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# The Voluntaryist

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Whole Number 90

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

February 1998

## "The World's First Libertarians":

### Taoism in Ancient China

By Murray N. Rothbard

By far the most interesting of the Chinese political philosophers were the Taoists, founded by the immensely important but shadowy figure of Lao Tzu. Little is known about Lao Tzu's life, but he was apparently a contemporary and personal acquaintance of Confucius. Like the latter he came originally from the state of Sung and was a descendant of lower aristocracy of the Yin dynasty. Both men lived in a time of turmoil, wars and statism, but each reacted very differently. For Lao Tzu worked out the view that the individual and his happiness was the key unit of society. If social institutions hampered the individual's flowering and his happiness, then those institutions should be reduced or abolished altogether. To the individualist Lao Tzu, government, with its 'laws and regulations more numerous than the hairs of an ox', was a vicious oppressor of the individual, and 'more to be feared than fierce tigers'. Government, in sum, must be limited to the smallest possible minimum; 'inaction' became the watchword for Lao Tzu, since only inaction of government can permit the individual to flourish and achieve happiness. Any intervention by government, he declared, would be counterproductive, and would lead to confusion and turmoil. The first political economist to discern the systemic effects of government intervention, Lao Tzu, after referring to the common experience of mankind, came to his penetrating conclusion: 'The more artificial taboos and restrictions there are in the world, the more the people are impoverished... The more that laws and regulations are given prominence, the more thieves and robbers there will be'.

The worst of government interventions, according to Lao Tzu, was heavy taxation and war. 'The people hunger because their superiors consume an excess in taxation' and, 'where armies have been stationed, thorns and brambles grow. After a great war, harsh years of famine are sure to follow'.

The wisest course is to keep the government simple and inactive, for then the world 'stabilizes itself'.

As Lao Tzu put it: 'Therefore, the Sage says: I take no action yet the people transform themselves, I favor quiescence and the people right themselves, I take no action and the people enrich themselves...'

Deeply pessimistic, and seeing no hope for a mass movement to correct oppressive government, Lao Tzu

counseled the now familiar Taoist path of withdrawal, retreat, and limitation of one's desires.

Two centuries later, Lao Tzu's great follower Chuang Tzu (369–c.286 BC) built on the master's ideas of *laissez-faire* to push them to their logical conclusion: individualist anarchism. The influential Chuang Tzu, a great stylist who wrote in allegorical parables, was therefore the first anarchist in the history of human thought. The highly learned Chuang Tzu was a native of the state of Meng (now probably in Honan province), and also descended from the old aristocracy. A minor official in his native state, Chuang Tzu's fame spread far and wide throughout China, so much so that King Wei of the Ch'u kingdom sent an emissary to Chuang Tzu bearing great gifts and urging him to become the king's chief minister of state. Chuang Tzu's scornful rejection of the king's offer is one of the great declarations in history on the evils underlying the trappings of state power and the contrasting virtues of the private life:

A thousand ounces of gold is indeed a great reward, and the office of chief minister is truly an elevated position. But have you, sir, not seen the sacrificial ox awaiting the sacrifices at the royal shrine of state? It is well cared for and fed for a few years, caparisoned with rich brocades, so that it will be ready to be led into the Great Temple. At that moment, even though it would gladly change places with any solitary pig, can it do so? So, quick and be off with you! Don't sully me. I would rather roam and idle about in a muddy ditch, at my own amusement, than to be put under the restraints that the ruler would impose. I will never take any official service, and thereby I will [be free] to satisfy my own purposes.

Chuang Tzu reiterated and embellished Lao Tzu's devotion to *laissez-faire* and opposition to state rule: 'There has been such a thing as letting mankind alone; there has never been such a thing as governing mankind [with success]'. Chuang Tzu was also the first to work out the idea of 'spontaneous order', independently discovered by Proudhon in the nineteenth century, and developed by F.A. von Hayek of the Austrian School in the twentieth. Thus, Chuang Tzu: 'Good order results spontaneously when things are let alone'.

But while people in their 'natural freedom' can run their lives very well by themselves, government rules and edicts distort that nature into an artificial

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# The Voluntaryist

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## Potpourri from the Editor's Desk

### No. 1 "When The People Are Weak, The State Is Strong; When The State Is Weak, The People Are Strong."

Igor Shafarevich in *THE SOCIALIST PHENOMENON* (New York: Harper and Row, 1975) notes that the basic principles of socialism—1) abolition of private property; 2) abolition of the family; 3) abolition of religion; and 4) equality, or abolition of hierarchies in society—may be deduced from the single principle: the suppression of individuality. (pp. 200, 262) He quotes a Bolshevik who argued in 1927 that, "From the socialist point of view, it is quite senseless for a separate member of society to look on his body as his own private property, for an individual is only an isolated point in the transition of the race from past to future." (p. 246)

Shafarevich illustrates these features of socialism by citing from *THE BOOK OF THE RULER OF SHANG*, written in the middle of the fourth century B.C. by the ruler of Shang province. Kung-sun Yang (better known as Shang Yang) and his disciples recognized that the state and its people were two diametrically opposed forces,... "they are enemies, the one getting stronger only at the expense of the other. ... 'When the people are weak the state is strong; when the state is weak the people are strong. Hence the state that follows a true course strives to weaken the people.'" Shang sought to sever the ties that bound the people together. "The ruler 'should issue a law on mutual surveillance; he should issue a decree that the people ought to correct each other.' ... Denunciation is tied to a system of extended mutual liability.... 'In a well-regulated country, husband, wife and their friends will not be able to conceal a crime from the other without courting disaster for the relatives of the culprit; ...'" (pp. 173-180)

Abolition of property, the family, religion, and class have been constant elements of socialist theory and practice since the time of Plato and Shang. As Shafarevich writes, "People would wear the same clothing and even have similar faces; they would live

in barracks. There would be compulsory labored followed by meals and leisure activities. ... Passes would be required for going outside. Doctors and officials would supervise sexual relations, which would be subordinated to only two goals: the satisfaction of physiological needs and the production of healthy offspring. Children would be brought up from infancy in state nurseries and schools. Philosophy and art would be completely politicized and subordinated to the educational goals of the state. All this is inspired by one principle—the destruction of individuality or at least, its suppression to the point where it would cease to be a social force." (p. 269)

### No. 2 "The Epistemological Basis of Anarchism"

[T]he epistemological basis of anarchism [rests on the refusal to subordinate one's own rational judgment to the assertion of another consciousness] and its social implementation - individual rights. The corollary of independent judgment is the rejection of any "final authority in ethics." [S]ince ethics subsumes all of human behavior subject to choice ... it is obvious that the quest for a [limited government] is a quest for just such a "final authority" [to resolve the issue of how retaliatory force is to be used in society]. What the case comes down to is simply an understanding of the objectivity of moral principles.

Briefly, my case has been this: either the functions monopolized by government are morally legitimate, or they are not. If they are not, then the State is an immoral institution, since it is performing improper [or morally impermissible] functions.

If, on the other hand, the[se functions] are morally legitimate, then there is no justification for the State's use of coercion to prevent others from doing the same thing, for the alleged derivation of the government's power o[ver] retaliation [is] the basic *right of self defense and [right of] retaliation possessed by the individual*; the justification of the government's power [is] in no way derived from the (morally) irrelevant question of geographical extent. [It can only be based on the individual's delegation to the government to act as his or her agent.] Thus, so long as the State uses aggression to maintain its monopoly over physical force in a given area, it is immoral. When it stops and allows others to compete for customers by supplying the same legitimate service[s], it is no longer a State in the sense defined.

—Roy Child, unpublished "Open Letter to Objectivists and Libertarians," November 30, 1969, pp. 4 and 17.

"Every social policy entails benefits as well as harms. Although our ideas about benefits and harms vary from time to time, all history teaches us to beware of benefactors who deprive their beneficiaries of liberty."

—Thomas Szasz, *CRUEL COMPASSION* (1994), p. 205

The Dali Lama has summed up the essentials of all Buddhist teaching in two sentences: "If you can, help others. If you cannot do that, at least do not harm them."

—From Rick Fields, *CHOP WOOD, CARRY WATER*, New York: Jeremy Tarcher, 1984, p. 56.

## **"The World's First Libertarians": Taoism in Ancient China**

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Procrustean bed. As Chuang Tzu wrote, "The common people have a constant nature; they spin and are clothed, till and are fed...it is what may be called their "natural freedom". These people of natural freedom were born and died themselves, suffered from no restrictions or restraints, and were neither quarrelsome nor disorderly. If rulers were to establish rites and laws to govern the people, 'it would indeed be no different from stretching the short legs of the duck and trimming off the long legs of the heron' or 'haltering a horse'. Such rules would not only be of no benefit, but would work great harm. In short, Chuang Tzu concluded, the world 'does simply not need governing; in fact it should not be governed'.

Chuang Tzu, moreover, was perhaps the first theorist to see the state as a brigand writ large: 'A petty thief is put in jail. A great brigand becomes a ruler of a State'. Thus, the only difference between state rulers and out-and-out robber chieftains is the size of their depredations. This theme of ruler-as-robber was to be repeated, as we have seen, by Cicero, and later by Christian thinkers in the Middle Ages, though of course these were arrived at independently.

Taoist thought flourished for several centuries, culminating in the most determinedly anarchistic thinker, Pao Ching-yen, who lived in the early fourth century AD, and about whose life nothing is known. Elaborating on Chuang Tzu, Pao contrasted the idyllic ways of ancient times that had had no rulers and no government with the misery inflicted by the rulers of the current age. In the earliest days, wrote Pao 'there were no rulers and no officials. [People] dug wells and drank, tilled fields and ate. When the sun rose, they went to work; and when it set, they rested. Placidly going their ways with no encumbrances, they grandly achieved their own fulfillment'. In the stateless age, there was no warfare and no disorder:

Where knights and hosts could not be assembled there was no warfare afield. ... Ideas of using power for advantage had not yet burgeoned. Disaster and disorder did not occur. Shields and spears were not used; city walls and moats were not built.. People munched their food and disported themselves; they were carefree and contented.

Into this idyll of peace and contentment, wrote

Pao Ching-yen, there came the violence and deceit instituted by the state. The history of government is the history of violence, of the strong plundering the weak. Wicked tyrants engage in orgies of violence; being rulers they 'could give free rein to all desires'. Furthermore, the government's institutionalization of violence meant that the petty disorders of daily life would be greatly intensified and expanded on a much larger scale. As Pao put it:

Disputes among the ordinary people are merely trivial matters, for what scope of consequences can a contest of strength between ordinary fellows generate? They have no spreading lands to arouse avarice...they wield no authority through which they can advance their struggle. Their power is not such that they can assemble mass followings, and they command no awe that might quell [such gatherings] by their opponents. How can they compare with a display of the royal anger, which can deploy armies and move battalions, making people who hold no enmities attack states that have done no wrong?

To the common charge that he has overlooked good and benevolent rulers, Pao replied that the government itself is a violent exploitation of the weak by the strong. The system itself is the problem, and the object of government is not to benefit the people, but to control and plunder them. There is no ruler who can compare in virtue with a condition of non-rule.

Pao Ching-yen also engaged in a masterful study in political psychology by pointing out that the very existence of institutionalized violence by the state generates imitative violence among the people. In a happy and stateless world, declared Pao, the people would naturally turn to thoughts of good order and not be interested in plundering their neighbors. But rulers oppress and loot the people and 'make them toil without rest and wrest away things from them endlessly.' In that way, theft and banditry are stimulated among the unhappy people, and arms and armor, intended to pacify the public, are stolen by bandits to intensify their plunder. 'All these things are brought about because there are rulers.' The common idea, concluded Pao, that strong government is needed to combat disorders among the people, commits the serious error of confusing cause and effect.

[Extracts from *ECONOMIC THOUGHT BEFORE ADAM SMITH*, Volume I., pp. 23–27. Reprinted by permission Clare Charwood, Edward Elgar Publishing Limited. Copyright by Murray Rothbard, 1995.] ▢

"Freedom without morality leads to a libertine existence, where men and women constantly violate their moral nature and eventually self-destruct."

—Mark Skousen "Interview"  
*RELIGION AND LIBERTY*,  
May/June 1996, p. 5.

# Birth of A Man

By Robert LeFevre

It is time for the descendants of the early American patriots who fought and died for that poorly defined but magnificent idea, LIBERTY, to let their voices be heard once more. It is time for those newly arrived Americans, fleeing the atrocities and tyrannies of Europe and Asia, to speak up boldly in favor of the liberty they came here to find.

Humanity the world over is sunk under a weight of excessive bureaucracy sired by the socialist ideologies.

The American government is no more worthy in its present formation and policy to raise a banner of freedom than is the thundering crew of political slavemasters headquartered in the Kremlin.

## Welding the Crack

If the crack in the liberty bell is to be welded shut so that the tocsin call to freedom can be heard among the world's oppressed, it must be free men OUTSIDE OF GOVERNMENT who perform this welding task. No government that curtails or inhibits individual liberty can possibly man the universal carillon.

What is needed is a rebirth of the spirit of liberty. The Declaration of Independence contained that spirit. But it was limited, not by the desire of the authors but by the circumstances under which it was produced. The oppressed colonists of that prior day were concerned with INDEPENDENCE FROM BRITAIN. The oppressed individualists of our generation are concerned with INDEPENDENCE FROM GOVERNMENT.

They are conscious that moral law must provide the base of their society. They are becoming conscious now that governments, by their very nature, tend to subvert moral law in the interests of expedience.

A new Declaration of Independence is in order. To meet the challenge of collectivism it must be a Declaration of Individual Independence.

## The Declaration of Individualism

When, in the course of human events, it becomes necessary for ONE INDIVIDUAL to dissolve the political bands which have held him under the dominance of any state, and thus to assume his full stature as a human being among the others of his kind, in compliance with highest moral law and in conformity with nature's laws and in deep humility before nature's God, a decent respect to the opinions of mankind requires that he should declare the causes which impel him to thus stand forth a free being and subservient to none.

These truths are held to be self-evident, that each man is better qualified to govern his own affairs than any other man or combination of men or agencies are so qualified; that he is endowed by his Creator with certain unalienable rights, that among these are life, liberty, private ownership of property, and the pursuit of happiness. That to secure these rights,

"[Do] all parents make the best choices for their children? Of course not. We don't live in a perfect world. But we should live in a free country—one in which each of us is free to make his own choices, good or bad. And those parents who *are* capable of making good choices shouldn't have their children held hostage in government schools because other parents are less competent."

—Harry Browne, WHY GOVERNMENT DOESN'T WORK (1995), pp. 116-117.

each man is qualified to select for himself that agency or those agencies which seem to him best suited to protect his life and his property, to maintain his freedom, and which lie within his ability to afford. That whenever any agency evinces characteristics of tyranny, he is well within his rights and his powers to discharge that agency and to find another more suitable to his inclinations and his finances. That he is competent to accomplish this end singly or jointly with others, with the express understanding that no single person may be coerced or trespassed against in the formation or the maintenance of any such joint enterprise.

Experience, indeed, will dictate that governments in practice erode and destroy the individuality of man by virtue of the coercion they exercise against their citizens. Therefore, he will take due cognizance of this fact, and should a new government be deemed advisable and most likely to effect his safety and happiness, he will see to it that the just powers of that government shall be derived from the INDIVIDUAL consent of those governed. No man shall be compelled to pay a tax for a product or service he does not wish to enjoy. On the contrary, each man wishing such product or service shall bear the full pro-rata cost of that product or service without resort to taxation.

No man, in making this INDIVIDUAL declaration, is seeking by so doing to overthrow or subvert any existing government. He is, rather, intent upon stopping the long train of abuses and usurpations which have pursued a single object of placing him under absolute despotism. If others want tyranny he is content to let them pursue it to their pleasure. He seeks only to stand free of the political shackles that fetter his own wrists..

He will not use force to secure his objective. He will obey the edicts of his rulers when he is compelled to obey. But he will no longer volunteer to further tyranny, either by beseeching subsidy or support, or by accepting it should it be granted him. He will make his own way, for better or for worse, and hold himself accountable to his God for his success and his failure.

The history of the present governments the world over is a history of repeated injuries and usurpations against humankind, having in direct object the sub-

jugation and the socialization of every human being.

To prove this, let facts be submitted in candor to mankind.

1. Governments, as presently formulated, have demonstrated their inability to deal with crime. Rather, in certain cases where criminals have been apprehended, the laws have been perverted in such fashion that the courts themselves have conspired to aid the felon. There is a rising tide of lawlessness and delinquency. Yet, where "tough" policies have been enacted, so obtuse and oppressive are the rulings that innocent persons are made to suffer indignities and oppressions of the worst sort, whereas hardened criminals easily secure their freedom.

2. Governments, as presently formulated, have demonstrated repeatedly that they are simply the tools of various pressure groups. Principles have been abandoned, in favor of expediency. And in those places where such pressures have been put down, the citizens live in a state of virtual siege with the government itself providing pressures and exactions against them.

3. Governments, as presently formulated, have so magnified the task of passing laws that in many places the body of law already exceeds the lifetime of scholars for reading purposes. Yet the process continues and it is so prolific of results that thousands of new codes, rules, regulations, ordinances and manifestos are issued each moment, the result of which is to place every citizen under the baneful necessity of obeying what he knows not of, and of paying for "benefits" which will never accrue to him.

4. Governments, as presently formulated, maintain the fiction of representation. But they are no longer either representative or responsive to the wishes or even the anguish of the individual citizen. Though it has been widely accepted that the democratic form of government provides a government of the people, by the people, and for the people, it is now seen that as governments are presently arrayed they are organizations of the government, by the government and for the government.

5. Governments, as presently formulated, are forever on the search for bigness and power. The tiny and self-contained, largely self-government unit is no longer viable. By the process of merger, metropolitanizing, federalizing and worldizing, through the agencies of bureaus, committees, appointees, and by means of laws, passed legally or put into activity illegally by executive fiat, a vast usurpation has occurred and is occurring so that the rights of the individual are forever placed under a growing cloud of oppression. In the United States as an example, each citizen is at once required to obey a minimum of six governing bodies—school district, city, county, state, nation and United Nations. Since the rules in each case are both costly and in conflict, a mounting confusion grows. The answer given is for a vast merger to occur, a homogenizing of all power with central

"Where government exists, private property rights are negated."

—Leonard F. Liggio,

THE LIBERTARIAN FORUM,

January 1971, p. 4.

authority drifting irrevocably toward the hands of a supreme dictator. The rights of the individual have been cancelled out in favor of the bigness and the power of a bureaucracy.

6. Governments, as presently formulated, have long since abandoned their historic function of keeping law and order. They have usurped a thousand prerogatives and are now advancing the socialist cause by seizing businesses, charitable organizations and educational institutions which they operate in the face of mounting financial ruin on every hand. The seizure begins as the confiscation of income and wealth from the citizens. It ends with the government itself competing in every walk of life with the taxpayer, who must not only make a profit to subsist but must pay for the waste and abuse of monopolistic and monolithic competition.

7. Governments, as presently formulated, are engaged in co-mixing the funds of their own constituents with the funds of constituents of other governments. A universal policy of plundering the citizen has supplanted the policy of a frugal and accountable regime. Additionally, and against all decent usage and custom, governments are compelling citizens to work, attend school, and live in neighborhoods among people with whom they have little in common. Governments are legislating in the field of morals and have declared, if God has not made man equal to each other man, he shall be made equal by universal force and an end of sufferance.

8. Governments, as presently formulated, have undermined individual responsibility by providing financial rewards for mothers of children born out of wedlock, by paying subsidies to persons who are unemployed, by rewarding those who refuse to produce. With the unprecedented rise in population and the mammoth support of the indigent and impecunious, the governments are now imaging a bureau to control population and another to further the peopling of other planets of this solar system.

9. Governments, as presently formulated, have lost touch with the sense of justice and reason. They have become tools of union agitators and will suffer almost any abuse to an individual citizen provided that abuse occurs under union management. They have recently, in the United States, endeavored to reveal racketeering in certain unions which are momentarily out of governmental favor. But the principles of coercion and violence in every labor union still stand unchecked.

10. Governments, as presently formulated, have penalized the successful and rewarded the unsuccessful.

ful, in violation of natural law.

11. Governments, as presently formulated, have made a mockery of courts, by causing judges to be responsive to the whim of popular leaders. The courts in large measure now mirror the will of the chief executive and justice is banished to places outside of government.

12. Governments, as presently formulated, have made a universal draft and military service compulsory, in violation of the rights of free men.

13. Governments, as presently formulated, have ringed the businessman and producer with a wall of regulations, licenses, reports, taxations, and vexations beyond all reason, to the detriment of all.

14. Governments, as presently formulated, have manipulated the currency, debauched the medium of exchange and brought a wholesale inflation upon the world to the ruination of the people.

15. Governments, as presently formulated, have interfered with the right of a man to travel where he pleases.

16. Governments, as presently formulated, have plundered the citizens of vast treasure to establish enormous propaganda agencies which serve in the capacity of singing the self-praise of each government.

17. Governments, as presently formulated, have moved into the realm of psychology and have presumed to decide who is sane and who is not sane with arbitrary treatment prescribed for those the governments find to be suffering from an unwillingness to obey or to sanction their immoral actions.

18. Governments, as presently formulated, have cut off the trade of some persons with the trade of other persons.

19. Governments, as presently formulated, have permitted their citizens to be tried in courts beyond their own jurisdiction, despite the fact that these citizens are under their exclusive regulation and have paid taxes for the support of their own system of jurisprudence.

20. Governments, as presently formulated, have raised the taxes repeatedly, compelling those who object to the taxes to pay at the same rate as those who do not object. Additionally, some are compelled through a form of involuntary servitude to act for the government and to collect taxes from others against their own will and against the will of others. Nor are they recompensed for so doing.

21. Governments, as presently formulated, have created a debt so monstrous that it will take generations of future citizens to cope with it and despite the moral question as to whether an unborn child can be held responsible for debts incurred before his birth.

22. Governments, as presently formulated, have confiscated private property, often for light and whimsical reasons, paying for the property at a rate pleasing only to the government.

23. Governments, as presently formulated, have set

up arbitrary restrictions on the use of private property, preventing individuals from the full enjoyment of what they own.

24. Governments, as presently formulated, have taken up arms against ordinary citizens, have bayoneted harmless persons in the streets, and have stood by in the midst of lawless insurrection, giving countenance and standing to riot and property damage.

25. Governments, as presently formulated, have stimulated their own citizens to prepare to take up arms against possible foreign aggressors, while at the same time encouraging these potential foes with entertainment, largesse and legal advantages and immunities.

26. Governments, as presently formulated, have created a vacuum in the minds of youths by indoctrinating them from their tenderest years in government institutions, which operate on the theory that money can do everything and that what the government demands in the way of money is always morally justified.

"The most interesting thing about responsibility is that we carry it with us everywhere."

—Jan Patocka

In every stage of these oppressions, individual citizens have petitioned for redress, in the most humble terms. Their repeated petitions have been answered only by repeated injury. Any government whose character is thus marked by every act which may define a tyranny, is unfit to be either the ruler or the protector of individuals.

Nor has the individual been wanting in his esteem and affection for individual political figures he may know and admire. Repeatedly, these political figures have been asked to right the wrongs being heaped upon their fellow citizens. Party support has been switched, encouragement has been given to well-meaning and outspoken politicians who promise a surcease of these manifold woes. But to no avail. It appears that the government office is now so large that it dominates the man, and that no man in power is large enough to dominate his office.

Appeal has been made to a sense of justice, a sense of fair play, a sense of economy. The men in government have been deaf alike to the voices calling for justice or even for a recognition of the fact that they, too, are human.

Therefore, while the necessity is deplored, it must be declared that men in office who are performing coercive functions in violation of nature's laws have become themselves a part of the state, which is the source of the difficulties. They are either helpless to right these numerous wrongs, or they are willingly perpetrating them.

I, therefore, a citizen of this nation, standing by myself and exerting no influence or coercion over any,



and appealing to the Supreme Judge of the world for the rectitude of my intentions, do, in the name and by the authority which resides in all free men, solemnly publish and declare, that I am and of right ought to be a free and independent human being. I will therefore, now and henceforward, refrain from participation in all agencies of government whenever and wherever I am permitted. I will be independent and self-supporting, looking neither to government nor to any similar agency of force to provide for me. Nor will I willingly join with any organization, group, or person who counsels or urges violence, coercion, or the forceful regulation of my fellow man in any particular whatsoever.

And for the support of this Declaration, I pledge my life, my fortune and my sacred honor.

The idea and the ideal of individual resolve will be slow to take hold. Men are gregarious and by instinct fearful of full reliance on their independent judgment. But the case for individualism will rest its plea on the laws of nature and nature's God, and it will be justly judged in time.

There will always be those who will assure themselves they would like to be a full-fledged individualist if only they could be certain that others would take the same position. The true individualist will not permit himself to be comforted or protected by that alibi. The true individualist will root out all traces of socialism within himself and act independently, even though he may be the only person to so strip himself of comfort and to so act.

If it is true, as has been argued, that our problem with socialism resides inside each human being, then it must follow that the cure for socialism is one which must be self administered. You cannot control any other person. This is a physical impossibility. Your rights are unalienable, even by your own willingness and connivance to alienate them.

The cause of individualism and human liberty is too important a cause to be entrusted to any organization or group of men. Only YOU can improve yourself to the point where you are competent and capable of defeating socialism within yourself. Only by so doing can you become able to serve the cause of freedom for all men.

[Reprinted from THIS BREAD IS MINE, Milwaukee: American Liberty Press, 1960, pp. 367-384. Copyright by R. D. Schwerman.] ☐

## Why Are They So Stupid?

*continued from page 8*

I have a weekly luncheon meeting at a restaurant that hires the mentally retarded. The food and service are great, an excellent value. I am sure the average IQ in the place is a lot lower than that of any government agency, yet compared to government agencies this restaurant is brilliant. Lean and efficient, this organization has the incentive to keep

whatever works and jettison whatever doesn't. The customers can choose to take their business elsewhere. A government's customers cannot. Government has the legal privilege of collecting money no matter how sloppy or harmful it may be.

Even if a government were staffed entirely by geniuses, it would still lack the guidance system of supply, demand, and price. It would be an all star football team running plays written by a chimpanzee.

Let me be very clear about this. The institution of government was invented to escape the burden of being smart. Its fundamental purpose is to take money by force, to evade the market's guidance, to have the privilege of being stupid.

I should point out that the numerous private organizations who run to government for special protections and subsidies are asking for the same privilege. They want to be relieved of the burden of obeying market signals. This is why so many large corporations are so dimwitted, as depicted in the popular Dilbert cartoons.

As a government grows older, it grows larger, slower and duller, and more frustrating to its workers. No matter how many PhDs these people may have, or how good their intentions, they cannot overcome decades of accumulated red tape and deadwood. I have written before that if government ran the clock industry, a digital watch would cost a year's wages and be the size and weight of a manhole cover.

A recent study by the National Commission on Teaching and America's Future found that only about 40% of the people employed by the US public school system are teachers; the rest are "support." Military analyst David H. Hackworth reports that of the 732,000 people on active duty with the Army and Marines, "we have only 192,000 trigger pullers."

Eventually the dimwitted dinosaur grows so big that the harried taxpayers can no longer keep it fed, and it dies, as the Soviet government did.

The US government is headed for this same fate. I give it no more than twenty years and wouldn't be surprised to see it die of obesity in less than ten. Then we get a chance to make a fresh start.

I suspect a main cause of bad investment forecasts is the belief that if we get honest, intelligent people in the government, the government will be honest and intelligent. Unrealistic political forecasts lead to unrealistic investment forecasts.

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"The problem with the rat race is, even if you win, you're still a rat."

—Lily Tomlin

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## Why Are They So Stupid?

By Richard Maybury

An investment earns profits through interaction with the economic system.

The economic system is shaped by the legal system, and the legal system is, unfortunately, the result of politics. So, to make a reliable investment forecast we must make a reliable political forecast.

Years ago I began asking myself, what is the most reliable political forecast we can make?

Studying the behavior of governments over the past several thousand years, I realized the most logical political forecast is that governments will continue being as stupid and crooked as they always have been. All of my investment forecasts begin with this premise.

You have seen me write often that markets are fast and smart while governments are slow and stupid. This is more than rhetoric.

Most people who work in government are decent, intelligent, and resourceful. Yet, without exception, in every country I have ever visited, the most corrupt, harmful, and dimwitted organization is the government.

Everywhere, no matter how smart they are or how hard they work, public employees are embarrassed at the poor quality of their production and they are hurt by jokes their neighbors tell about them. This situation isn't new. Go back in history as far as you

wish and you will find the citizens complaining about the incompetence of their government bureaucrats.

How can people who are so smart individually be so stupid when they put their heads together?

The intelligence of an organization is a different thing entirely from the intelligence of its members. The individual chips in a computer may be high capacity but if the computer is not assembled well they will accomplish little and may do great harm.

Human organizations can be divided into two types, smart and stupid. Private organizations are smart, they have a built-in mechanism guiding them to do a good job. This mechanism is customer choice. If the customers do not like the quality or price of a baker's bread or a candlestick maker's candlesticks, they can refuse to buy. The producers must do a better job or go broke.

A stupid organization is one which has no such guiding mechanism.

Governments have the legal privilege of using brute force on persons who have not harmed anyone. This is what sets government apart from all other institutions. When a government collects a tax from you, it is saying, "Buy the services we are selling or men with guns will haul you away to prison."

This sabotages the guidance system. When a government runs out of money it simply takes more. (Or prints more.) It does not clean up its act, it has no need to.

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