. This is the law of mutual exchange.

The law of mutual exchange discloses that there are two types of power: (1) power over ("Mother") nature, and (2) power which some people exercise over others. An individual's power is his ability to influence and control his environment so as to satisfy his wants. The factory owner, who has the power to hire numerous workers and to manufacture a consumer product, has no power to compel his customers to buy his product. Nor has he the power to compel his employees to work at a given wage, or to even work at all. Nor do the employees have the power to compel him to offer them a job. The only power the factory owner, the employees, and the customers have is power over nature. This is the sort of power out of which civilizations are built and progress. They can all cooperate, if it is in their best interests; otherwise they can go their separate ways and try to master Mother nature individually.

Employers are often accused of wielding "economic power," because they have life and death decision-making powers over whether or not they will hire a particular worker. An employer often has large financial resources which he may use to drive a hard bargain with his employees. Or an employer may attempt a lock-out until union employees accept his terms of employment. What actually happens when a would-be employer and employee are unable to come to terms of agreement? One of them sees no benefit from the proposed exchange and thus refuses to enter into it. "Economic power," then, is simply the right to refuse to make an exchange. Both parties to an exchange must have the freedom to accept or reject the proposed transaction. Otherwise one of them becomes the slave of the other. It is not right for the employer to force the employee to accept his terms of employment (making the employee the slave of the employer), nor is it right for the employee to force the employer to accept his terms. Both must have the right to reject the other's offer.

Murray Rothbard has pointed out that the basic condition of man, as he enters the world, is such that "the only way to preserve his life and advance himself is to conquer nature - to transform the face of the earth to satisfy his wants. From the point of view of all the members of the human race, it is obvious that only such a conquest is productive and life-sustaining. Power of one man over another cannot contribute to the advance of mankind: it can only bring about a society in which plunder has replaced production, hegemony [status] has supplanted contract, violence and conflict have taken the place of the peaceful order

and harmony of the market." [See Murray Rothbard, *POWER AND MARKET*, Menlo Park: Institute for Humane Studies, 1970, pp. 171- 172.]

We can best get at this distinction by studying "social" power and "State" power. "Social" power is people voluntarily creating, exchanging, and interacting; it is responsible for our prosperity and abundance. "State" power is the process by which force and theft combine to cripple and confiscate the fruits of "social" power. Albert Jay Nock described these two types of power in his book, *OUR ENEMY THE STATE*. Nock's "social" power was society's or mankind's conquest over nature - the power that has helped produce abundance and plenty. His "State" power describes political power. Nock saw history as a struggle between these two forces: the "social" and "economic" means, on the one hand, and "State" and "political" power, on the other.

"State" power cannot exist without "social" power, much as a parasite must have a host to suck upon. If there is no production, there can be nothing to steal. If some men do not wrest control over nature, there can be nothing for other men to wrest from them.

"We live as subjugated people in an occupied territory."
- Jeff Knaebel

3. "Persuasion"

By persuasion, we mean reliance on the principles of voluntaryism to accomplish our goals. The voluntary system includes all that is not governmental or compulsory; all that people do for themselves, their neighbors, and their posterity, of their own free will. It encompasses the efforts of parents on behalf of their children, of religious bodies, of charitable societies, of wealthy benefactors, of cooperative groups, and of business organizations, all based on their individual initiative.

All forms of voluntaryism meet one acid test: whatever they are, they must be of benefit to the participants since people are not forced or compelled to accept them. Human beings naturally come to accept values and reject non-values. New inventions are always subjected to this acid test. The telegraph, telephone, and car, all had to pass muster to determine if they were a net value or a net drain on society. Various social activities must also pass this acid test. Education is an example of something that people must want and be willing to pay for. There is no justification for compelling people to pay for the schooling of their own children or the children of other parents. "Evil" means (compulsion) are not justified by "good" ends (education). The acid test demonstrates what is of value to people and lets objects and activities of dis-value fall by the way side.

The voluntary principle or the acid test of

“persuasion” was relied upon for several centuries when the people of early America were left largely to themselves. What little government existed during the days of colonization and settlement of North America was often weak and ineffective. More out of necessity than principle, the people of America resorted to voluntarism because there was no other humane or civilized way of dealing with their neighbors. Free individuals cleared the land, grew crops, built factories, organized churches and charities, established schools and educated their children, all without seeing the State or taxman. They did this singly, in families, and in voluntary groups. Their religion and education were left to the operation of “social” power. In the economic realm, most people started businesses without asking the leave of government. They built ships and plied their trade where they would. American history illustrates how normal and natural it was for people to join together for the purpose of accomplishing specific objectives. Any American history text shows how successful and flourishing Americans became by relying on voluntary cooperation.

The type of “natural” association discussed here distinguishes itself from State organization in the same way that “State” power and “social” power differ from one another. Membership in voluntary groups must always be desirable to those who join, otherwise they would not associate. In contrast, every person born within the geographical confines of the State, automatically becomes a citizen of that country, whether he wants to or not. One can only renounce one's citizenship with the permission of the State, and even then, one must choose another government to associate with. In a voluntary association, one announces one's resignation and walks out. The person who stalks from the Methodist Church in anger does not find himself a Catholic. The person who removes himself from the Kiwanis Club does not automatically become a Mason. Each person to so eject himself from some natural association finds himself in neutral territory. He is free to seek another association or to forego such association altogether.

The authority of voluntary associations comes from something stronger and more potent than compulsion. All such groups, whether commercial or religious organizations, are obliged to direct their efforts to establish a powerful moral authority over those whom they would exert an influence. Such an authority must appear reasonable and non-threatening, otherwise there would be a mass exodus from the organization. But since people must be dealt with in a voluntary way, there is no alternative. Authority voluntarily accepted is a far stronger factor than forceful violence.

It is this voluntary acceptance of the free market that will be examined in the next chapter in this series.

(To be continued in our next issue)



The Insane Manias

(Continued from page 1)

If the government can send each American adult a check for \$1000 why not \$10,000 or make every American an instant millionaire? It is barely any harder to issue a check for \$1,000,000 than for \$1,000 (just print a few extra zeros), but we would soon learn that a million dollars will trade for very little. Nothing has been added to production - the existing supply of goods and services has not been increased by printing more money or issuing more credit. More units of money chasing the same amount of goods simply means that each unit of money will eventually buy less and less.

It will simply not do to assume that because markets or other social mechanisms produce imperfect results a central authority will produce better ones.

- Chandran Kukathas

The stock market is a similar case of disconnect. Low interest rates have made it look financially wise to make certain investments or borrow money to buy stocks. However, when an outside catalyst such as the coronavirus hits, and herd mentality takes over, some buyers and sellers get scared. They agree on a lower price to trade their shares of stock, and if no other buyers step in, the new lower price means a change in value to all similar shares owned by other people. Those owners do nothing, yet the value of their shares is diminished. They might have thought they had a million dollars, but all they had were stock certificates (or IOU's in the case of mortgages), which are only worth what other people will give for them. When the stock market drops precipitously, like it has recently done, those financial values, which they thought they had, disappear. It only takes a very small pin to prick a bubble, regardless of how big or long-lasting the bubble has been.

The solution: voluntarism. Let people decide what is best for themselves and their property. Rely on spontaneous interactions and competition to solve problems. Will the perfect answers be discovered? Probably not, but they could hardly be less credible than government solutions. They would, however, be moral in the sense that they were not coerced and that not one person would be forced to contribute his labor or property to others. As in most things in this world, the practical solution follows the moral policy. For how else could one say that one solution was better than another if one of them relies on violence? Or following Gandhi we might say that if people are free to choose the means, the ends will take care of themselves.



The Private Sector

By Hans Hermann Hoppe

[Editor's Note: These are excerpts from "Natural Order, the State, and the Immigration Problem," 16 JOURNAL OF LIBERTARIAN STUDIES (2002), pp. 77-80. Footnotes omitted.]

Let us ... assume that all property is owned privately and the entire globe is settled. Every piece of land, every house and building, every road, river, and lake, every forest and mountain, and all of the coastline is owned by private owners or firms. No such thing as "public" property or "open frontier" exists. Let us take a look at the problem of migration under this scenario of a "natural order."

First and foremost, in a natural order, there is no such thing as "freedom of migration." People cannot move about as they please. Wherever a person moves, he moves on private property; and private ownership implies the owner's right to include as well as to exclude others from his property. Essentially, a person can move only if he is invited by a recipient property owner, and this recipient-owner can revoke his invitation and expel his invitees whenever he deems their continued presence on his property undesirable (in violation of his visitation code).

There will be plenty of movement under this scenario because there are powerful reasons to open access to one's property, but there are also reasons to restrict or close access. Those who are the most inclusive are the owners of roads, railway stations, harbors, and airports, for example. Interregional movement is their business. Accordingly, their admission standards can be expected to be low, typically requiring no more than the payment of a user fee. However, even they would not follow a completely non-discriminatory admission policy. For instance, they would exclude intoxicated or unruly people and eject all trespassers, beggars, and bums from their property, and they might videotape or otherwise monitor or screen their customers while on their property.

The situation for the owners of retail establishments, hotels, and restaurants is similar. They are in the business of selling and renting and thus offer easy access to their property. They have every economic incentive not to discriminate unfairly against "strangers" or "foreigners," because this would lead to reduced profits or losses. However, they must be significantly more circumspect and restrictive in their admission policy than the owners of roads or airports. They must take into account the local-domestic

repercussions that the presence of strangers may have. If local-domestic sales suffer due to a retailer's or hotel's open admission policy vis-à-vis foreigners, then discrimination is economically justified. In order to overcome this possible problem, commercial establishments can be expected to require of their "foreign" visitors at a minimum adherence to local standards of conduct and appearance.

The situation is similar for local employers. They prefer lower to higher wage rates; hence, they are not predisposed against foreigners. However, they must be sensitive to the repercussions on the local labor force that may result from the employment of foreigners; that is, they must be fearful of the possibility that an ethno-culturally heterogeneous work force might lead to lower productivity. Moreover, employment requires housing, and it is in the residential housing and real estate market where discrimination against and exclusion of ethno-cultural strangers will tend to be most pronounced. For it is in the area of residential as contrasted to commercial property where the human desire to be private, secluded, protected, and undisturbed from external events and intrusions is most pronounced. The value of residential property to its owner depends essentially on its almost total exclusivity. Only family members and occasionally friends are included. And if residential property is located in a neighborhood, this desire for undisturbed possession - peace and privacy - is best accomplished by a high degree of ethno-cultural homogeneity (as this lowers transaction costs while simultaneously increasing protection from external disturbances and intrusions). By renting or selling residential property to strangers (and especially to strangers from ethno-culturally distant quarters), heterogeneity is introduced into the neighborhood. Transaction costs tend to increase, and the peculiar peace-and-privacy-security - the freedom from external, foreign intrusions - sought and expected of residential property tends to fall, resulting in lower residential property values.

Under the scenario of a natural order, then, it can be expected that there will be plenty of interregional trade and travel. However, owing to the natural discrimination against ethno-cultural strangers in the area of residential housing and real estate, there will be little actual migration, i.e., permanent resettlement. And whatever little migration there is, it will be by individuals who are more or less completely assimilated to their newly adopted community and its ethno-culture. ☑

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