

The Industrial Radical

A Quarterly Publication of the MOLINARI INSTITUTE

Volume I, Number 1

Liberty the Mother not the Daughter of Order

Autumn 2012

A DECADE OF DISASTERS!



ALSO: ELECTION SPECIAL!

Editor: Roderick T. Long
Associate Editor: Charles W. Johnson
Publisher: The Molinari Institute

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The Industrial Radical is devoted to radical libertarian political and social analysis in the tradition of Benjamin Tucker's 1881-1908 *Liberty*, Emma Goldman's 1906-1917 *Mother Earth*, and Murray Rothbard's 1965-1968 *Left & Right*.

The title "Industrial Radical" honors the libertarian and individualist anarchist thinkers and activists of the 19th century, who were "industrial" in the sense of championing what they called the industrial mode of social organization, based on voluntary cooperation and mutual benefit, over the militant mode, based on hierarchy, regimentation, and violence; and who were "radical" in the sense of recognising that social problems are embedded in sustaining networks of institutions and practices, and so can be addressed only via thoroughgoing social change. Their approach informs our vision.

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FROM THE EDITOR

For too long libertarians, and I mean anarchist libertarians, have treated market anarchism almost the way Scientologists treat Xenu, as an “esoteric doctrine” to which one is introduced only after one has thoroughly assimilated some more moderate form of libertarianism – as though anarchism were an impediment rather than an asset in making the case for liberty.

Of course this becomes a self-fulfilling prophecy: potential converts find anarchism off-putting because they don’t know what it is, and they don’t know what it is because we avoid explaining it. In fact market anarchism can and should be one of libertarianism’s greatest selling-points, highlighting a radical and inspiring alternative to the present system rather than some variant of economic conservatism. It’s time to put market anarchism front and center in our educational efforts, time to start making it a familiar and recognisable position – while at the same time continuing to educate ourselves and exploring new horizons in market anarchist thought.

The title “Industrial Radical” honors the libertarian and individualist anarchist thinkers and activists of the 19th century, who were “industrial” in the sense of championing what they called the industrial mode of social organization, based on voluntary cooperation and mutual benefit, over the militant mode, based on hierarchy, regimentation, and violence; and who were “radical” in the sense of recognizing that social problems are embedded in sustaining networks of institutions and practices, and so can be addressed only via thoroughgoing social change. Their approach informs our vision.

The title further signals our affinity with the “labortarian,” “left-libertarian,” or “free-market anti-capitalist” tradition, which rejects the equation of today’s hierarchical, corporate-dominated economic landscape with a genuine freed market, thus avoiding both the right-wing package deal (embrace predatory capitalism in order to get the benefits of free markets) and the left-wing package deal (reject free markets in order to avoid the evils of predatory capitalism). We stand in solidarity with workers and consumers against the big-government/big-business partnership that seeks to regiment our lives.

Topics to be explored in future issues include:

radical libertarian alternatives to statism, militarism, and intellectual property; the social and cultural requirements of a free and flourishing society; the structure of work, family, and property relationships in such a society; strategies for getting from here to there; and the possibility of “gains from trade” between the left/socialist and right/capitalist traditions within libertarianism.

The Industrial Radical is a publication of the Molinari Institute, whose mission is to promote understanding of the philosophy of market anarchism as a sane, consensual alternative to the hypertrophic violence of the State. The Institute takes its name from Gustave de Molinari (1819-1912), the first thinker to describe how competitive market mechanisms could replace the traditional “security” functions of the State.

Our media center, the Center for a Stateless Society (C4SS), which produces explicitly market-anarchist op-eds for syndication, has enjoyed success, with over 600 major media pickups, both domestic and international, in the last three years alone.

The Molinari Institute and C4SS are also part of the Alliance of the Libertarian Left, a multi-tendency coalition of mutualists, agorists, voluntaryists, geolibertarians, left-Rothbardians, green libertarians, dialectical anarchists, radical minarchists, and others on the libertarian left, united by an opposition to statism and militarism, to cultural intolerance (including sexism, racism, and homophobia), and to the prevailing corporatist capitalism falsely called a free market; as well as by an emphasis on education, direct action, and building alternative institutions, rather than on electoral politics, as our chief strategy for achieving liberation.

The Industrial Radical does not impose a party line; we welcome discussion and vigorous debate from all quarters, and in particular from other anarchists and radical libertarians from the left and from the right. Δ



ELECTION SPECIAL

2012 is an election year in the united states. What's a market anarchist to do? Vote for Gary Johnson, the Libertarian Party candidate? Write in Ron Paul's name? Hold her nose and vote for whichever of the two major-party candidates she finds least repugnant?

Below, three of our writers defend a revolutionary alternative. Δ

The R3VOLution That Wasn't: A Note to Paul Supporters

Thomas L. Knapp

[5 September 2012, C4SS]

"I told you so" isn't a very gentle or polite opening for a conversation, so let's just forget that I told you so both in 2008 and 2012 and treat those campaigns as phases you had to get through on your own, without distraction and paying no heed to naysayers, to get where you are now. The average Ron Paul supporter's energy and dedication certainly commands my respect and, I think, the respect of most others whose path toward freedom didn't take them down that road.

Hopefully, you can now see that Ron Paul is not going to restore the old American republic and lead you to liberty. Hopefully, you can see now that not only is it not going to happen, but that it *never was* going to happen.

The deck was thoroughly stacked. Against Paul, against you, against any threat to a status quo which has calcified over the last 120 years (starting with the introduction of "ballot access" laws to narrow the November choice to two, and the evolution of primaries and conventions toward a process that inevitably produces two look-alikes).

That status quo may break or crumble under external pressure, but it will never soften to internal re-shaping of the type that a Republican presidential campaign proposes.

Where to go from here? That is the question.

As a first step, I propose that you examine the two Paul presidential campaigns, with the benefit of hindsight and an eye toward identifying their essentials. You'll find that much of what you held dear back then can be jettisoned – the partisan and political compromises bolted onto the campaign's libertarian superstructure as armor or camouflage for the purpose of "working within the system." Now

that you're about to abandon politics, you won't need those things any more.

Auditing the Fed, resurrecting "states rights," attempting to appeal to a base of social conservative voters who fear freedom so deeply that they'll swallow anything the GOP establishment feeds them ... those tactics did not serve you well where you were, and you won't need them where you're going.

Did I say you're about to abandon politics? Yes, I did. Six years, \$70 million, numerous lawless actions on the part of the Republican establishment and two heart-breaking failures to penetrate the GOP's national convention, with a candidate eminently qualified for the presidency by what you thought were the relevant standards, should be enough to convince you that "working within the system" isn't going to get the job done. Welcome to the real world.

The good news is that in that real world, you're part of the majority. Most Americans either won't or can't participate in the state's quadrennial "election" ritual. President Barack Obama took office with the express consent of less than one in four Americans. Nearly as many voted for someone else. More than twice as many voted for no one at all.

While it's true that most of those non-voters are at best only marginally conscious of the significance of their abstention, neither are they fully invested in the system you sought to reform and now understand you must abolish. Even if they haven't joined your army, they're bona fide potential recruits, unlike the diehard Republican voters you've spent the last six years hectoring for support.

The first step, of course, is to become one of those non-voters.

The second step? *Status esse delendam*: The state must be destroyed.

If not now, when? If not you, who?

The R3VOLution is dead. Long live the revolution. Δ

Thomas L. Knapp is Senior News Analyst and Media Coordinator at the Center for a Stateless Society.

Just Say “No”

Gary Chartier

[7 September 2012, Libertopia Underground]

People who want to live in a society organized on the basis of peaceful, voluntary cooperation don't want to be ruled by monopolists – by states. State authority is illegitimate, unnecessary, and dangerous.

But that obviously leaves open the question: what do we do now, while we're still under the state's rule, to make our lives more bearable and help to dismantle the state?

One answer, for a lot of people, is: *vote*. And that's an answer about which I'm increasingly skeptical.

In *The Conscience of an Anarchist*, I talk about electoral politics as offering one avenue for positive social change. I'm not saying it *can't* play that role. But I am saying there are good reasons to pursue alternatives.

Some people oppose voting because they think it's immoral, as if the sheer act of voting placed an imprimatur on the political process or as if the voter were responsible for everything someone for whom she voted did in office. I think that's silly. Voting can be a defensive act; the harmful results of decisions made by politicians can reasonably be treated as unaccepted, unwelcome side-effects of voters' choices; and politicians have to be seen as responsible for their own actions. The problem with voting isn't that it's inherently wrong; no doubt, in principle, voting or even campaigning for office could be a reasonable defensive act.

But even if that's true in principle, the reality is that there's good reason not to vote.

Start out with the ineffectiveness of voting.

As we've seen in previous elections, governments can determine the outcomes of elections by eliminating some people from the voter rolls. And this means, in practical terms, that the victims of the drug war and other campaigns against victimless actions will be poorly positioned to influence electoral outcomes. The deck starts out stacked against anyone who wants to roll back state policies responsible for unjust imprisonment. The effect is similar to the one exerted when death penalty opponents are prevented from serving on juries; the full range of conscientious positions isn't represented.

Campaign advertising is often deceptive and

manipulative. Like other lies that don't involve the fraudulent transfer of title, advertising ads shouldn't be actionable at law, but that doesn't mean they're not harmful. Many voters depend on them, often to the exclusion of other sources of information, with the result that lies are persistently disseminated and electoral outcomes distorted.

Politicians themselves like, too, or cast their positions in ways likely to mislead the unwary. Consider candidate Barack Obama's appeals to the peace vote, and his seeming opposition to the growth of the national security state. Politicians say what they think voters want to hear; but, once in office, they can be counted on to do whatever they think will boost their chances of reelection, help them raise money, and benefit their cronies.

And of course there's the fact that votes often don't count because elections can easily be stolen; just ask Coke Stevenson. That's especially true now that hackable electronic voting devices are increasingly common. And counting errors can occur even when people act in good faith, too (thanks to Sam Hays for this point).

Gerrymandering decreases the likelihood that the outcome of a given election will be dependent on individual votes, and it's been common as long as there have been electoral contests. But even in its absence, the likelihood that your vote will determine the outcome of a race is very small indeed when the number of relevant votes is large.

Suppose it does: what then? It's clear that the outcome of a race may make little difference at all. Most politicians operate within fairly narrow ideological confines, and are most unlikely to do particularly radical things. The sorts of people who are likely to become successful politicians are unlikely to rock the boat—and are, indeed, likely to be unprincipled and ambitious. But even if a genuinely radical politician is elected, that doesn't mean that radical changes will be enacted. After all, once in office, a politician becomes the target of enthusiastically rent-seeking elites and their cronies, who will be adept at influencing her or his actions to their benefit.

And even if a politician doesn't bend to the will of any of these various interest groups, there's the obvious fact that individual politicians have considerable difficulty accomplishing things. A legislator is only one member of a sizeable group, many of whose members will be largely uninterested

in basing decisions on principles, especially defensible ones, so the odds that a continually principled radical legislator will be able to make substantive change happen are very low. The odds that an elected executive will be a principled radical are even lower, given that more people have to be satisfied to ensure that a successful campaign for governor or president is managed and funded, and more principles will often have to be sacrificed to win a campaign for executive office. But, again, once in office, a radical executive would have no choice but to work with a legislature that was unlikely to be radical at all.

A further problem: a genuine radical, someone who really cared about making the world a better place, might find the temptation to use power, not to liberate people, but to control and manage them, almost irresistible. Even in the absence of effective manipulation by special interests, the desire to change the world by force could corrupt an initially principled politician.

In short, therefore, there is little reason to believe that voting will effectively lead to the actual enactment of policies that enhance freedom and justice. We may sometimes, rarely, see, *ex post*, that it did; but as a general *ex ante* policy, it's safe to assume it won't. Emma Goldman was surely right: "If voting changed anything, they'd make it illegal."

Even if you have doubts about the effectiveness of voting, there will be good reason to avoid it.

Doing so can be a useful means of protest – an expression of one's disgust at the limited options, the deceit, the hypocrisy of campaigns and the aggression and manipulation, the theft and murder, of governing. And it can give one a great opportunity to highlight the awfulness of the state. Imagine people's reactions when they see you wearing a sticker that says, "I've avoided voting. Have you?"

It's especially useful to avoid voting because of the rush of team spirit that accompanies every election campaign. If you're going to vote for a politician, you should at least hold your nose. But otherwise sane and sensible people fall victim to charisma and breathe in the seductive pheromones of murderers and thugs. They announce, without a second thought, that their candidate is wise and good and heroic. They cheer for their team's inanities, and dramatically exaggerate the good any rational person could expect an election might accomplish. If you want to avoid being caught up in mass hysteria, stay away from the ballot box.

Electoral democracy helps to convince ordinary people that they are the state's masters rather than its subjects. It conceals factional disputes within the power elite and frames them as popular contests in which the people's will is done. It deceives people into supposing that they really have consented to the state's dictates, and prompts them to dismiss critics of the *status quo* with shibboleths like, "If you don't vote, you can't complain." Refusing to vote helps to reveal the fact that the emperor has no clothes.

Just say "no." This year, vote for nobody. Δ

CASS trustee and senior fellow Gary Chartier is a Professor of Law and Business Ethics, and Associate Dean of the School of Business, at La Sierra University. He is the author of Economic Justice and Natural Law (Cambridge University Press 2009), The Analogy of Love (Imprint Academic 2007), The Conscience of an Anarchist (Cobden Press 2011) and the forthcoming Anarchy and Legal Order (Cambridge 2012), as well as articles in journals including the Oxford Journal of Legal Studies, Legal Theory, Religious Studies, and the Journal of Social Philosophy. He holds a PhD from the University of Cambridge and a JD from the University of California at Los Angeles.

Take the A-Train

Charles Johnson

[25 January 2008, Rad Geek People's Daily]

Back in 1974, the newly-formed Libertarian Party adopted what's now called the "Dallas Accord." The Dallas Accord was intended to make the LP platform compatible with both minarchism and anarchism by keeping the LP officially silent on whether or not governments should exist, in the end; hence the platform focused mainly on what ought to be repealed, and where it suggested any positive action by some level of government, it qualified the plank with conditional phrases like "*Where governments exist,*"

I think that it was foolish for anarchists to sign on to the Dallas Accord. Partly because I'm a self-righteous ultra and I dislike that kind of calculated compromise in the name of political expediency. But also because of the very *practical* effect that it has had in constricting the range of subjects that market

anarchists are willing to talk about or work on over the past three decades. Avoiding points of conflict between anarchists and minarchists *means* either studied silence or mumbling prevarication on issues that ought to be *absolutely central* for any anarchist worth her salt – among other things, the right of (state, local, neighborhood, individual) secession, the moral illegitimacy and practical futility of appeals to the Constitution, the arrogance and abusiveness of monopoly police forces, the illegitimacy of *any* and all forms of taxation, the fundamental problem with any form of government military or intelligence apparatus whatsoever, etc. Devoting your time and energy to a political organization whose messages are specifically adapted to be compatible with the minarchist program on these issues means frittering away a lot of energy fighting what goes on in the palace – while leaving untouched the pillars that hold the damned thing up. I would certainly agree that market anarchists should be willing to work together with coalition partners on particular issues of concern – the drug war, corporate welfare, the war on Iraq, etc. – whether those coalition partners are minarchists, or state Leftists, or whatever else. But who you'll work with in issue-based coalitions is a different question from whose movement you'll participate in, or what formations you'll make the primary venue for your broader organizing and activism. I think it is long past time that we stop shelving our anarchism and indefinitely deferring our explicit anti-statism in order to fit in with limited statists in organizations like the Libertarian Party or Chairman Ron's Great Libertarian Electoral Revolution.

Libertarians who favor a more conciliatory approach often use the metaphor of sharing a train as it heads toward the end of the line. For example, here's Mike Hihn, paraphrasing Steve Dasbach:

There are *fundamental* differences in what our members see as a proper role for government – original constitution, much less than that, or none at all. Yet, we manage to co-exist and work together. That is precisely why we shall prevail.

Steve Dasbach, National LP Chair, describes our party as a Freedom Train. We're all on that train together, heading in the same direction. But we're not all going as far. Some will get off the train earlier than others. Eventually, the anarchists will be riding alone.

That's not just an analogy. It's a strategy for

eventual governing [sic!]. As we've expanded from a tiny band of idealistic anarchists and minarchists, we've been forced to refine and expand our original coalition. We succeeded, by becoming a minority in the party we had founded – *as we'd intended*. (Well, some of us.)

– Mike Hihn, *Washington Libertarian* (August 1997): The Dallas Accord, Minarchists, and why our members sign a Pledge

And here's (market anarchist) Tom Knapp:

I am an anarchist. I don't think anyone who didn't already know that will find it surprising. I believe that, ultimately, government always does more damage than it does good; that that's its nature. Eventually, I hope that we will arrive at the point where we can choose to shrug it off entirely.

I also recognize that we aren't there yet; therefore, unlike some anarchists, I choose to involve myself in the political process. Limited government is conducive to minimal government; minimal government allows the question to be raised, in an environment where it can be considered *seriously*: do we really need this institution at all? I don't expect that to happen within my lifetime, nor do I feel the need to pursue it as an immediate goal.

The Libertarian Party is a train that is going in my direction. I recognize that the bulk of the passengers will be disembarking at stations somewhere east of the one for which my ticket is stamped.

Some will get off the train when we've reached their notion of "limited government." Others will keep their seats until we arrive at their conception of "minimal government." At each stop, those disembarking will have the opportunity to urge their fellow passengers to join them. At each stop, those hanging on for the whole ride will have the opportunity to urge those getting off to buy another ticket and go a little farther down the track. ...

I will personally welcome anyone into the Libertarian Party who wants more freedom and less government. In return, I expect those among them who want more government and less freedom *than I do*, having purchased a ticket on the same train I did, to refrain from throwing me from that train.

My presence does not stop them from reaching

their destination (indeed, it could be argued that my ticket purchase helped make it possible for the train to run at all). Their presence does not stop me from reaching mine.

All aboard.

—Tom Knapp, *Rational Review* (2003-01-01):
Time for a new Dallas Accord?

This metaphor has bugged me for a long time. Let me try to say why.

The image of political factions hopping onto a train, and getting off at different stations, might work well enough if you're talking about factions within a party *all of whom agree on the legitimacy of an electoral process*. Say, for example, you're talking about Constitution fundamentalists and principled minarchists; people get on the smaller-government train because it's headed towards the political outcome that they want, and if the train reaches a point beyond which they don't want to go, they hop off and try to find another train (i.e., another political party) that will take them there.

O.K., fair enough. But does the same image work for the relationship between minarchists and anarchists? I don't think it does. The basic problem is that when we imagine the minarchists "getting off the train," we imagine that they are simply done with going where they want to go, and, while they prefer to stay at the minimal-government station, we will be free to go on past that station to the anarchy station. They're off the train, and that's the end of working with them. But it's not quite that simple. Once you've reached minarchism, you're at the end of the line, *as far as a process of reform through electoral politics goes*. Moving from minarchism to anarchism isn't like moving from Constitutional originalism to radical minarchism. It's not one more reform down the line of electoral politics; it's a qualitative change that involves *chucking out the whole structure of electoral politics* in favor of something different, specifically secession and individual sovereignty. Once the minimal State has been reached, there is nothing left to reform by further work from within; the only options left are (1) to attack the remaining "minimal State"; (2) to try to ignore it and get yourself attacked by it; or (3) to capitulate to it and give up on anarchy entirely.

So if minarchists simply hop off the train and leave the anarchists in peace to go on towards the anarchy station, then they are *no longer acting as minarchists*. Once we're down to the minimal State and

the anarchists start trying to withdraw and set up their own competing defense associations (or withdrawing in favor of individual self-defense, or whatever), the minarchists have only two choices. They can allow it to happen. But then what you have is "government" where any subject can choose to refuse or withdraw her allegiance at any time, and give it to a different "government," or to no government at all. But that wouldn't be a minimal government, or any kind of government at all; it would just be one voluntary association amongst many in a state of anarchy. Or they can try to *forcibly suppress* anarchists' efforts to withdraw from the minimal State, and to move from limited government to no government. If the minarchists really mean it, then in the end they are going to be turning their limited-government cops and limited-government military on us, just as surely as any Bushista or "Progressive."

So the appropriate image for anarchist-minarchist compromise really isn't a train ride where minarchists hop off at the next-to-last station, and let the anarchists ride on towards the anarchy station. Statist politics don't work like that. Rather, what will happen on this ride is that once the train pulls into the minarchy station, the minarchists will get off the train — and then they will try to *block the tracks* and threaten to *open fire* on the rest of us if we try to take the train any further towards the end of the line. That's what being a minarchist *means*: government always comes out of the barrel of a gun, and that's true whether the government is unlimited or limited, maximal or minimal. If you try to move, in any concrete way, from minarchy towards anarchy, those minarchists you spent so many years working with *are still going to try to shoot you*.

Personally, I have no desire to join any movement whose members will turn around and shoot me in the end. I am a market anarchist, and as I see it, as market anarchists, our primary allies shouldn't be minarchists. They should be other anarchists, and it would be wise to make it so that that's reflected in the organizations and causes that we spend our time and energy on. Δ

Charles Johnson is an individualist anarchist writer living and working in Auburn, Alabama. He is a Research Associate with the Molinari Institute, co-editor (with Gary Chartier) of the anthology Markets Not Capitalism (Autonomedia, 2011), and keeps a blog at radgeek.com.

In Which I Fail To Be Reassured

Charles Johnson

[26 January 2008, Rad Geek People's Daily]

The other day, I posted some remarks on why the “Freedom Train” metaphor bugs me, and why I think that market anarchists should generally think about aligning themselves with, you know, *anarchist* organizations, rather than minarchist efforts like the Libertarian Party and Chairman Ron's Great Libertarian Electoral Revolution. Brian Doherty kindly took notice of my post over at *Hit and Run*. Like most posts at *Hit and Run*, it provoked a lot of comments, mostly from the usual suspects, and mostly not going much of anywhere productive. (Several minarchist commenters apparently didn't bother to read the post, as they would rather spend their time rehashing the minarchist-anarchist debate from the get-go. Did you know that anarchy might work on the small scale, but will never work in a big, industrialized society? Or that anarchy will never work in practice because people will have to recreate the State to keep the Mafia from running everything? Man, I never heard that stuff before. Sign me up for some of that limited government!)

However, there are a few that are worth some remark.

NoStar offers the following encouraging thought on anarchist-minarchist unity:

How about we both fight and defeat them before we then turn and fight each other.

Think of Mao's communists and Chang Kai-Chek's nationalists combining to fight the Japanese.

Once the common foe is gone, we can nitpick the details.

– NoStar, 25 January 2008, 8:35pm

Call me a nattering nabob of negativism, but somehow I fail to be entirely reassured by the thought of being Chiang Kai-shek to the minarchists' Mao Zedong. Or, for that matter, vice versa.

Moderate or pragmatist limited government libertarian Nick has this to say:

The way to effect change is to build a coalition of

people who are dedicated to the change you want to make and then work to convince the normal people in the middle. Ron Paul is a great example of getting a coalition together, altho his campaign could use some work in convincing moderates to his side.

Well then.

In the interest of diplomacy, I will just kindly suggest that if Ron Paul's triumphant single-digit, third-to-fourth place primary campaign is your idea of “a great example of getting a coalition together” and making change through the power of numbers, I will be holding out for a better proposal.

Meanwhile, limited governmentalsists are just full of suggestions for how anarchists can help the cause of anarchy by ... not talking about anarchy, and spending their time and energy on building up limited-government organizations instead. Apparently wanting to work on promoting your own cause, rather than other causes with fundamentally different ideas about ultimate goals, is a sign of a self-destructive fetish for purity. Of course, the fact that this going-along-to-get-along in the name of political realism only seems to go in one direction – I don't hear any minarchists talking about how they plan to swallow their love of small governments in order to sign up for going anarchist efforts, like, say, CopWatch – might lead one to be just a little suspicious of the motives behind the appeal. But, anyway.

Brandybuck, for example, is not an anarchist. But he's sure that if he *were* an anarchist, he'd be perfectly happy to spend his time working on achieving minarchy rather than anarchy. He asks:

He is unwilling to compromise any of his political points. But such an unwavering demand for pure anarchy is going to net him only misery. Is this a man who would reject a 50% tax cut because it would leave the remaining 50% of taxes in place? I think it might be.

– Brandybuck, 25 January 25 2008, 9:38pm

Brandybuck's got another think coming.

I would quite happily take a 50% tax cut, if I could get it; and I would consider a 50% reduction in Leviathan's pirated wealth to be a massive step in the right direction. I would much rather that the whole thing were done away with, but in the meantime, I

will take what I can get.

But what I would not do is waste my time trying to build up a think tank or political party that are devoted to the goal of cutting taxes by 50% and no further. That's hardly the only way in the world to make concrete progress towards cutting taxes by 50%, and if you think that it is, you need to think harder about how social change, or even basic negotiations, actually work in the real world. (As for negotiations, if you *start out* asking for what you actually want, rather than what you think you can get, you'll often end up getting less than you wanted in the end. But you'll do a damn sight better than if you *start out* asking for what you think you can get, and then bargain down from *there*. As for social change, there are a hell of a lot more movements that have made substantial social changes than there are political parties or party caucuses. If you think that the only way to get things done is to jump into a political party, then your lack of creativity is a problem for you, not a problem for me.)

Brandybuck is also incensed that I would claim that "limited government" libertarians actually do believe in government:

"Personally, I have no desire to join any movement whose members [minarchists] will turn around and shoot me in the end."

This is a vile mischaracterization of minarchists. Minarchists are not statist. They are anti-statist. What makes them different from anarchists is the pragmatic realization that anarchy is not viable. If a state is inevitable, then let's see to it that it will be as small and as unobtrusive as possible.

This is, to be blunt, complete nonsense. If minarchists believe in limited government, then they believe in the right to *make* anarchistic arrangements "not viable" by prohibiting at least some individual people from seceding or otherwise withdraw their allegiance from the "minimal state" in favor of competing defense associations, or in favor of individual self-defense. If Brandybuck believes that I have the right to tell his limited government to go to limited hell, and to withdraw entirely from it to make my own arrangements, *then his imagined minimal state is really not a sovereign state at all*, but rather one voluntary defense association amongst many, and Brandybuck is no minarchist, but rather an anarchist. (In which case, welcome, comrade!) But if he *does* believe that a

"limited government" has some right to make me use or pay for its "services," even if I would prefer to withdraw from it and make arrangements of my own, then, like any other government program, this one is going to take the use of force or the threat of force by limited government cops. In which case my characterization of the minarchist political platform as including a plank on shooting anarchists, whether "vile" or not, is an accurate one. There is no third option. (Of course, minarchists accept a right of free speech, meaning that they will not shoot anarchists who just talk about anarchy. But in order to maintain a minimal state, they have to be ready to shoot anarchists who actually attempt to *do* something about it. And I care about the latter at least as much, if not more, than I care about the former.)

A bunch of people seem to have misinterpreted my argument as an argument for "not doing anything," or for anarchists never to work together with minarchists on issues of common concern. Thus, for example:

Great. The metaphor's nonsensical. Let's stop working together against the great breadth of government power.

– Vent, 25 January 2008 7:43pm

Of course, *if I had* made an argument to the effect that "working together" with limited statist was always and everywhere destructive to the cause of freedom, then replying to the argument this way would be about as sensible as saying "Great. Let's stop trying to put out this fire by pouring gasoline on it." Well, yeah, that's what you should do. If "working together" requires you to make trade-offs that actively impede the goals you're supposedly working for, then you should stop trying to "work together." The primary goal of libertarianism ought to be freedom, not maximizing the number of self-identified libertarians "working together." The two are not the same, and if latter interferes with the former, then the former is always more important.

That said, that's *not* the argument that I made. I'm not proposing that anarchists sit around and do nothing; I am proposing that they choose *different means* in order to get things done. Nor am I proposing that anarchists never work together with minarchists on anything. I'm willing to work with all kinds of people. I *am* proposing that we reconsider the scope of the cooperation, and the terms on which we do the

work. As I said in the original post:

I would certainly agree that market anarchists should be willing to work together with coalition partners on particular issues of concern — the drug war, corporate welfare, the war on Iraq, etc. — whether those coalition partners are minarchists, or state Leftists, or whatever else. But who you'll work with in issue-based coalitions is a different question from whose movement you'll participate in, or what formations you'll make the primary venue for your broader organizing and activism.

Here, as elsewhere, I'd argue that there's a lot to be said for making things with small pieces loosely joined. There are plenty of times when it makes sense for anarchists to work together with statists of various stripes, as part of a common front for a common cause. But when we do, I'd suggest that the cooperation should be limited to fighting to win on the issue at hand — not spending years building up multi-purpose, long-term institutions or political parties whose goals have nothing in particular to do with anarchism. And I'd suggest that when we work in coalition, we do so through organizations of our own, *on our own terms*, and speaking for ourselves, not through centralized, non-anarchist smaller-government organizations that require us to spend our time talking about everything but, y'know, *anarchy*, in order to participate.

Probably the most common critical reply, though, is a claim that anarchists should work to build up minarchist parties because (1) in the *current* political climate, the practical differences between anarchistic and minarchistic politics are triflingly small (minarchists want to get rid of about 99% of existing government; anarchists want to get rid of the remaining 1% too); (2) where there are differences in ultimate goals, in the current political climate, the stuff that only the anarchists want to get rid of *can't* realistically be gotten rid of, whereas some of the stuff that both anarchists and minarchists want to get rid of *can* realistically be gotten rid of (the war on drugs, or marginal tax rates, or whatever); and (3) once we *have* gotten rid of the 99% of stuff that anarchists and minarchists agree on, whenever that happens, then getting rid of that last 1% will be much easier for anarchists to pull off than it would be to get rid of that stuff now.

Thus Zeph, in comments here:

A minarchist system would have minimal ability to “block the tracks”, even if it had an interest in so doing.

Sisyphus old lad, would you rather push a pebble or a planet up a hill?

And Brandybuck, who, while a minarchist, is ever helpful to inquisitive anarchists:

I also suspect that it would be much easier to achieve true anarchy if you start from a minarchist state than from an maxarchist state.

“On the train” anarchist kerem tibuk:

Besides when the time comes when a minarchist government agresses against an individual it is much easier for that individual to fight back since the state would be much less powerless and the individual much more powerfull.

prolefeed:

Ummm, when we get to a government that is about 1% the size it is now, this will become a relevant question. Not exactly holding my breath over that happening. Until we effing reverse the growth of government, the 0%ers and the 0.01%ers and the 1%ers and the 50%ers and even the 99%ers should all be pretty solid allies.

But accepting this argument would depend on my accepting a number of premises whose evidence is weak at best, or which are definitely wrong. I would, for example, have to accept that a smaller, more limited government would have a harder time suppressing anarchistic activity than a larger, less limited government would. It might seem like this is obvious: bigger governments have more money, more hired thugs, more surveillance spooks, and more tyrannical laws that they can exercise in order to suppress anarchists than smaller governments do. But, on the other hand, bigger governments also have much more to *do* than smaller governments do. Under the present system, government cops fritter away time, attention, and energy trying to enforce all kinds of asinine laws. Under a minarchy, the government police forces would still exist, but they would have

basically nothing to do with their time other than (1) dealing with small-time property crime, and (2) suppressing anarchistic activity. I think there's very little guarantee that it would be easier to establish and sustain institutions that counter certain kinds of state power when the state is lean and mean, than there is now when it's large, bloated, and corrupt.

In a similar vein, I would have to accept that the most likely way to significantly reduce the scope and power of government is to spend the next several decades working from within the state system in order to prune away this or that invasive policy – drug laws, abortion laws, immigration laws, the war in Iraq, especially stupid provisions of copyright law, egregiously high taxes, the most outrageous parts of immigration law, or whatever – and then only to go after the supporting pillars of state power – government policing and prisons, government courts, government military, government “border control,” the existence of even minimal taxation, etc. – once all the policy issues have been cleared out of the way. That may seem obvious, but actually it's a substantial claim in need of defense, and I have not yet been given any reason to believe that this is true.

Of course, it's true that *if* you have already committed yourself to making change through the vehicle of electoral politics, then partial reform on the particular policy issues is going to be much closer to being within your grasp than, say, abolishing government policing in favor of voluntary defense associations. But that's only if you've committed yourself to electoral politics already; it certainly can't be invoked as an argument *for* jumping into the Libertarian Party without assuming part of what it needs to prove. In point of fact, if options other than electoral politics are allowed onto the table, then it might very well be the case that *exactly the opposite course* would be more effective: if you can establish effective means for individual people, or better yet large groups of people, to evade or bypass government enforcement and government taxation, then that might very well provide a much more effective route to getting rid of particular bad policies than getting rid of particular bad policies provides to getting rid of the government enforcement and government taxation.

To take one example, consider immigration. If the government has a tyrannical immigration law in place (and, just to be clear, when I say “tyrannical,” I mean any immigration law at all), then there are two ways you could go about trying to get rid the tyranny. You

could start with the worst aspects of the law, build a coalition, do the usual stuff, get the worst aspects removed or perhaps ameliorated, fight off the backlash, then, a couple election cycles later, start talking about the almost-as-bad aspects of the law, build another coalition, fight some more, and so on, and so forth, progressively whittling the provisions of the immigration law down until finally you have whittled it down to nothing, or as close to nothing as you might realistically hope for. Then, if you have gotten it down to nothing, you can now turn around and say, “Well, since we have basically no restrictions on immigration any more, why keep paying for a border control or internal immigration cops? Let's go ahead and get rid of that stuff.” And then you're done.

The other way is the reverse strategy: to get rid of the tyranny by *first* aiming at the enforcement, rather than aiming at the law, by making the border control and internal immigration cops as irrelevant as you can make them. What you would do, then, is to work on building up more or less loose networks of black-market and grey-market operators, who can help illegal immigrants get into the country without being caught out by the Border Guard, who provide safe houses for them to stay on during their journey, who can help them get the papers that they need to skirt surveillance by La Migra, who can hook them up with work and places to live under the table, etc. etc. etc. To the extent that you can succeed in doing this, you've made immigration enforcement irrelevant. And without effective immigration enforcement, the state can bluster on as much as it wants about the Evil Alien Invasion; as a matter of real-world policy, the immigration law will become a dead letter.

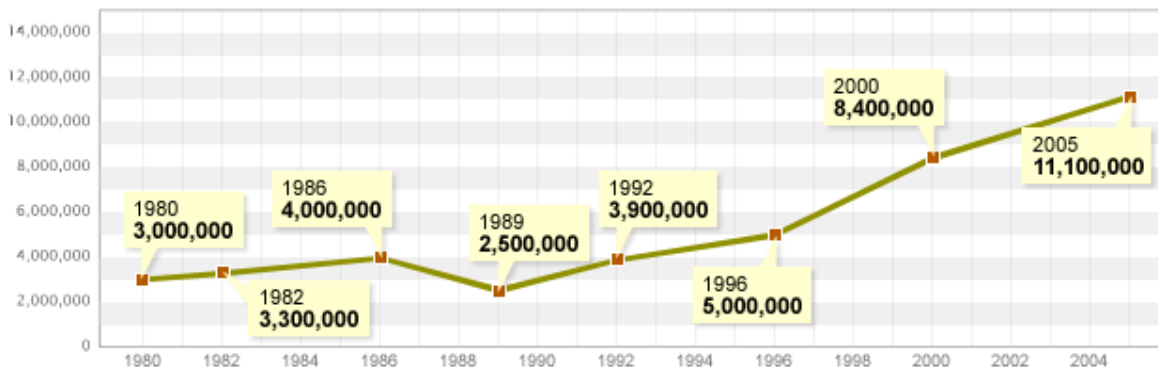
When anarchists participate in compromise efforts, such as the LP or the Ron Paul campaign, those efforts pretty much always only allow one of these two routes: the policy-reform-first route. They don't allow for the evasion-first route because to set up and sustain the kind of resources that are necessary to enable evasion and resistance of government laws, you're already trying to take the train to a station where the minarchist passengers don't want to go: that is, you're creating counter-institutions that are directly competing with, and attempting to undermine, *precisely those state functions* (law enforcement, the courts, military and paramilitary defense of the state against its declared enemies) that minarchists intend to keep. But why should we

prejudge the contest in favor of the minarchist-friendly route? After all, which of these is the better strategy for getting rid of immigration laws? Well, as far as *effectiveness* goes, I don't actually think that that's a very hard question to answer. Look at all the practical success that the immigration reform movement has had in liberalizing immigration laws over the past thirty years or so. Here, I'll make a list for your convenience:

...

Now, compare the success that illegal immigrants, state-side family members, coyotes, good samaritan ranchers, off-the-books employers, et al. have had in getting people across the border in defiance of immigration law, while avoiding or minimizing government interference:

Estimated number of illegal immigrants in the United States



Source: Pew Hispanic Center, via CNN

From a practical standpoint, if I'm looking for a going concern, I'd say that the root-striking approach seems to be making a lot more concrete progress than the branch-pruning approach, at least on the specific issue of immigration.

Of course, there are concerns other than practical success. For example, many minarchists are likely to believe that there is a moral advantage to working from within the political system, and convincing those around you to change their votes, rather than consorting with criminals and making an end-run around the law. That's reasonable enough, and may be a reason to stick to electoral reform – *if you are a minarchist*. But, of course, I'm not: I'm an anarchist; I think that government laws have no color of authority

whatsoever; and I don't think that people who evade or defy immigration laws are criminals in any sense worth caring about. And my earlier post was directed mainly towards other anarchists on a point of anarchist strategy; so if your counter-argument starts out by presupposing a certain level of respect for government law, then it's going to be a non-starter as a response to my argument.

Setting moral concerns aside, there *is* a pragmatic concern that strategies that bypass legal reform in order to evade the law are more risky. Electoral reform campaigns may not get the results as quickly or as extensively as black markets do, but they're also less likely to get you shot or thrown in jail by the government. That's true enough. But, on the other hand, it's easy to *overestimate* the risks of black market activities; the fact is that tens of millions of people get away with this stuff every day already, and the more talented and resourceful people turn their attention towards evading and resisting tyrannical laws rather than pouring their resources down the toilet of

political reform campaigns, the more people will be able to get away with, and the more reliably they'll be able to get away with it. Moreover, just as there is far more to political campaigning than just the act of

voting or declaring a candidacy or lobbying or filing suit — there's also fundraising, crafting and running ads, house parties, holding debates, canvassing, op-eds, buttons, bumperstickers, and the rest — there is also much more to an evasion strategy than direct participation in black market activities. There is also moral agitation and advertising aimed at convincing people of the legitimacy, or at least the unimportance, of so-called "criminal activity", with the usual set of op-eds, buttons, bumperstickers, debates, etc.; there's legal education and legal defense funds; there's nonviolent civil disobedience; there are "grey market" activities that provide arguably or completely legal services that nevertheless help black market operators evade detection; and any number of other things, too. No doubt lots of us can't or won't take the risks involved in direct black market activity — because our

circumstances or our temperament prevent us from taking it on – but if you can't take on that much risk, you can still do plenty of things to concretely aid the broader strategy, without putting yourself in the path of the law.

Now, for all that I've said, it still may be the case that, for some other issues, the branch-pruning approach is more likely to be effective than the root-striking approach. But if you are an anarchist, then I think it would behoove you to think carefully about whether this really is the case, before you start putting your limited time and energy into a branch-pruning political campaign. Certainly there are plenty of examples I could cite other than illegal immigration. Compare the concrete progress of lobbying and litigation for liberalizing copyright law to the concrete progress of music and movie pirates in simply evading the enforcement of copyright law. Or compare the concrete progress of lobbyists at liberalizing drug laws to the concrete progress of drug smugglers and drug dealers at moving drugs to willing customers in spite of the laws against it. However many policy issues there may be that will be more easily addressed by the route of legal reform, rather than by the route of undermining the state's capacity to detect and retaliate against law-breaking, I think there is every reason that they will be few enough, and far enough between, that *it just doesn't make practical sense* for anarchists to spend their limited resources on open-ended, long-term commitments to building up smaller-government institutions. Not if the price is deferring talk about the illegitimacy of the State as such, or about the right of people to evade its laws, or about the right of people to create counter-institutions to defend themselves against its law enforcement, in order to keep our outreach palatable to more or less limited statist. Anything that is worth getting through that kind of co-operation can be got through limited-scope, issue-driven coalitions. And we can do that kind of outreach and activism without signing onto intra-party "Accords" that sacrifice anarchist rhetoric or practical action in the name of taking one for the party.

Anarchism is about anarchy. The activism, agitation, and organizing that we do ought to reflect that. If it doesn't, then you may very well be wasting your time and talents. Δ

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A DECADE OF DISASTERS

The Molinari Institute was founded in 2002, on the anniversary of the 9/11 attacks – and “dedicated to the increasingly urgent task of abolishing the State.”

Over the ensuing decade, the headlines have been dominated by a series of further disasters – some natural, some humanmade, and some a combination of the two – including hurricane Katrina in 2005, the global financial crisis in 2008, the British Petroleum oil spill in 2010, and the Japanese tsunami and Fukushima Daiichi reactor meltdown in 2011, as well as, throughout the decade, the wars in Afghanistan (and its spillovers into Pakistan and elsewhere) and Iraq (a war which is now “over,” a fact which must come as a great comfort to the maimed and the grieving on all sides); and all of these, of course, occurring in the shadow of 9/11 from the tail-end of the decade before that.

Each of these disasters has prompted calls for increased state intervention; yet in each case, it was precisely state action and state-granted privilege that either caused or exacerbated the problem, whereas market competition and voluntary association, had they been allowed to function freely, would have prevented or alleviated it.

Below, we offer a variety of market anarchist perspectives on our decade (or decade-plus-a-year) of disasters. (And with regard to how a freed market might have handed Katrina, I also recommend Philipp Bagus’s “Can Dikes Be Private?: An Argument Against Public Goods Theory,” at <http://mises.org/daily/2537>.) Δ

The State: Institutionalized Terrorism

David S. D’Amato

[11 September 2011, C4SS]

For many Americans, comfortably situated at the heart of the empire, September 11th was a rude awakening, and not just in the most obvious way; to those who took the time to really consider the harrowing events of that day ten years ago, that panicked scene of death and destruction added shades of grey to their worldviews, their ideas about the United States’ role in the global landscape.

Before that day, it was at least easier to see the “Land of the Free” as a force for good, spreading democracy and offering an example in freedom and openness for those backward lands in the “undeveloped” world. And for all too many, 9/11 confirmed the “America as beacon of hope” narrative so exuberantly nurtured by the political class and their mouthpieces in the corporate media.

Another, far smaller group, however, perhaps more pensive than their counterparts, saw something striking – and unnerving – in the smoldering rubble and piles of corpses. For them, although the barbarous, sadistic terrorists were “bad guys” of the first order, that didn’t seem to mean that the U.S. was

a “good guy.”

For them, there were no “good guys,” no knights in shining armor, just competing malefactors whose misdeeds were aggregating to make life miserable for the rest of us. Instead of the random, unprovoked onslaught that the attacks seemed to be to so many, a few saw them as – while altogether a moral atrocity – very much a consequence of something we as Americans aren’t supposed to be aware of.

We’re supposed to think of the spread of democracy and global capitalism as good things, and of the United States as a righteous instrument in their service. And assuming that the versions of democracy and global capitalism advanced by the United States matched the pretty and elaborate PR campaigns in their favor, they *would* be good things.

There was a time, not all that long ago, when the unapologetic quest for empire was itself a thing to be revered, when even the *word* “empire” was openly, shamelessly embraced. The British, for example, would boast that the sun never set on their empire, and the addition of new colonies was a source of pride.

Today, though, since “colonialism” and “imperialism” are terms employed by statesmen only in a negative treatment, their substance is packaged in new, more innocuous language. Thus has globalization taken the place of colonization.

Because global economic interconnectedness has so successfully been wrapped in the phraseology of

free enterprise, it's easy to overlook how completely it relies on coercive state intervention. Indeed, the corporate economic model that now obtains throughout the world is completely dependent upon and inextricable from robust military imperialism.

However unjustified, however unwarranted they were, the attacks of September 11th were a direct result of the equally unwarranted – but far more widespread – violence inflicted on the Arab world by the United States. For long, nightmarish years before the talking heads ever bleated of “radical Islam” or “the terrorist threat,” areas from Turkey to Kuwait and beyond were dotted with American military bases.

The people who lived in these regions saw themselves as occupied by a foreign power, and accurately so. They saw the quid pro quo relationships – exchanging billions in military aid for access and influence – as crippling to their sovereignty and independence. They saw the meddling and the bloodshed and understood something about the American Empire that patriotism and nationalism too often blind Americans themselves to.

Still, rather than assessing the deplorable mass-murder of September 11th as an opportunity for genuine reflection and critical analysis, the political class tricked Americans into an even more pronounced jingoism. After the unspeakable horror of that day, the prevailing attitudes made discussing the causal link between imperialism and terrorism verboten.

As Glenn Greenwald rightly observes, the post-9/11 “mentality ... is perfectly designed (even if unintentionally) to ensure that Terrorist attacks on the U.S. not only continue but escalate forever.” September 11th, then, has provided the Washington ruling class with the ideal tool for perpetuating war without end.

Market anarchists are not apologists for terrorism. Quite the opposite, by subjecting the state to the same moral scrutiny as the 9/11 hijackers, we find the United States too to be a terrorist organization, standing against peaceful trade and cooperation.

The great majority of people around the world are caught between various instances of arbitrary coercion. All states are, like Al Qaeda is, fundamentally criminal. Market anarchism is another option, one that maintains the undesirability and immorality of the state's monopoly on violence. This 9/11, it's worth remembering that the state is

institutionalized terrorism, the very thing it professes to fight. Δ

CASS.org News Analyst David S. D'Amato is a market anarchist and an attorney with an LL.M. in International Law and Business. His aversion to superstition and all permutations of political authority manifests itself at firsttruths.org.

Rearranging the Letters in Obama's “Just War” Theory

Thomas L. Knapp

[11 December 2009, C4SS]

In his Nobel Peace Prize acceptance speech in Oslo on Thursday, US President Barack Obama attempted to defend his escalation of the US war in Afghanistan, making use of “just war theory.”

The concept of a “just war” emerged, suggesting that war is justified only when it meets certain preconditions: if it is waged as a last resort or in self-defense; if the force used is proportional; and if, whenever possible, civilians are spared from violence.

The war in Afghanistan fits this definition, Obama implies, because “of the horror of those senseless attacks and the recognized principle of self-defense.” And in fact the war in Afghanistan *does* fit into “just war theory” if we move one letter from the beginning to the middle.

The war was not launched, nor has it been waged, in “self-defense” or as a “last resort.” Far from it. While most people rightly felt that the 9/11 attacks required a forceful response, an invasion of Afghanistan and what's shaping up as a decade of occupation there were far from the only, or even best, options available. Most of the hijackers were from Saudi Arabia, not Afghanistan. Much of the planning and preparation were done elsewhere as well. And even if Afghanistan was a natural focal point for the response due to Osama bin Laden's presence there, it was an ill-conceived response which doubled down on the policy errors which had led to 9/11 in the first place.

The US could have complied with the Taliban's request for evidence, upon presentation of which they claimed they would extradite Osama bin Laden to the US for trial (a lower burden than would have been set by, say, Canada, which wouldn't have extradited him unless it was guaranteed that the death penalty would not be sought). Would the Taliban have kept their word? We'll never know – then-president George W. Bush chose to sneer at that request and invade rather than fulfill a single, simple, reasonable requirement for achieving his alleged objective.

The US could have utilized special operations forces to specifically target al Qaeda and bin Laden, but chose the conventional warfare/invasion route instead. Bush launched a war of “regime change” and “nation-building” – not “last resorts” but preferred options exercised *at the expense* of the alleged main objective. The “regime change” element tied down American forces in the lowlands for a good six weeks, giving bin Laden and al Qaeda plenty of time to relocate to Pakistan. The “nation-building” element has kept the US forces tied down in a no-win situation of their own making ever since.

Eight years on, Obama has chosen not only to continue, but to *escalate*, an optional, non-defensive war which has already resulted in more than 30,000 completely unnecessary civilian deaths and which serves not only no defensive purpose but no discernable purpose *at all*. Afghanistan is not “a just war.” We need to move the “a.” It's “just a war.”

In Obama's version of history, “[w]ar, in one form or another, appeared with the first man. At the dawn of history, its morality was not questioned; it was simply a fact, like drought or disease – the manner in which tribes and then civilizations sought power and settled their differences.”

To an extent, he's right – but he goes off the rails and off into fairy tale material. Along came government to fix things! How? Through “[a]greements among nations. Strong institutions. Support for human rights. Investments in development.”

One of these things is not like, is in fact incompatible with, the others. Nation[-state]s, strong [government] institutions and [government] “investment” always come *at the expense* of human rights ... and, sooner or later, at the expense of peace.

It may very well be that the war in Afghanistan was initially just a mistake – that the previous administration lacked clear vision, over-estimated or

misunderstood the threat, panicked under pressure, dropped the ball. Within months, however, it became quite clear that no legitimate defensive, or even preemptive, mission remained to be accomplished.

For a good 7 1/2 of its eight years, the war in Afghanistan has been merely – and clearly – a function of “agreements among nations, strong institutions and investment in development.” Or, to put it a different way, a way for bureaucrats and rent-seekers to fleece the taxpayers of the US and the NATO countries and transfer as much of their wealth as possible to the bank accounts of war profiteers (euphemistically referred to as “defense contractors”). That conspiracy has thus far succeeded to the tune of hundreds of billions of dollars, with no end in sight. Just a war, folks. That's all it is — a picking of your pocket, and if some carnage is required to distract your attention, so be it. There is no “higher purpose” ... this is government's main purpose and primary activity, your tax dollars at their intended work. Δ

The Solution for Iraq: Toss the State Out the Window

Roderick T. Long

[10 October 2006, CASS]

When the United States invaded Iraq, it did so with the proclaimed goal of delivering the Iraqi people from dictatorship and helping them achieve a democratic society.

Now the dictator is gone, but instead of democracy, Iraq has civil war. What went wrong?

Well, more things than one, perhaps. But one in particular at least.

In any country torn by violent ethnic or religious conflict, what each faction fears most is that one of the other factions will gain control of the central state apparatus and use it to oppress, exploit, or crush its rivals. In such a situation, “democracy,” if understood as majority rule, offers no more security than dictatorship; to Iraq's Sunni minority, for example, “democracy” simply means the threat of oppression by the Shi'ite majority.

Perhaps a better meaning of democracy is: the people ruling themselves. But in that case, mere majority rule is really no more democratic than dictatorship; whether the majority dominates the

minority or the minority dominates the majority, either way it's some of the people ruling others of the people, not genuine self-rule.

The real root of Iraq's civil strife is the shared presumption that there must be a territorial monopoly of power – a centralised state exercising authority over the entire geographic region known as Iraq, and thus over all the different factions, Sunni and Shi'ite, Arab and Kurd.

As long as that presumption prevails, then given the mutual distrust among the factions, it is only to be expected that each faction will be desperate to ensure that it, rather than one of its rivals, gains control of the central state. A violent power struggle is thus only to be expected.

A chief cause of Iraq's civil strife, then, is each group's need to control the central state lest its enemies control it first. Replacing Saddam Hussein with a majoritarian constitution, then, is no move toward peace; it simply changes which groups get to be the dominators and which the dominated.

The obvious solution to this problem, then, is: eliminate the central state.

Some observers have suggested partitioning Iraq into three separate states: one Shi'ite, one Sunni, and one Kurdish. While this is a move in the right direction, it ignores the deep divisions, and potential for relations of domination, within each of those groups as well. Calling for three centralised states instead of one still leaves unchallenged the presumption that any given geographical area, large or small, must be under the aegis of some central state.

It is not inevitable that every society must organise itself as a state. There have been successful stateless societies in the past, and may be again. The nation-state's day may well be passing, as absolute monarchy, chattel slavery, and other institutions once claimed to be essential to civilisation have largely passed.

Market anarchists like economist Dr. Bruce Benson in his book *The Enterprise of Law: Justice Without the State* have shown that institutions for resolving disputes and keeping the peace can be, and historically have been, successfully provided by private voluntary means, and need not enjoy a territorial monopoly or be funded by taxation.

Let Shi'ites live under Shi'ite law, let Sunnis live under Sunni law, let heretics and infidels live under heretic and infidel law; multiply legal institutions according to consumer demand, and resolve disputes

among different institutions by arbitration. And thereby free each Iraqi from the fear that some one institution not his or her own will be the one to be imposed on everybody by state fiat.

If fifty people in a room are fighting to get hold of the one gun, in the fear that someone else will get it first and use it against everybody else, the solution is not to take sides with one of the contending parties, but to throw the gun out the window. In this case, the state is the gun.

The 17th-century English philosopher Thomas Hobbes said that life without a centralised state would be a war of all against all. He was wrong. In Iraq, at least, it's the state's presence, not its absence, that generates a war of all against all. Δ

Roderick T. Long is Professor of Philosophy at Auburn University, President of the Molinari Institute, and Editor of The Industrial Radical; he blogs at Austro-Athenian Empire.

The Empire Drones On

David S. D'Amato

[2 December 2010, C4SS]

Critics of American foreign policy center the great majority of their analyses on Iraq and Afghanistan, rightly recognized as the focal points of current U.S. military action. That attention – prioritizing the two countries in criticisms of military imperialism – is too often accompanied by an overshadowing or lack of consideration for the less easily seen instances of the global war conducted by the United States.

The assumption of the popular conception of American foreign policy and of war more generally is that military violence is narrowly concentrated on clearly- and specifically-defined areas that the U.S. transparently identifies and then confronts. But in contrast to the black and white view of war as setting the U.S. against explicitly designated enemies in narrowly demarcated regions, the reality is a disarranged miscellany of secrets bombings, covert actions and *sub rosa* partnerships.

An apposite example of the expansiveness of U.S. military presence around the world came through in the latest sequence of classified documents released by WikiLeaks. The newest unveiling, reports Michael Isikoff of NBC News, includes “an unusually

revealing State Department cable in which Yemeni President Ali Abdullah Saleh and his top ministers appear to agree to cover up the extent of the U.S. military role in disputed air strikes in Yemen.” Although Yemen has spurned U.S. attempts to increase military presence in the country, its cooperation should come as little surprise given the hundreds of millions of dollars of aid it receives from the U.S. annually.

Beyond merely revealing the bribed complicity of American thralls like Yemen, however, the story exposes the magnitude and reach of the War on Terror; where the rubber meets the road, its impact has not been to deracinate terrorism where it grows, but to ravage the lives of innocents unable to escape the United States’ ubiquitous bloodletting. Of the Yemeni bombing at issue in the new cable, Amnesty International had previously judged that 41 of the 55 people killed were civilians, most of whom were women and children.

Furthermore, the leaked communiqué between President Saleh and U.S. General David Petraeus advances a plan to increase the use of U.S. drones in the country, where they are, according to Yemen’s Foreign Minister, already at work. Drones – or, in Pentagon argot, “Unmanned Multirole Surveillance and Strike Aircraft” – have ascended to a favored position within the U.S. warfare schematic, with some estimates projecting a 600 percent increase in their use over the next ten years.

These remote-controlled airplanes, piloted by operators whose derrières are comfortably planted in the U.S., rain bombs inaccurately all over, for instance, Pakistan — and to devastating effect. Due to their indiscriminate destruction of human life, American drone attacks, in the words of Winslow T. Wheeler and Pierre M. Sprey, “make news with embarrassing regularity”; Wheeler and Sprey continue that, instead of subduing terrorists, drones are “more successful at killing civilians, infuriating the previously uncommitted local population into supporting the enemy, and deluding Americans into thinking remote-control bombing of other peoples’ homelands is a freebie spectator sport with no U.S. casualties and no consequences” Drones can be expected to continue featuring prominently in the War on Terror, and hopefully in the news as well, but the complete framework of reference for that War is still largely unseen.

Even when Americans hear about massacres –

like that in Yemen – with more obviously scandalous death tolls, they are unlikely to learn of everyday outrages like the one suffered by Karim Khan. Occupying a tiny village in Pakistan’s tribal regions, Khan’s home was bombarded by U.S. drones, killing his son, brother and a hired hand. Khan has said that he will sue the CIA, and, although the suit will surely end up a fruitless endeavor, it brings to the fore the commonness of civilian casualties.

The secrecy surrounding the drone program and the number of innocents it kills is the most important device for ensuring the continued impunity of the American Empire. Opprobrium at the United States’ wars should – in order to underscore complete scope of their horrors – take the statist seriously when they say that the War on Terror is a “global war.” The Empire will muscle its way into any corner of the world if it means the ballooning of the security/surveillance state at home and a windfall for the racketeers who supply our missiles and unmanned aircrafts.

Only by acquainting ourselves with the global war we so repeatedly hear about, as compared to the romanticized mainstream media pictures of Iraq and Afghanistan, can we begin to splinter the syndicate of interests that drive the death turbines. Δ

Thank You, Bradley Manning, For Your Service

Kevin A. Carson

[9 March 2011, C4SS]

I usually find myself overcome with nausea when some sycophant tells a uniformed soldier “Thank you for your service.” I’m perfectly willing to accept that some people joined the armed forces, in all sincerity, believing that the U.S. government’s wars have something to do with “defending our freedom.” And many of them have displayed extraordinary courage under fire, or taken heroic risks to defend their comrades’ lives, in that belief. But I feel no need to feed their delusion.

Nevertheless, on this occasion I feel compelled to say to Pfc. Bradley Manning: Thank you for your service.

The U.S. government, after months of holding Manning in solitary confinement in an unsuccessful

attempt to break his soul and coerce him into implicating Julian Assange, has blanketed him with additional spurious charges in a further attempt to blackmail him. Among the charges are leaking information to “the enemy” (although they have not stated who “the enemy” is supposed to be in the absence of a legal declaration of war, and cannot name any American who has died as a result of the revelations). In addition, Manning’s jailers now require him to sleep naked and stand at attention naked outside his cell while his cell is searched every morning.

This, supposedly, is “for his safety,” in order to prevent him from harming himself – although he has not been placed on an actual suicide watch. Right – after holding a prisoner in solitary for months in a deliberate attempt to destroy his mind, the “helping professionals” of the U.S. military are treating his alleged suicidal tendencies with sexual humiliation. Lest we forget: Sensory deprivation and forced nudity – far from being the work of “a few bad apples” – have been standard practices from Abu Ghraib to Guantanamo.

Get this: The official explanation for why Manning can’t put on his underwear before being turned out of his cell is that regulations require turning all prisoners out at the same time, and they’d have to wake him up early! And that would violate a double-secret unbreakable regulation! See, their hands are tied! Lt. Brian Villiard, spokesman for the Marine brig at Quantico, denies that these conditions are intended to “pressure or punish” Manning. Villiard is a liar.

Manning, who has never actually been convicted of anything, is being punished for one crime, and one crime alone: Embarrassing the United States government. He has exposed the criminal activities of that government – including war crimes by American troops – as well as criminal activities by foreign governments in collusion with the U.S. What’s more, he’s created a demonstration effect by showing others how easy it is to do, and forced government officials to work under the threat of exposure. Murdering civilians and pimping little boys to Afghan police officials is small potatoes. But embarrassing the U.S. government? For this Manning must die.

Bradley Manning, directly and indirectly, has probably done more for freedom than any single human being in years.

His exposure of war crimes by U.S. forces in Iraq,

and of how the sausage of U.S. foreign policy is made, benefit freedom in their own right insofar as they undermine – to whatever extent – the global and domestic credibility of the United States government.

But more importantly, the cables Manning leaked – and which Wikileaks published – played a central role in triggering the so-called Twitter revolution that started in Tunisia, spread to Egypt and much of the Middle East, and is now striking Qaddafi with hurricane-force winds of freedom. Among those cables were detailed descriptions of the Tunisian regime’s corruption, which galvanized local dissident groups into launching the movement that overthrew the government.

Even in Egypt, where the revolution has seemingly come and gone, we find that Manning’s gift keeps on giving. Egyptian freedom-fighters, unwilling to meekly acquiesce in a somewhat less corrupt interim military dictatorship (however long “interim” is), have stormed State Security headquarters in Cairo, where secret police were busily shredding incriminating documents on orders from the Interior Ministry. The demonstrators themselves seized an indeterminate number of documents before being repelled by the army, and the army now claims to have sealed the building in order to preserve all documents from further destruction.

Among the documents seized by the demonstrators were many shelves of files on torture – documents previously available only to former secret police chief Omar Suleiman – some of which may reveal the identities of individuals in the Egyptian and U.S. governments involved in the extraordinary rendition program.

Think of it: Countless “Little Eichmanns” in the U.S. national security bureaucracy are lying awake nights, in fear that their complicity in outsourcing torture will be exposed to light of day.

Once again: Thank you, Bradley Manning, for your service. Δ

Kevin Carson is a senior fellow of the Center for a Stateless Society (cAss.org) and holds the Center's Karl Hess Chair in Social Theory. He is a mutualist and individualist anarchist whose written work includes Studies in Mutualist Political Economy, Organization Theory: A Libertarian Perspective, and The Homebrew Industrial Revolution: A Low-Overhead Manifesto, all of which are freely available online. Carson has also written for such print publications as The Freeman: Ideas on Liberty and

a variety of internet-based journals and blogs, including Just Things, The Art of the Possible, the P2P Foundation, and his own Mutualist Blog.

Failed Hurricane Response Is an Opportunity for Libertarians

Philip E. Jacobson

[Austro-Athenian Empire, 10 September 2005]

The ongoing disaster to the US Gulf coast will have serious consequences for US politics. Libertarians will have a rare opportunity to exploit the policy failures of current and past regimes. But we may not be well prepared to take full advantage, by offering well-considered alternatives.

Over a span of decades, the political pendulum in the USA tends to swing back and forth between “progressive” and “conservative” forces (I put these terms in quotes because actual regimes, while always claiming to follow some variety of one or the other of these ideologies, are in fact based on opportunism – though they typically get knee-jerk support from true adherents). Whenever one side gains dominance, it quickly becomes overconfident, sloppy and corrupt. At some point an event triggers public recognition of this fact and the dominant side loses the support of the most talented “moderates.” This last group is composed of persons from a variety of backgrounds and interests, who do not truly like either “left” or “right,” but who reluctantly endorse whoever is perceived as the lesser evil – as a matter of practicality, to establish stability. If the dominant group’s corruption is sufficiently exposed, the “moderate” group shifts its support away from them. The non-dominant (yet still widely accepted) side exploits this shift until it becomes dominant and establishes a new regime (not a new system, just a relatively new variety of the old one). Then it begins to make the same mistake of overconfidence, and the cycle continues. We are now on the verge of the beginning of a switch in dominance. The “conservatives,” as currently represented by the Bush administration and its allies, have overplayed their hand. After 9/11, the Bush regime rallied the public around its “War on Terrorism” which became the organizing principle for most resources. The primary

investment of an extremely high public trust (sometimes called “political capital”) was into two arenas, the Iraq War, and the Department of Homeland Security. Other, more conventionally conservative issues have been pursued, such as efforts to translate religiously based morality into law, and selected tax cuts. But much more money has been redirected to the Iraq War than to any other purpose, and the biggest domestic shift is the emphasis on internal security. Now these two are under severe criticism. The public has lost considerable confidence in the goals and methods associated with the Iraq War. However that is well documented. I will not review it here. Criticism of various in-country “anti-terrorist” policies of the Bush regime have been serious from the beginning. The Patriot Act and associated decisions assaulted the very liberties they were advertised to be protecting, via new powers granted to prosecutors, police, and detention facility operators – as is also well known. Less well known is are the clumsy efforts to “consolidate” government resources under the Department of Homeland Security (DHS). Of particular interest to the current disaster is that, in addition to purely “security” oriented decisions, there was a decision to put the Federal Emergency Management Administration (FEMA) within DHS. Now disaster relief planning and response is mixed with “anti-terrorist” efforts. As criticism of the Bush administration’s response to the recent hurricane mounts, a condition is forming where both its domestic and foreign policies are simultaneously in disrepute. Thus major public discontent can (and will) be drawn to the “Bush system” rather than just isolated “mistakes” found in parts of it. Much of the discontent will be purely emotional, but it will fuel a hunger for regime change at home.

Government reactions to Hurricane Katrina are being criticized by everyone on the political spectrum. For the most part, however, these criticisms are directed at the particular people in power, or the Bush team’s particular approach to solving problems with government power. The assumption that government could have and should have been the solution to the disaster is still rarely questioned. This assumption will be to the advantage of those jockeying for leadership of the “progressive” community, who will use it to argue for more government – under their control. Given the normal pendulum swing, they will ride this argument into positions of power which they will

proceed to abuse until the public gets tired of them – a process which would normally take a couple of decades. Frankly, it is unlikely that libertarians will be able to alter the pendulum swing this time. The “progressives” will likely get another turn at bat. But there is nevertheless an opportunity right now. Even though the pendulum tends only to favor “left” or “right” to take full power, the process of regime change is not instantaneous. For a while, perhaps measured only in months, we will experience a period where relatively “innovative” ideas are given more consideration. Critical thinking will not be required to have a clear “leftist” or “rightist” orientation to be credible. Historically, such a period functions to allow the incoming regime to juggle its internal alliance and resolve the question of which exact flavor of statism it will adopt. But it also allows for very different arguments, which will likely not be reviewed by history books, but which will nevertheless be heard and remembered by some of the “moderates.” At these times “fringe” philosophies (as libertarianism is viewed to be) have their best chance for growth – not dominance, but significant growth nevertheless.

There is some libertarian effort to take advantage of our “interesting time” and the opportunity it affords. A fairly good one was recently written by Lew Rockwell of the Von Mises Institute, entitled “The State and the Flood.” It was placed on-line at: <http://www.mises.org/daily/1902>

However, while Mr. Rockwell does an excellent job of pointing to how government intervention has contributed to the disaster, actually setting the stage for it, he provides his readers with little in the way of detailed libertarian alternatives. He says:

“Mother Nature can be cruel, but even at her worst, she is no match for government. It was the glorified public sector, the one we are always told is protecting us, that is responsible for this. And though our public servants and a sycophantic media will do their darn best to present this calamity as an act of nature, it was not and is not. Katrina came and went with far less damage than anyone expected. It was the failure of the public infrastructure and the response to it that brought down civilization.”

And he proceeds to show exactly why this is true. It’s good stuff. I recommend it.

But later he says:

“It is critically important that the management of the whole of the nation’s infrastructure be turned over to private management and ownership. Only in private hands can there be a possibility of a match between expenditure and performance, between risk and responsibility, between the job that needs to be done and the means to accomplish it.”

But he does not explain.

While I get his point, I do so because of a lot of background reading in libertarian theory. If an average American were to read Rockwell’s paragraph above, they would need more detail in order to appreciate it. But Rockwell does not give more, not even as footnotes or references (which he does provide when criticizing the government). Now I grant that the average American is not going to read Rockwell. But some of the people who do read him, or do listen to other libertarians make similar arguments, are going to be some of those “moderates” I mentioned above, non-libertarians worth reaching (indeed, I got the Rockwell reference from a non-libertarian Internet list). They will be in need of more than what Rockwell gives his readers.

There will be somewhat more sympathy for unorthodox (non-statist) ideas for a while. And this will be enhanced by the kind of critical examination that Mr. Rockwell and others are prepared to give. But without an equal emphasis on alternatives to government “solutions,” our still-small-but-significantly-larger-than-usual audience will drift away. If we do not seem to have practical solutions, if we seem to be unable to express anything but high abstractions, they will drift over to the “progressive” alternative to Mr. Bush. We need to provide those who are willing to listen with examples and studies of well-grounded applications to back up our theory. Some of this will be from the historical record, some may be an innovative concept of how to apply what works in one arena to another one. But it cannot be simply: “let the market do it.”

I, for one, do not know of an example where private companies managed a system of flood control for a region the size of greater New Orleans. I have some vague inkling of how that might be organized. But I could not translate that into a discussion with a non-libertarian right now. (Indeed, a market-oriented answer might very well be not to organize a city on the site of New Orleans at all, but rather to develop a

large private nature park in its place, moving “the city” to much higher ground. And I would expect some “progressives” to argue for this, but as a mandated federal program, not a private initiative.) I do know that after-the-fact relief has been provided by various private charities quite successfully on a large scale. And I would be able to discuss that. But it wouldn't be enough. Libertarians need to pick up where Lew Rockwell left off. We need to start talking with each other about how we would expect a free market system to have addressed the full implications of this disaster, and addressed them well before the hurricane hit.

Thus I urge all libertarian groups to sponsor conversations about this topic, and to begin researching it. We need to offer our temporarily larger audience of potential libertarian sympathizers some realistic proposals soon. This means we need to be able to talk casually with our friends, acquaintances and the odd passerby about what a free market flood control and reaction program would have looked like in New Orleans. And we need to be able to offer speakers to groups who want to hear more. And we need to be able to cite well written research for those who want to get very serious.

If we do that – now – we can keep an audience which currently gives us only a casual consideration. But this is an audience composed of some of the most open-minded and talented members of the society at large. They are well worth impressing. They can and will influence a lot more people. Historically they reluctantly provide critical support to the next ruling regime, but are never truly satisfied with this option. We need to impress them now so that they will keep listening – long enough to appreciate our high theory and apply it to a wide variety of circumstances. And in doing so we can make an impression on the political culture which will last for generations. Δ

Philip E. Jacobson has been the owner and operator of a small chain of used book stores in North Carolina since the mid 1970's. During the same period he has been engaged in political activism for libertarian issues both with and without the Libertarian Party. He has also written articles for small libertarian publications.

Parenti: “How the Free Market [sic] Killed New Orleans”

Kevin A. Carson

[5 September 2005, C4SS]

Here's an utterly appalling commentary piece by Michael Parenti at Zmag: “How the Free Market Killed New Orleans” –

<<http://www.zcommunications.org/how-the-free-market-killed-new-orleans-by-michael-parenti>>.

The free market played a crucial role in the destruction of New Orleans and the death of thousands of its residents. Forewarned that a momentous (force 5) hurricane was going to hit that city and surrounding areas, what did officials do? They played the free market.

They announced that everyone should evacuate. Everyone was expected to devise their own way out of the disaster area by private means, just like people do when disaster hits free-market Third World countries.

It is a beautiful thing this free market in which every individual pursues his or her own personal interests and thereby effects an optimal outcome for the entire society. Thus does the invisible hand work its wonders in mysterious ways.

Using the term “free market” in reference to America's corporate economy or the global neoliberal system is an obscene joke. But in such usage of the term, Parenti has a lot in common with corporate apologists on the right. “Free market,” as Albert Nock observed many years ago, is an “impostor term.”

Let the incidence of exploitation show the first sign of shifting, and we hear at once from one source of “interested clamours and sophistry” that ... the unparalleled excellences of our civilization have come about solely through a policy of “rugged individualism,” carried out under terms of “free competition”; while from another source we hear that the enormities of laissez-faire have ground the faces of the poor, and obstructed entrance into the More Abundant Life.

In a footnote to this passage, he elaborated:

... no policy of rugged individualism has ever existed; the most that rugged individualism has done to distinguish itself has been by way of running to the State for some form of economic advantage. If the reader has any curiosity about this, let him look up the number of American business enterprises that have made a success unaided by the political means, or the number of fortunes accumulated without such aid. Laissez-faire has become a term of pure opprobrium; those who use it either do not know what it means, or else wilfully pervert it.

Big business has a vested interest in claiming its present size and power came about through the “free market,” and that it’s really opposed to government intervention in the economy (“Please don’t fling me in that briar patch, Brer Fox!”). The statist left, likewise, has a vested interest in claiming that big business emerged from a “laissez-faire” economy and that government regulation is necessary to restrain it. Art Schlesinger-style big government liberals and pro-corporate Randoids are engaged in a mirror-imaged version of the same morality play, but with the good guys and bad guys reversed.

Parenti continues:

Questions arose that the free market seem incapable of answering: Who was in charge of the rescue operation? Why so few helicopters and just a scattering of Coast Guard rescuers? Why did it take helicopters five hours to lift six people out of one hospital? When would the rescue operation gather some steam? Where were the feds? The state troopers? The National Guard? Where were the buses and trucks? the shelters and portable toilets? The medical supplies and water?

And where was Homeland Security? What has Homeland Security done with the \$33.8 billions allocated to it in fiscal 2005? By Day Four, almost all the major media were reporting that the federal government’s response was “a national disgrace.”

Um, remind me again – which sector do the Coast Guard, state troopers, National Guard, and Homeland Security belong to? Government incompetence in allocating the resources it already has doesn’t strike me as a very effective indictment of the

“free market.” As someone observed recently on a discussion list (I’m too lazy to look it up), New Orleans could have shored up its levees and been prepared up the wazoo with a tenth of the tax money it sends to the federal government.

Large corporations, like all large organizations, are inefficient and irrationally run. I’ve written about it before (“The Irrationality of Large-Scale Organizations”). But the rapacity of big business, its exploitation of labor and consumers, in fact its very existence, are possible only because it has big government in its service. Government subsidizes many of the operating costs of big business, as recounted by James O’Connor in *Fiscal Crisis of the State*. Through regulatory cartelization, patents, and other legal privileges, it protects big business from free market competition, and insulates them from the competitive disadvantages that would otherwise result from their inefficiency costs and diseconomies of large scale. By subsidizing high-tech, capital-intensive forms of production, and subsidizing technical education, it promotes the deskilling of labor and technological unemployment. By subsidizing the export of capital, it promotes de-industrialization. The state, by definition, is the executive committee of *some* ruling class – in Cuba as well as the U.S. And for reasons that Robert Michels pointed out long ago, the majority of producers can never be the ruling class.

In a free market, most large corporations would be bankrupt in months as a result of their inefficiency, and we’d have a radically decentralized economy of local production for local use.

What’s true of big business is true of big government, the monopoly of monopolies: any business firm on a free market that allocated its resources as incompetently as the federal government’s disaster relief agencies would be in Chapter Eleven, and its management would probably be under criminal indictment as well.

I recently heard someone complain, “Bush is trying to save the world when he can’t even take care of his own people here at home.” Not quite true. He certainly does take very good care of his own people, that tiny fraction of one percent, the superrich. It’s just that the working people of New Orleans do not number among them.

The last I heard, government “taking care of the superrich” – although that’s certainly what government *does*, all right – didn’t have much to do with the free market. Δ

Katrina and Class: A (Missed) Wake-up Call

Benjamin Kilpatrick

[7 January 2006]

According to an article published in the *Los Angeles Times* entitled “Katrina Killed Across Class Lines,”

The bodies of New Orleans residents killed by Hurricane Katrina were almost as likely to be recovered from middle-class neighborhoods as from the city’s poorer districts, such as the Lower 9th Ward, according to a Times analysis of data released by the state of Louisiana.

The analysis contradicts what swiftly became conventional wisdom in the days after the storm hit – that it was the city’s poorest African American residents who bore the brunt of the hurricane. Slightly more than half of the bodies were found in the city’s poorer neighborhoods, with the remainder scattered throughout middle-class and even some richer districts.

The article’s claim is that people were equally likely, regardless of income, to be killed by Hurricane Katrina. However, as the article notes a few lines down, “more than one in four residents [of New Orleans] lives below the poverty level.” Within the space of a few paragraphs, the article notes that half of the victims were found in impoverished neighborhoods, that the poverty rate in New Orleans was around twenty-five percent (in fact, it is twenty-eight percent), and leaps to the astonishing (to put it mildly) conclusion that *Katrina hit the poor and the well-off equally hard*. Let me restate this: in spite of the admission that the percentage of bodies found in poor neighborhoods is *twice the poverty rate of the city*, it claims “deaths citywide were distributed with only a *slight bias* for economic status.” (Italics mine.)

Numerous times in the article, the facts about the overwhelming toll on the poor are admitted, and immediately contrasted with anecdotal reports about well-off people suffering harm:

Of the 528 bodies recovered from identifiable addresses in city neighborhoods, 230 came from

areas that had household incomes above the citywide median of \$27,133. The poorer areas accounted for 298 bodies. The state official in charge of identifying Katrina’s victims, Dr. Louis Cataldie, said he was not surprised by the findings. “We went into \$1-million and \$2-million homes trying to retrieve people,” he said.

A few paragraphs later in the article, we see it again:

New Orleans was the site of most of Katrina’s fatalities; the state reported that 76% of storm deaths statewide occurred in the city. Of the 380 bodies from New Orleans that have been formally identified, a moderately disproportionate number are white. New Orleans’ population was 28% white, yet 33% of the identified victims in the city are white and 67% black.

“The affected population is more multiracial, multiethnic and multicultural than one might discern from national media reports,” said Richard Campanella, a Tulane University geographer who has studied which parts of the city were hit the worst by flooding. His research showed that predominantly white districts in the city were almost as likely to flood as predominantly black ones.

As the article states, fewer than half of the bodies recovered have been identified, because most are in very advanced states of decomposition. Presumably, the races of these bodies were also impossible to determine. However, something more can be determined about this claim. Unfortunately, due to sample size, only poverty rates for the black and white communities in New Orleans were available. However, the available data indicates that more than eight times as many black people lived in poverty as did white people (88,000 to 10,750). This indicates that there is a good chance that any body found in a poor neighborhood was the body of a black person, and, by extension, that bodies are being found at a disproportionately high rate in poor neighborhoods, which were almost entirely black, that the majority of victims were black, even if the majority of bodies for whom race can be identified are white.

Once again, in this article, we see the admission of facts contradicting the premise of the article followed immediately by an attempt to indicate equivalent harm to white communities. In this case, we are told

that white neighborhoods flooded just as much as black neighborhoods. This is likely true. However, it's silly to equivocate between flooding as such and deaths caused by flooding – white neighborhoods may have flooded at equal rates, but black people died at far higher rates.

Immediately after Katrina, people everywhere were talking about how Katrina made obvious the previously hidden urban underclass that exists in every major city in the country. At the college that I attended for the semester, someone interviewing me for the student newspaper asked if these events had made me aware of the divide between rich and poor. All over the country, white, upper-middle class people were made aware that black people in inner cities live lives of desperation (what a shocker!) and instead of pursuing this new insight to its logical conclusion: that a system operates in this country which systematically operates to privilege certain people, largely older, white, and male, at the expense of other people, largely female and non-white, people almost immediately began spreading rumors about crime (most of the horrific stories coming out of New Orleans about killings and rapes were later found to be false; or, at the very least, the victims of these supposed crimes could not be located) or the supposed ingratitude of the refugees (contradicted by actual volunteers), or simply immediately forgot about the whole damned mess and went back to watching football or that imbecilic fathead Bill O'Reilly gripe about the White Christian Male's perilously close position to no longer being King of the Universe.

Katrina should have served as a wake-up call to the fact that a large group of people in this country live lives of oppression and indignity. One can only hope that the next wake-up call of this nature will not be more severe. Δ

The article can be found here:

<http://articles.latimes.com/2005/dec/18/nation/na-bodies18>

Statistics on poverty in New Orleans can be found at the following sites:

<http://factfinder.census.gov>
and

<http://www.cbpp.org/9-19-05pov.htm>

Benjamin Kilpatrick studied philosophy at the University of New Orleans. He blogs at paxetlibertas.blogspot.com.

Wall Street Couldn't Have Done It Alone

Sheldon Richman

[8 October 2011, C4SS]

To Occupy Wall Street:

Wall Street couldn't have done it alone. It takes a government and/or its central bank, the Federal Reserve System, to:

- Create barriers to entry for the purpose of sheltering existing banks from competition and radical innovation, then “regulate” for the benefit of the privileged industry;
- Issue artificially cheap, economy-distorting credit in order to, among other things, give banks incentives to make shaky but profitable mortgage loans (and also to grease the war machine through deficit spending);
- Make it lucrative for banks – and their bonus-collecting executives — to bundle thousands of shaky mortgages into securities and other derivatives with the knowledge that government-sponsored enterprises Fannie Mae and Freddie Mac and other companies, all subject to powerful congressmen looking for campaign contributions, will buy them after a government-licensed rating cartel scores them AAA;
- Inflate an unsustainable housing bubble by the foregoing and other methods, enticing people to foolishly overinvest in real estate.
- Work closely with lending companies to establish a variety of programs designed to lure people with few resources or bad credit into buying houses they can't afford;
- Attract workers to the home-construction bubble, setting them up for long-term unemployment when the bubble inevitably bursts;
- Implicitly guarantee big financial companies and/or their creditors that if they get into trouble they will be rescued;
- Compel the taxpayers to bail out those companies and/or creditors when the roof finally falls in.

No bank or group of banks could do these things on its own in a freed market. It takes a government-Wall Street partnership – the corporate state – to create such misery and exploitation.

So demonstrators, you are right. Something is dreadfully wrong. But your list of culprits is far from complete. So go ahead and protest outside Goldman Sachs and Bank of America. But also spend some time outside the White House, the Fed, the Treasury, and the Capitol Building. Together they are responsible for our current economic woes. These are the entities that control our fate and over which we have no real say. It's time for things to change.

Greed without political power is boorish. Greed *with* political power is dangerous.

The *freed market* is the alternative to what you properly despise. Δ

CASS Board Chair Sheldon Richman is former editor of The Freeman and proprietor of the blog Free Association. He is the author of Separating School and State, Your Money or Your Life, and Tethered Citizens (Future of Freedom Foundation).

History of an Idea

Or, How An Argument Against the Workability of Authoritarian Socialism Became An Argument Against the Workability of Authoritarian Capitalism

Roderick T. Long

[2 October 2008, Art of the Possible]

In 1920, Ludwig von Mises published an argument against the workability of “socialism” (by which he meant state ownership of the means of production), an argument subsequently elaborated by himself and his student Friedrich Hayek.

The idea in a nutshell: the value of a producers' good depends on the value of the consumers' goods to which it contributes. Hence in deciding among alternative production methods, the most efficient choice is the one that economises on those producers' goods that are needed for the most highly valued consumer's goods.

But there's a difference between technical efficiency and economic efficiency. (The following way of explaining the difference is indebted to David Ramsay Steele's *From Marx to Mises*.)

Suppose we're comparing two ways of making widgets; method A uses three grams of rubber per widget produced while method B uses four grams of rubber per widget produced (with everything else being the same). In that case method A is clearly more efficient than method B; that's a case of technical efficiency, because we can figure out which is more efficient just by looking at quantities expended without concerning ourselves with any economic concepts like demand.

But now compare method C, which uses three grams of rubber and four grams of steel per widget, with method D, which uses four grams of rubber and three of steel (with all else remaining the same). In this case neither C nor D is more *technically* efficient than the other. To figure out which is more *economically* efficient, we have to figure out the comparative value of rubber vs. steel – *i.e.*, which forgoes a more highly demanded alternative use, a gram of steel or a gram of rubber? As per Mises and Hayek, that's something there's no clear way to figure out except through market competition and a price system, whereby consumer valuations of first-order goods get translated, by means of prices, into varying demand for their factors of production (as reflected in, say, a higher price for steel than for rubber, thus prompting producers to economise on steel). State ownership of the means of production means no market in, and thus no prices for, producers' goods, and so no way to transmit this information.

But why *couldn't* a state-socialist central planner have access to this information? Well, first, most of the relevant information about preferences is local, inarticulate, and constantly changing; it can be expressed through the actual consumer choices that embody it, but there's no easy way to collect it otherwise. (This is the aspect of the problem stressed by Hayek – who also included other kinds of local, inarticulate, and constantly changing information – besides that concerning preferences – in his focus.) Second, even if you could get this information, it would all be in the form of ordinal rankings, and without translation into cardinal prices there's no way to combine the ordinal rankings of different people. (This is the aspect of the problem stressed by Mises.) Finally, even if you could get the information into cardinal form, in order to use it to plan the economy you'd have to solve millions of simultaneous equations at rapid speed. (Critics of Mises and Hayek often write as though this third problem is supposed

to be *the* main problem – and thus have supposed, for example, that fast enough computers could substitute for the price system – but from the Mises-Hayek perspective it's a relatively minor afterthought.)

If central planning is as hopeless an endeavour as the calculation argument claims, then why haven't state-socialist regimes like the Soviet Union been even less successful than their actual record (which, while lousy, was not as completely chaotic as one might expect the Mises-Hayek argument to imply)? The reply is that the Soviet state, like similar regimes, was never *completely* insulated from the price system, since it had access to international prices (to say nothing of its own internal black market). Hence the information transmission mechanism, while seriously hampered, was able to function to some extent. (Most forms of governmental intervention merely distort the price system rather than suppressing it entirely. Of course the effects of these distortions can be serious enough – as when, per the Austrian theory of the business cycle, state manipulation of the money supply artificially lowers interest rates, sending investors the signal that consumers are more willing to defer consumption than they actually are, thereby directing resources into longer-term projects (boom!) that prove unsustainable (bust!), as in 1929 – or 2008. But the application of Austrian price theory to the current financial crisis is a story for my next post.)

The Mises-Hayek account of the limits of state centralisation was subsequently extended, by Mises's student Murray Rothbard, to cover the limits of private cartelisation as well, in his 1962 work *Man, Economy, and State*:

In order to calculate the profits and losses of each branch, a firm must be able to refer its internal operations to *external markets* for *each* of the various factors and intermediate products. When any of these external markets disappears, because all are absorbed *within* the province of a single firm, calculability disappears, and there is no way for the firm rationally to allocate factors to that specific area. The more these limits are encroached upon, the greater and greater will be the sphere of irrationality, and the more difficult it will be to avoid losses. ...

[I]f there were no market for a product, and all of its exchanges were internal, there would be no way for a firm or for anyone else to determine a price for the good. A firm can estimate an implicit

price when an external market exists; but when a market is absent, the good can have no price, whether implicit or explicit. Any figure could be only an arbitrary symbol. Not being able to calculate a price, the firm could not rationally allocate factors and resources from one stage to another. ... *For every capital good, there must be a definite market in which firms buy and sell that good.* It is obvious that this economic law *sets a definite maximum to the relative size of any particular firm on the free market.* Because of this law, firms cannot merge or cartelize for complete vertical integration of stages or products. Because of this law, there can never be One Big Cartel over the whole economy or mergers until One Big Firm owns all the productive assets in the economy. The force of this law multiplies as the area of the economy increases and as islands of noncalculable chaos swell to the proportions of masses and continents. As the area of incalculability increases, the degrees of irrationality, misallocation, loss, impoverishment, etc., become greater. Under *one* owner or *one* cartel for the whole productive system, there would be no possible areas of calculation at all, and therefore complete economic chaos would prevail.

Everyone knows about economies of scale; after all, that's why we have firms in the first place. What Rothbard's analysis shows is that there are also *diseconomies* of scale, and that these grow more severe as vertical integration increases.

What happens when a firm grows so large, its internal operations so insulated from the price system, that the diseconomies of scale begin to outweigh the economies? Well, that depends on the institutional context. In a free market, if the firm doesn't catch wise and start scaling back, it will grow increasingly inefficient and so will lose customers to competitors; markets thus serve as an automatic check on the size of the firm.

But what if friendly politicians rig the game so that favoured companies can reap the benefits associated with economies of scale while socialising the costs associated with diseconomies of scale? Then we might just possibly end up with an economy dominated by those bloated, bureaucratic, hierarchical corporate behemoths we all know and love. (For some of the ways that state intervention contributes to the Dilbertesque nature of today's business world,

see Kevin Carson's article "Economic Calculation on the Corporate Commonwealth" – and for more detail, his online books *Studies in Mutualist Political Economy* and *Organization Theory: A Libertarian Perspective*.

The good news, then, is that the unlovely features of the economy that often get blamed on the free market (or on something called "capitalism," which means either the free market, or plutocracy, or somehow magically both) are in fact the product of government intervention. We can embrace the free market without embracing big business.

But it's not just opponents of the free market that get markets and business interests mixed up. All too many libertarians still rush to defend giant corporations like Microsoft and Wal-Mart (two firms whose whole business model in fact depends heavily on government intervention – via, *e.g.*, IP protectionism for Microsoft, eminent domain plus socialised transportation costs for Wal-Mart, and general suppression of competition from the less affluent for both) as though such a defense were part and parcel of a commitment to markets. As libertarians we can hardly complain when we're accused of being apologists for corporate plutocracy, so long as we're actually *contributing to that perception ourselves* by allowing ourselves to lose track of the basic facts about the price system that we of all people should remember.

So long as the confusion between free markets and plutocracy persists – so long as libertarians allow their laudable attraction to free markets to fool them into defending plutocracy, and so long as those on the left allow their laudable opposition to plutocracy to fool them into opposing free markets – neither libertarians nor the left will achieve their goals, and the state-corporate partnership will continue to dominate the political scene.

That's why we need a left-libertarian alliance. Δ

Regulation: The Cause, Not the Cure, of the Financial Crisis

Roderick T. Long

[9 October 2008, Art of the Possible]

In my previous post I explained how Austrian price theory renders both state-socialist central planning and free-market plutocracy unworkable; in

the present post, I explain how Austrian price theory applies to boom-bust cycles in general and the present financial crisis in particular, and why those who blame the crisis on the free market have things precisely backward.

Recall that market prices are the mechanism that allows consumer rankings of consumption goods to determine choices among production goods; if consumers rank goods made from steel higher than goods made from rubber, steel prices will rise relative to those of rubber, thus encouraging economising of existing steel and increased production of new steel. (This is incidentally why anti-gouging laws are such a bad idea; they prolong the very shortages whose effects they're trying to mitigate, by suppressing the price signals that function to end the shortage. When prices are legally prevented from rising during a shortage, that's like sending out a signal into the market saying "hey everybody, no shortage here, no reason to economise on this item, no reason to increase production of this item, feel free to focus your investment elsewhere" – which is obviously the worst possible message to send.)

Interest rates are a kind of price also; they signal the extent to which consumers are willing and able to defer present satisfactions for the sake of greater future satisfactions. To take the standard example, if Crusoe makes a net he'll be able to catch far more fish than he can with his hands, but time making the net takes away from time catching fish; if Crusoe can afford to defer some present fish-catching in order to make the net, then it's rational for him to make it, but if instead he's on the edge of starvation and might not be able to survive on reduced rations long enough to finish the net, he'd better stick to catching fish with his hands for the moment and save the net project for another day. Whether it makes sense for him to divert time and effort from fish-catching to net-making thus depends on how urgently he needs fish *now* – in short, on his *time-preference*.

In a free market, low interest rates signal low time-preference and high interest rates, high time-preference. If your time-preference (*i.e.* the urgency of your preference for present over future satisfactions) is low, then I would only have to offer you slightly more than X a year from now in order to induce you to part with X today; if it is high, then I would have to offer you a lot more than X a year from now in exchange for X today. The prevailing interest rate thus guides investors in their choice between short-

term, less productive projects and those that are more productive but whose benefits will take longer to achieve.

But when central banks, through their manipulation of the money supply, artificially lower the interest rate, then the signals get distorted; investors are led to act *as though* consumers have a lower time-preference than they actually do. Thus investors are led to invest in longer-term projects that are unsustainable, since the deferred consumption on which such projects depend is not actually going to get deferred, so that the goods that the investors are counting on in order to complete their long-term projects are not all going to be there when the investors need them. Such unsustainable investment is the boom or bubble; the bust comes when the unsustainability is recognised and a costly process of liquidation ensues.

The Austrian theory of the business cycle is sometimes called an “over-investment” theory, but that’s misleading. The problem is not that investors over-invest across the board, but that they over-invest in higher-yield longer-term projects and under-invest in lower-yield shorter-term. That’s why Austrians talk about “*mahn*vestment” rather than over-investment. The prevailing mainstream tendency to treat capital as homogeneous ignores the difference between higher and lower levels of production goods and thus fails to appreciate the costs of having to switch from the high to the low when the bubble bursts.

In addition to the general misallocation of investment between lower-order and higher-order inputs, monetary inflation produces further imbalances. When the central bank creates money, the new money doesn’t propagate throughout the economy instantaneously; some sectors get the new money first, while they’re still facing the old, lower prices, while other sectors get the new money last, after they’ve already begun facing the higher prices. The result of such “Cantillon effects” is not only a systematic redistribution of wealth from those less to those more favoured by the banking-government complex, but an artificial stimulation of certain sectors of the economy, making them look more inherently profitable than they are and so directing economically unjustified levels of investment toward them.

Does the Austrian account, as is often claimed, underestimate the ability of investors and entrepreneurs to recognise the effects of government

policies and compensate for them? No. Even if you know that a given price represents some mix of genuine market signals and governmental distortion, you may not know how much of the price represents which factor, so how can you compensate for the distorting factor? (Likewise, if you know there are magnetic anomalies in the area that are throwing off your compass, that’s not terribly helpful information unless you know exactly where the anomalies are and how strong they are compared with earth’s magnetic field; otherwise you have no way to correct for them. And given that the direction of your compass’s needle is at least *partly* responsive to true north, you’re better off trusting it, despite its distortions, than simply abandoning your compass and proceeding by coin-flip.)

On the Austrian understanding, governmental inflation of the money supply, thereby artificially lowering interest rates, was the chief cause of the Great Depression. (Mainstream economists dispute this, holding that the Fed’s policy could not have been genuinely inflationary, since prices were relatively stable during the period leading up to the crash. But for Austrians the crucial question is not whether prices were higher than they had previously been, but whether they were higher than they would have been in the absence of *monetary* inflation.) Likewise, for Austrians the housing bubble that precipitated the current crisis was the product of the Federal Reserve’s low-interest policies of recent years. (An aside to address a frequent misunderstanding: on the Austrian view there is nothing wrong with low interest rates *per se*; indeed, low interest rates are a symptom of a healthy economy, since the more prosperous people are, the likelier they are to be willing to defer present consumption. But one cannot make an economy healthy by artificially inducing *symptoms* of health in the absence of their underlying cause. By the same principle, absence of scabbing on one’s skin is a sign of physical health, but if there is scabbing, one does not promote health by ripping the scabs away; advocates of minimum wage laws, take note.)

In the 1920s, while mainstream economists were claiming that stock prices had reached a “permanently high plateau,” Mises and Hayek were predicting a crash (as incidentally was my grandfather Charles Roderick McKay, who as Deputy Governor of the Federal Reserve Bank of Chicago protested against the Fed’s policy of artificially lowered interest rates,

kept the Chicago branch out of the easy-money policy until centrally overridden, foresaw the likely results, and got the hell out of the stock market well before the crash); likewise, in recent years Austrians kept warning of a housing bubble while folks like Greenspan and Bernanke blithely insisted that the housing market was sound.

Now everyone these days is saying, quite sensibly, that in the present crisis we need to avoid the mistakes that lengthened the Great Depression; the problem is that this advice is useless without an accurate understanding of what those mistakes were. By Austrian standards, the current plan to inject more “liquidity” into the economy is simply treating the disease with more of the poison that originally caused it. Attempting to cure an illness by artificially simulating symptoms of health is, *literally*, voodoo economics.

Of course the Federal Reserve is not *solely* to blame; there are still further government policies that encouraged riskier loans. There’s been some media attention paid to Clinton-era changes in the Community Reinvestment Act, for example, that encouraged laxer lending standards in order to attract minority borrowers. The claim that this explanation is “racist” is confusing the reason why a given loan is risky with the reason why the loan, despite its riskiness, gets made; all the same, focusing on this narrow example misses the wider picture, which is that when the federal government sponsors massive credit corporations like Freddie Mac and Fannie Mae, it creates an expectation (whether codified in law or not) that the government is guaranteeing their solvency. Just as with the S&L crisis of the 80s, the expectation of reimbursement in the case of failure encourages riskier loans because the risk is socialised. (And beyond this are the still deeper factors that stifle affluence for the vast majority and so make it necessary for them to borrow money to buy a home in the first place; taking *that* necessity for granted requires justification.)

Even George Bush, in his speech on the crisis, recognised (or read words written by people who recognised) that the expectation that a bailout would be forthcoming if needed had helped to encourage riskier loans – though he seemed to miss the further implication that by going on to urge a bailout he was confirming and reinforcing the very expectations that had helped fuel the crisis – thus setting the economy up for a repeat of the crisis in the future.

The grain of truth in the otherwise ludicrous statist mantra that the financial crisis was caused by “lack of regulation” is that when you pass regulation A granting a private or semi-private firm the right to play with other people’s money, but then repeal or fail to enact regulation B restricting the firm’s ability to take excessive risks with that money, the ensuing crisis is *in a sense* to be attributed in part to the absence of regulation B. But the fatal factor is not the absence of regulation B *per se* but the absence of B *when combined with the presence of A*; the absence of B would cause no problem if A were absent as well. So, sure, there was insufficient regulation, if by “insufficient regulation” you mean a failure on government’s part to rein in, via further regulations, the problems created by its initial regulations.

So if the problem is caused by A without B, it might be objected, why must we adopt the libertarian solution of getting rid of A? Can’t we solve the problem just as well by keeping A but adding regulation B alongside it? The answer is no, because central planning doesn’t work; when one responds to bad regulations by adding new regs to counteract the old ones, rather than simply repealing the old ones, one adds more and more layers between decisions and the market, increasingly muffling price-system feedback and courting calculational chaos.

But, the objector may continue, what if we’re in a situation where we have regulation A but no regulation B, and where, further, repealing A is not politically possible but adding regulation B is – in that case, shouldn’t we push to add B? In some circumstances, depending on the details, maybe so; but the more important question, to my mind, is to which should we devote more of our time and energy – tweaking the details of a fundamentally unsound system within the parameters of what is currently considered politically possible, or working to shift those parameters themselves? In Hayek’s words: “Those who have concerned themselves exclusively with what seemed practicable in the existing state of opinion have constantly found that even this had rapidly become politically impossible as the result of changes in a public opinion which they have done nothing to guide.”

Okay, some will say, maybe it was government, not *laissez-faire*, that got us into the mess; but now that we’re in it, don’t we need government to get us out? My answer is that government doesn’t have the ability to get us out. There’s just not much the government

can do that will help (apart from repealing the laws, regulations, and subsidies that first created and then perpetuate the mess – but that would be less a doing than a ceasing-to-do, and anyway given the incentives acting on government decision-makers there's no realistic chance of that happening). The bailout is just diverting resources from the productive poor and middle-class to the failed rich, which doesn't seem like a very good idea on either ethical or economic grounds. The only good effect such a bailout could possibly have (at least if you prefer costly boondoggles without piles of dead bodies to costly boondoggles with them) is if it convinced the warmongers that they just can't afford a global war on terror right now – but there's no sign that they're being convinced of anything of the sort.

If the price system were allowed to function fully, the crisis would right itself – not instantly or painlessly, to be sure, but far more quickly and with less dislocation than any government could manage. What the government should do is, in the final analysis, *nothing*.

But such a response would be politically impossible? Quite true; but what *makes* it politically impossible? Is it some corporatist bias on the part of the American people? Did Congress pass the bailout because the voters were clamouring for it? On the contrary, most of the voters seem to have been decidedly against it. The bailout passed because Congress is primarily accountable, not to the electorate, but to big business. And that's a source of political impossibility that stems not from shiftable ideology but from the inherent nature of representative government. A government that was genuinely responsible to the people would hardly be a paradise (since the people are hardly free from ignorance and bias, and majority rule is all too often simply a mechanism for externalising the costs of majority preferences onto minorities) – but debating the merits of a government genuinely responsible to the people is *purely academic*, because such a government, whatever its merits or demerits, is *impossible*; you cannot make a monopoly responsive to the people. Other than the market itself, no political system has ever been devised or discovered that will subordinate the influence of concentrated interests to that of dispersed interests. Monopoly cannot be “reformed”; it has to be abolished.

Now that is of course not to say that some governments can't be less unresponsive than others,

just as some forms of slavery can be less awful than others. One of the striking features of slavery in the antebellum American south, for example, is how much *worse* it was, on average, than most other historical forms of slavery; and if the abolitionists, despairing of the prospects of actually freeing the slaves, had focused their efforts on reforming American slavery to make it more like ancient Greco-Roman slavery or mediæval Scandinavian slavery, I'm not going to say that wouldn't have been worth doing or wouldn't have made a lot of people's lives significantly better – but isn't it setting on one's political sights a tad low? Δ

Any (Good) Thing the State Can Do, We Can Do Better

Gary Chartier

[7 June 2010, C4SS]

The question whether people in a stateless society could respond satisfactorily to a disaster like the BP oil spill is really just a special case of the general question whether people without the state can do the things people attempt to do through the state. It seems to me that the answer is “yes.”

That's because everything the state purportedly does is actually done by people. Sometimes they act out of fear; sometimes out of the perception that the state is legitimate; sometimes what the state commands turns out to be just what they want to do anyway; and sometimes because they believe that what the state is asking them to do is just what they are morally required to do anyway. But, for whatever reason, they do it.

This fact ought to be sufficient to make us confident that ordinary people, cooperating peacefully, can deal with environmental or other disasters in a stateless society. In what follows, I briefly discuss the purported advantages the state might be thought to possess in dealing with large-scale problems before noting some ways in which people in a stateless society could cooperate to prevent or remedy a disaster like the one currently taking place in the Gulf.

The State's Supposed Advantages

What might be thought to give the state an advantage over the various non-state institutions of a stateless society? Statists are most likely to point to two kinds of factors: information and force. A third, concerned with a potential difficulty faced by a non-state legal system relying on tort law to deal with environmental harms, might also be highlighted by some statists.

Informational Advantages?

Statists often think the state has information that ordinary people lack. But to the extent that this information concerns optimal production levels and distribution patterns for goods and services, we know as confidently as we know anything about economics that more information is distributed throughout a given economic environment, possessed by various actors as a matter of "local knowledge." Polycentric processes that mobilize this local knowledge will ultimately prove more effective than top-down, hierarchical ones at aggregating relevant information.

Statists might suggest that the state had an important role to play, not so much because it possessed information relevant to consumption and production, but because it possessed access to expert information. The assumption here seems to be that experts know just what needs to be done about a given problem but, because ordinary people aren't convinced, the options are either to let nothing be done about a serious problem or to impose the will of the experts. Clearly, there are problems here related both to the ignorance of experts and to the right of people to make mistakes.

But here the question is how information comes to be classified as expert, and how it is used by the state. Political processes clearly affect the selection of experts and the assessment of the information they provide. Further, given both the potential abuse of expertise as a rationalization for authoritarianism, and the inherent value of personal autonomy, it does not seem as if the conclusions of particular experts ought to be imposed on people without their consent. There are, it seems, side constraints on the use of expert authority whatever its potential value. Finally, if expert claims are accurate, why can they not be winnowed by public evaluation – in the course of conversations in which other experts from outside the political process, as well as ordinary people able to

employ their common sense, are free to participate?

Advantages Reflective of the State's Monopoly of Force?

If purported informational advantages provide no reason to think that the state is better equipped to aid us in, for instance, responding to natural disasters, what about its capacity to use force to compel people to cooperate? As I've already suggested, the vast majority of instances of cooperation with or under the direction of the state do not reflect any immediate threat or application of force. Instead, they reflect people's sense of the moral or prudential appropriateness of doing as the state directs.

Sometimes, of course, people may cooperate voluntarily, but only because they believe that others will do so, too, under the background threat of compulsion by the state. But there is no reason to think that a combination of social norms and advance agreements (cp. David Schmidtz's discussion of "assurance contracts") could not in many cases foster the needed cooperation in the absence of threatened force.

I'm inclined to think that there are very few, if any, pure public goods, and it's not clear to me that any environmental good we could currently affect would count as one. But, if there are any, it seems to me both that (i) as Schmidtz suggests, there are interesting market-based ways of providing at least some of them and (ii) the difficulties associated with alternatives mean that there's no good reason to prefer coercive solutions to market-based ones. For if worthwhile cooperation is not forthcoming in some cases in which we wish it might be, we must still recall that the state is not, never has been, and never will be directed by angels, that instituting an organization with monopolistic control over the use of force in a given region opens up enormous possibilities for violence, abuse, cronyism, depredation, and dispossession. In short, while there may be failures of cooperation, the costs associated with these failures must be compared to the costs associated with failures on the part of monopolistic states.

Sometimes, of course, people will grudgingly obey the state only because of the its threats of violence. The fact that these threats would not be available in a stateless society does not seem like a particular loss. For it is almost certain that, in cases in which people only obey out of fear, they see little or not independent reason to do whatever it is the state wants them to do, and we have good reason to be

glad, therefore, that they will not be forced to do similar things in the state's absence.

The Advantage of Being Able to Bypass the Need to Delineate Lines of Causal Responsibility in Dealing with Environmental Problems?

One final reason that might be advanced for adopting the view that the state was better positioned to deal with certain kinds of environmental problems than free people engaged in peaceful cooperation is the difficulty of identifying relevant causal connections between particular actions and environmental harms. If something like tort law is to be used to compensate victims of harms (as many anarchists suppose it should be) and if the prospect of compensation is expected to play a key role in deterring violators, but if there is no clear way of identifying the actual cause of a harm, will numerous harms go undeterred and uncompensated?

Suppose, for instance, that anthropogenic global warming is occurring and poses a serious hazard to present and future generations. Suppose, too, that we can be reasonably sure that certain classes of human actions contribute in a general way to AGW. It is hard to see how we might identify particular actors as liable for causing particular AGW-related harms, so it's unclear how an ordinary tort regime would help here.

There are, I think, at least three non-exclusive possibilities open to us here. First, something like an expanded class action lawsuit could be permitted exclusively in such cases, in which classes of plaintiffs could sue classes of potential perpetrators. It would still be necessary to demonstrate a causal connection between a class of actions and a class of harms, and to demonstrate the extent of the harms. Second, while a full-blown tort regime treating environmental pollution and similar phenomena as common-law nuisances, combined with specific property rights in particular regions and ecosystems now claimed en masse by the state, might not (if the first option just mentioned were ruled out as unjust) provide compensation for past harms, it could perfectly well make possible a thoroughgoing system of restraint on pollutants imposed by newly empowered property owners. Third, a thoroughgoing system of social norms could limit the activity of polluters and secure compensation for victims (especially in cases in which harm was clear but causation impossible clearly to demonstrate, but in which demonstrating causation was required for legal liability. Thus, if there was

widespread agreement on the reality and causes of AGW, or any other environmental harm, people freely and peacefully cooperating could identify ways of stopping or slowing the occurrence of the relevant causes and compensating victims.

In short, any good thing the state can do, we can do better. What we do will be done more efficiently, because we can draw on bottom-up knowledge. And we will also spend our resources efficiently because the decision whether to employ them at all will be ours, not that of a group of economic and political elites who can externalize the costs of satisfying their preferences onto ordinary people.

Large-Scale Environmental Disaster in a Stateless Society

How could people in a stateless society deal with challenges like those caused by the BP disaster?

The Importance of Property Rights or Their Equivalent

The first thing to do, clearly, is to assign responsibility – to assign particular places to particular people. This needn't mean assigning those rights to individuals for commercial exploitation; it just means that something like the Gulf – a place, a region, an ecosystem – needs to be in someone's hands. Someone might be seeking to develop the region commercially. But someone might just as well be interested in preserving it, planning to limit or entirely prohibit commercial use. Whatever the projected use, an individual, cooperate, partnership, non-profit, or business firm with ownership rights can be expected to care for the owned space.

To be sure, there's no guarantee that the allocation of rights to, say, the Gulf (on the basis of active homesteading or prior customary possession or something similar – certainly not on the basis of allocation by the state, which has no title to anything and is all too likely to favor its cronies) will result in its being put to the predetermined use preferred by any group, noncommercial or commercial. There is good reason to believe that, as a general rule, if people own things, they will care for those things, but their objectives may vary (though of course there may be a general consensus that can be enforced through ordinary social norm maintenance mechanisms).

Just as groups like the Nature Conservancy buy up currently privately held property in the US, they would likely be willing to homestead unowned property in the Gulf. I'd expect a fair amount of this

sort of thing, though it would obviously be important to figure out ways of preventing title from being established just by announcement while also not requiring commercial cultivation if that's not what someone wants.

And commercial homesteading certainly could and would occur, too. A stateless society would doubtless feature a mixture of both. But, in any case, if there were specific property owners to whom liability would be owed in the case of spills, rather than politicians often indebted precisely to the entities doing the spilling, things would surely be different to some extent, whatever the nature of the property-owners' interests in the property.

Mechanisms for Protecting the Interests of Nonhuman Sentients

If your goal is protecting, not geographically fixed spaces, but rather mobile organisms, say, within those spaces (sea turtles, for instance), then enabling anyone to take on a case (for, e.g., a sea turtle) and recoup salary and expenses when successful in court (thus functioning as something like what is today called a "private attorney general") would do the trick. Whether this option would or should be available would depend, obviously, on the existence of a social consensus regarding non-humans. If most people don't think sea turtles – individually or collectively – ought to be protected, they won't be. If they are to be protected, though, it's easy to envision the kinds of mechanisms a stateless society could use to protect them.

Protection of Ecosystems by Property Owners

Whether individual owners were responsible, or whether those – for instance – along the shoreline controlled the Gulf (or any other ecosystem) as common property, or whatever, specific owners not in the pockets of oil companies would have to decide to allow drilling to take place, and they could obviously take whatever preventive measures they wanted, including prohibiting drilling, requiring performance bonds, requiring on-site inspections, etc.

Is the State a Desirable Alternative, Even Absent Optimal Protection by Private Owners?

If particular individuals or groups didn't control a particular ecosystem, the alternative would seem to be some sort of state-like entity. Any institution capable of forcibly implementing *ex ante* environmental regulations on unowned property or on the property

of others (however property ought to be handled in this and other cases) would seem to be altogether too much like a state, and its creation and maintenance highly dangerous, and likely unjust.

Regulating Ecosystems without the State

If there is a property regime in a given ecosystem, specific owners – individuals, for-profit firms, or non-profits – could preempt or regulate conduct that might be environmentally harmful as they liked (and would be liable if spills moved beyond their property to that of others). And if there is no such regime, one is likely to emerge. The alternative is a state, or something like it; we have no good reason to want that, and a regime of voluntary cooperation in which people use their individual or group property interests to protect ecosystems seems perfectly workable. Environmental challenges can be satisfactorily addressed by a combination of voluntary, peaceful cooperation and robust tort liability. Statist and quasi-statist alternatives are neither necessary nor appealing. Δ

The State and the Energy Monopoly

Darian Worden

[27 May 2010, C4SS]

An advanced society requires energy – in the form of fuel or electricity – to power the devices necessary to sustain it. Politicians and capitalists would not ignore such an opportunity to exert tremendous influence over society, and their efforts to control the market in energy harm the environment and the economy for the rest of us.

Privilege

Benjamin Tucker used the term "monopoly" to describe areas where government intervention allowed some people to monopolize critical economic functions. As Charles Johnson writes,¹ Benjamin Tucker described "four great areas where government intervention artificially created or encouraged 'class monopolies' – concentrating wealth and access to factors of production into the hands of a politically-select class insulated from competition, and prohibiting workers from organizing mutualistic alternatives." He identified these as the Land

Monopoly, the Money Monopoly, the Patent Monopoly, and the Tariff Monopoly.

Considering the common use of patents to monopolize sectors of economic activity, the patent monopoly ought to be examined here. As Kevin Carson explains in *Studies in Mutualist Political Economy*:

The patent privilege has been used on a massive scale to promote concentration of capital, erect entry barriers, and maintain a monopoly of advanced technology in the hands of Western corporations...

Patents are also being used on a global scale to lock the transnational corporations into a permanent monopoly of productive technology...

Only one percent of patents worldwide are owned in the Third World. Of patents granted in the 1970s by Third World Countries, 84% were foreign-owned. But fewer than 5% of foreign patents were actually used in production. As we saw before, the purpose of owning a patent is not necessarily to use it, but to prevent anyone else from using it.²

The company that owned the patents for nickel metal hydride battery technology, which could have been useful in developing better electric cars, was purchased by oil company Texaco in 2001. Texaco was later purchased by oil company Chevron, who owned the battery patents until 2009.³

Whether or not this represents some petroleum executives' plot to kill the electric car,⁴ it is certainly a case of using government privileges to monopolize the production of energy. Nobody but Chevron was allowed to experiment with the technical information that Chevron owned during the time its subsidiary held the patents. Chevron used a government privilege to insulate itself from competitive innovation.

There is certainly a demand for alternative energy vehicles. After noting the difficulties that car companies placed in front of eager buyers, and the less-than-enthusiastic advertising for electric cars, reporter Matt Coker concludes:

“No one wants electric cars? No one – except just about everyone who has given one a test drive (including a certain guilty Caddy driver) and got on a waiting list for one or is about to have one taken away from them.”⁵

The excitement surrounding Tesla Motors' electric vehicles⁶ would seem to bear this out. So there existed a significant demand for electric vehicles that is still not being met, which should point to some kind of interference in the market.

Statist Oil

As Sheldon Richman notes,⁷ petroleum “has long been a top concern of the national policy elite, most particularly the foreign-policy establishment.” Influence over the substance that powers armies, industrial production, and the transportation of the workforce is an immense source of power. Because the goals of politicians involve exercising power over events around the world, it is not surprising that they would want to have a hand in energy production.

It is widely acknowledged that oil was a major consideration in Axis offensives during the Second World War. More recently, war profiteering by Haliburton and fighting in the Niger Delta have involved oil in a major way. World conflicts could bring to mind Mad Max II, but with better equipped gangs.

If more electricity was produced using neighborhood generators or individually-owned solar arrays, it would significantly decentralize the production of energy, leaving less for politicians to preside over and compensate campaign contributors with.

What does the state offer oil companies? Only the state that can claim massive amounts of land by force, and cut deals with companies that rotate employees between corporate and government ranks. Without the power of the globe-spanning offensive US military, it is unlikely that oil fields in Iraq could be secured. Without the state, it is also less likely for a risky prospect like offshore drilling to be accepted by the neighbors of the proposed well – those whose source of production it could threaten. And if they did accept it, they would have greater incentives to focus on safety than the government regulators and BP, neither of whom hold much accountability.

Because government, not local people own the environment, environmental regulations will be based on who has the most political pull, not on who is most immediately affected. And those with the most political pull are those with the power and wealth to give politicians what they need.⁸

The concept of “regulatory capture” is important. As Sheldon Richman writes in *The Freeman*:

Regulators and the industries they oversee develop mutually beneficial relationships that would appall those who idealize regulators as watchdogs. The rules that emerge from those relationships tend to foster more monopolistic industries.

It took the Deepwater Horizon tragedy to bring out the fact that a single federal agency, the Minerals Management Service, is “responsible for both policing the oil industry and acting as its partner in drilling activities,” writes the New York Times. “Decades of law and custom have joined government and the oil industry in the pursuit of petroleum and profit. The Minerals Management Service brings in an average of \$13 billion a year.”⁹

Lobbyists are another way that energy companies are linked to the state. When industry representatives are consulted to write government policy, they obviously have their companies’ interests in mind.

Liability caps socialize the risk that drilling companies would be held responsible for in the absence of government interference, raising incentives to engage in irresponsible activity.

A law passed in response to the 1989 Exxon Valdez spill in Alaska [which still harms the area] makes BP responsible for cleanup costs. But the law sets a \$75 million limit on other kinds of damages.

Economic losses to the Gulf Coast are likely to exceed that.¹⁰

No wonder BP took shortcuts and ignored hazards.¹¹

BP, the company responsible for spewing millions of gallons of oil into the ocean over the past month, has a noticeably statist history. Looking at the well-cited historical segment of the Wikipedia article on BP, one finds a history of colonialists fighting nationalists for control of resources through covert operations, assassination, and the installation of puppet dictators.¹² For many decades the British government held a majority share in BP until the Thatcher administration sold the government’s shares.¹³

Competition

Government reduces diseconomies of scale and socializes costs. This increases the difficulty for small production of new technologies to compete with large

production.

As Benjamin Darrington notes in *Government Created Economies of Scale and Capital Specificity*:

An overriding theme of economic policy is the protection and furtherance of the interests of monopoly capitalist corporations. The production techniques necessary to overcome the multiplicity of grave flaws inherent in gargantuan operations such as these would be uneconomical if not for the government’s constant efforts to pay for them publicly, either by defraying the cost of developing and using of these technologies, or expanding the advantages of large firm organization so that it offsets the massive costs of using this flawed system. The immense mass of privileges granted to the operations of the monopoly corporations generates non-market driven economies of scale and skews competition in the favor of bigger firms.

The capital developed for and, of necessity, employed by these firms has a strong tendency towards certain characteristics including a high degree of use specificity, and geographical concentration. These features would prove a great liability to the companies that use them if it were not for the government’s frequent actions to stabilize market conditions, soak up excess supply with public expenditures, and bailout insolvent corporations when what should be minor economic upheavals turns into catastrophic disaster under the brittle and inflexible capital structure of the corporatist economy.¹⁴

When government issues grants for alternative energy technology, money will likely go to big, established firms. Sometimes the same companies that collect subsidies for fossil fuels will be the ones who are able to control new technologies through government privilege.

Freedom

An industry relying so much on government privilege, with links to government policy is really just another arm of political authority.

State control locks competition out of the economy, and those who want to share the controls are very willing to play along. Undermining them requires innovation and a desire to decentralize or abolish power entirely. A free economy containing

strong, empowered demands for freedom and healthy environment will produce things that satisfy these demands. Δ

Notes

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Center for a Stateless Society News Analyst Darian Worden is a left-libertarian writer and activist. He hosts an internet radio show, Thinking Liberty. His essays and other works can be viewed at DarianWorden.com.

In a Truly Free Market, BP Would Be Toast

Kevin A. Carson

[2 June 2010, C4SS]

Advocates for the regulatory state are fond of complaining that things like the financial meltdown, the BP oil spill, and the like, are the result of an “unregulated marketplace.”

But it was federal loan guarantees that first made securitized mortgages into a marketable asset. And I wouldn’t consider a \$75 million cap on liability to be exactly “laissez-faire.”

That’s right. No matter how bad an oil spill, no matter how many billions of dollars of economic damage it causes, the company is only liable for \$75 million over and above cleanup costs. And they can probably save more than that on the bottom line by deliberately skimping on safety precautions, with a perverse incentive structure of (as Steve Horwitz puts it) “Heads I win, tails I don’t lose.” That’s exactly the kind of incentive structure that caused Ludwig von Mises to dismiss the Oskar Lange model of market socialism as simply “playing at the market,” because the manager had nothing to lose personally.

And libertarian class analysis tells us that, despite what idealistic liberals want to believe, creating such incentive structures is the main thing governments are about. As left-wingers like Noam Chomsky put it, the idea is to socialize risk and cost and privatize profit. And Murray Rothbard described it as “our corporate state” subsidizing the operating costs of big business.

Let’s take a look, instead, at how a free market (a genuine free market, in which all economic actors do business on their own nickel, as opposed to the system of corporate-government collusion we’ve had for over 150 years) might deal with something like the

British Petroleum oil spill.

Without a government-imposed liability cap, BP would be liable to the full value of its assets not only for cleanup costs, but for the full amount of economic damages resulting from the Deepwater Horizon disaster. Estimates of damage to tourism and fishing center on around \$5 billion, but it could be far worse if the slick spreads far enough to affect fishing and boating for Florida's \$65 billion tourism industry (just think of the Everglades). Keep in mind, also, that we're not just talking about one-off costs this year; we're talking about big hits to fishing and tourism for years to come, especially as the movement of toxic chemicals up the food chain may make Gulf seafood inedible for generations. This is not just a one-year loss of income from 130,000 fishing jobs, but possibly an end to these people's careers. There are also possible indirect effects if the loss of wetlands increases coastal areas' vulnerability to hurricanes.

And that's not even taking into account the possibility of criminal negligence by BP executives – who apparently rivaled Massey Energy's Don Blankenship in cutting corners for just about every conceivable kind of safety measure – and the cleaning out of their personal assets by angry juries.

And remember, we're talking about liability in addition to cleanup costs, which were \$3.8 billion for the less severe Exxon Valdez spill.

These cumulative damages stack up pretty tall against BP's total equity, which was around a hundred billion (at least before its stock took a hit the last month or so).

So absent a liability cap, as the flood of individual and class action lawsuits ate up the company's equity, the market pressure for holding robust liability insurance (for damages up to tens of billions of dollars) would be a well-nigh non-negotiable prerequisite for economic viability in the industry.

And let's face it. After what happened with BP, in a legal regime with no limits to liability short of total liquidation of a corporation's assets, insurers will have a pretty significant interest in making sure policy-holders don't bankrupt them.

What passed for federal regulations were ineffectual because, among other things, it's not the federal government's own money that's at risk. Things get downright chummy between regulators and regulated. Inspectors sleeping with executives and snorting crystal meth off of toaster ovens is what

you call a "public-private partnership," I guess.

I mean, seriously. When Congress and the White House are packed with people who all got millions of dollars in campaign contributions from all sorts of regulated industries, and most of the political appointees in regulatory bodies are former directors and vice presidents of corporations in the regulated industries, how tough do you think that regulation's gonna be? Last I heard, brown pelicans don't contribute much to campaign funds.

But if relations between regulators and regulated aren't really all that adversarial, you know what is adversarial? Relations between insurers and the insured. Insurance companies are notorious for not liking to pay claims, and for taking an adversarial view of policyholders who make them. Especially when slipshod safety measures mean a multi-billion dollar payout from the insurance company's own funds. And the "adversarial" relationship is likely to entail things like actual inspections to make sure the failsafe devices work, maybe requiring relief wells as a standard precaution, things like that.

Insurance companies take the kind of adversarial attitude toward the insured that liberals only wish government regulators took toward regulated industries. Δ

BP's Fate in a Free Market, Part Two

Kevin A. Carson

[7 June 2010, C4SS]

Having read some interesting commentary on my previous column on BP, I thought I'd do a follow-up to clarify and expand on a few things. Shawn Wilbur, a leading scholar in the history of the individualist/mutualist tradition in addition to being an anarchist himself, agrees that oil companies like BP would be far less able to externalize costs on the public in a free market order, absent such privileges as caps on liability. But he goes on to raise the issue of the "many kinds of value and interest" that are not adequately represented by markets:

"After all, sea turtles and brown pelicans don't get any more of a vote in the market than they do in

elections or campaign contributions. Private property conventions tend to establish a separation of interests not reflected in, or respected by, the circulatory systems of the biosphere ...”

Gary Chartier, a market anarchist professor at La Sierra University, commented that since sea turtles lack any means of effectively asserting or defending rights on their own behalf, their interests in any system – whether under statism, market anarchy, or any other kind of anarchy – depend entirely on the existence of human beings who identify those interests with their own.

I would add that the present system includes many structural barriers that prevent humans who value the interests of other species or of the ecosystem from expressing that valuation in the marketplace. For example, federal lease auctions allow only companies from the relevant industry (lumber, mining, etc.) to bid on access to federal land. That means conservationists who value holding land out of use are banned from the bidding process, that the winning bid is hence lower than it likely would otherwise have been, and that resource extraction is artificially profitable. Federal preemption of vacant land means, likewise, that the privileged access granted by the federal government is uncontested by other previous claimants.

Were vacant land not preempted by the state and then granted on a privileged basis, then the oil, mining and lumber companies could establish legitimate homestead rights only over the land that they were capable of effectively developing and fully prepared to economically exploit at any given time. In the meantime, other groups might have homesteaded significant parcels of land with the intention of conserving it. As Wilbur himself states in the comments under his post, “active conservation” – like “a wildlife corridor, or critical wetland, or scenic area” – is “pretty obviously a use.” In a free market regime with open homesteading, lumber and other extractive industries would have to buy out such competition at whatever price the latter demanded, if they were willing to sell at all.

As I mentioned in another post, one reason the ecosystem in West Virginia has had so little protection against mountaintop removal, is that the property rights of small owners had so little protection against expropriation, and the surrounding

communities had been robbed of so much of their common law protection against tortious action by the mining companies against their air and water. As chronicled in the movie *Mateman*, the first white homesteaders in West Virginia – who mostly lacked formal title to their land, having settled when government was still quite irregular – were later expropriated by the mining companies, who could afford to buy both good lawyers and bad legislators.

Iain McKay, principal author of *An Anarchist FAQ*, raises the question of how a free market liability regime, which only operates after the fact, could prevent something like the Deepwater Horizons disaster from happening in the first place. And would the threat of penalties after the fact be sufficient to deter such bad behavior—especially given the normal human tendency to underestimate risk and the cognitive bias toward gambling on huge potential payoffs? By the time tort damages were imposed, even if they meant a corporate death sentence, the damage would already have been done.

True enough – but how is that different from any other system? I don’t think there’s any system that would address pollution ex ante. The regulatory state was supposed to prevent risky behavior ex ante, and we see how that turned out. If the point is to “deter people... doing potentially dangerous things,” by definition the approach is of behavior modification based on the anticipated consequences of one’s actions ex post. And I expect the threat of a “corporate death sentence” with all assets liquidated to pay the full cleanup costs and economic damages from a big spill (in addition to cleaning out the bank accounts of execs personally guilty of deliberate criminal negligence) is at least as effective as the threat of a fine from the EPA for inadequate safety measures.

There’s no system in which the operations would not be carried out by human beings with a tendency to underestimate long-term cost and risks compared to short-term gratification.

If market anarchy is to be compared justly either to statism or to other forms of anarchy, it must be compared to the alternatives as they would likely be administered by actual, grubby human beings. It is not intellectually honest to compare a market anarchy run with an average level of human competence to a regulatory state run with some never-yet-attained level of ideal efficiency. Δ

The Fanciful Idea of Statist “Efficiency”

David S. D’Amato

[15 March 2011, C4SS]

The disastrous failures of energy facilities following Japan’s earthquakes once more testify to the calamities innate in statism. The state’s system of monopoly privilege – both in its public and nominally private sectors – is rigid, unresponsive to changing circumstances, and therefore brittle.

Important areas of the economy like power infrastructure are typically among those most concentrated in the fewest hands, the least competitive and sequestered from true free markets. They are the objects of enormous government subsidies, and their monopoly status allows them to demand from the consumer a high “restrictionist price” with no rational relationship to actual market forces.

It is these areas of infrastructure, so omnipresent and fundamental to daily life, that we’re supposed to think of as “too important to be left to the free market.” For services that virtually everyone uses, the public sector or ambiguously quasi-public companies are put forward as the prudent alternative to the market’s “cutthroat competition.” Markets are, it is said, unable to provide these important services safely, effectively and justly.

Anarchists often meet the instinctive objection that ours is an ideology hopelessly doomed to impracticability, *unrealistic* in its aims. Such arguments, though commonsensical on their faces, are only superficially so, taking for granted many claims that are far from clear. The declaration “unrealistic!” becomes a way to dismiss substantive arguments – ethical, utilitarian and economic – and to make apologies for the status quo as something that “works,” that “makes the trains run on time.”

But the spokespeople of the supposedly practical philosophy of statism, who shrug off anarchism out of hand, beg the question in at least a couple of ways. Since anarchism has never been implemented in full, they insist, it cannot be, or else it already would have sprung up. What the sources of these assertions may or may not know, however, is that historical examples

of what we might call stateless societies belie their contentions.

Tribal society in Celtic Ireland existed, for a time, without any recognizable relative of the central state, functioning through a largely noncompulsory paradigm of familial relationships and direct democracy. Even assuming, though, that claims regarding the dearth of historical examples were true, it hardly seems a strong rationale for dispensing with the claims of anarchism as simply unrealistic.

In a time when human beings regularly died from diseases like smallpox, our era that treats these maladies as fairly mild inconveniences would have been thought unrealistic. For thousands of years before airplane travel – indeed before there were even cars – the notion that humans might take to the sky would have been the quintessence of absurdity and illogic. Since many if not most of our modern technologies, the everyday facilitators of our lives, would have been indistinguishable from sorcery to our forebears, we might wonder who is really being unrealistic.

Are anarchists unrealistic for suggesting that we might someday realize a society without arbitrary violence, where the use of force is only allowed in legitimate self-defense? Or are statists unrealistic for blindly designating their system, one that has never “worked” or been efficient except for feathering the nests of elites, as “practical,” “sober” and “moderate?” If there is a sense in which statism is efficient, it is certainly not in the popular sense, in the sense of cost-effectiveness or being economical. Events in Japan show that the institutions of the state are constantly and precariously balanced on a razor’s edge.

By drawing on coercion to (directly or indirectly) compel individuals to pay for things that they would never pay for in a society without those constraints, the state functions on a principle quite *opposite* to statists’ cherished “efficiency.” Its whole system is founded on the theft of productive energy for purposes that the aggregate of free exchanges would never choose. It hinges on the capacity to externalize expenses and losses on the human livestock of productive society while directing profits to a favored few beneficiaries.

The completely uneconomical and wasteful activities that make up the bulk of the statist economy would splinter and fall apart in a moment absent the coercion necessary to hold it all together. Although

we could hardly imagine a more preposterous and inefficient system, it will continue as long as we defend it on behalf of those who benefit from its wastes and abuses.

Why should the state enjoy the benefit of the doubt? Why should we sheathe it from criticism under the pretense that every alternative is unrealistic? It's impossible to know exactly when, but there will someday be cures for cancer and HIV, and we'll look back to the day when the cures were just the starry-eyed dream of idealistic doctors. The state is no different; as a disease living on the weakened remains of peaceful society, its days are drawing to a close. Δ

How to “Ban” Nuclear Power

Kevin A. Carson

[17 March 2011, C4SS]

The disaster at Japan's Fukushima Daiichi nuclear facilities, which turned the 8.9 earthquake and tsunami into a sort of Irwin Allen trifecta, has spurred new calls to ban nuclear power.

Certainly Japan's recent experience suggests that attempts to plan for worst-case scenarios tend to err on the low side. Nuclear power plants designed to withstand quakes an order of magnitude less still managed to shut down as designed; nevertheless, the earthquake and tsunami also damaged the backup power for their cooling systems.

So given the high stakes of a nuclear meltdown, and the manifest inability of planners to anticipate what might go wrong, it would make sense to ban nuclear power, right?

Well, the actual problem is that governments worldwide have been actively intervening for decades to prevent the *market* from banning nuclear power. Precisely because the stakes are so high and there's so much room for unforeseen things to go wrong, nuclear power is uninsurable on the private market.

So, under the terms of the Price-Anderson Nuclear Industries Indemnity Act, the US nuclear industry bears the cost of insuring itself against liability only up to a small fraction of the damages that could result from a disaster like that currently underway in Japan. Above that amount the taxpayers are required to assume liability up to a higher level – which is still far less than the harm which could result

from a full-scale meltdown. So if a reactor melts down, blanketing a thousand square miles around a major city with fallout and causing hundreds of billions in damages, the victims are pretty much S.O.L. (simply out of luck).

Legislative caps on liability far, far below the actual damages that would likely result ... sound familiar? Here's a hint: It starts with B, and ends with P.

In fact the liability issue is only one facet of a much larger theme: Nuclear power is a virtual creature of the government. The nuclear industry grew directly out of the US “Defense” Department's nuclear weapons programs, and the first reactors were built as an offshoot of military production. A major portion of the cost of just about every single step in the nuclear power production chain, from the federal government providing preferential access to government land and building access roads at taxpayer expense for uranium mines, to the above-mentioned assumption and capping of liability, to taxpayer-funded storage of nuclear waste, shows up on your tax bill rather than on your electric bill.

As a Westinghouse executive testified before Congress in 1953:

“If you were to inquire whether Westinghouse might consider putting up its own money ... we would have to say ‘No.’ The cost of the plant would be a question mark until after we built it and, by that sole means, found out the answer. We would not be sure of successful plant operation until after we had done all the work and operated successfully ...”

Hmmm. Nuclear power was a no-go if 1) private industry had to put up its own money, or 2) it wasn't guaranteed a profit. This writer's regular readers might note this seems to be a pretty common business model in the corporate economy.

So the question is not whether government should ban nuclear power. The question is whether it should stop propping it up. Δ



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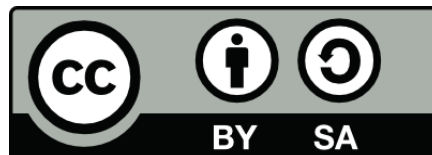
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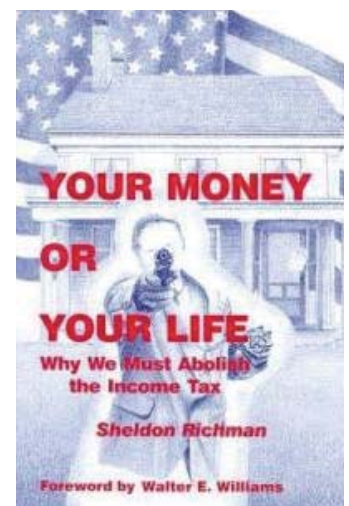
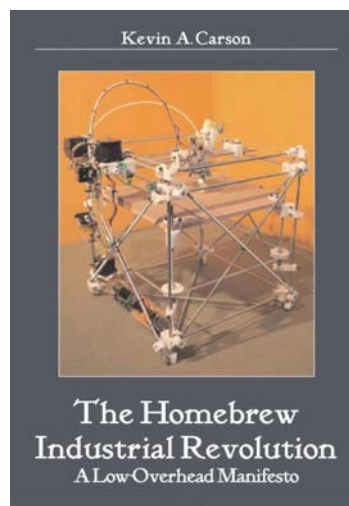
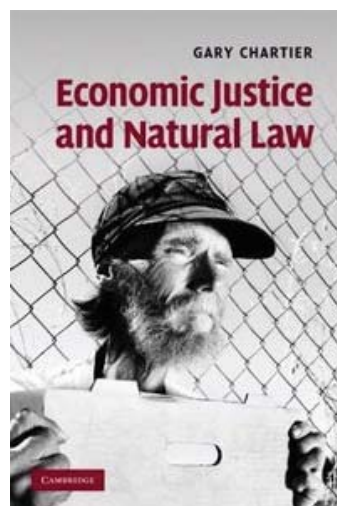
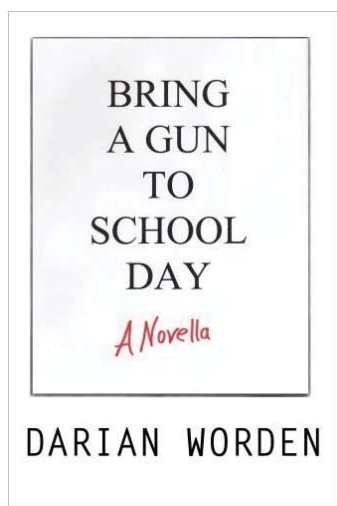
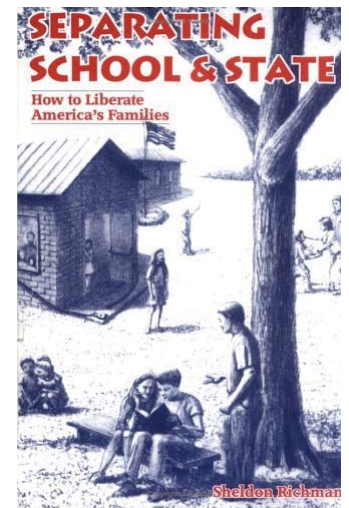
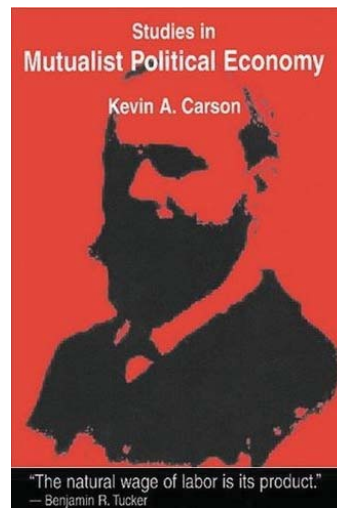
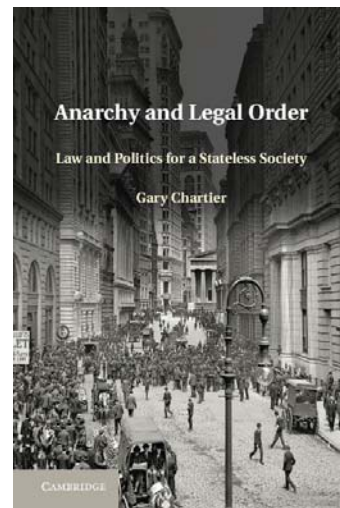
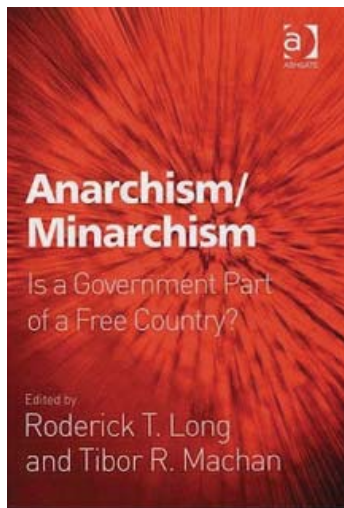
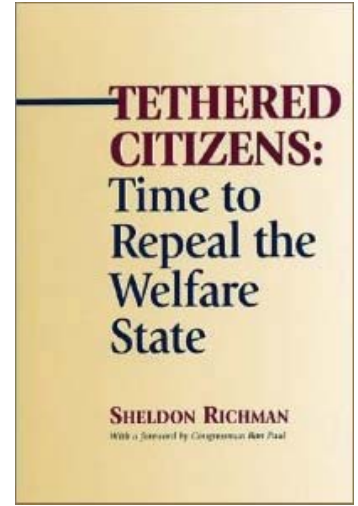
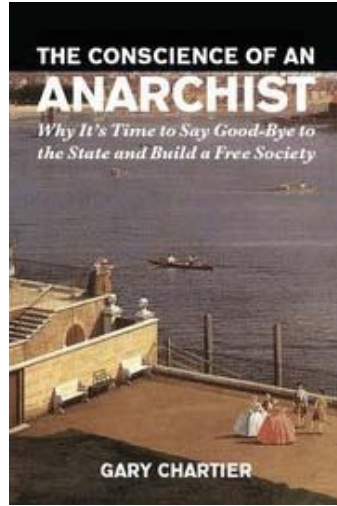
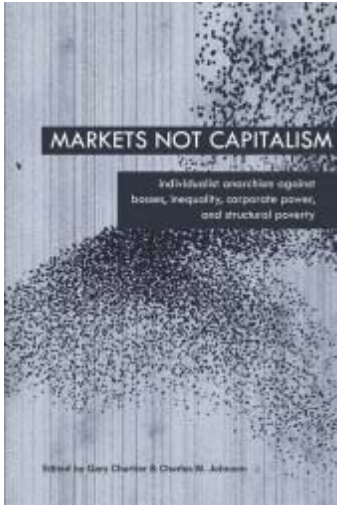
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