
The Voluntaryist

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

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The Private Production of Defense

By Hans-Hermann Hoppe

Among the most popular and consequential beliefs of our age is the belief in collective security. Nothing less significant than the legitimacy of the modern state rests on this belief. I will demonstrate that the idea of collective security is a myth that provides no justification for the modern state, and that all security is and must be private. ...

The Case For Private Security

Rothbard, building on the pathbreaking analysis of the French-Belgian economist Gustave de Molinari, has given us a sketch of the workings of a free-market system of protection and defense. As well, we owe Morris and Linda Tannehill for their brilliant insights and analyses in this regard. Following their lead, I will proceed deeper in my analysis and provide a more *comprehensive* view of the alternative non-statist-system of security production and its ability to handle attacks, not just by individuals or gangs but in particular also by *states*.

There exists widespread agreement—among liberal-libertarians such as Molinari, Rothbard, and the Tannehills as well as most other commentators on the matter—that defense is a form of insurance, and defense expenditures represent a sort of insurance premium (price). Accordingly, as Rothbard and the Tannehills in particular would emphasize, within the framework of a complex modern economy based on a worldwide division of labor the most likely candidates for offering protection and defense services are insurance agencies. The better the protection of insured property, the lower are the damage claims and hence an insurer's costs. Thus, to provide efficient protection appears to be in every insurer's own financial interest; and in fact even now, although restricted and hampered by the state, insurance agencies provide wide-ranging services of protection and indemnification (compensation) to injured private parties. Insurance companies fulfill a second essential requirement. Obviously, anyone offering protection services must appear able to deliver on his promises in order to find clients.

That is, he must possess the economic means—the manpower as well as the physical resources—necessary to accomplish the task of dealing with the dangers, actual or imagined, of the real world. On this count insurance agencies appear to be perfect candidates, too. They operate on a nationwide and even international scale, and they own large property holdings dispersed over wide territories and beyond single state boundaries.

Accordingly, they have a manifest self-interest in effective protection, and are big and economically powerful. Furthermore, all insurance companies are connected through a network of contractual agreements of mutual assistance and arbitration as well as a system of interna-

tional reinsurance agencies, representing a combined economic power which dwarfs that of most if not all existing governments. ...

Protection becomes an insurable good only if and insofar as an insurance agent contractually restricts the actions of the insured so as to exclude every possible provocation on their part. Various insurance companies may differ with respect to the specific definition of provocation, but there can be no difference between insurers with regard to the principle that each must systematically exclude (prohibit) all provocative and aggressive action among its own clients.

As elementary as this first insight into the essentially defensive—non-aggressive and non-provocative—nature of protection-insurance may seem, it is of fundamental importance. For one, it implies that any known aggressor and provocateur would be unable to find an insurer, and hence, would be economically isolated, weak, and vulnerable.

On the other hand, it implies that anyone wanting more protection than that afforded by self-reliant self-defense could do so only if and insofar as he submitted himself to specified norms of non-aggressive, civilized conduct. Furthermore, the greater the number of insured people—and in a modern exchange economy most people want more than just self-defense for their protection—the greater would be the economic pressure on the remaining uninsured to adopt the same or similar standards of non-aggressive social conduct. Moreover, as the result of competition between insurers for voluntarily paying clients, a tendency toward falling prices per insured property values would come about. At the same time, a tendency toward the standardization and unification of property and contract law would be set in motion. Protection contracts with standardized property and product descriptions would come into existence; and out of the steady cooperation between different insurers in mutual arbitration proceedings, a tendency toward the standardization and unification of the rules of procedure, evidence, and conflict resolution (including compensation, restitution, punishment, and retribution), and steadily increasing legal certainty would result. Everyone, by virtue of buying protection insurance, would be tied into a global competitive enterprise of striving to minimize aggression (and thus maximize defensive protection), and every single conflict and damage claim, regardless of where and by or against whom, would fall into the jurisdiction of exactly one or more enumerable and specific insurance agencies and their mutually defined arbitration procedures. ...

Political Borders And Insurance

Let me first contrast defense-protection insurance with that against natural disasters. Frequently an analogy between the two is drawn, and it is instructive to examine if or to what extent it holds. The analogy is that just as every individual within certain geographical regions is

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The Private Production of Defense

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threatened by the same risk of earthquakes, floods, or hurricanes, so does every inhabitant within the territory of the U.S. or Germany, for instance, face the same risk of being victimized by a foreign attack. Some superficial similarity—to which I shall come shortly—notwithstanding, it is easy to recognize two fundamental shortcomings in the analogy. For one, the borders of earthquake, flood, or hurricane regions are established and drawn according to objective physical criteria and hence can be referred to as natural. In distinct contrast, political boundaries are artificial boundaries. The borders of the U.S. changed throughout the entire 19th century, and Germany did not exist as such until 1871, but was composed of nearly 50 separate countries. Surely, no one would want to claim that this redrawing of the U.S. or German borders was the outcome of the discovery that the security risk of every American or German within the greater U.S. or Germany was, contrary to the previously held opposite belief, homogeneous (identical).

There is a second obvious shortcoming. Nature—earthquakes, floods, hurricanes—is blind in its destruction. It does not discriminate between more and less valuable locations and objects, but attacks indiscriminately. In distinct contrast, an aggressor-invader can and does discriminate. He does not attack or invade worthless locations and things, like the Sahara Desert, but targets locations and things that are valuable. Other things being equal, the more valuable a location and an object, the more likely it will be the target of an invasion. This raises the crucial next question. If political borders are arbitrary and attacks are in any case never indiscriminate but directed specifically toward valuable places and things, are there any non-arbitrary borders separating different security-risk (attack) zones? The answer is yes. Such non-arbitrary borders are those of private property. Private property is the result of the appropriation and/or production of particular physical objects or effects by specific individuals at specific locations. Every appropriator-producer (owner) demonstrates with his actions that he regards the appropriated and produced things as valuable (goods), otherwise he would not have appropriated or produced them. The borders of everyone's property are objective and intersubjectively ascertainable. They are simply determined by the extension and dimension of the things appropriated and/or produced by any one particular indi-

vidual. And the borders of all valuable places and things are coextensive with the borders of all property. At any given point in time, every valuable place and thing is owned by someone; only worthless places and things are owned by no one.

Surrounded by other men, every appropriator and producer can also become the object of an attack or invasion. Every property—in contrast to things (matter)—is necessarily valuable; hence, every property owner becomes a possible target of other men's aggressive desires. Consequently, every owner's choice of the location and form of his property will, among countless other considerations, also be influenced by security concerns. Other things being equal, everyone will prefer safer locations and forms of property to locations and forms which are less safe. Yet, regardless of where an owner and his property are located and whatever the property's physical form, every owner, by virtue of not abandoning his property even in view of potential aggression, demonstrates his personal willingness to protect and defend these possessions.

However, if the borders of private property are the only non-arbitrary borders standing in systematic relation to the risk of aggression, then it follows that as many different security zones as there are separately owned property holdings exist, and that these zones are no larger than the extension of these holdings. That is, even more so than in the case of industrial accidents, the insurance of property against aggression would seem to be an example of individual rather than group (mutual) protection.

Whereas the accident-risk of an individual production process is typically independent of its location—such that if the process were replicated by the same producer at different locations his margin of error would remain the same—the risk of aggression against private property—the production plant—is different from one location to another. By its very nature, as privately appropriated and produced goods, property is always separate and distinct. Every property is located at a different place and under the control of a different individual, and each location faces a unique security risk. It can make a difference for my security, for instance, if I reside in the countryside or the city, on a hill or in a valley, or near or far from a river, ocean, harbor, railroad or street. In fact, even contiguous locations do not face the same risk. It can make a difference, for instance, if I reside higher or lower on the mountain than my neighbor, upstream or downstream, closer to or more distant from the ocean, or simply north, south, west, or east of him. Moreover, every property, wherever it is located, can be shaped and transformed by its owner so as to increase its safety and reduce the likelihood of an aggression. I may acquire a gun or safe-deposit box, for instance, or I may be able to shoot down an attacking plane from my backyard or own a laser gun that can kill an aggressor thousands of miles away. Thus, no location and no property are like any other. Every owner will have to be insured individually, and to do so every aggression-insurer must hold sufficient capital reserves.

The Democratic State And Total War

The analogy typically drawn between insurance against natural disasters and external aggression is fundamentally flawed. As aggression is never indiscriminate but selective and targeted, so is defense. Everyone has different locations and things to defend, and no one's se-

curity risk is the same as anyone else's. And yet the analogy also contains a kernel of truth. However, any similarity between natural disasters and external aggression is due *not* to the nature of aggression and defense but to the rather specific nature of *state*-aggression and defense (interstate warfare). As explained above, a state is an agency that exercises a compulsory territorial monopoly of protection and the power to tax, and any such agency will be comparatively more aggressive because it can externalize the costs of such behavior onto its subjects. However, the existence of a state does not just increase the frequency of aggression; it changes its entire character. The existence of states, and especially of democratic states, implies that aggression and defense—war—will tend to be transformed into total, indiscriminating, war.

Consider for a moment a completely stateless world. Most property owners would be individually insured by large, often multinational insurance companies endowed with huge capital reserves. Most if not all aggressors, being bad risks, would be left without any insurance whatever. In this situation, every aggressor or group of aggressors would want to limit their targets, preferably to uninsured property, and avoid all "collateral damage," as they would otherwise find themselves confronted with one or many economically powerful professional defense agencies. Likewise, all defensive violence would be highly selective and targeted. All aggressors would be specific individuals or groups, located at specific places and equipped with specific resources. In response to attacks on their clients, insurance agencies would specifically target these locations and resources for retaliation, and they would want to avoid any collateral damage as they would otherwise become entangled with and liable to other insurers.

"It does *not* follow from the right and need for the protection of person and property that protection should rightfully or effectively can be provided by a monopolist of jurisdiction and taxation. To the contrary, it can be demonstrated that any such institution is incompatible with the rightful and effective protection of property."

—Hans-Hermann Hoppe, *DEMOCRACY—THE GOD THAT FAILED*, (2001), p. 226.

All of this fundamentally changes in a statist world with interstate warfare. For one, if a state, the U.S., attacks another, for instance Iraq, this is not just an attack by a limited number of people, equipped with limited resources and located at a clearly identifiable place. Rather, it is an attack by all Americans and with all of their resources. Every American supposedly pays taxes to the U.S. government and is thus *de facto*, whether he wishes to be or not, implicated in every government aggression. Hence, while it is obviously false to claim that every American faces an equal risk of being attacked by Iraq, (low or non-existent as such a risk is, it is certainly higher in New York City than in Wichita, Kansas, for instance) every American is rendered equal with respect to his own active, if not always voluntary, participation in each of his government's aggressions.

Second, just as the attacker is a state, so is the attacked, Iraq. As its U.S. counterpart, the Iraqi government has the power to tax its population or draft it into its armed forces. As taxpayer or draftee, every Iraqi is implicated in his government's defense just as every American is drawn into the U.S. government's attack. Thus, the war becomes a war of all Americans against all Iraqis, i.e., total war. The strategy of both the attacker and the defender state will be changed accordingly. While the attacker still must be selective regarding the targets of his attack, if for no other reason than that even taxing agencies (states) are ultimately constrained by scarcity, the aggressor has little or no incentive to avoid or minimize collateral damage. To the contrary, since the entire population and national wealth is involved in the defensive effort, collateral damage, whether of lives or property, is even desirable. No clear distinction between combatants and non-combatants exists. Everyone is an enemy, and all property provides support for the attacked government. Hence, everyone and everything becomes fair game. Likewise, the defender state will be little concerned about collateral damage resulting from its own retaliation against the attacker. Every citizen of the attacker state and all of their property is a foe and enemy property and thus becomes a possible target of retaliation. Moreover, every state, in accordance with this character of interstate war, will develop and employ more weapons of mass destruction, such as atomic bombs, rather than long-range precision weapons, such as my imaginary laser gun.

Thus, the similarity between war and natural catastrophes—their seemingly indiscriminate destruction and devastation—is exclusively a feature of a statist world.

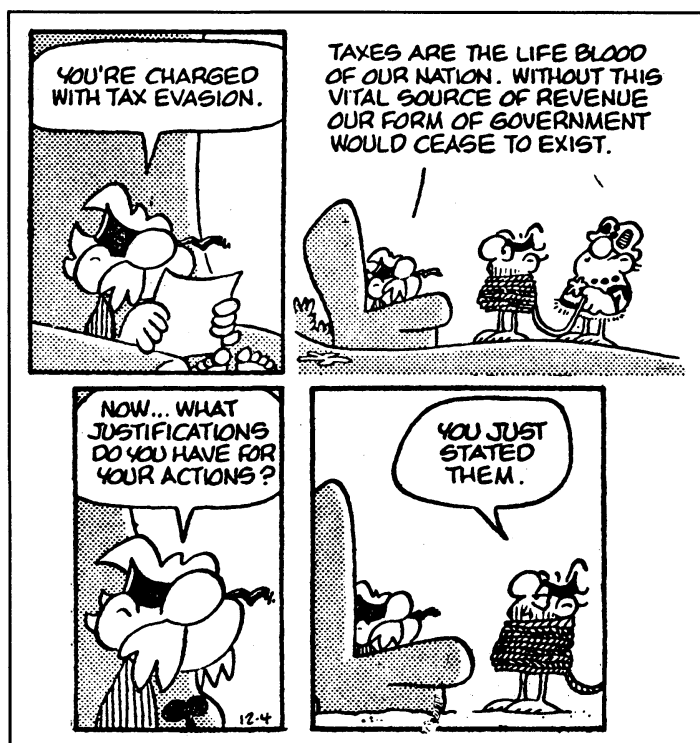
Insurance And Incentives

This brings on the last problem. We have seen that just as all property is private, all defense must be insured individually by capitalized insurance agencies, very much like industrial accident insurance. Yet, we have also seen that both forms of insurance differ in one fundamental respect. In the case of defense insurance, the location of the insured property matters. The premium per insured value will be different at different locations. Furthermore, aggressors can move around, their arsenal of weapons may change, and their entire character of aggression can alter with the presence of states. Thus, even given an initial property location, the price per insured value can alter with changes in the social environment or surroundings of this location. How would a system of competitive insurance agencies respond to this challenge? In particular, how would it deal with the existence of states and state aggression?

In answering these questions it is essential to recall some elementary economic insights. Other things being equal, private property owners generally, and business owners in particular, prefer locations with low protection costs (insurance premiums) and rising property values to those with high protection costs and falling property values. Consequently, there is a tendency toward the migration of people and goods from high risk and falling property value areas into low risk and increasing property value areas. Furthermore, protection costs and property values are directly related. Other things being equal, higher protection costs (greater attack risks) imply lower or falling property values, and lower protection costs imply higher or in-

creasing property values. These laws and tendencies shape the operation of a competitive system of insurance protection agencies.

First, whereas a tax-funded monopolist will manifest a tendency to raise the cost and price of protection, private profit-loss insurance agencies strive to reduce the cost of protection and thus bring about falling prices. At the same time insurance agencies are more interested than anyone else in rising property values, because this implies not only that their own property holdings appreciate but in particular that there will also be more of other people's property for them to insure. In contrast, if the risk of aggression increases and property values fall, there is less value to be insured while the cost of protection and price of insurance rises, implying poor business conditions for an insurer. Consequently, insurance companies would be under permanent economic pressure to promote the former favorable and avert the latter unfavorable condition.



This incentive structure has a fundamental impact on the operation of insurers. For one, as for the seemingly easier case of the protection against common crime and criminals, a system of competitive insurers would lead to a dramatic change in current crime policy. To recognize the extent of this change, it is instructive to look first at the present and thus familiar statist crime policy. While it is in the interest of state agents to combat common private crime (if only so that there is more property left for them to tax), as tax-funded agents they have little or no interest in being particularly effective at the task of preventing it, or else, if it has occurred, at compensating its victims and apprehending and punishing the offenders. Moreover, under democratic conditions, insult will be added to injury. For if everyone—aggressors as well as non-aggressors and residents of high crime locations as well as those of low crime locations—can vote and be elected to government office, a systematic redistribution of property rights from non-aggressors to aggressors and

the residents of low crime areas to those of high crime areas comes into effect and crime will actually be promoted. Accordingly, crime, and consequently the demand for private security services of all kinds are currently at an all-time high. Even more scandalously, instead of compensating the victims of crimes it did not prevent (as it should have), the government forces victims to pay again as taxpayers for the cost of the apprehension, imprisonment, rehabilitation, and/or entertainment of their aggressors. And rather than requiring higher protection prices in high crime locations and lower ones in low crime locations, as insurers would, the government does the exact opposite. It taxes more in low crime- and high property value areas than in high crime and low property value ones, or it even subsidizes the residents of the latter locations—the slums—at the expense of those of the former and thus erodes the social conditions unfavorable to crime while promoting those favorable to it.

The operation of competitive insurers would be in striking contrast. For one, if an insurer could not prevent a crime, it would have to indemnify the victim. Thus, above all insurers would want to be effective in crime prevention. And if they still could not prevent it, they would want to be efficient in the detection, apprehension, and punishment of criminal offenders, because in finding and arresting an offender, the insurer could force the criminal—rather than the victim and its insurer—to pay for the damages and cost of indemnification.

More specifically, just as insurance companies currently maintain and continually update a detailed local inventory of property values so they would then maintain and continually update a detailed local inventory of crimes and criminals. Other things being equal, the risk of aggression against any private property location increases with the proximity and the number and resources of potential aggressors. Thus, insurers would be interested in gathering information on actual crimes and known criminals and their locations, and it would be in their mutual interest of minimizing property damage to share this information with each other (just as banks now share information on bad credit risks with each other). Furthermore, insurers would also be particularly interested in gathering information on potential (not yet committed and known) crimes and aggressors, and this would lead to a fundamental overhaul of and improvement in current—statist—crime statistics. In order to predict the future incidence of crime and thus calculate its current price (premium), insurers would correlate the frequency, description, and character of crimes and criminals with the social surroundings in which they occur and operate, and develop and under competitive pressure continually refine an elaborate system of demographic and sociological crime indicators. That is, every neighborhood would be described, and its risk assessed, in terms and in light of a multitude of crime indicators, such as the composition of sexes, age groups, races, nationalities, ethnicities, religions, languages, professions, and incomes.

Consequently, and in distinct contrast to the present situation, all interlocal, regional, racial, national, ethnic, religious, and linguistic income, and wealth redistribution would disappear, and a constant source of social conflict would be removed permanently. Instead, the emerging price (premium) structure would tend to accurately reflect the risk of each location and its particular social sur-

rounding, such that no one would be forced to pay for the insurance risk of anyone but his own and that associated with his particular neighborhood. More importantly, based on its continually updated and refined system of statistics on crime and property values and further motivated by the noted migration tendency from high-risk-low-value (henceforth "bad") to low-risk-high-value (henceforth "good") locations, a system of competitive aggression insurers would promote a tendency toward civilizational progress (rather than decivilization).

Governments—and democratic governments in particular—erode "good" and promote "bad" neighborhoods through their tax and transfer policy. They do so also, and with possibly an even more damaging effect, through their policy of forced integration. This policy has two aspects. On the one hand, for the owners and residents in "good" locations and neighborhoods who are faced with an immigration problem, forced integration means that they must accept, without discrimination, every domestic immigrant, as transient or tourist on public roads, as customer, client, resident, or neighbor. They are prohibited by their government from excluding anyone, including anyone they consider an undesirable potential risk, from immigration. On the other hand, for the owners and residents in "bad" locations and neighborhoods, who experience emigration rather than immigration, forced integration means that they are prevented from effective self-protection. Rather than being allowed to rid themselves of crime through the expulsion of known criminals from their neighborhood, they are forced by their government to live in permanent association with their aggressors.

The results of a system of private protection insurers would be in striking contrast to these all too familiar decivilizing effects and tendencies of statist crime protection. To be sure, insurers would be unable to eliminate the differences between "good" and "bad" neighborhoods. In fact, these differences might even become more pronounced. However, driven by their interest in rising property values and falling protection costs, insurers would promote a tendency to improve by uplifting and cultivating both "good" and "bad" neighborhoods. Thus, in "good" neighborhoods insurers would adopt a policy of selective immigration. Unlike states, they could not and would not want to disregard the discriminating inclinations among the insured toward immigrants. To the contrary, even more so than any one of their clients, insurers would be interested in discrimination: in admitting only those immigrants whose presence adds to a lower crime risk and increased property values and in excluding those whose presence leads to a higher risk and lower property values. That is, rather than eliminating discrimination, insurers would rationalize and perfect its practice. Based on their statistics on crime and property values, and in order to reduce the cost of protection and raise property values, insurers would formulate and continually refine various restrictive (exclusionary) rules and procedures relating to immigration and immigrants and thus give quantitative precision—in the form of prices and price differentials—to the value of discrimination (and the cost of non-discrimination) between potential immigrants (as high or low risk and value-productive).

Similarly, in "bad" neighborhoods the interests of the insurers and the insured would coincide. Insurers would not want to suppress the expulsionist inclinations among

the insured toward known criminals. They would rationalize such tendencies by offering selective price cuts (contingent on specific clean-up operations). Indeed, in cooperation with one another, insurers would want to expel known criminals not just from their immediate neighborhood, but from civilization altogether, into the wilderness or open frontier of the Amazon jungle, the Sahara, or the polar regions.

"A tax-funded protection agency is a contraction in terms, ..."

—Hans-Hermann Hoppe, *DEMOCRACY—THE GOD THAT FAILED*, (2001), pp. 230, 246.

Insuring Against State Aggression

Yet what about defense against a state? How would insurers protect us from state aggression?

First, it is essential to remember that governments qua compulsory, tax-funded monopolies are inherently wasteful and inefficient in whatever they do. This is also true for weapons technology and production, military intelligence and strategy, especially in our age of high technology. Accordingly, states would not be able to compete within the same territory against voluntarily financed insurance agencies. Moreover, most important and general among the restrictive rules relating to immigration and designed by insurers to lower protection cost and increase property values would be one concerning government agents. States are inherently aggressive and pose a permanent danger to every insurer and insured. Thus, insurers in particular would want to exclude or severely restrict—as a potential security risk—the immigration (territorial entry) of all known government agents, and they would induce the insured, either as a condition of insurance or of a lower premium, to exclude or strictly limit any direct contact with any known government agent, be it as visitor, customer, client, resident, or neighbor. That is, wherever insurance companies operated—in all free territories—state agents would be treated as undesirable outcasts, potentially more dangerous than any common criminal. Accordingly, states and their personnel would be able to operate and reside only in territorial separation from, and on the fringes of, free territories. Furthermore, owing to the comparatively lower economic productivity of statist territories, governments would be continually weakened by the emigration of their most value-productive residents.

Now, what if such a government should decide to attack or invade a free territory? This would be easier said than done! Who and what would one attack? There would be no state opponent. Only private property owners and their private insurance agencies would exist. No one, least of all the insurers, would have presumably engaged in aggression or even provocation. If there were any aggression or provocation against the state at all, this would be the action of a particular person, and in this case the interest of the state and insurance agencies would fully coincide. Both would want to see the attacker punished and held accountable for all damages caused. But without any aggressor-enemy, how could the state justify an attack and even more so any indiscriminate attack? And surely it would have to justify it! For the power of every govern-

ment, even the most despotic one, rests ultimately on opinion and consent, as La Boetie, Hume, Mises and Rothbard have explained. Kings and presidents can issue an order to attack, of course. But there must be scores of other men willing to execute their order to put it into effect. There must be generals receiving and following the order, soldiers willing to march, kill, and be killed, and domestic producers willing to continue producing to fund the war. If this consensual willingness were absent because the orders of the state rulers were considered illegitimate, even the seemingly most powerful government would be rendered ineffectual and collapse, as the recent examples of the Shah of Iran and the Soviet Union have illustrated. Hence, from the viewpoint of the leaders of the state an attack on free territories would have to be considered extremely risky. No propaganda effort, however elaborate, would make the public believe that its attack were anything but an aggression against innocent victims. In this situation, the rulers of the state would be happy to maintain monopolistic control over their present territory rather than running the risk of losing legitimacy and all of their power in an attempt at territorial expansion.

However, as unlikely as this may be, what would happen if a state still attacked and/or invaded a neighboring free territory? In this case the aggressor would not encounter an unarmed population. Only in statist territories is the civilian population characteristically unarmed. States everywhere aim to disarm their own citizenry so as to be better able to tax and expropriate it. In contrast, insurers in free territories would not want to disarm the insured. Nor could they. For who would want to be protected by someone who required him as a first step to give up his ultimate means of self-defense? To the contrary, insurance agencies would encourage the ownership of weapons among their insured by means of selective price cuts.

Moreover, apart from the opposition of an armed private citizenry, the aggressor state would run into the resistance of not only one but in all likelihood several insurance and reinsurance agencies. In the case of a successful attack and invasion, these insurers would be faced with massive indemnification payments. Unlike the aggressing state, however, these insurers would be efficient and competitive firms. Other things being equal, the risk of an attack—and hence the price of defense insurance—would be higher in locations adjacent or in close proximity to state territories than in places far away from any state. To justify this higher price, insurers would have to demonstrate defensive readiness *vis-à-vis* any possible state aggression to their clients, in the form of intelligence services, the ownership of suitable weapons and materials, and military personnel and training. In other words, the insurers would be prepared—effectively equipped and trained—for the contingency of a state attack and ready to respond with a two-fold defense strategy. On the one hand, insofar as their operations in free territories are concerned insurers would be ready to expel, capture, or kill every invader while at the same time trying to avoid or minimize all collateral damage. On the other hand, insofar as their operations on state territory are concerned insurers would be prepared to target the aggressor—the state—for retaliation. That is, insurers would be ready to counterattack and kill, whether with

long-range precision weapons or assassination commandos, state agents from the top of the government hierarchy of king, president, or prime minister on downward while at the same time seeking to avoid or minimize all collateral damage to the property of innocent civilians (non-state agents), and they would thereby encourage internal resistance against the aggressor government, promote its delegitimization, and possibly incite the liberation and transformation of the state territory into a free country.

Regaining Our Right To Self-defense

I have thus come full circle with my argument. First, I have shown that the idea of a protective state and state protection of private property is based on a fundamental theoretical error, and that this error has had disastrous consequences: the destruction and insecurity of all private property and perpetual war. Second, I have shown that the correct answer to the question of who is to defend private property owners from aggression is the same as for the production of every other good or service: private property owners, cooperation based on the division of labor, and market competition. Third, I have explained how a system of private profit-loss insurers would effectively minimize aggression, whether by private criminals or states, and promote a tendency toward civilization and perpetual peace. The only task outstanding, then, is to implement these insights: to withdraw one's consent and willing cooperation from the state and to promote its delegitimization in public opinion so as to persuade others to do the same. Without the erroneous public perception and judgment of the state as just and necessary and without the public's voluntary cooperation, even the seemingly most powerful government would implode and its powers evaporate. Thus liberated, we would regain our right to self-defense and be able to turn to freed and unregulated insurance agencies for efficient professional assistance in all matters of protection and conflict resolution. [V]

[The full text of this essay is at www.mises.org/journals/scholar/Hoppe.pdf. Permission to use excerpts given by Judy Thommesen by email of October 28, 2002. Copyright by the Ludwig von Mises Institute, 1998.]

"If taxes are voluntary, then why do people have to be threatened with criminal sanctions if they chose not to pay?"

—Carl Watner

Voluntaryist Talking Points

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interfere with anybody else and I won't be paying any taxes. I conclude that if I can be allowed to opt out on the moon, I should also be allowed to opt out right smack in the middle of the good old U.S. of A.

Objection: You make it sound like you don't have any say in the matter. But you c'o. In the next election you can always vote against authorities and ballot initiatives you feel are too coercive. A'l it takes is a majority of voters to change things.

Reply: The very idea of majority rule is irrational. If given the option, no liberty-loving individualist would ever

subjugate himself to a group in which a majority of members called the shots. The majority might decide it was okay to sacrifice virgins. They might decide, with George Wallace, that segregation of blacks and whites should be state policy. The majority might decide, with socialistic communarians like Hillary Clinton, that everyone should be strong-armed into mediocre, state-run health care. The majority might decide, with fascistic communarians like Robert Bork, that gay people should be treated like dogs. The voluntaryist doesn't want anything to do with majority rule since the majority, no more than the minority, have no right to violate my self-ownership or property rights.

Objection: What about the mechanisms we have to protect individual liberties against the tyranny of the majority? You know, the Supreme Court, the Bill of Rights.

Reply: The Supreme Court is a government institution. The justices are government employees that receive tax money for life. Once they get in, a simple majority renders decisions in a manner that is absolutely unaccountable to the people those decisions affect. Worse than the tyranny of a majority over a minority, the Court gives us the tyranny of a minority over a majority. Even the Bill of Rights doesn't go far enough, because it still permits the use of force to collect taxes. Even if the Bill of Rights ever offered any protection against government, it has clearly failed to protect us today.

Objection: What if everybody seceded? Wouldn't that lead to total chaos?

Reply: If everybody—my fellow inhabitants of Pennsbury Township, the Eskimos, the Red Chinese, etc.—

Some people say we want anarchy, but what we have now is anarchy: Our cities aren't safe, our schools are centers of violence, there are so many regulations that it is impossible to live without "breaking the law." What we want is the "natural order" of living our lives without government-induced chaos.

—Paraphrased by Carl Watner from
"Sound Bites for Liberty" by Harry Browne

seceded from government and minded his or her own business, the world would be a better place. However, we need to remember it still wouldn't be perfect. Trouble arises when one group chooses voluntaryism, another doesn't, and the statists set out to conquer the voluntaryists. But, as Thomas Paine observed long ago, by cultivating mutually beneficial free trade with partners around the globe—China, Cuba, Iraq, North Korea, whomever—the voluntaryists would create a strong incentive for their trading partners not to initiate force against them. After all, you don't bite the hand that feeds you.

In the case of a determined aggressor, the voluntaryists could use all the money they save by abolishing taxes to devise effective defense systems that minimize casualties. For example, instead of funneling billions of tax dollars to the military-industrial complex before it produces products that work, the voluntaryists could take competitive bids from independent contractors to design a truly effective missile shield—not like the one President Bush is proposing, which at best is sixty percent effective when the wind isn't blowing. Continued funding would be contingent on results, not

talk. Smart, non-violent alternatives, such as hacking into an aggressor's computer network and disabling programs that coordinate attacks, could finally be developed and utilized, making the world a safer place.

Objection: Some people don't have the same opportunities you have. They need better food, adequate housing, better education, better jobs, and affordable health care. Government is a way to increase opportunity by satisfying these needs.

Reply: I agree it would be good for more people to have more opportunities. The question is, does a third party have a right to provide those opportunities by forcing other people to fund them? Suppose Terry needs \$20,000 to buy a new car that would increase his opportunities by enabling him to start his own delivery business. Does that give you the right to point a gun at my head or threaten me with imprisonment unless I give Terry \$20,000? Certainly not. From the fact that I have X and Terry wants or needs X, it doesn't follow that you have the right to make me give Terry X. Substitute "better food," "adequate housing," etc. for X and say good-bye to the welfare state. Of course, people should be allowed to contribute to the welfare of others—but please, no arm-twisting.

Objection: What's so bad about coercion? Remember the classic case of the mad doctor who has the only supply of a medicine that can cure a plague that will kill thousands but refuses to share any? Would any one be justified in taking the medicine away from the doctor?

Reply: Coercion corrupts, political power corrupts, and the use of coercion sets a precedent that soon boomerangs out of control. If you permit someone to use violence for a "good" cause, how do you object when someone else grabs power to use violence on behalf of a "bad" cause? Then, all you can argue about is whether the cause is "good" or "bad," not whether violence should be used. Violence inevitably violates someone's rights, so it best be left alone except in self-defense.

Let's get clear about what the classic case does and does not establish. It may establish that it's all right for SOMEBODY to deal with the mad doctor. It does not establish the legitimacy of a STATE with broad coercive authority, including the authority to take the medicine away from the mad doctor. So, how would voluntaryists deal with him if he wouldn't listen to reason? First of all, the voluntaryist remembers that the doctor is not the cause of the plague. He is thankful the doctor knows the remedy. If the doctor won't sell, that's his right, but without a government-backed patent, someone else might be able to produce a generic version of the medicine. The voluntaryists might ostracize the doctor, refusing to sell him food, water, and other necessities, leaving him helpless until he agrees to share the medicine. In the worst case scenario—the plague will kill thousands by tomorrow unless the voluntaryists administer the medicine today, the mad doctor is the only person in the world who knows the secret ingredients, no one else can figure them out before tomorrow—someone might steal the medicine. But no one would euphemistically call such "stealing," charity or taxation or dub it by some other name. No state with a monopoly on the use of force is needed to do the job. However, this worst case scenario is highly unlikely, and the voluntaryists would still recognize that the doctor's rights had been violated. They, themselves, would probably be more content with recognizing that "if you take care of the means, the end will take care of itself." That is all that they, as voluntaryists, could do.

Viva voluntaryism! ▣

Voluntaryist Talking Points

By Peter Spotswood Dillard

As a voluntaryist, I want to secede from The United States of America, the State of Pennsylvania where I now live, the County of Chester, and the Township of Pennsbury without relocating. To borrow a phrase from the sixties, I want to "opt out" and live my life without having to participate in the coercive schemes of these authorities. Others can set up a state if they want to—but leave me alone.

I can already hear the objections from some of my statist neighbors. I'd like to anticipate them with a few perfectly logical replies that might prove useful to other voluntaryists under fire.

Objection: Doesn't government provide you with a lot of benefits: police protection, defense, road maintenance, etc.? Doesn't your enjoyment of these benefits mean you have a duty to obey the state?

Reply: No one asked me if I wanted any of this stuff. I never signed any contract. I just found myself in circumstances where forcing people to pay for things they never requested was a *fait accompli*. Sure, I enjoy these benefits. Yet, it doesn't follow that I have a duty to pay for them. Suppose someone started mowing my lawn without asking my permission. Clearly that doesn't give him the right to show up one day and force me to pay for his "service." Furthermore, police protection, defense, road maintenance, and other services currently provided by government can be provided more efficiently by private contractors on the open market because they must voluntarily obtain the business. For example, when it snows a guy plows my driveway for me. If he charges what I think is "too" much, or does a poor job, then I look for someone else

to provide the service. Since government generally "out-laws" the competition, there is no incentive to provide a better job at a lower price.

Objection: You preach one thing and practice something else. You've spent your whole life obeying the state's authority by paying your taxes. Doesn't that show you've given your tacit consent to government?

Reply: The notion of tacit consent goes at least as far back as John Locke, but it didn't make sense in the seventeenth century, and it still doesn't make sense today. What would tacit *dissent* be like? Moreover, when I hand my wallet over to a crook who threatens to blow me away with a .38 if I refuse, I'm not giving my tacit consent that robbery is morally acceptable. So when I pay my taxes to a government that threatens to imprison me if I don't comply, it's hard to see how I'm giving my tacit consent—whatever that is—that state coercion is morally acceptable. Just because many of us have spent our lives following the dictates of the state, it doesn't follow that we believe in the legitimacy of government. Maybe there are lots of closet voluntaryists!

Objection: Love it or leave it. You're free to move someplace where there isn't any government. Why not build a house on the moon?

Reply: First, why should I incur the sizeable cost of relocating to a stateless place? If the fellow mowing my lawn without permission promised to stop if I moved to a desert island at my own expense I'd say he was extremely illogical, if not daft. More importantly, the objector is willing to let me opt out, so long as I opt out far away from here. But what difference does it make whether I opt out here or a thousand miles from here? In either case, I won't

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