

# The Voluntaryist

Digital Issue 200

*"If one takes care of the means, the end will take care of itself."*

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## Chapter 6: Smashing the Hardest Myths

By Carl Watner (1990)

(Continued from Digital Issue 199)

Many critics of the free market have dubbed the provision of roads and foreign defense as particularly difficult problem areas. How would people in a society - where no group has the power to tax - build the highways, fund an army, and provide for protection from foreign enemies?

Before specifically addressing these questions, let us again summarize our general approach. No human activity is exempt from the operation of economic laws. These laws seem to "bend" or be temporarily suspended by the activities of a coercive organization, known as the State, but they cannot be permanently broken. The undesirable side-effects of violating the law of supply and demand, for example, can only be postponed, never avoided. If the State operates or subsidizes an activity, such as building roads or operating the highways, there will be unwanted consequences because some people are being forced to contribute their money to activities which they would not otherwise support. Everything connected with these activities becomes politicized: in the opinion of some the State will build too many miles of superhighway, in the opinion of others not enough urban streets will be built; some will agitate for a fifty-five mile an hour speed limit while others try to legislate seat-belt laws or a sixty-five mile an hour speed limit.

These problems are minor in comparison to one of the "fatal flaws" of highway operation by the State. Every year in the United States, forty to fifty thousand people die as a result of highway accidents. In any recent ten year period, almost a half-million people have been put to rest. If private amusement parks or parking lots were operated with such devastating impact, there would be a public outcry that "private enterprise" was the cause of this butchery; but few people realize that the institutional structure that is responsible for our roadway system is largely the cause behind the high number of highway deaths.[1]

Most critics note that speeding and/or drunken drivers, lack of caution, mechanical failures, slippery roadways, traffic density, etc. are all proximate causes of accidental death on the highways. Very few people, however, look beyond these immediate causes and hold the owners and managers of the roadway system responsible. Is it not their responsibility to insure that safe conditions exist and that only competent drivers use their facilities? Is this not the standard by which we judge the operation of other businesses? Why

shouldn't the same hold true for the highways? While speed and alcohol may contribute to accidental deaths, it clearly is the road management's duty to maintain and enforce safe standards for the use of its property. If unsafe conditions exist at Disney World, the Disney management team is held responsible. It is they who lose revenue unless and until the situation is cleared up. "It is logically fallacious to place the blame for accidents on unsafe conditions, while ignoring the manager whose responsibility it is to ameliorate these factors." [2]

The problem with our roadway system is that it is not subject to the profit and loss system which governs the operation of the free market. As we have seen, "when customers are pleased, they continue patronizing those merchants who have served them well. These businesses are allowed to earn a profit. They can prosper and expand. Entrepreneurs who fail to satisfy, on the other hand, are soon driven to bankruptcy." This continual process is repeated day after day and rewards those with the ability to please the consumers and penalizes the inefficient. Although nothing like perfection is ever reached, the rewarding of the competent and grinding down of the ineffective results in a level of managerial skill unmatched by any other system of economic arrangements. The political system of governmental ownership is completely exempt from this market process.

"What is difficult to see is that this analysis applies to the provision of roads no less than to fountain pens, frisbees, or fish sticks." [3] A free market in roads and highways means that all transport thoroughfares would be privately owned. All transit corridors, such as streets, sidewalks, bikeways, bridges, tunnels, crosswalks, entrance and exit ramps, country roads and superhighways, would be as privately owned as the vehicles which would be driven over them. Every enterprise owning and operating such a thoroughfare would face the same problems and responsibilities as every other business faces in our free enterprise system. They would have to hire a labor force, maintain their product, keep customers satisfied, meet the price of competitors, borrow money and expand operations when they saw they could make a profit. In addition, they would be faced with the problems peculiar to their particular industry. This would involve reducing congestion and traffic accidents, determining the rules of the road and to how enforce them, filling pot holes, maintaining road signs and traffic signals, etc.

Under a system of government monopoly, such as now exists, no administrator or manager in the State highway department loses financially if the accident

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rate rises on the roadway he operates. If he were a private owner dependent upon the voluntary payments of satisfied customers, then he and the road business he managed would lose if his road had a track record of poor safety. Customers would take their business elsewhere, either to his direct competitors who had safer roads going in similar directions, or to his indirect competitors who furnished a similar but safer product (transportation) but in a different manner (airlines, boats, or trains).

He would, then, have every incentive to try to reduce accidents, whether by technological innovations, better rules of the road, improved methods of [screening] out drunken and other undesirable drivers, etc. If he failed, or did less well than his competition, he eventually would be removed from his position of responsibility. Just as we now expect better mouse-traps from a private enterprise system which rewards success and penalizes failure, so we could count on a private ownership setup to improve highway safety. Thus, as a partial answer to the challenge that private ownership would mean the death of millions of people in highway accidents, we reply, "There are at present, millions of people who have been slaughtered on our nation's highways; a changeover to the enterprise system would lead to a precipitous decline in the death and injury rate, due to the forces of competition."<sup>[4]</sup>

The system of private ownership of the roads faces many hurdles because people cannot imagine how it would meet the many objections of its critics. Let us examine a few of the more common objections.

Would there be a toll booth on every corner? Although tolls originated as fees for using privately constructed turnpikes during the 18th and 19th centuries, it would be unnecessary for entrepreneurs to disrupt the traffic flow of their customers. Road payments would be collected in the least obtrusive manner, probably utilizing inexpensive electrical devices which could register the passage of each car past any fixed point in the road. Such signals would be decoded by a computer, which in turn would collect the data and generate monthly road bills.

Would the construction of superhighways be held up by the lone holdout who demanded an exorbitant price for a right of way across his land? Businessmen who build roads would not necessarily be at a disadvantage because they could not use the power of the State to condemn private land via eminent domain proceedings. Instead, they would probably purchase options on several different alternative routes, so that the competition between owners along each of the routes would tend to keep prices down. If there was one holdout, he could switch to another route. Private enterprise would end up paying less for land for construction than the State because it is subject to the profit incentive to reduce costs, which is completely lacking in State enterprises.

Would some landowners become landlocked with no access roads to their property? No one in his right mind would buy a piece of property without insuring that they had the right of access and exit. Even in today's statist framework, landowners obtain rights-of-ways and easements before purchasing landlocked property. The situation would be no different in a world without the State.

It is impossible to answer every question about the future functioning of private enterprise roads and highways. Imagine, if you will, being present at an early flight of one of the Wright brothers' planes. Would you know how many companies there would be in the future airline industry? How many planes each would own? Or where they would fly? How many airports would be constructed? How would passengers and baggage interchange between two companies? Similarly, advocates of free market roads cannot provide a blueprint of a future transport industry. They cannot tell how many road companies there will be, how many miles of road each will own, how much they will charge. They cannot tell, in advance, what steps will be taken to reduce congestion, or the accident rate. Given a free market economy, the answers to these questions come about only as the result of the actions of hundreds of thousands of consumers and businessmen.

Free market competition is a process whereby road entrepreneurs would seek better and more cost effective ways to serve their customers. Innovative methods, like tunneling, double-decking, overhead ramps, and systems which have not yet been thought of might be introduced under the impetus of the profit motive. Even the failure of some road companies would serve the market. The function of bankruptcies and insolvencies in the free market is to allow the consumers to direct the best use of resources. The cleansing action of "going broke" redirects the use of resources into the hands of more competent owners. Yet, who ever heard of a government road going "belly up?" State ownership masks the fact that a road may have been built in the wrong location or the fact

that it is poorly managed.

Just as the market process applies in the case of bankruptcies, so does it determine “Who shall decide upon the rules of the road?” In a free market, as we have seen in our last chapter, the owners and users of property would determine what rules and standards best suit. Owners of roller skating rinks, ice rinks, bowling alleys, country clubs, swimming pool, racing tracks, etc. all determine the rules for using their property. Legislators and State highway administrators have been given no special powers to determine the best rules of the road or the proper highway speed limits. Property owners - via the market process - will discover what rules best minimize costs and accidents, and maximize speed and comfort. “There is no better means of such discovery than the market process.”[5] Under government ownership, the test of the market is absent, so legislators and highway administrators can never know if their “rules” are the best.

Better is he who gives a smaller amount of his own charity than one who steals from others to give a large amount of charity.

- Ecclesiastes Rabba 4:6 in Joseph Lifshitz, JUDAISM, LAW, AND THE FREE MARKET (2012), p. 17.

Market competition would also supply an answer to the vexing problem of highway and road congestion. Today, vehicles which are capable of high speeds are left sitting in traffic jams during rush hour. Not only are the psychological losses to frustrated motorists great, but the economic losses are monumental in terms of wasted time. Why don’t privately owned businesses suffer from the same type of problem? The answer is that these businesses - being subject to the laws of competition and supply and demand - apply peak load pricing schedules and have made managerial arrangements to deal with their “rush hour” traffic. Few restaurants are ill-prepared to deal with noon-time diners or the supper traffic, though they have few customers throughout the mid-morning and mid-afternoon hours. Most take reservations to avoid over-crowding. Other businesses charge a premium for the times most in demand. Hotels and resorts often charge “in-season” and “out-of-season” or “weekend” rates in an attempt to avoid congestion and make best use of their employees.

The problem with the State-owned road network is that there is no functioning competitive market in which the consumer may make his preference known. In a State-owned system, regardless of how many roads are built, there is still no specific user’s fee associated with its use. So even with the addition of more roads, there is no guarantee that congestion will disappear. The only possible way of decreasing demand for premium travel time on the roads is to use the price system. At some point the law of supply and

demand will determine if peak rates or more highway construction (or some combination of the two) is the answer. Until we have a free market in roadways, there will be no way of telling what will be the optimal solution. The difference between public ownership and private ownership is epitomized by management’s view of congestion. To the State administrator congestion is a problem and a headache; to the private owner or manager it is a golden opportunity for expanding output, sales, and profit.[6]

Another common objection to privately owned roadways is that private road ownership will result in under investment since highways are an “external economy.” The private owner will be forced to bear all the costs, while adjoining landowners and shippers will reap unpaid-for benefits from the existence of good roads. The “free riders” will not be forced to pay for benefits they receive.

The best argument against the externality and public goods thesis is the “sheer weight of historical evidence to the contrary.”[7] During much of the 18th and 19th centuries, private roads, highways, and turnpikes played an important role in the industrial revolution experienced both in England and the United States. Privately owned and operated turnpikes were the backbone of the highway network in England during this time. Local governments were not able to meet the demand for roads so turnpike trusts were set up to exploit the discoveries of road builders, such as Telford and McAdam. Toll gates on roads leading to and from the major cities were a common occurrence and collected the revenue which made possible improved highway service. Since it was mutually beneficial for them to do so, turnpike companies often linked up with one another to form an interconnected road network, which made England the envy of the world during the late 18th Century.[8]

The American experience was similar to the English. Private road companies were chartered because it proved impossible for local and state governments to raise enough capital to build the roads that everyone seemed to want. “These thousands of miles of private roads were the best roads America had enjoyed up to that time, and the principal arteries for the movement of both goods and people throughout the period of the first great westward surge.”[9] Local merchants and property owners, people who seemed to be able to profit from the existence of these roads without directly paying for them, were often the major investors. “Everyone who enjoyed a turnpike’s so-called external economies paid for them by giving it [the turnpike corporation] the use of his money at little or no interest [by subscribing to shares of its stock]. … In large part, America’s first passable network of roads was probably financed by just the people who stood to benefit from them indirectly, aided by tolls from the people that used them.”[10]

## Foreign Defense

Just as “there has to be a better way” than State ownership of the roads, there is also a better way to defend ourselves from foreign aggressors. The State is both an inefficient and immoral way of providing this protection.

The question of foreign defense raises two important assumptions which must be addressed before examining practical contingencies. First, would a free society have any need for foreign defense; would it have any enemies intent on capturing it? Secondly, assuming there is a legitimate need for defense, is it possible that the State could “protect” us? If “war is the health of the State” how much “protection” are we likely to get?

The adage that “if goods don’t cross borders, armies will,” has no application to a free society because there are no politically defined borders. Outsiders would be at liberty to trade with anyone who would do business with them. Most of the friction created by artificial trade barriers would be removed. However, what would happen if the inhabitants of North America were threatened by some bandit gang, like the leaders of the Soviet Union? There would be no central authority to surrender or to speak for ‘North America.’ There would be no pre-existing political structure to conquer. This would make it extremely difficult for the Soviet invaders to impose their will on over two hundred million individual Americans. In a stateless North America, there would be no such thing as a nation-wide foreign defense because there would be no nation to defend.

State “protection” from foreign enemies usually entails preparation for war. In fact, the greatest State-building activity of the last five hundred years of Western political history has been militarism. In the earliest European nation-states, taxation began as “extraordinary” levies earmarked for a particular war and eventually became a routine source of State revenue. Taxes produced the means for enforcing the government’s will by means of the army. It ended by promoting territorial conquest and consolidation. Thus, war made the State, and the State made war, all under the guise of “protection” from foreign enemies.

Real criminals are simply cannibalistic parasites, the largest infestations of which are governments, feeding on the productive through taxation and regulation.

- Dave Scotese

Today, we witness the results of this circular reasoning. The very existence of a foreign enemy, such as the U.S.S.R., serves to justify the existence of the United States government (“we need to be protected from the Soviets”); and the existence of the United States is used to justify Soviet militarism. If we lived

in a peaceful world there would be no need for such a military build up. What ends up happening, in effect, is that the political and military leadership of both the two major superpowers are not enemies. Rather the leadership of both the Soviet Union and the United States are united against the civilians of their respective countries. These political and military leaders need one another in order to justify the control, taxation, and subjugation of their own citizens. This also serves as a partial explanation, at least, for the extension of Western technology and bank credits to the Soviets throughout the 20th century.

On a practical level, there are many solutions to the provision of foreign defense. The defense of a free America might or might not look like the current defense system of the United States. But whatever shape it took - whether it consisted of nonviolent civilian based resistance - guerrilla warfare against an invader - service fees via insurance policies - it would have to be based upon voluntaryism and the free market. No fighting force would ever be raised by the use of force to conscript unwilling soldiers. If there was enough of a demand for a particular type of protection, then the demand would be satisfied on the market. If there were not enough demand for a particular form of protection, then it would not appear. The point is that no one person or majority of people would be empowered to coerce others into paying for protection they didn’t want or didn’t think necessary or didn’t believe could protect them.

While it seems doubtful that the current means of mass destruction (nuclear bombs delivered by submarine, missile, or bomber) would have ever been developed on the free market, little could be said against such a system so long as its opponents were not forced to pay for it. There are, however, many other systems of defense which individuals Americans could adopt. Citizen defense, based on the fact that there are over 100 million privately owned rifles and pistols in this country, would be one such option. Since any aggressor-State is interested in using the wealth of the “captured country”, a guerrilla type resistance could be mounted, unless, of course, the American public were first disarmed by its very own government. The century-old neutrality of Switzerland and its idea of every male citizen being armed demonstrates that a foreign aggressor would have little to gain by trying to conquer a country where there is a soldier in every home.

Nonviolent civilian resistance is another option. It has been defined as a strategy which aims to defeat military aggression by using the resistance of a large part of the civilian population so as to make it impossible for the enemy to establish and maintain political control over the country. It does not depend on the defense of the physical territory against occupation, but is rather based on the fact that

political power is necessarily derived from the consent of the governed. So long as the civilians remain firm and refuse to cooperate and obey, the real power lies with them, and not the conquering power.[11]

More conventional type defenses could be voluntarily funded in a number of different ways. In 1986, Americans gave over \$ 100 billion in cash and over \$ 100 billion in time and goods to charities. If Americans were willing to donate this amount of time and energy to charity, is there any reason to doubt that they would not voluntarily fund some sort of protection service - assuming that it was legitimately one of their higher priorities and concerns? Monies collected by a defense fund, like the "United Defense Way" could be distributed to various local regions according to terms worked out in advance. Local defense agencies could do fundraising work of their own, too. The greater the public's perceived threat of foreign attack, the more people would contribute.

Another source of raising large amounts of money needed to fund a more conventional style defense would be from surcharges on insurance premiums. As we have seen, private insurance would take on an added importance in a free society. Insurance companies might write "war insurance" policies or give their clients the option of such protection for an additional 5% of their current premiums. Such funds might be devoted to defensive weapons research.

Local defense companies, such as those providing police or judicial services, might be interested in expanding their coverage to include foreign defense. Foreign defense need not be national in the sense that it include the whole of North America. It is quite possible to protect San Francisco from foreign attack without protecting New York; and it would be feasible to protect Baltimore from an air attack without offering the same protection to Boston. Private companies, such as guard services, air forces, coast guards, etc. could compete to provide protection for free market groups or defense councils or associations in specific geographical areas.

Such competitive market agencies would suffer none of the built-in inefficiencies of State provided defense. No consumer would be forced to deal with only one agency. Defense companies would have to be innovative, and highly responsive to the needs of their clients, each providing the least expensive, yet most efficient means of defense. Levels of defense would vary from area to area. People living in large cities might want more defense than people living out in the country. Some areas might choose hi-tech defense weapons, while others would depend on a voluntary militia.

The problem of the free rider might surface: that is some inhabitants of an area might not pay for defense because others in the area have elected to do so. Given the fact that it would be difficult to exclude the free

riders from benefiting from the protection paid for by others, would there be a sufficient demand for defense service in a given locale? The problem could be solved by an owner's boycott. If those paying for a defense service did not allow non-contributors to use their facilities, then those who declined to pay for defense could be denied access to such services as sewer lines, telephone service, electric and water utilities, highways, railroads, airports, financial services (such as banking), and community associations (such as chambers of commerce and industrial organizations). If the majority of people in a given region supported provisions for defense, then such a boycott could be quite effective. It would not involve taxation or coercion. Non-participants who did not care to support defense services would not be prevented from building their own facilities or doing without. They simply would not enjoy the economies of scale experienced by the larger conforming group. The use of restrictive covenants would be another way of achieving the same effect as an owner's boycott. People could simply refuse to sell their homes or rent their apartments to those who did not support a given defense policy or company.

"The physical capacity to coerce others can never generate a moral obligation to obey the dictates of [government] power."

- George H. Smith, THE SYSTEM OF LIBERTY (2013), p. 147.

Defense companies might also combat free riders by announcing a policy of refusing to protect those who had not paid for their service. Attacks which interfered with paying customers would be repelled (even if some non-payers benefited). But an attack directed exclusively to non-payers would be ignored. Given these conditions, the provision of defense service loses its quality of being a public good. People who paid for the service would receive it; others would not. The notion of a public good is an illusion created by the absence of an actual market. Effective operation of the market depends on excludability, but excludability is not an inherent characteristic of goods. Rather the ability to exclude non-payers from benefits is something that must be learned if the market is to operate. (For example, when open air movies became popular, owners had to exclude non-payers by the erection of high fences.) Since the State has preempted this field, the market has not been given a chance to develop means of excluding non-payers.

Given the opportunity, the market would develop techniques, just as it has done in other areas. In some cases, the free rider might be denied his free ride. For example, a company like the Rural/Metropolitan Fire Protection company of Scottsdale, Arizona (founded 1947) might not put out a non-subscriber's fire, so long as none of their subscribers' homes were endangered. On the other hand, they might put out the

fire just to engender good will in the community. In many cases, the free rider might get his free ride, but not because he is in a position to compel others to serve him. The free-rider argument against private ownership and the private provision of "public" services does not prove anything, since we all benefit, at least indirectly, from many things we have never paid for. We profit from the existence of private colleges that help raise the educational level in our society, from private research and development centers that come up with new inventions; but the most important benefit we profit from is the existence of the free market, which provides us with an incredible array of goods and services.

Despite the public goods argument, the fact of the matter is that both history and theory amply prove that the free market can provide all of the services ever provided by the State and do a better job to boot!

#### Footnotes

[1]. See Walter Block, "Free Market Transportation: Denationalizing the Roads," III THE JOURNAL OF LIBERTARIAN STUDIES (Summer 1979), pp. 209 - 238, for the elaboration of this ideas and many of the other themes presented in this chapter.

[2.] Ibid, p. 211.

[3.] Ibid., pp. 214-215.

[4.] Ibid, p. 216.

[5]. Ibid., p. 221.

[6.] For more information, see Walter Block, "Congestion and Road Pricing," IV THE JOURNAL OF LIBERTARIAN STUDIES (Summer 1980), pp. 299 - 330.

[7.] Walter Block, "Public Goods and Externalities: The Case of Roads," VII THE JOURNAL OF LIBERTARIAN STUDIES (Spring 1983), pp. 1 - 34 at p. 26.

[8.] See Murray Rothbard, FOR A NEW LIBERTY, New York: Macmillan Company 1973, p. 217. Rothbard also notes the existence of a mighty network of private canals built throughout England during the same period; again, the result of private enterprise.

[9.] William Wooldridge, UNCLE SAM THE MONOPOLY MAN, New Rochelle: Arlington House, 1970, p. 131.

[10]. Ibid., p. 133.

[11]. A number of years after this series was written, I elaborated on this paragraph in "Without Firing A Single Shot: Voluntaryist Resistance and Societal Defense," Whole No. 128 THE VOLUNTARYIST (1<sup>st</sup> Quarter 2006). V

*(See Page 8 for the last chapter in this series.)*

If you think the government will help you and take care of you, you only have to look to the American Indian to see how well that worked out for them.

- attributed to Henry Ford

## The "Solution" - The Voluntary Way

*(Continued from page 8)*

Another important point that has been emphasized throughout this series is that "no matter what the circumstances, trying to solve the problems of some by using force against others is always immoral." [2] No matter how moral or humane one may believe his cause to be, if its attainment requires the violation of the rights of even one man, then it should not be attempted using coercive means. So while it is true that some people are unable to care for themselves and must be supported by others, this fact does not justify a violation of the rights of those who are able-bodied. The moral objectives and good intentions of the force-wielders can never transform their coercion into a moral action.

This is not to say that the infirm and weak would not be cared for. Philanthropy existed long before the existence of the State in North America. The main tenets of the world's great religions have stressed the virtues of charity and the efforts to aid one's fellow man. The history of charity is the story of all the social and religious forces which animate the voluntary spirit of benevolence. Nothing could stand farther apart than reliance on the voluntary way, and "forced" giving via taxation and State welfare plans. The early Christian and Jewish religions placed an importance on acting as a "good Samaritan" and consistently helped the widowed, the sick, the orphaned, and the enslaved. The system was institutionalized by the founding of charitable endowments associated with the Roman Catholic church, monasteries, and hospitals, and other voluntary groups, such as the Anti-Slavery Society (London, 1823), the Sisters of Mercy (Dublin, 1827), the Society of St. Vincent de Paul (Paris, 1833), the Red Cross Society (Geneva, 1864), and the Charity Organization Society (London, 1869). The magnitude of the provision of charitable relief in connection with various religions and other voluntary societies cannot well be estimated, but it undoubtedly reached a huge total, far out-distancing the amount of State-aid provided throughout history.

In other ways, too, the principles of voluntaryism have provided for education and learning opportunities. For all practical purposes, from the time of the first English settlement until the early decades of the 19th Century, there were no tax-supported libraries in North America. Nor were there any "publicly" financed schools. Yet, large numbers of people learned to read and had access to a variety of printed materials. As early as the 1690s, the Society for Promoting Christian Knowledge was responsible for funding and starting over seventy libraries in America and sending over 34,000 books to the New World. During the 18th century, social libraries, as well as apprentice and mechanic institutes were popular. In the early 19th century, circulating or rental libraries (on a minimal

fee basis) provided many of the books read by the public. During the latter half of the Century, free “public” libraries were established by such educational philanthropists as John Jacob Astor (New York Public Library), John Crerar (Chicago), Enoch Pratt (Baltimore), and Andrew Carnegie who made numerous contributions totaling more than \$ 60 million.

Other religious groups, such as the Society of Friends (Quakers), and the Society of Latter-Day Saints (Mormons), have long been active in philanthropic activities. The Mormons formally began their Church Welfare Program in 1936. Its purpose embraced the desire of the Society to keep its members off the dole of the New Deal and return them to independence as rapidly as possible. “There is no finer model than the Mormon Church for a private, voluntary, rational, individualistic welfare program.” [3]

What keeps a truly civil society together isn’t laws, regulations, and police. It’s peer pressure, social opprobrium, moral approbation, and your reputation. These are the four elements that keep things together. Western civilization is built on voluntarism. But, as the State grows, that’s being replaced by coercion in every aspect of society.

- Doug Casey, On the End of Western Civilization, CASEY DAILY DISPATCH, May 6, 2017.

In contrast to private efforts, the involvement of the State in charitable endeavors has been greatly flawed. Whenever State welfare programs have been instituted, from the days of “bread and circuses” during the Roman Empire, to the “Great Society” of Lyndon Johnson, the statist system has invariably created its own dependent population. The State bureaucracy, to insure its own survival, must have poor to administer to, while a private agency, dependent on voluntary donations, tries to get its recipients on their own two feet as quickly as possible. Private donors would soon cease to support an organization that was making no headway or had huge administrative costs.

The real tragedy is that the modern welfare State does not really help the poor and, in fact, often harms them. Minimum wage laws generate tragic amounts of unemployment, especially among the poorest and least skilled workers. The productivity of many of these unemployed workers is not equal to the minimum wage that they must be paid. Thus it is not economically possible for employers to hire them. Licensing restrictions keep the poor and less skilled from training for, or entering, many occupations. Urban renewal programs often demolish housing for the poor, for the benefit of developers and downtown business interests. Farm support prices keep food prices high, while aiding the farmer only in the short run. Government intervention usually assists those economic interests that have the ability to exert

“political” clout. Political welfare is a classic case of “what is seen and what is not seen.” Some people may benefit, but only at the expense of those who have their property taken via taxation.

Few would question the unsurpassed ability of the free enterprise system to generate progress during the 19th century. Immigrants came to the United States because they realized they would be better off than in their homelands. Absolute poverty, there, was worse than being at the bottom of the social heap in America. Only America was the land of “golden” opportunity and freedom. Nevertheless, the most important part of the case for economic freedom is not its vaunted efficiency or its dramatic success in promoting economic growth. The cause of freedom should not be supported because of its ability to provide food, shelter, and clothing, or the many amenities we might take for granted. These are the effects of freedom, not its cause. The case for freedom should be upheld because it is in accord with man’s essential nature and the reality of the world around him. This reality is reflected in the law of supply and demand, in the fact that man shall not eat if he does not work (unless someone else voluntarily supplies him with food), and in the fact that “there ain’t no such thing as a free lunch.”

The following chart lists some of the principal characteristics of a free society and contrasts them to the features of a statist world. These features serve to summarize much of the argument in this series.

Free market	vs	State capitalism
Spontaneous order	vs	State legislation
Diversity & pluralism	vs	Uniformity and enforced conformity
Private ownership	vs	Public Management
Free association	vs	Compulsory assignment
Self-government	vs	State control
The voluntary way	vs	Use of coercion

The purpose of this series has been to demonstrate that there is no need of man which cannot be met by voluntary cooperation, and to show how private services have operated in the past or might work in the future. Only the voluntary way meets the acid test of the market. If the work is desirable, it will be done voluntarily. If it takes the State (force and taxation) to do the work, then this is the proof that it should not be done at all. The better way is the voluntary way. That is the solution.

#### Footnotes

[1] I am indebted to Lorne Strider for suggesting this. See THE VOLUNTARYIST, June 1988, p. 8.

[2] Robert Ringer, RESTORING THE AMERICAN DREAM, New York: QED, 1979, p. 133.

[3] Murray Rothbard, FOR A NEW LIBERTY, New York: The Macmillan Company, 1973, p. 170. V

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## **Chapter 7: The “Solution” - The Voluntary Way**

**By Carl Watner (1990)**

*(This is the last chapter in this series)*

“Make money, not war!” could well be the slogan of those who support the free market and criticize the State. Business people and those who interact peacefully with others in society are creating productive wealth, providing the greatest good for the greatest number of people. Those who pretend to act in the public interest, such as politicians, bureaucrats, and regulators create no wealth. People engaged in commerce are interested in pleasing their clients with a product or service that is wanted. Presidents, congressmen, senators, tax collectors, dog catchers, zoning administrators, and building inspectors have no free market customers to please. They are all non-producers living off the labor of those who do produce. The producers want to satisfy consumers and the non-producers want to limit, regulate, and destroy what consumers need. In this sense, the producers and the non-producers are at war with one another to see who shall succeed. [1]

There is another way, too, in which this war may be viewed. Every statist law, no matter how petty, has as its ultimate punishment death or confiscation of property. If you resist the law all the way, you will end up in contempt of court or in resisting arrest. Separating the act of resistance (failure to obey a court order or failure to surrender to an officer) from the initial violation is one of the slickest ways of bringing

a populace into line. By having assumed the task of delineating and adjudicating property rights, the State makes it difficult to perceive that where government exists private property rights are necessarily negated. Throughout this series, the importance of private property has been stressed. True ownership is defined by the first user and customary traditions, rather than by the State. In places and times where the State was weak or did not exist, title was derived by homesteading - using, claiming, and bounding - an unused and unowned natural resource.

The criminal essence of the State is found in the means that it uses, not in the services that it performs. Certain goods and services are essential to life, but it is not imperative that they be provided by the State. People individually or together in associations will provide for their own needs. History amply demonstrates that people provide the goods and services that they need and desire. Keeping time is one of those essential services that, fortunately, was never controlled to any great extent by the State. If it had been, private clocks and wristwatches probably would have never evolved, or if they had, they would have been exorbitantly expensive. Timekeeping, precisely because it was primarily left in private hands, has today evolved to a high art. State intervention would only have impeded its progress. If people had been raised with the idea that the State should be responsible for keeping time, it would be difficult for them to imagine how the free enterprise system would provide people with digital clocks and the many other gadgets people have to assist them in telling time.

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