The Voluntaryist

Whole Number 134 *"If one takes care of the means, the end will take care of itself."* **3rd Quarter 2007**

Why Voluntaryism and Liberty Don't Depend on Taxes or Government

By Carl Watner

Seldom does one find a book that embraces statism to the hilt, but THE COST OF RIGHTS (New York: W. W. Norton: 1999), by Stephen Holmes and Cass R. Sunstein, is one such. From its subtitle, "Why Liberty Depends on Taxes," to the assertion in the second paragraph of the dust jacket, that "our rights to property, speech and religion ... would not exist if government could not collect taxes to codify, protect, and enforce them," we find the authors turning liberty upon its head, making us slaves of the state, and our ownership of property dependent upon the legislature. Let us first offer a few definitions and then let our authors speak for themselves.

As I have previously explained in my articles about "Freedom As Self-Control," freedom is an attitude of mind, a spiritual quality which cannot be conquered by iron jail bars or even death. Freedom is an inner spirit which allows each person to seek and speak the truth to the best of their ability. Freedom is bulletproof in the sense that one cannot shoot a truth. One's body may be shot, but that does not affect the validity of one's ideas. Liberty is a condition of not being molested by other human beings, either in one's own body or in one's rightfully owned property. In other words, each person has rights as an individual, that do not depend on their place of birth or the privileges granted to them by the political system within which they live.

Holmes and Sunstein might not dispute these assertions, but they completely ignore the possibility that rights might be protected by entities other than coercive governments. They define "rights" as *"important interests that can be reliably protected by individuals or groups using the instrumentalities of government."* [p. 16, italics in original] To our authors, "individual rights and freedoms depend fundamentally on vigorous state action." [p. 14] "Personal liberty ... presupposes social cooperation managed by government officials." [p. 15] "Without government ... there would be no right to use, enjoy, destroy, or dispose of the things we own." [p. 59] "Property rights exist because possession and use are created and regulated by law." [p. 60] As Daniel Klein put it in his analysis, Holmes and Sunstein "hold that all things are owned, fundamentally and ultimately by the government. 'Private property [is] a creation of state action, [and] 'laws [enable property owners] to acquire and hold what is 'theirs'." [pp. 66, 230][1] Holmes and Sunstein never defend the implication of their definition, that all rights stem from the government. Nor do they ever explain why and how governments have the right to "protect us."[2]

The reason that Holmes and Sunstein say that government depends on taxes is because governments require money to exist. Without money to pay soldiers, police, judicial officials, office workers, and other bureaucratic employees, governments would not be able to provide the services they now perform for their citizens. Fire protection, police, the army, the courts all require paid personnel, equipment, buildings, and roads to access these facilities. In short, these things cost money. Since governments are not charities, they do not solicit voluntary contributions. Since governments are not competitive businesses, they do not charge for their services. Instead, governments get their funds via taxation: the compulsory collection of revenue from their citizens. How much governments collect is not limited by what its competition charges (since the government will permit no one to compete with it, there is no competition), but simply by how much robbery the public will stand for before its members refuse to pay or revolt, or both.

But the truth is Holmes and Sunstein miss their mark. Most people desire some sort of professional protection from thieves, fires, and access to some type of professional dispute resolution service. Holmes and Sunstein never ask the most important question: Is it necessary that these services be provided by a coercive and monopolistic government? The answer is, "No," and there are clear historical cases - when and where governments were not present to provide these services - that we find such services being provided on a competitive and voluntary basis. Such services do not depend on the existence of governments, but rather on the need, desire, and willingness of consumers to pay for them (on a competitive market, where they are not monopolized or prohibited by a coercive government). In American history, this has happened innumerable times. Both travelers going west on the Overland Trail and people in California during the early days of the Gold Rush, had no government to provide basic public services. Does this mean they had no right to their property or that anarchy and chaos ensued? Surely not. Listen to one

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Charity in the Land of Individualism

By John D. Fargo

It was back on the farm, late 1940s, along the northwestern edge of the corn belt-in the land of individualism. Folks were poor, and only the more rugged had survived the ravages of the Great Depression, but times were better now.

A new farmer moved in and rented the farm across the section. I'll call him George. Within this self-reliant culture, George didn't fit in well. Each farm, a piece of carefully marked-off private property, was conscientiously cared for by the farmer and his family, but not George's.

This was before farmers used chemical weed killers. Thus, each farmer had to control weeds the hard way, by laboriously chopping them down, lest they go to seed and infest not only his fields but those of his neighbors. But not George.

We shared three-quarters of a mile of fence with George. Each farmer took care of half his common fences, making repairs when needed and chopping the weeds out of the fence row each summer. But George never laid a hand on any part of that fence.

Thistles were a nasty problem. Patches of these perennial weeds choked out the grain, and with no chemicals they were all but impossible to destroy. In the fall the thistles released thousands of tiny seeds that floated in the wind and could spread for miles. It was understood in the land of individualism that no one let his thistles go to seed-but George exempted himself. His farm became an eyesore in a culture where pride in one's property, rented or otherwise, ran high.

Farmers often had to extend themselves. For example, instead of the normal 12-hour workday, they might put in 15 to 18 hours a day to get the hay crop in before a rainstorm. But George was too irresponsible to put forth the extra effort.

Corn, which requires a relatively long growing season, was the main crop back then, but it was vulnerable along the northwestern edge of the corn belt. Farmers had no commercial grain driers; most of them didn't even have electricity. Thus, to prevent spoilage, the corn had to be left in the fields until it became sufficiently dry. This meant waiting until October, when early snows threatened to bury the crop.

Every October the race was on-to beat that first snowstorm and get the corn in. Corn-picking machines were repaired, greased, and ready to go. Corn cribs were built, farm kids skipped school to help with the harvest, and the time for 16-hour days, seven days a week, was on. But not George -his dilapidated corn picker wasn't ready. And his three little kids were too young to help bring in the crop.

Tragedy Strikes

Machinery was primitive by today's standards. Corn pickers often broke down, and dry corn husks often wouldn't feed down between the steel husking rollers. Instead, they accumulated above the rollers, plugging up the machine. The operator was constantly stopping his machine to dig out the jammed husks. It was a tedious process.

But there was an faster and easier way of handling this problem: leave the machine running, reach in with your hand, and push the husks down so they would feed through the steel-ridged rollers. It was dangerous; a man could lose his fingers.

Well, George did it the easy way. He had barely gotten started with his corn picking when those steel rollers grabbed his fingers. All the doctor could salvage of his mutilated right hand was part of one finger and his thumb, minus the nail.

"He probably deserved it." I never heard those words spoken, but I don't doubt that the thought ran through a mind or two. In any event, the forces of selection had weeded George out. Farming required a strong back and two good hands, and this incident ensured that George would never farm again.

Word of the tragedy spread rapidly. The next day, a neighbor drove up to where we were working and talked briefly to my father. The neighbor planned to work in George's fields the following day-maybe get some of his crop in-and thought we might like to help.

Early the next morning, we pulled into George's farm with our corn picker, wagons, elevator (a long conveyor mechanism that lifted the corn into the cribs), and hoist (which lifted the front end of the wagons for easier unloading). George had no permanent corn cribs, so we scrounged around in the dark, looking for pieces of old corn-crib fencing to construct temporary cribs. About then, another farmer pulled in with a trailer loaded with brand new corn-crib fencing.

Before daybreak, we had the elevator up and running, the bottom rung of the corn crib built, and the first loads of corn already were coming in from the fields. The bitter cold penetrated to the bone, and I was anxious to start unloading wagons.

A young farmer drove in with his corn picker, stopped where I was working, and asked if he could help me unload wagons. That seemed strange because

running the elevator and hoist, tending the temperamental gasoline engine that powered the works, and unloading the wagons was normally a one-man job. He insisted until I convinced him that I could handle it-and they probably needed him and his corn picker in the fields. It wasn't until he left that I realized it was probably my age that had prompted his offer. I was 11 or 12 at the time, but younger kids than I were operating the tractors that pulled the wagons loaded with corn.

Judging by the rate the corn started coming in, I figured there must have been a dozen corn pickers running. A second elevator pulled into the farmyard and was set up nearby. More corn pickers arrived-their faded yellow, green, or red paint showing through the dirt and grime of the machines. By mid-morning the place was swarming with people and machines.

Farm wives drove in with pots and baskets of food for dinner (the noon meal). The area near the farmhouse was beginning to look like a small parking lot. The house could not hold everyone, so we ate in shifts. Most ate quickly and quietly, then returned to work. I didn't know of anyone who was on "visiting terms" with George and his family.

By mid-afternoon, some of the corn pickers were returning from the fields, pulling through the farm yard, and leaving. One farmer, pulling in a load of corn, said that most of the corn was picked and they were starting to get in each other's way. Before dark George's entire crop was harvested, and he hadn't even returned from the hospital.

The remaining operators were solemnly departing. I counted over 20 corn pickers leaving, but there weren't that many farmers in the area. Some of them must have pulled their machines several miles in order to help out. Now, each farmer was going his own way, returning to his own fields where he would work late into the night in that annual race with the snowstorms.

That was how charity worked in the land of individualism, back before the welfare state became entrenched.

It may take the world a while, but eventually it will discover that true charity lies deep within the fertile soil of authentic individualism. These rugged souls, who dare to stand alone, tend to have hearts of gold.

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"The existence of evil can never justify the existence of the State. If there is no evil, the State is unnecessary. If evil exists, the State is far to dangerous to be allowed to exist."
—Stefan Molyneux

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contemporary observer of the Gold Rush:

> The first consequence of the unprecedented rush of emigration from all parts of the world into the country almost unknown, and but half reclaimed from its original barbarism, was to render all law virtually null, ... From the beginning, a state of things little short of anarchy might have been reasonably awaited.
>
> Instead of this, a disposition to maintain order and secure the rights of all, was shown throughout the mining districts. In the absence of all law or available protection, the people met and adopted rules for their mutual security - rules adapted to their situation, where they neither had guards nor prisons, and where the slightest license given to crime or trespass of any kind would inevitably lead to terrible disorders. ...
>
> In all the large diggings, which had been worked for some time, there were established regulations, which were faithfully observed. ... When a new placer or gulch was discovered, the first thing done was to elect officers and extend the area of order. The result was that in a district five hundred miles long, and inhabited by 100,000 people, who had neither government, regular laws, rules, military protection, nor even locks or bolts, and a great part of whom possessed wealth enough to tempt the vicious and depraved, there was as much security to life and property as in any part of the Union, and as small a proportion of crime.[3]

At other times, on the American western frontier, the federal government could not adequately maintain a circulating currency. So businessmen set up their own mints and began providing coined money that effectively competed with government coinage. The point is that while the western frontier may have been stateless, due to the absence of the federal government and its employees, it was not lawless. Property on the western frontier existed despite the fact that state and federal governments were not there to enforce their statutory laws.

The fact of the matter is that Holmes and Sunstein have it all backwards. If there were no property, there would be nothing for the parasitic state to expropriate. If members of civil society did not work and produce, what would there be for the members of the state apparatus to confiscate? There can be no thievery if there is nothing to steal, and there can be nothing to steal if something is not first produced. As Carroll Quigley observed, when public authority in

the Western world disappeared around 900 A.D., "society continued. ... It was discovered that man can live without a state; ... . It was discovered that economic life, religious life, law, and private property can all exist and function effectively without a state."[4] Or as John Zane put it in THE STORY OF LAW: "Nothing is more silly than to say that the law made private property. The fact is the exact opposite. Private property came to exist [independently of the state] and it made the law."[5]

Government protection (alleged) of property rights is one of those political myths which governments use quite effectively to legitimize their conquest over us. In reality, government can only negate property rights, not protect them. This is true for a number of reasons, both theoretical and historical. First of all, governments have historically derived their revenues from taxation. This necessarily violates the rights of those who would not voluntarily support them. If those people do not willingly surrender their property, which is demanded by the government in the form of taxes, then government agents will ultimately either seize their property or imprison them for refusal to pay.

Secondly, all governments presume to establish a compulsory monopoly of defense (police, courts, law) services over a given geographical area. Individual property owners who do not wish to be included are "protected" nonetheless. If they resist the enforcement of government laws, they will eventually be jailed for obstruction of governmental administration of justice, or killed for resisting armed government officers. Furthermore, as commentators such as Murray Rothbard, Hans-Hermann Hoppe, and Walter Block have noted, the idea that the state can provide any sort of legitimate protection is inherently contradictory. How can government protect us by stealing from us? Governments do not protect our property from thieves; instead governments steal our property under the guise of taxation and call it "protecting" us. Or as Hans-Hermann Hoppe put it, "A tax-funded protection agency is a contradiction in terms."[6]

> "A negative deed destroys a thousand good words."
>
> —Eli Herring

In the last paragraph of their book, Holmes and Sunstein write that "only through government can a complex modern society achieve the degree of social cooperation necessary to" attain the liberty of the individual. [p. 232] I whole heartedly disagree with their statement. The history of voluntaryism in America, and other parts of the world, proves them wrong. From the evolution of the English language, to the establishment of time zones, to the standardization of railroad track gauges, to the establishment of industrial standards, to the evolution of private mediation and arbitration, voluntaryism has shown itself capable of creating vibrant communities. Social cooperation does not depend on government compulsion, nor does co-operation happen at the point of the government's gun. It occurs when people interact for mutual benefit.

Another example of world-wide voluntary co-operation is the credit card industry. Credit card associations, such as Visa, Mastercard, and Discover make it possible for cardholders to use their charge cards almost anywhere. Yet as Edward Stringham has pointed out government did not create this system. No one is forced to use a credit card, nor is anyone harmed by not using one.[7] The difficult problem of verifying the credit worthiness of individual customers is solved by their use of a reputable credit card. If debit and credit cards can operate all over the world, in the absence of a single unified world government, what other services might exist if their was no government to inhibit their creation?

> There is no pillow so soft as a clear conscience.
>
> —French Proverb

To Holmes and Sunstein I say, yes: rights have costs; but governments have even greater costs and drawbacks. Give us, the members of society, a choice. Let us spend our money, freely, as we choose! My guess is that very little money would go to coercive government. As soon as people realized they could get "more bang for the buck" from the competition, government as we know it would become bankrupt. Voluntaryism and liberty depend on respect for individual rights and free choice, not on coercive government and taxes. Pay your money, and make your choice: Which would you rather have?

[1]Daniel B. Klein, "The People's Romance - Why People Love Government (as Much as They Do)," 10 THE INDEPENDENT REVIEW (2005), pp. 5-37 at p. 12.

[2]As Peter Dillard asked, after having read an earlier version of this article, "How did government come to acquire a fundamental right of ownership over us?" Governments which, after all, are nothing but people must have some basis on which to justify their control over us, but Holmes and Sunstein offer no such defense.

[3]Cited in Carl Watner, "Voluntaryism on the Western Frontier," THE VOLUNTARYIST Whole Number 41, December 1989, and reprinted in Carl Watner, I MUST SPEAK OUT, San Francisco: Fox and Wilkes, 1999 at pp. 362-363.

[4]Carroll Quigley, TRAGEDY AND HOPE, New York: The Macmillan Co., 1966, p. 83.

[5]John Maxey Zane, THE STORY OF LAW (2nd edition), Indianapolis: Liberty Press, 1998, p. 147, (final paragraph of Chapter 8).

[6]Hans-Hermann Hoppe, DEMOCRACY - THE GOD THAT FAILED, New Brunswick: Transaction Publishers, 2001, pp. 230, 246.

[7]Edward Stringham, "Market Chosen Law," 14 THE JOURNAL OF LIBERTARIAN STUDIES (Winter 1998-1999), pp. 53-77. See the discussion on pp. 62-63. Ⓥ

Werner K. Stiefel's Pursuit of a Practicum of Freedom

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in the 1930s. Unable to rescue any of the assets from the family soap manufacturing business in Germany, he and his father and brother set up a new business in the United States, based on what they carried in their heads. Today Stiefel Laboratories is the largest privately-owned dermatological company in the world with over 2,500 employees and offices in more than 100 countries. Lubriderm is one of their best-known products. Werner remained president and CEO until his retirement in 2001.

Reading *Atlas Shrugged*, Werner woke up to a sobering question. When conditions had deteriorated in Germany in the 1930s, many people had fled to the United States. But even then, Werner saw symptoms of the same thing happening in the United States that he had witnessed in Germany. When the time came, he asked, where could people flee from the United States?

Taking a cue from Ayn Rand, Werner conceived of a "Galt's Gulch" (aka "Mulligan's Valley," aka "Atlantis") somewhere on the oceans, a community on the high seas outside the political jurisdiction of any nation. Adopting the name "Atlantis" (not to be confused with Erik Klein's project by the same name in the years 1993-1994, also to promote a floating sea city, but not apolitical), he set about making the dream a reality, using his private resources and not any of those of the company. His endeavor would prove to be a fit subject for a heroic novel after the manner of Rand.

A Herculean Effort

Around 1970, Werner purchased a motel near the company's main plant in Saugerties, N.Y., and invited libertarians to come and live there while they worked in the surrounding area and, in their free time, to help plan the Atlantis Project. He conceived of the project in three stages. Atlantis I was the Saugerties Motel. Atlantis II would be a ship at sea, and Atlantis III would be a floating community or perhaps a community on dredged-up land on some submerged seamount. The ship would play an indispensable role as supply vessel and living quarters in the construction phase of Atlantis III.

At Saugerties—Atlantis I—Werner undertook to transform those who had joined him into a seasoned team that could work under any and all conditions. He gave them the daunting task of building the ferrocement ship that would be Atlantis II. The team passed this first test and sailed the ship south into the Caribbean, where a tropical storm destroyed it, fortunately with no loss of life.

Undaunted, Werner obtained another vessel and located a spot in the Caribbean outside any political jurisdiction where the depth was barely four feet at low tide. He had just completed the arduous task of constructing four sea walls and was about to begin dredging sand to create his first bit of artificial land on which to stand while extending Atlantis III, when a gun boat showed up and leveled its guns at his crew. Someone had found silver nuggets on the sea bottom nearby and had cut a deal with Haitian dictator "Papa Doc" Duvalier for protection from pirates. The gunboat captain, not knowing who these people were or what they were doing in the area, decided to run them off. Werner was forced to make a quick decision. Unwilling to risk people's lives, he abandoned the site.

For a permanent base of operations, Werner then took a long-term lease on a site in a freeport operated by the Haitian government. But when a copy of his newsletter, *The Atlantis News*, fell into an official's hands and revealed his underlying philosophy, the government forthwith canceled his lease. From this experience, Werner learned the importance of a low profile.

He next set about to create land on the Misteriosa Banks, a submerged seamount midway between Cuba and Honduras, the same location that self-styled Prince Lazarus Long would later publicize as the site for his ill-starred New Utopia. Werner bought and towed to the site an oil rig of the type that, once on location, could be inverted to stand on three legs. Before it could be put in place, however, a hurricane blew it out to sea, destroying it.

Still undismayed, Werner purchased property on Grand Cayman and constructed an attractive complex for a new center of operations, one that could also serve as a retreat for the staff of Stiefel Laboratories. This garden setting still exists. It became, among other things, the office of the Atlantis Trading and Commodity Purchasing Service (ATCOPS), which Werner had already established as the forerunner of the Bank of Atlantis. ATCOPS made profits for many clients, including me, over the years and struck an attractive silver coin, the deca, so-called because it contained a decagram of silver.

From his base at Grand Cayman, Werner bought an island off the coast of Belize and built improvements on it, his ultimate goal being to negotiate, if not full sovereignty, then at least a grant of freeport status from the government of Belize. Eventually, however, he tired of dealing with the bureaucracy. With age advancing sharply on him, he put up the island for sale.

To Grow a Free Country

Beginning with Atlantis, Werner's goal had been to develop one or a series of freeports at sea that would function much like new countries. His approach had many practical features. Atlantis would start small and grow by increments. Moreover, rather than trying to attract a residential population, it would aim at businesses, starting with one of his own plants—Stiefel Laboratories. Businesses would bring

their own personnel and their families, and these would require ancillary services, which services in turn would require personnel, and the residential population would grow naturally. This would enable the Atlantis community to develop without fanfare. Promotional advertising of casinos and other recreational amenities of tourism would not follow until much later. Until then, the fledgling community would keep its profile low, almost under the political radar screen. Werner's approach was also non-ideological. He aimed at attracting effective, entrepreneurial people in business and the professions without regard for political persuasion or lifestyle.

The most imaginative aspect of Atlantis was that the provision of governmental services would be a business in and of itself, creating value in the competitive market and subsisting on the market revenues those values induced. There would be no need to appeal to philanthropy or to practice taxation. Because the provision of public goods would be a business, specifically that of a multi-tenant income property writ large, taxation of the residents would be intolerable, anathema to the enterprise because destructive of the values on which it depended.

From Werner's Herculean effort came an intellectual construct that survived Atlantis. His constitution for a free community was a radical departure from all political constitutions. The need for such a construct arose because Werner's "Galt's Gulch" was to be far more than a literary device. He had set about to apply it in the real world. Unlike Ayn Rand, therefore, he could not ignore the question of how it would be administered.

There seemed no easy answer, however. By 1972, he had reached a low point and almost despaired of the project, agonizing over the question of how Atlantis could be administered as a community and yet its inhabitants remain free. What form of government should he choose? Surveying all of history, he found no form of government that would not be prone to repeating the same tired round of tyranny the world had known for thousands of years.

At that point, Werner came upon the ideas of my grandfather, Spencer Heath, and saw their relevance. Heath had pointed out an advantage in keeping the title to the land component of a real-estate development intact and parceling the land into its various lots by land-leasing rather than subdividing. This creates a concentrated entrepreneurial interest in the success of the development, enabling it to be administered far into the future as an investment property for income rather than selling it off piecemeal for a one-time capital gain. Those holding the ground title have an incentive to supply public services and amenities to the place, creating an environment the market will find attractive. To the extent they do so, they can recover not only their costs but earn a profit to themselves and their investors. Heath forecast that in time whole communities would be managed on this nonpolitical basis. He saw this becoming the future norm for human settlements, each competing in the market for its clientele. Community services, he thought, would thus become a major new growth industry.

Heath's ideas brought into focus a vast and virtually untapped body of empirical data from the field of commercial real estate, namely, the emergence of multi-tenant income properties such as shopping centers, hotels, office buildings, business parks, marinas, and combinations of these and other forms. What all of these have in common is that title to the land underlying a development is not fractionated by subdividing but is held intact. While buildings and other improvements on the land might be separately owned or not, the sites are leased. This preserves the unified entrepreneurial interest in the whole development that enabled it to be planned and built initially, and this concentration of interest permits it to be operated as a long-term investment for income. The result is very different from a subdivision, such as a condominium or other common-interest development, which is likely to be governed by a homeowners' association. A subdivision is an aggregation of consumers looking to their own purposes and not in any sense a business enterprise serving customers in the competitive market.

> "Governments are not the cause of a lack of freedom — they are the result of it."
> —Riqui Leon

Werner had just such a working community in his Saugerties Motel-Atlantis I. Here he administered all the community services contractually on an ordinary, businesslike basis. Pragmatic businessman that he was, he realized that here was his desired form of government—a proprietary, free-market government in which there was no violation of property rights. All relations were contractual, negotiated among the parties. The only thing lacking that we are accustomed to find in a community is a city hall exercising taxation and other discretionary authority over the inhabitants and their property. All Werner needed was to preserve this form of organization and move it out to sea.

Why had no one thought of this before? Why isn't it common wisdom? Doubtless a major reason is that the dynamic, evolving market process is recent in human history, at least to the degree that we know it today, and our understanding of it only beginning. Boston's Tremont House, regarded in the industry as the first modern hotel, was built only 175 years ago. All subsequent forms of modern, multi-tenant income property have evolved since then. Only with the advent of modern technology and business practice, including all the various supportive institutions of banking and finance, insurance, communications, market prices, modern accounting methods, and so forth, could a community fully take the form of a com-

petitive business enterprise. In addition, we are used to idealizing politicians as selflessly motivated, since in public life as we have known it, self-interest and the public interest are opposed. Only in the free-market process are the interests of customers and service providers aligned. Unaccustomed to recipients of public services being *customers,* it is not easy for us to accept public-service providers acting in their own self interest.

> "You can't break a man that don't borrow."
> —Will Rogers

Werner's Master-Lease Form

Werner saw that the master-lease form would be critical to the success of Atlantis. It would be Atlantis' social software, as it were, capable of generating an elaborate but internally consistent web of relationships, all spelled out in the wording of the leases, subleases, sub-subleases, etc. The sum of the agreements in effect at any given point in time would be the written constitution of Atlantis. They could be as specialized and distinct as circumstances might warrant, so long as they did not contradict any part of the master-lease form.

Without a body of legislated rules to fall back upon, the master-lease form would have to provide for every conceivable contingency. Werner gave me the task of drafting it. It was a moment of truth. But I couldn't dodge the assignment, since I had studied the question from the broad viewpoint of social anthropology and had published the first description of multi-tenant income properties as a distinct class of social phenomena (*The Art of Community*, Institute for Humane Studies, 1970). No mere theoretician, Werner assigned me a 2% equity in the venture.

Werner's master-lease form not only survived his Atlantis project, it took on a life of its own. With Werner's approval, it was published in several iterations, giving many people an opportunity to criticize it and offer improvements. But because Werner was leery of prematurely drawing the attention of the world's governments to the idea of private settlement of the open seas, it carried no reference to Atlantis. It appeared as a purely heuristic exercise in the free-market provision of community services in a made-up setting called "Orbis," one of a hypothetical cluster of settlements in outer space. [See "A Model Lease for ORBIS," *The Voluntaryist*, Whole Number 81, August 1996 and accompanying editorial comments.]

Of the many refinements of the master-lease form made by other people, the single most important was that by Michael van Notten (1933-2002) in *The Law of the Somalis* (Red Sea Press, 2005). A Dutch lawyer who married into the Samaron Clan of Somalia and lived with them for the last twelve years of his life, Van Notten launched the Somali Freeport project to develop a large, multi-tenant income property provisionally called "Newland" on land leased from the Clan. He conceived of Newland as a purely private business venture with no flags, anthems, or any of the ritual panoplies and paraphernalia associated with political nations. If successful, it would have become something like a small, latter-day Hong Kong, offering a business and professional environment free of all burdensome bureaucracy and taxation. Located in their own back yard, so to speak, it could become for the Samaron their stepping stone to full cultural, economic, and technological participation in the developed world. Traditionally a stateless people, the Samaron aspired to such participation if it would not entail their being dominated by a political government, their own or any other.

In adapting Werner's master-lease form to Newland, Van Notten made a significant addition. He sketched out and incorporated in it a detailed set of natural-law principles and supporting procedural rules. This would enable a system of law to be in place from the beginning of the development, from which point it could evolve of its own accord. It would be a system of law, moreover, to which all members of the community, including administrative and service personnel, would have freely consented in their lease agreement or terms of employment.

Natural-law scholar Roy Halliday wrote of this innovation that it

> comes as close as anything I have seen to establishing the framework for a civil society consistent with liberty and natural rights. The idea of incorporating a description of natural rights into the master lease for a proprietary community is brilliant. It satisfies both the strong natural rights advocates . . . and the skeptics who believe rights are created by contracts. The lease contract provides a way to specify how rights are to be enforced.

In pursuing his vision of freeports at sea, Werner Stiefel put into motion in a practical way a plan for a wholly proprietary, nonpolitical public authority. Here was his answer to the question of how to have public administration and yet each and every person be fully empowered over his own person and property. He believed that humankind would outgrow government as we know it today. Perhaps what is most intriguing and heartening about his formula for an internally consistent, open social software is that it is not conjectural, but is extrapolated from a century and a half of empirical data gleaned from observation of the marketplace.

[Spencer MacCallum is a social anthropologist living in Mexico, where he played a key role in the economic development of the pottery village of Mata Ortiz. He wrote *The Art of Community* and edited and contributed to *The Law of the Somalis: A Stable Foundation for Economic Development in the Horn of Africa* (Red Sea Press, 2005). This article first appeared on LewRockwell.com in June 2006, and is reprinted by both permission of the author and Lew Rockwell.] ☑

Werner K. Stiefel's Pursuit of a Practicum of Freedom

By Spencer Heath MacCallum

On June 8, 2006 we lost to cancer a unique freedom fighter, scientist, inventor, and entrepreneur, Werner K. Stiefel, 85 years old, of Vero Beach, Florida, survived by his wife, Marie, and six children. He was such a private person that not many people knew him.

Werner believed as an act of faith, as do I, that human social organization in the future will be stateless. Such an assumption is warranted for the same reason as the scientist's assumption that the universe is a cosmos and not a chaos. That is to say, it's a *productive* assumption. The scientist can't prove the universe is rational, but without that assumption, he would make no discoveries. He wouldn't expend the effort. In the same way, it is productive to assume that human society which, after all, is very young, is a work in progress and that we will outgrow/are outgrowing the conflicted behavior of politics.

The interesting question is *how* we will outgrow that conflicted behavior, and therein lies the value of the productive assumption: it prompts the search for new understandings of the evolving social process. To engage in such discovery is inspiring, and inspiration lifts our spirits. It is the fountain of creativity. Perhaps more than anything else, that is what being human, in the best sense of the word, is all about.

Around 1970, I made the acquaintance of Werner, who was developing plans to build a free community. While the community would need to be effectively governed, it would differ from communities as we know them by being internally consistent. In no way would its management infringe upon property rights. There would be no taxation or other discretionary authority over anyone's person or property.

Werner had been inspired and awakened philosophically by reading *Atlas Shrugged*. But unlike many Randians, he saw an inconsistency in her tolerance for the state. He realized that men act in their own interest as they perceive it, and that is no problem when they are dealing with their own person and property. But when they acquire discretionary authority over persons and property not their own, problems arise, since their perceived interest and that of the owners must at some point diverge. The private individual then must resist, even to the forfeit of his life if he cannot prevail, or else live for the sake of another. The last is irreconcilable with the oath taken by all in Galt's Gulch: "I swear by my life and my love of it that I will never live for the sake of another man, nor ask another man to live for mine." (*Atlas Shrugged* 1956: 680).

Werner's family had experienced Nazi Germany

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