
The Voluntaryist

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

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Weights and Measures: State or Market?

by Carl Watner

Introduction

Historically, the State has been largely responsible for coinage, and the systems of weights and measures by which the metallic content of coins has been determined, but there is no reason why these operations should not be in the hands of private enterprise. The purpose of this article is to call attention to the parallel between the advocacy of private money and the free market provision of weights and measures.

A Brief History of Weights and Measures

Before there was a State, primitive man perceived a need for measurements of length and weight. For objects which he could lift and handle, nature suggested the arm, the hand's breadth, and the finger as units of measure, while the pace and the foot provided a ready means to measure distance. For small and delicate items, the earliest and most commonly available unit of weight was found in the form of the seeds of plants. The carat weight, used by jewelers and goldsmiths, was originally based on the weight of the carob seed of the Near East, or the locust tree seed. In Central Europe, the dry grain of wheat was another natural weight, which gave its name to the standard unit of one 'grain.' Although seed grains are all not equal, there is a reasonably constant uniformity among samples from the same locality and from the same harvest, which was sufficient to make the early 'grain' standard widespread from Europe to China.

Apart from the metric system, nearly all of the customary standards of weights and measures used in the western world have evolved from the systems used by the empires of the Middle East. The Beqa Standard, usually associated with the weighing of gold and silver, has by far the longest history of any of the ancient standards. It was used in Egypt throughout 3000 years of dynastic rule, and was then adopted by the Greeks as their standard about 700 B.C. The Romans derived their weights for the silver denarius and the gold aureus from the Beqa Standard. The Arabic empire of the 7th Century A.D. used the Beqa Standard to weigh bulk gold, and ultimately it became the basis for the English troy weight system (which was transmitted to medieval Europe by way of the ancient Greek city of Troy, hence the name).

Since the mining and use of gold and silver were a jealously guarded prerogative of royalty in the ancient world, the provision of coins became a government monopoly. The coining monopoly necessitated government intervention in the definition and promulgation of weights and measures because of the integral connection between measuring gold and silver, and determining the standards by which they were to be measured. To enforce its monopoly in these areas, governments had to erect safeguards for the proper manufacture and use of weights and measures, and simultaneously provide for the prohibition of new standards, which might compete with its existing standards. The involvement of early governments in these areas is well exemplified by the ordinances found in medieval Germany. The accuracy of early German coinage left much to be desired: many were underweight, others overweight. In an effort to prevent people from discovering and melting down the overweight coins, the government outlawed the private ownership of scales.

There were numerous, other ways in which governments tampered with weights and measures. In the history of nearly every national unit of account, there can be found the story of chronic debasement, either in the form of reducing the weight or the purity of the metal in a given coin, without reducing its

legal value. In other times and places, the State has redefined the content or standard of value of the monetary unit. The story of modern State control over currency and coinage may be summed up in the numerous hyperinflations of the Twentieth Century, in which the monetary systems of various countries have been totally destroyed. To say the least, the constitutional mandate of these sovereign nations—generally described as "to coin money, regulate the value thereof, ... and fix the standard of weights and measures"—has demonstrated the total inability of coercive political power to ever accomplish these goals. While there is no guarantee that private enterprise would perform better over the long run, there is at least the assurance that if a private organization fraudulently altered its money or weight standards, other alternatives would be quickly offered by its competitors. The voluntary aspect of market competition in both weights and measures and monies most likely would insure us against the failure of a single coercive monopoly to honor its own laws and standards. In any case, it is hard to imagine private enterprise leaving a more sordid record than the State has left.

The Common Law of Weights and Measures

In any country, there must always be some commonly accepted standard(s) of weights and measures. The use of certain weights and measures, like the use of various kinds of money, originates with the people, in their economic transactions in the marketplace. There is no inherent reason why these common law standards must be legalized or sanctioned by the State; adoption by the government adds nothing to their efficacy. Unless the new system demonstrates an overriding superiority to the one in use, there seems little reason for people to give up the old standard. Indeed, if a new system of weights and measure requires legislation to bring it into use, it must be lacking the advantages which the users consider necessary to cause them to adopt it voluntarily.

The one system developed and promoted by governments, the metric system, has still not been commonly accepted in the United States. Instituted by the revolutionary government of France in 1791, the metric system was supported by compulsory legislation wherever its use became widespread. In the United States, the Metric System Act of 1866, "officially recognized the use of metric weights and measures in commercial transactions," meaning that no contract or pleading in a government court was to be held invalid because the weights or measures expressed or referred to were metric. The Act also provided an official table of equivalents between metric and the customary units of measure. Despite the fact that there was never a similar Act of Congress authorizing the use of our customary systems of English weights and measures, those systems have always been recognized in government courts.

The duty of Congress or some private registry agency with respect to weights and measures is to define and preserve the standard, so that if some dispute arises, there is an independent, third-party verification of the weight or measure used. Lysander Spooner, a 19th Century constitutional lawyer, explained this purpose thusly,

Congress fixes the length of the yard-stick, in order that there may be some standard, known in law, with reference to which contracts may conveniently be made, (if the parties *choose* to refer to them,) and accurately enforced by course of justice when made. But there is no compulsion upon the people to use this standard in their ordinary dealings. If, for instance, two parties are dealing in cloth, they may, *if they both assent to it*, measure it by a cane

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Editor: Carl Watner
Associate Editor: Julie Watner
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Potpourri From The Editor's Desk

1. "A Matter of Royal Conscience"

"Belgium's King Baudouin has stepped down temporarily because his conscience wouldn't let him sign a law legalizing abortion,... . Legal experts said the king was able to step down through a law intended for use if the monarch was too ill to carry out his duties or was prevented from doing so for other reasons." (The constitutional provision had been used when the king was in the hands of the Nazis during World War II). Its use in a matter of conscience was unprecedented.

—THE WALL ST. JOURNAL, April 5 & 10, 1990

2. "Laissez Faire!"

There is a story that the famous French mercantilist minister, Colbert, once asked a group of businessmen what he could do for them. One of the men, Legendre, is supposed to have replied, *Laissez nous faire*—leave us alone. Several French authors in the earlier 18th century, including the Marquis d'Argenson, used the slogan, *laissez faire*. The great Turgot attributed the rule *laissez faire, laissez passer*—leave things alone, let goods pass through—to Gournay. Sometimes a phrase was added suggesting the social theory behind the slogan: *le monde va de lui meme*—the world goes by itself. Today the term *Laissez faire* has come to mean: leave the people alone, let them be, in their economic activities, in their religious affairs, in thought and culture, in the pursuit of fulfillment in their own lives.

—Ralph Raico

3. "A Prediction"

Fred Woodworth in the Winter 1989-90 issue of THE MATCH predicts that the International Standard Book Number (ISBN) which is widely used throughout the publishing industry (to make it easier for libraries and bookstores to keep track of their acquisitions via computer) will become a tool of censorship. The ISBN system is administered in the United States by a private agency and it is not compulsory that every publication be assigned such a number. For example, THE VOLUNTARYIST has never applied for one as a serial (newsletter) publication; nor have any of our books, such as Robert LeFevre's biography, or NEITHER BULLETS NOT BALLOTS been assigned such numbers.

Fred's fear is that the ISBN system will eventually evolve into a mandatory system, which will effectively prevent the alternative and underground press from printing its literature. "Perhaps in time of war there's suddenly a loyalty oath on the paperwork (when applying for the ISBN number), ...just to make sure that the valuable *privilege* of using the ISBN isn't handed out indiscriminately to people who *endanger society* via their *irresponsible* writings. *Freedom means responsibility, If you aren't willing to be a responsible publisher, you have no business... (being allowed to publish).* From there it is hardly any distance at all to the situation we have today with Social Security Numbers: without one you can't work, get a driver's license, have a bank account, rent an apartment, or go to school." And he adds, "if you'd asked in 1936 whether the Social Security Number could result in all those strictures, you'd have been laughed at, just as anyone who says a word against the ISBN is laughed at now."

Fred's comparison of the ISBN to Social Security is somewhat

off base. The ISBN number is a voluntary, industry-wide standard which developed out of the book numbering system introduced into the United Kingdom in 1967, by J.A. Whitaker and Sons, Ltd., and into the United States in 1968, by the R.R. Bowker Company. As a result of meetings sponsored by the International Standards Organization, the ISBN system was implemented in the early 1970s. If there is a danger that the ISBN system might be "nationalized" by the government and used as a tool of censorship, the fault would not be with ISBN, but rather with the State. So long as there is a State, the evolution of industrial standards offers an opportunity for the government to co-opt the market place's voluntary solutions. (It is also worth mentioning that those who choose not to use the ISBN numbers may have their products refused by the book trade, simply for that reason. Such exclusion, however, is not a form of government censorship. In fact, the ISBN standards make provision for assigning numbers to the works of non-participating publishers.)

4. "The Man Who Knows Freedom Will Find a Way to Be Free"

"But though our *attachments* can be taken from us by force, our *free will* cannot. ...Because (these) attachments increase the likelihood that we will cooperate with those who would control us, it should be evident that only our *attachments* can enslave us. We are only free when we are complete within ourselves. Only when we value something outside ourselves more than we value the inviolability of our will do we make ourselves vulnerable to the loss of our freedom. Because we cannot lose our free will but can only chose to relinquish it, we have nothing to fear from others. The realization of that fact is freedom. ...

Neither you nor I will recover our freedom through petitions, elections, or legislation: We will become free *not* when our *neighbors* understand what it means to be free, but when *you* and *I* do. We will not become free when the State goes away; rather, the State will go away when we become free. We have no saviours—be they religious, political, ideological, or technological—to whom we can turn for salvation: the passion to live as free men and women will either arise with us, or we shall not experience it at all. Since freedom is a condition natural to us as human beings, we need do no more to reclaim it than to resolve to exercise full control over our individual selves. ...

In the words of a sign that hung above the road at a school in Colorado ...: 'the man who knows what freedom means will find a way to be free.' Our freedom will not be attained by *political* revolutions, but only by a *spiritual* revolution within each of us."

—Butler Shaffer,

CALCULATED CHAOS, 1985, pp. 223-227

5. "From THE DIARY OF H.L. MENCKEN"

Reflecting on the possibility of the return of civil liberties in the United States after World War II, H.L. Mencken wrote:

It is highly improbable that even the rudiments of free speech will be restored in my time, as they began to be restored in 1925. There will be a state of war so long as Roosevelt is in office, for if he made peace he would lose all his war powers, and his disintegration would follow quickly. Thus I'll never see any freedom again. It is hardly a prospect to fill me with patriotic frenzy. *The government I live under has been my enemy all my active life. When it has not been engaged in silencing me it has been engaged in robbing me. So far as I can recall I have never had any contact with it that was not an outrage on my dignity and an attack on my security.* (emphasis added)

6. "From a Former Subscriber"

"Enclosed please find a check for \$29.95. This is for one year of THE VOLUNTARYIST, and one copy of your biography of Robert LeFevre.

While I have not been following the flow of libertarian thought lately, I recall that your journal was more than name-calling and finger-pointing. Also, based on my recollections, I believe that THE VOLUNTARYIST emphasis on living the basic libertarian credo, rather than working towards some 'end of history' political revolution, is both more conducive to being a better person, and to achieving the social changes most libertarians seek."

Voluntaryism In The Evolution Of The Oil Industry

By Carl Watner

One of the world's greatest industries was born when Edwin L. Drake found commercial quantities of petroleum in Pennsylvania in 1859. The primary motive of Drake and other oil industry pioneers was the search for profits, not the betterment of mankind. They had no intentions of starting a new industry. Instead, they were entrepreneurs who saw the possibility of satisfying a market demand by arranging natural and human resources in a way that no one else had ever tried before. These men, like nearly all other men who have improved the lot of mankind, were profit-seekers, not saints.

The development of the oil industry represents the spontaneous order at work. First, the discovery of oil in commercial quantities in this country was not the outcome of a government-sponsored search. It was the result of certain far-thinking men being alerted by high prices on the market. Second, the drilling of Drake's well was not planned by any governmental agency, nor was it licensed, supervised, or taxed at the start. Third, since the United States government, and its courts and legislatures, did not have its hands in these developments, it was impossible for them at the beginning to create laws for a product that hitherto had been of little importance. Until the government was able to catch up with the market, the oil pioneers developed their own customs and usages.

The idea that people can cooperate peacefully, to satisfy their own needs and to benefit themselves, is the essence of the voluntary principle. It is also the only way that mankind can stand to gain, too, for if anyone is coercively made worse off, then it is impossible that society overall can be better off. The purpose of this paper is to demonstrate the role of voluntaryism in the first few decades of the oil industry.

The First Strike

Native American Indians used oil flowing on the surface of streams in northwestern Pennsylvania and southwestern New York for medicine, lighting, and grease. As the Indians were displaced, white settlers soon realized the oil had commercial value. The substance was sold as "Seneca oil" after the Indians of the area, and was used to treat medical ailments. Some people burned it as a luminant, even though it gave off hellish odors. Others began refining petroleum to improve its lighting qualities and to reduce its smell, but who knew how this could be done? Who knew if there was enough oil to make investment worthwhile, and how did these men find out? The oil industry from its inception depended on the voluntary cooperation of inventors, explorers, and men with all sorts of expertise. It was the absence of coercion and the reliance on the voluntary principle that made its growth possible.

Oil also emanated from springs, and one of the largest was located south of Titusville, Pennsylvania, on land owned by Brewer, Watson and Company, a lumber firm. One of the principals of the firm, Ebenezer Brewer, sent samples of the oil to his son, a doctor living in Vermont. Dr. Brewer, in turn, sent a sample of his father's oil to Dartmouth College for analysis. The reports showed that this oil would make an excellent luminant and a good lubricant. While the Dartmouth chemist was performing his analysis, an alumnus, George H. Bissell, visited him.

George Bissell was a journalist and teacher, and possessed the keen curiosity of a man willing to try anything once. Bissell believed that if there were large underground reservoirs of oil it would be commercially feasible to exploit them, refine the oil, and sell it for profit. There was no way to know if this was possible except by trying, and this took money.

In the 1850s, Bissell and John Eveleth, a partner, organized the very first oil company—the Pennsylvania Rock Oil Company—to raise money for oil exploration. Bissell began by purchasing land in the Oil Creek area of Pennsylvania and the company was soon selling oil from seepages on their property. In 1857, the Company reorganized because some of its stockholders were opposed to Bissell's idea of drilling for oil (hitherto all exploration

had been based on digging, boring, or mining). The new Seneca Oil Company hired Edwin L. Drake, a retired railroad conductor and jack-of-all-trades, to conduct drilling on a parcel of land it had leased from Brewer, Watson and Company. The drilling method had previously been used successfully to find salt water.

Interestingly, no invention or adaptation was necessary for using this technique to find oil. By the summer of 1858, Drake was in Titusville attempting to assemble the needed men and equipment. By the following summer a derrick and engine house were constructed and the necessary tools purchased. Money, though, was running short, and the general community looked upon the experiment as Drake's folly. Finally, in the late afternoon of August 27, 1859, at 69½ feet deep, the hole that Drake's men had been drilling filled with oil.

Drake's well produced about twenty-five barrels in its first twenty-four hours, but rumor had that it was much more. Men who had been skeptics were now convinced and quickly sprang into action. Up and down the nearby creeks, men started buying or leasing land. They didn't wait to construct engine houses but put their first wells down by hand with hickory drills (a hickory pole worked by foot power). The oil rush of '59 was like the gold rush of '49: there was no lack of manpower, for news had gone out overnight by word-of-mouth that blacksmiths, teamsters, carpenters, skilled mechanics, and others were needed. Men converged on the region from all directions.

None of these men knew what to expect, as none had previous experience with petroleum production. Drake had gone down just 69½ feet close to an oil spring; would wells have to be dug deeper? Did oil always make itself known by coming to the surface? What was the nature of the oil deposit—an underground stream, a vein, a reservoir? These were the questions that were important to the men on the scene; their efforts to find answers marked the beginning of petroleum geology and the commercial industry.

By the end of 1860, 74 wells had been drilled. Soon, flowing wells were drilled, where oil burst forth in powerful gas-driven geysers, and with this came the danger of explosion and fire. Oil exploration spread to surrounding territory and soon oil was discovered there too. Places like Pithole, and Petroleum Centre, and Oil City were soon founded. This spontaneous activity greatly increased the production of oil both in and outside of the United States. In 1860, just slightly over 500,000 barrels of oil were produced in the United States and about 5,000 barrels were produced abroad. By the end of the decade, oil production records showed that over five million barrels of oil were produced in the United States, while more than 500,000 barrels were produced abroad.

Storage and Shipping Problems

Production of oil in large quantities led to the development of subsidiary industries for storing and carrying oil, the forerunners of the tank farm and pipeline of today. It is said the first thing Drake grabbed when oil started flowing was a wash tub, but this was not a solution to his storage problems. Barrels were the answer, but where were they to come from, and how were they to be produced in the tremendous quantities needed?

The amount of oil inspired a revolution in the transportation of crude oil, going from horse-drawn wagon and barrel, to flat-boat, to railroad tank cars, to pipelines in the course of only five years. The 42 gallon wooden barrel appeared first, caulked with oakum and held together by iron hoops. These appeared in the spring of 1861. Iron tanks soon followed, and could hold 500 to 1,000 gallons. By 1868 the oil region's storage capacity in iron tanks was over 800,000 barrels. This allowed producers to even out their sales, regardless of their current production, and to some extent helped to stabilize the price of oil on the market.

With the search for adequate storage went the struggle to improve the method of transportation. At first, everything from lumber and machinery, to pipes and barrels of oil had to be handled by teamsters with horses or mules. What could be floated on rivers or carried by trains was, but there still was some distance—often 20 or 30 miles—that had to be handled by horse and wagon. As production increased, so did the numbers of teamsters in the field, but this only made matters worse. Soon

roads were in terrible condition and the teamsters took advantage of the absence of competing alternatives by charging high rates.

It was left to the cleverness and greed of Samuel Van Syckle to create an oil pipeline. Van Syckle had tried to monopolize the buying of oil at Pithole in 1865 (by cornering the market on barrels). Despite his near success, he remained at the mercy of the teamsters. Van Syckle determined that he could avoid paying exorbitant fees to the teamsters by laying a pipeline to the nearest shipping point, 10 miles distant. He was convinced that oil could be pumped uphill if necessary, and began laying pipes. The teamsters made good on their threats to tear them up, and eventually Van Syckle was forced to hire private guards to protect his property. Finally, the line was laid and the oil began to flow.

Others imitated Van Syckle's enterprise and the pipeline soon led to the demise of teamster control. It was the oil region's first experience with "creative destruction," the destruction of livelihood for a whole class of men. At the same time, this "destruction" resulted in less costly transportation and new jobs for men manufacturing and laying pipes. The teamsters, thousands of them, were forced to fend for themselves. Some became producers, others worked on the pipelines, and still others left the region. There was no government—city, state, or federal—to soften the impact of the rapid transition.

Determining Ownership

Voluntaryism provided a basis for determining the ownership of commercial quantities of oil. Whoever makes something, having bought or contracted for all other held resources used in the process, is entitled to it. The voluntaryist interpretation of self-ownership and homesteading was exemplified in the ownership arrangements of Drake's first well.

Some things come into the world already attached to people who have entitlements to them. In Drake's case, a group of investors headed up by Bissell leased land on which Drake was to conduct drilling. The oil that Drake's employees eventually struck was the property of the Seneca Oil Company because the company had leased the land and contracted with Drake and his employees. It was company capital that paid their wages and purchased the necessary tools and equipment. Even though the well was drilled on leased land, it was contractually agreed between the land owners and the lessee that oil would belong to the latter. It was this moral way of dealing with people and their property that laid the groundwork for the practical success of the oil industry.

The fact that petroleum development was undertaken by private individuals led to acceptance of the rule that such individuals should reap the rewards of their successes as well as bear the costs of their failures. What was not clear, however, was exactly what it was that a petroleum owner owned. Since geological knowledge of petroleum deposits in the earth only developed as the industry itself grew, there was no scientific or natural basis on which to explain ownership. When the commercial exploitation of petroleum (and later gas) first took place, there was no statutory legislation or common law in existence which answered this question.

Perhaps the closest example in nature to flowing oil was that of running water. From early geological investigations and court decisions it is clear that both scientists and jurists believed oil was migratory, i.e., it flowed underground. This characteristic made it difficult to apply the common law concept of real property ownership to oil. Under the common law, land ownership was held to incorporate everything from the core of the earth to the heavens. If oil were migratory, then who owned the oil?

The application of the homesteading principle in this instance led to the judicial development of the law of capture. This was the law commonly accepted throughout the oil fields. According to the law of capture, "he owns the captured substance absolutely once it is reduced to dominion and control although the substance formerly was deposited under another's land and was induced to migrate to the point of capture by such operations." Before the instant of capture, the oil is subject to be captured by another driller operating from his own land but on the same source of supply. This law of capture was stated in three early Pennsylvania cases dealing with the ownership of petroleum.

Some critics of the rule of capture hold it responsible for wasteful methods of oil production which, they claim, have characterized the oil industry since its inception. As the only way to establish ownership of oil is to withdraw it from the ground, the oil producer has every incentive to extract it from the ground, even though there may be no immediate market for it. If the producer waits, it is possible that a competitor will drain off his reserves. The only way that a producer could prevent the draining off of oil at the boundaries of his land was to sink wells in the vicinity of his property's borders. In some instances this led to the construction of wells far in excess of the numbers geologically necessary to capture the petroleum. Such practices are referred to as the offset rule, by which a land owner offsets or counters another's well close to his property boundary by constructing his own well in the same vicinity, yet on his own land.

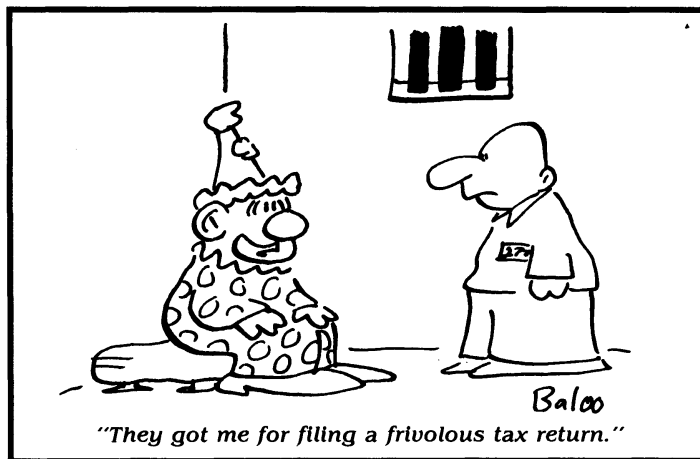
With the advent of World War I and war conservation measures, both the offset rule and the law of capture were modified by many state legislatures. Petroleum geology had advanced to the point where the location and size of underground pools could be determined with some accuracy. Common pooling and unitization, most often compulsory but sometimes voluntary, were employed to reduce the number of wells used to exploit an oil field. Proration and correlative rights were used by state legislatures to apportion the output of a field to its various owners. The old principle of having to reduce oil to capture was not done away with, but the offset rule came to mean that wells had to be spaced certain distances apart and certain distances from one's boundaries.

The voluntary method of dividing among several owners that production of oil from a commonly owned oil pool is by agreement prior to producing the petroleum. This system eliminates the necessity of establishing ownership by capture with or without state legislation. "The merit of division before production rests in the fact that each owner has an interest in every barrel of oil...to be produced. There is no incentive to waste any part of the common fund. There is no 'conservation problem' under this system." The result of this voluntary unitization is the maximum economic recovery possible, and is consistent with the unitary nature of the oil resource itself. Thus, even in the resolution of production and ownership problems, the voluntary principle out-performs coercive arrangements.

Conclusion

The history of the oil industry since its inception in the 1860s proves the superiority of the voluntary principle. The people in the industry, by producing a cheap, odorless luminant, contributed more to the comfort of the poor than any other development of that time. Their efforts were coordinated solely by their desire to better themselves in every exchange into which they entered. This could be done only by offering their fellow men something of value in return, and hence all parties involved in the early industry benefited. They practiced an honest morality and as a result reaped the benefits of personal wealth.

The new industry had its evils, no doubt: unscrupulous and dishonest producers and traders who were out to cheat, and the teamsters who resorted to the destruction of the first pipelines.



However, on the whole, the development of the oil industry could never have proceeded as it did without men being free to do what they saw as being in their own self-interest. If it had been restricted, licensed, and taxed, the oil industry may never have grown as it did.

It was not so much the genius of the people that determined this positive achievement. Oil was present in the ground in all parts of the world, and there were inventive native sons in all parts of the globe. What was unique in the United States was the system of voluntarism that people practiced. Ida Tarbell was sensitive to the unique nature of the industrial history of the petroleum industry when she wrote:

It is certain, however the development could never have gone on at anything like the speed that it did except under the American system of free opportunity. Men did not wait to ask if they might go into the Oil Region: they went. They did not ask how to put down a well: they quickly took the processes and adapted them to their purpose. Each man made his contribution: one knew of a wooden tank and built it; one had seen the cylindrical iron tank and ordered it; another knew that oil would run through pipes, believed it could be pumped uphill if necessary, tried it and proved it. What was true of production was true of refining, of transportation, of marketing. It was a triumph of individualism. Its evil evils were the evils that come from giving men of all grades of character freedom of action.

Taken as a whole, a truer exhibit of men working without other regulation than what they voluntarily give themselves is not to be found in our industrial history. ▣

Weights and Measures

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or broom-handle, and the admeasurement is as legal as if made with a yard-stick. Or parties might measure grain in a basket, or wine in a bucket, or weigh sugar with a stone. Or they may buy and sell all these articles in bulk, without any admeasurement at all. All that is necessary to make such bargains legal, is that *both* parties should understandingly and voluntarily assent to them—and that there should be no fraud on the part of either party.

Spooner's analysis also sheds light on the evolution of new units of measurement, and their legal and commercial use. For example, prior to the development of oil pipelines, oil was commonly moved in barrels, and transported by horse and wagon, or boat. The term 'barrel' as we know it today, and as used by the OPEC countries, is a measure of 42 gallons of petroleum, that came into use only during the last 125 years. In the early 1860s, a barrel of oil usually meant a cask of oil, regardless of its size, for there were no standard-size casks in use. Variations in the oilman's barrel persisted until at least 1872, when a producer's agreement resulted in a fixed price for a 42 gallon barrel of oil. Today, it doesn't matter if oil was ever shipped in 42 gallon barrels or not, since it is now moved by pipeline, oil tankers, and tank trucks. What is important to us, is that the custom still persists of buying and selling oil by the barrel. The oil pioneers did not (indeed they could not) wait for the government to proclaim a unit by which they should measure and sell the oil they discovered. Rather they adopted measurements from other liquids (the whiskey barrel of western Pennsylvania, where oil was first commercially exploited, was a 42 gallon container). Eventually there arose from the competition of various interests (the producers, transporters, and consumers of oil), the industry standard of a 42 gallon barrel. It did not originate in the halls of any legislature and needed no governmental sanction.

The history of the oilmen's barrel is just one incident in the standardization of weights and measures in modern industrial America (there are many others). For example, the development of the electrical industry explains why product integration and standardization were needed. It also exemplifies the manner in which the free market operates. Light bulbs must screw into household sockets; electrical appliances must be supplied with the proper voltage. The United States electrical industry agreed on standards because it made economic sense, not because they

were imposed by Congress.

Producers who do not wish to abide by the standards, or who wish to introduce new standards, are not prohibited from doing so; but neither is there any guarantee that their efforts will find consumer acceptance, which is the ultimate test of the market. Another example, much closer to home to the readers of this newsletter, involves the decimalization of the troy ounce, which was pioneered by Conrad Braun and Gold Standard Corporation. The troy ounce, by which gold has historically been traded in the modern world, is based upon twelve ounces, each of twenty pennyweight. Nevertheless, economists and gold advocates believed that gold gram coinage (rather than pennyweight coins) would be the most appropriate way of introducing gold coins to the public. After gold ownership became legal, several mints, including the South African government, tried to market gold coins of 5, 10, and 20 grams. These coins were not widely accepted by the public since it was difficult to readily calculate their worth. Gold Standard solved this problem by decimalizing the troy ounce, producing coins of $\frac{1}{10}$, $\frac{1}{5}$, $\frac{1}{4}$, and $\frac{1}{2}$ of an ounce, whose value could easily be determined in relation to the spot price of gold.

Conclusion: Compulsion or Voluntarism?

Justice in weights and measures systems means the dominance of those systems which best fulfill the needs and desires of the consumers and users on the market. In the absence of coercion, fraud, and government intervention, those weights and measures systems which prevail are necessarily the most satisfactory (taking into account the past state of affairs). The advantage of market-oriented weights and measures is that they are responsive to changes in consumer needs and demands, as well as new technological developments. Compulsory government standards can only be changed by fiat and must often be imposed by force.

Like the rest of human knowledge, the science of weights and measures is ever-evolving. It has roots in the past, and there exists a capital investment in any given weights and measures system. Not only human inertia, but the financial stake in existing standards impedes the acceptance of new weight and measurement systems. Just as Gresham's Law of Money points out that in the absence of government interference, the more efficient money will drive from circulation the less efficient money (if the individuals who handle money are left free to act in their own interest), so in the absence of government-mandated standards, the most naturally-suited systems of weights and measures will eventually drive the less naturally-suited out of use.

The National Bureau of Standards, the federal agency most responsible for weights and measures, is subject to the same criticisms that can be directed against all governmental operations. It is funded by taxation, so that people who do not desire its services are forced to pay for them anyway. The services it provides are not subject to the test of the market, therefore either their quality and/or price are not as good as those that could be provided by private enterprise. There are no services performed by the Bureau that could not be accomplished by private individuals operating in a free-market framework. The continuing research carried out by scientists at the Bureau may be necessary to the improvement of weights and measures systems and the mastery of metrology (the science of weights and measures). However, there is no reason why, if there is a market demand for such services, they would not be forthcoming from private research labs, each competing with the other to provide the best possible service at the lowest price. If the free market can provide better quality, price, and service in the area of money and banking, there is no reason why it cannot succeed in the realm of weight and measures. ▣

There ain't no such thing as a free lunch. Anything free costs twice as much in the long run or turns out to be worthless.

—Robert Heinlein

Voluntary Musings

A Column of Iconoclasms

By Charles Curley

*"Nothing can defeat an idea
--except a better one."
--Eric Frank Russell*

There are a great many things from which the government cannot protect you. From some of them you may not *wish* to be protected. But the two on top of the list of things from which it cannot protect you are, first, yourself; and second, itself.

Another thing from which the government cannot protect you is its competition. There were some 2,200 violent crimes in New York City in 1988. That's one every four hours. Not just in New York, not just in Manhattan, not just on 42nd Street, but on one block! This is "the most dangerous street in the world", 42nd Street between Seventh and Eighth Avenues. Note that this is in the city with the most stringent gun control laws in the country. In that same year, Washington D.C. had more violent deaths than Sri Lanka — which was then undergoing a civil war, and has twenty times the population. Again, Washington has some pretty stringent gun control laws.

Meanwhile, the City of Boston, in its zeal to 'protect' us from 'assault rifles', empowered its Police Commissioner to enter businesses and homes to search for prohibited weapons. They also created an "Assault Weapons Board", another quango to be paid for by the taxpayers. Maybe they'll outlaw burglar alarms next.

Government also won't protect you from other government. Hong Kong has more than 50,000 boat people from Vietnam. The colonial government would like to get rid of them. In its local version of the American and British Operation Keelhaul, it talks of "involuntary repatriation" and even "mandatory repatriation." Two Labour politicians, Lord Ennals and Mr. Alf Dubs, suggest calling it an "orderly return programme." After all, as the two politicians put it, "terminology can be crucially important."

The boat people might disagree, as evidenced by their placards, e.g.: "We'd rather die than be sent back." Unfortunately, the Hong Kong government, backed by the "anti-communist" Tories, may just present the refugees with exactly that choice.

Hong Kong would be better off if they send the politicians to Vietnam instead.

Just Say No: Mr. Richard Darman recently evoked howls of rage from his fellow politicians by issuing a 15 page essay explaining the Federal budget non-process from the point of view of a child. There were, of course, great outcries from Congress. These were not because he treated Congress like a bunch of children; they are the largest day care center of overage spoilt brats in the known universe. The real reason for the howls of rage, one suspects, is that he told it like it is.

Mr. Darman compared the budget non-process to the Cookie Monster, Sesame Street's voracious entity. Personally, I think that a better analogy would be the alien blood-eating plant in the film *LITTLE SHOP OF HORRORS*. They both keep demanding, "Feed me!" and both require the sanction of their victims to keep the victims enslaved. Just Say No to the Federal Budget Monster.

You should have such problems...

"Change should be expected. It's good to have a quick change. Those who resist will have problems, like Ceausescu."

— Hun Sen

Vietnamese-backed Cambodian PM

If drugs were legal... Well, not all of them are, especially recreational pharmaceuticals. But in two places it comes pretty close. Legal (and unregulated and untaxed) drugs would presumably sell for a price much lower than their current prices, with government barriers to entry and high taxation by confiscation.

Hong Kong has historically had a fairly high heroin addict population, and the stuff has become much cheaper there in recent years, declining to \$5.00 a gram. This means that an

Letter to the Editors

Dear Carl and Julie,

Some lines in response to Whole No. 42 of THE VOLUNTARYIST. You did a marvelous job with it. What I must respond to is the article on "Two undergrounds."

I share what I suspect is the Cullinanes' attitude toward the "law." Basically, laws are rules made by special interest groups for their own benefit. They have no intrinsic merit and oblige us in no way to obey them except as we agree with their enforcement. I am frustrated and angry because of the mistreatment the Cullinanes have received and the fact that there is little I can do to help them. I can send along a little money—but I am personally hard strapped to meet my bills. I can wish them well, but that doesn't do much to improve their situation. I suppose I could offer them asylum, but I suspect they are not coming this way.

So, what is there I can do in the face of what I see as harassment of citizens by government agents? The government is evil by its nature. But it is powerful—particularly as we let it have power over us. It can do all manner of vile things to people—kill us, rob us, torture us, suffocate us under bureaucracies, spy on us, and make us its slaves.

While it appears the mantle of oppression is lifting in the Eastern block countries, unfortunately it only gets heavier here. Now that the "Commie" bogeyman is withering away (or appears to be), we have been "educated" to the danger of the "drug" monster waiting to consume us. In some ways, this government-created enemy is even more dangerous than Communism because it is a domestic enemy and that means more efforts will be made to control this internal threat. Translated, of course, that means more loss of civil liberties, more domestic witch hunts, more internal police apparatus, and more taxes to pay for it all. We become even bigger losers.

The money "saved", if there is any, from military spending, will be gobbled up by domestic programs. The social manipulators are thinking overtime on ways to get their hands on that money. Their agents in the F.B.I. and I.R.S. have the social conscience of Gestapo agents. There is no reasoning with them except as the East Europeans reasoned with their Communist masters—through the barrel of a gun. While it is exciting to watch the happenings in Eastern Europe and applaud the revolutionary spirit of people there, when the dust settles I'm afraid Europeans will find themselves not free, just with different wardens.

Much like Americans, they will realize that government usually doesn't go away, it merely changes its form from time to time. The only lasting revolution is the one that takes place inside people, the one that changes their attitude and outlook. That just hasn't happened in Eastern Europe, and it certainly isn't happening in the U.S.

These are some of the thoughts that have been sparked by your newsletter. Keep up the good work.

Sincerely,

Mike Coughlin
St. Paul, Minnesota

addict can spend \$20 per day to maintain a habit, within the reach of a Hong Kong unskilled laborer. This, according to common mythology (promulgated by Mr. Ed Bennett et al.), means that Hong Kong's heroin addict population of about 40,000 should be booming, and riotous crime in the streets should also be booming.

Not so. "For the past five years, the number of newly reported heroin users has been decreasing slightly, and that's an encouraging sign," according to Hong Kong's commissioner for narcotics, David Weeks. Read carefully the following caveat from Mr. Weeks: "But other factors come into play. We've got a booming economy, which means that heroin addicts are finding it easy to get a job, and therefore are more likely to support their

habits and less likely to seek treatment. They're also less likely to turn to crime and get arrested, and come into the net that way."

Notice that Weeks implicitly blasts another chunk of the common mythology: that heroin addicts can't get or hold down a job. Weeks' comments would suggest that the best way to handle the worst external effects of drug addiction (crime to support the habit) is not the Bennett and Co. draconian prohibition, but low drug prices (achieved, say, by legalization), and a booming economy (achieved, say, by massive deregulation). What this economy needs is detoxification.

Worth reading: "It just seems to me that the most valuable thing any human has is the ability to educate himself, to find out about the world around him, to program his primary organ of perception — his brain. And that basic, inalienable right should be as independent of external factors as possible. Once a book is printed and acquired, it's yours. Nothing else is needed except a pair of eyes and daylight. Individual books have lasted for hundreds of years — do you really think that you can say the same of your little viewers, or computers, or whatever? If you have a hundred libraries stored on-cube, and your viewer breaks down, you have nothing. Give me an encyclopedia, and if it isn't totally destroyed by fire, I can dig it out, dry it off, piece it together, and still have *something* of value."

"There is nothing more important than directing the flow of information into your mind. It determines all — your attitudes, your actions, your life. You can rely on the visual and audible media all you want — but they should be in *addition* to reading, not in place of it. If other forms replace reading, then your input is restricted, and much more dependent upon other people, who may or may not have your best interests at heart."

Steve Barnes
STREETLETHAL, 1983

Responsible Journalism: Fort Collin's local paper, erroneously labeled THE COLORADOAN, carried an item about the "drug lords" of Columbia offering someone a reward of \$30 million for killing George Bush. Well, if the US government is going to have a "war on drugs," I suppose self-defense is fair. But is Bush *worth* \$30 million? Still, I wish the paper had included an address for contributions. (Thank you, Bruce Lockhart.)

Meanwhile, Congresscritter Rangel of New York has introduced a bill to prohibit the export of semi-automatic weapons, except to governments (e.g. the Chilean), or by the US government. The excuse for this orgy of moralizing is that US weapons are showing up as the "weapons of choice" among the "drug lords" of Columbia. Sure they are: less than 1% of the weapons taken in raids in Columbia are American. Why pay American prices when you can get AK-47s in Cairo for \$75? (And they wonder why the balance of payments is so great!)

But the largest supplier of American weapons to the Colombian government is, of course, the US government. The \$60 million of "special assistance" weapons went directly into Colombian Army warehouses. There, they will do exactly what stocks do in army warehouses all over South America do: "shrink" into the black market's hands. Call it informal privatization.

False Dichotomies: There is a curious false dichotomy alive in the world, one that has caused a lot of grief. This is the "split" between social rights and economic rights. Social rights include such claptrap as the "right" to medical care or the "right" to a forty hour work week. Economic rights may be summed up in the only meaningful social right there can be: the right to bargain in a free marketplace.

Rights are inherent in the nature of man. Since no other kind of man exists except as convenient bookkeeping figments, rights exist only in the individual man. For example, in some of the law on the Second Amendment, you read about the debate over the "collective right to bear arms" vs. the "individual right to bear arms." How there can possibly be a collective right to do something when no individual in the collective may do it is beyond me.

This makes the State's claims to certain "rights" dubious in the extreme. How, for example, can the collective have a "right"

to kill or maim when the individuals in the collective do not? The State's claim also implies the dubious assumption that it is the embodiment of the collective. Given the State's proclivity to make war on "its" "own" people, this claim is, at best, laughable.

If such collective rights could exist, then other collectives would have better claim on them than the Universal State: the family, or the clan, or tribe. But these, too, are bookkeeping figments, shorthand for the list of individuals who make up the family, or clan, or tribe.

If rights are individual, then there can be no right to that which someone else must provide. Thus, a "right" to universal free medical care breaks down, because someone must pay for that medical care. What if all of the doctors went on strike? What if no-one was willing to fund the system? Does one have the right to force some doctor to provide that care? If so, then (s)he is a slave. And do you want a slave for a doctor?

Alphabet Soup: What with glasnost, perestroika, yachting off Malta and all that, I wonder if Mr. Gorbachev will tell Mr. Bush that KGB now stands for Kinder and Gentler Bolsheviks.

Speaking of whom, what's the difference between the IRS and the KGB? The KGB doesn't expect you to provide the evidence against you. ☒

Fifty Years in the Furnace

Continued from page 8

had been holding the gold as hostage, in an effort to collect nearly \$900,000 in back taxes, which they claimed Myers owed on the income of Interpublishing (they refused to recognize that the earnings of Interpublishing were off-shore income and not personal income to Myers). Eventually, the gold was returned to its rightful owners, but not before Revenue Canada arrested Myers and brought him to trial. The case lasted over four months. In April 1976, Canadian Judge D.M. MacDonald declared Myers "not guilty."

Not satisfied, Revenue Canada brought a second suit against Myers in November 1976. There being no bar against "double jeopardy," the "trial de novo" (with no new evidence) resulted in Myers being found guilty and sentenced to imprisonment for two years. This took place in February 1977, while Myers was visiting in the United States. Myers refused to return to Canada until early 1979, when he decided to appeal his case. Instead of hearing the appeal, the Justice Department imprisoned him at Bowden Penitentiary, north of Calgary. After six months, he was eligible for a two day "unescorted leave of absence," so on July 10, 1979, Myers left Canada, with no intention of returning.

He did not return until Christmas 1987, when his wife lay on her death bed in a Canadian hospital. He was arrested at the hospital, and not allowed to attend her burial. Upon his release in March 1988, Myers was paroled out to the United States (since he had managed to obtain a U.S. passport during his residency there — his mother and father were U.S. citizens), though the Department of State in Washington attempted to revoke his residency status here.

Myers called the shots as he saw them. Citing \$240 billion in junk bonds, \$700 billion in consumer debt, \$600 billion in Third World and Soviet Block debt, \$2.7 trillion of U.S. government debt, Myers predicted the eventual collapse of our monetary system, a stock market crash, and a depression.

There is a consequence to everything you do. Today is the consequence of yesterday. Tomorrow will be the consequence of today. Before you act think of the consequence and decide if it's worth it. Every debt must be paid. Every debt in history has been paid. If you don't pay, your lender pays. This is the natural law of consequence, as sure as gravity. Our debt-ridden world has overlooked this natural law. ☒

(His biography sells for \$18.95 postpaid and is available from Falcon Press, N. 7307 Division, Suite 204, Spokane, Washington 99208.)

Fifty Years In The Furnace

By Carl Watner

One of my all-time favorites of the hard-money movement, C.V. Myers (1912-1990), has written his life's story, **FIFTY YEARS IN THE FURNACE: Autobiography of a Nonconformist**. I have often thought he should have been a voluntarist, though he never managed to see through the myth of the State. Nevertheless, he was raised in an environment (40 miles from the nearest city, Stavely, Alberta, in Canadian farming country) where self-sufficiency and neighborliness, not reliance on the State, were ingredients for success and the good life. During his childhood he witnessed the introduction of the Ford car, farm tractors, telephones, radios, and central heating. When his family bought their first car in 1917, there were no thoughts of driver's licenses. You didn't need a license to drive a team of six horses into town, so "why should you need a license to drive a horseless carriage?" There was nothing between survival and death but utter determination, a few lucky breaks in the weather, intelligent hard work, and character. The latter Myers absorbed from his father, who, as he puts it,

left little in the way of material things, not enough to matter. But as a person, as a father, he cut quite a swath. His integrity, his simplicity, his forthright nature, and his ability spiritually to stand against all storms were among the highest values we can strive for. His enormous common sense against all the tempests of nonsense, against the madness of fads and fashion, translated into security (for me), long years after he was gone. (214)

Myers was trained as a geologist, but due to the Great Depression was unable to find work in his chosen field. After a great number of ups and downs (mostly the latter), he ultimately ended up as oil editor of the Calgary HERALD in 1946, and afterwards for the ALBERTAN. This was during the heyday of the Canadian oil exploration. Myers' expertise in geology, combined with his long-time yearning to be a writer, propelled him to the front of the field. By the time he struck out on his own in 1956, to found OIL WEEK, he was well on his way to making a fortune. In 1963, he sold his publication for \$450,000, and took a temporary leave of absence from the business world.

Franz Pick, who referred to government bonds as "certificates of confiscation," was partly responsible for bringing Myers out of retirement in 1967. Myers agreed with Pick's main point, that one ought to have the major portion's of one's assets "in something real," like a gold coin, a piece of property, a silver bar, a diamond, or a rare painting. In 1967, Myers began an investment newsletter called MYERS FINANCE REVIEW, with the slogan, "Let the Truth Be Told." During its first year of publication, Myers put himself on the hard-money investment map by accurately predicting, nearly to the day, when the U.S. Treasury would give up pegging the price of silver at \$1.35 per oz. He also made himself \$250,000 by following his own advice at the time (silver moved from \$1.35 to \$1.65 in about five hours' time.)

Myers had subscribers in the United States and came to the attention of the Securities and Exchange Commission. In 1968, they requested that he stop mailing the newsletter until he registered with them as an investment adviser. Myers refused to recognize their jurisdiction and the SEC eventually obtained a court-ordered injunction that he "cease and desist" his activities (the mailing of the letter and giving of unregistered investment advice in the U.S.). In order to avoid being found in contempt of the injunction, Myers formed a Swiss corporation, Interpublishing Company, in 1969, to publish and distribute the newsletter (the injunction was against him personally, not Interpublishing). Not only did he defy the SEC, but Myers advocated gold as an investment when it was still illegal for Americans to own gold. Not only did he advocate gold, but he offered to assist Americans in breaking U.S. law by offering them the opportunity to buy gold through Interpublishing, and storing it for them in safe deposit boxes in Canada. These events led to the largest tax evasion case in Canadian history.

In September 1974, Revenue Canada (the Canadian version of the IRS) raided Myers' home and office, seized the keys to Myers' personal and corporate safe deposit boxes, and seized his financial records. The revenueurs became custodians of about \$45 million dollars of gold owned by Americans, but situated in Canada. When gold ownership was legalized in the United States on December 31, 1974, Revenue Canada was in a quandary. They

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