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WHAT IS A FLAG FOR IF NOT TO BURN?, ARTICLE BY MARGARET HOWE

I have been listening to Scott Adams quite a bit lately. I recently gave his Periscope videos an honorable mention in my list of favorite podcasts, but he's creeping up the ladder. I still don't agree with him on everything - not by a long shot - but he makes me think, and I appreciate being pushed in different directions than I might normally be inclined to venture on my own.

I was listening to a couple of archived videos while I made dinner today, and he was talking about the Colin Kaepernick/NFL/take a knee controversy that was the talk of the town until the Las Vegas shooting happened. He said something interesting with which I did not initially agree, but having given it some further thought as I have gone about the duties of the evening beyond dinner, I'm not sure that I disagree. Minimally, I don't think I disagree to the same extent that I imagined a few hours ago.

"Flaggot" is not an unknown slur in Ancapistan. A flaggot is someone that is a flagrant statist and flag worshipper, someone clearly incapable of rational thought and worthy of being mocked. It is more commonly used against the police and military or other people that like to speak about "duty to country" and that sort of thing. Most all anarcho-capitalists recoil in disgust at the thought of such things. I will admit that there is not much love in my heart for agents of the State, but I pity their ignorance more than anything else.

What is the American flag? As Nelson Muntz of *The Simpsons* fame put it in the classic episode *Mr. Lisa Goes to Washington*, is it, "Six red stripes, seven white stripes, and a helluva lotta stars?" Is that all there is? I think most people would argue that the flag is certainly something more. It is a symbol of "American greatness." *E pluribus unum*. Freedom. Autonomy. Success. Green grass, apple pie, outdoor concerts, Fourth of July parades, and a youthful, plucky spirit. A tad naïve, perhaps,

but with the best of intentions. The flag is something that everyone is supposed to be able to rally under, something that pulls the masses together as individuals and unites us as a whole.

It should come as no surprise to anyone that, being an anarchist, I balk somewhat at the thought of belonging to any group. It's a strange conundrum sometimes, the fact of being an anarchist. All of the anarcho-capitalists that I have met are naysayers and individualists down to the core that seem to resent the notion of belonging to any unit larger than a family. There is even some reticence at belonging under the label of anarcho-capitalist, and I can safely include myself in that number, too. I don't like labels, as such, and I don't want to get too comfortable with something, even though I have a fair idea of my place in the world right now. I think when you get too comfortable with things, you rule out the possibility of change and forward momentum, and if you're not evolving, you're dying on the vine.

The thing about all anarcho-capitalists, whether they lean socially liberal or socially conservative, they all value certain things: Individuality. Free markets. Ideas. Freedom of expression. Property rights. Sound money. Free trade. And perhaps above all things, anarcho-capitalists value *peace*. Peace is at the core of all of these things. I have long made the argument that peace and sound money and fiscal policy are inextricably linked, that anyone that believes that we can have world peace before we fix economic problems is living in a world of wind and ghosts, to loosely quote a different *Simpsons* episode.

Looking at the list of things that anarcho-capitalists value, you might wonder what the difference is between that list and the one above. In what version of America do those values not belong? Friend, I'll tell you: today's America.

We have been at war in Afghanistan for 16 years now. The government is so many tens of trillions of dollars in debt – is it \$20tn or \$30tn, and does it mathematically matter? – that it can never repay it. It is actually impossible to repay the current debt. When you start realizing that we fight unjust wars in far-flung places to service a debt that can't be repaid to fund a lifestyle that we cannot afford, it gets harder and harder to stand for "The Star-Spangled Banner."

Some libertarians stand because of the principles on which the government was founded. They maintain that the Constitution was the greatest document ever written by man, and while I would certainly agree that it is a particular pinnacle of human philosophy, I am disinclined to carry any further than that. Unfortunately, by making the Constitution a "living document," we render it worthless, and the government so long ago ceased to even pretend that it mattered that it seems almost laughable to me to bring it into the conversation when we talk about shrinking government. I think, in all honesty, it was fair to say that, although the so-called "Great Experiment" was great for a long time, it is time to admit that it has failed. The United States is no longer a republic, but a democracy grown too large to for the pygmies in charge. Democracies are a thinly veiled reiteration of "might makes right," and although I think people *feel* that this is true, they don't *know* that it's true. They still believe they can vote themselves to freedom.

I still feel pangs when I see the flag at major events, but it is a pang of sorrow for a place that might have once been deserving of such a powerful anthem and such a lovely flag. But I know now that the government that flag represents does not represent me, and I know that there are millions and millions of Americans that feel the same thing. Even if they cannot identify it with perhaps the same precision that I can, they sense that something is wrong. They can feel the rot creeping out of the swamp. As the tentacles slip up out of the ichor of the Potomac and roll slowly and

quietly across the landscape, we can smell it coming, that wet, fishy smell, but we don't know how to stop it, and most of us can't even name it. We only know that it's bad, and that we don't want it, that it doesn't represent us.

A lot of anarcho-capitalist may argue with me and say that the flag is just a symbol of the government and that you cannot have a symbol like that represent so many different people with so many different ideals. There will always be dissidents, but the fact remains that, at one point, there was enough cohesion in this corner of the world that people could rally around the flag. The flag was not just the government; it was a set of ideals. It was a broad set of ideals, but everyone could agree on freedom, the pursuit of happiness, and ice cream at a ball game.

I have often entertained the idea of buying an anarcho-capitalist flag and hanging it off of my back deck. I may yet do it. Although I have a tense relationship in my heart, with one side pulling towards being an iconoclast and the other desiring to belong to a structure that suits my sensibilities, I have discovered lately that there is value in structure. A group has to have a set of mores in order to function. There must also necessarily be a dissenter or two, to point out the little imperfections and to force us to recheck those same sensibilities and perhaps read just as circumstances change. We have reached critical mass in this country, where nobody knows who is dissenting anymore and we no longer feel that old sense of identification with our fellow countrymen. There is no "one nation, under God" anymore. The U.S. never was "one nation."

So what is a flag for, if not to burn? What is a flag for, if not to worship? We worship when the ideal we have in our mind matches the embodiment of the philosophy that we see around us. The flag encapsulates what is around us, be it good, evil, or indifferent. When the embodiment ceases to reflect the ideal, or when the ideals of one group appear totally warped in the eyes of others, sparks start to fly, and folks, it was a hot, dry summer.

A MARKET IN GOVERNANCE, ARTICLE BY

INSULA QUI

In a market system, you buy what you want. This means that prices are determined by the aggregate of all purchases. In a political system, the government decides what you buy and how much everyone collectively pays for that purchase. The government decides how much money will be put into its functions and what the rate of taxation will be.

This is the fundamental antagonism between the market and politics. The market is ruled entirely by the choices of the buyer; politics, to the contrary, is ruled by the choices of the government. Even if there is wise and just governance, it can never be governance in accordance to the wishes of the public as governance by nature ignores the public.

But it is theoretically possible that there is a combination of markets and governance. There could be libertarians that do not want to give up government for a private law society and non-libertarians who don't think any non-governmental alternative is a sufficient replacement to the government. If there has to be a government, and if that government has to govern, how could it do so according to the principles of the market?

Democracy is obviously insufficient as it is both collective in the determination of producing goods and the purchase of those goods. Democracy could hypothetically be superior to autocracy or oligarchy, but it is in no way similar to the market system. When faced with this question most people will give up and concede that the two real options are laissez-faire anarchism or minarchism. The government ought to be reduced to the smallest role it can possibly play and the market system ought to do everything it can do.

But is there a possibility to somehow integrate these two systems? Is there some form of governance that can work as the market does despite there being a monopolist who controls a vast amount of services within a society.

True monopoly is the State giving a business or itself the right to exclusively control some area of business. And the State could theoretically be reduced to such an actor on the market. The State would still keep the monopoly it has, however, rather than forcing people to fund the monopoly, the State could instead offer its services on the market.

This would imply reducing the State to voluntarily *offering* its services, rather than compelling payment. This would also imply the end of taxation. Services could then be funded by individuals or communities purchasing them. This is without getting into the details of how communal purchases ought to work.

But since the services the State offers are still monopolistic, they can never really function according to the market and will form instead a pseudo-market. The prices will be set higher than the market would allow. And since, contrary to popular belief, costs are determined by prices, the services offered by the State will always be more inefficient as the State is able to charge higher prices. More money does not imply a better service, but rather a more bureaucratic and slower one.

But is there still a way in which the government can retain its control over the violence in society to allegedly prevent chaos, yet still function according to the market system? Can there really be some equivalent of free pricing within a government? After all, if there is need for a central agency to govern and if the market is superior to the State, it should be the highest priority to ensure that there can be a government that can function on the market.

And this is easy, the government must allow other competing governments or even non-governments. If it is true that a government is necessary, all the competition will be governmental. This is not only the indirect competition provided by mobility, but direct competition. In essence, the State must concede all its territory if it can no longer be the best provider of services in that territory. The State is reduced to a market entity like any other.

If the State does not claim any territory it does not follow that the State is necessarily abolished. But this model is also fully compatible with abolishing the State, that is simply removing any special privileges the State still claims. If we want to abolish the State while retaining governance, we can do that simply by leaving what used to be the State to only do that which the buyers decide. If the actions of the government are in no way privileged, it can still be a government and it can fully be on a market.

And it would still be a government, it would fulfil all the roles a government fulfils right now. It can provide defence, it can build the roads, it can regulate health and safety hazards. However, this is consensual governance, this is governance that is only funded insofar as people buy what it offers. This form of governance is truly economic governance and also fully conforms with the principles of voluntarism.

*Insula Qui is an independent writer
For books and more essays visit
www.insulaqui.com*

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THE GOP AND THE NEW PC, ARTICLE BY NOAH LEED

I'm really enjoying NFL football this year. Some years I'm more into it than others, and it really has little to do with the "quality of the product" and certainly nothing to do with politics. It has to do with *me*: my state of mind that particular year, my free time (or lack thereof), and the people that I will be watching games with. I grew up watching games with my (now deceased) father, so there is a nostalgic aspect that may wax and wane but will never disappear.

I recently gave up cable TV, being sick of high prices and poor service (that's you, Comcast). But I still watch nearly as many games as I used to, if not more, viewing them with friends and relatives. So I am part of the reason that NFL viewership is officially "down" even though my actual viewership is probably "up."

How many of us fans tune into a football game to watch the national anthem being performed, or to keep track of who is or isn't "respecting the flag" or who otherwise might be failing to exhibit proper levels of militaristic or nationalistic patriotism? Until very recently, that number was zero. So it is with great amusement (and a little bit of contempt) that I find an associate of mine boycotting the NFL on that basis. To my mind, he has taken marching orders from der Fuhrer, and has agreed to punish himself by forgoing a beloved pastime as a matter of maintaining ideological purity. He is engaging in a form of "political correctness" in order, rather ironically, to protest political correctness as commonly perceived.

There is a real danger when our political leaders start talking about what people "should" do, as if loyalty to a particular ideology is the ultimate expression of good citizenship. It is not.

Of course there is nothing wrong with any citizen, in displaying mere personal preference as an individual, to speak of what he'd like to see other people do. That is a "should" with a small "s" that simply reflects the way we'd like things to be. We all like to see behaviors that supposedly would make life simpler, happier, healthier, better and more affordable for us all: people "should" floss their teeth, wear their seat belts, help little old ladies across the street and donate blood for the Red Cross. But we don't need laws to force that behavior and turn them into "Should" with a capital "S."

We "should" also respect the varying individual values and preferences of others, so long as those others are not harming anyone, even if our own preference would be for others to hold values that might be more similar to our own. We can be offended by the values and preferences of others, and not be fans of their actions, while still respecting them enough not to interfere or intervene. We intervene when we see the real potential for harm and injustice, not when we are merely offended or annoyed.

But political leaders have had a tendency through history to talk about "Should" with a capital "S" and start demanding, rather than just preferring, that people behave according to certain rules. These rules may be set down as formal laws, or obedience and compliance may be pursued through social and political pressures or media propaganda.

So while the age-old knowledge that one "should" or "should not" behave in certain ways is always subject to the reality of positive or negative consequences in our day-to-day lives (drink more alcohol than you "should" and you end up alone, and dead) there are periods when we overlay the government-dictated "Should" on top of existing reality (one sip of alcohol is more than you "Should" ever drink, produce, or sell, so We The State will now throw you in jail).

In times of war, the State has demanded a conformity of loyal sentiment. You "Should" support "us." If you do not support the State in its war efforts, you are essentially a traitor and an enemy of the State. As Randolph Bourne pointed out a century ago (in "*War is The Health of The State*"), people confuse the concepts of government, nation and State. For some, it is their very love of their nation, land, people and culture the leads them to speak out *against* government and State and the lust for war!

What are we really saying when we "demand" expressions of loyalty and respect for a symbol like our flag, or when we "demand" actions that show a profession of patriotism in ways that we've established as appropriate? Well, if the people we are making such demands of are not actually loyal, respectful or patriotic, we are essentially demanding that they be dishonest, to profess to hold values they may not currently hold. What is the benefit in making liars out of people?

Or perhaps some people are actually loyal, respectful and patriotic but they place those values at a different level than we do in our hierarchy of values, or they simply don't believe in conforming to the most traditional and established way of expressing those values. After all, to not always and everywhere *show* respect and loyalty in ritualistic fashion is not always the same as actually *being* disrespectful and disloyal. Failing to put on your wedding band is not the same as cheating on your wife.

Suppose by failing to wear your wedding band, just once, you automatically became branded as a "cheater" since cheaters often remove their wedding bands. Or suppose that by failing to hire a minority, just once, you automatically became branded as a "racist" since racists often hire only those like themselves. And now suppose that by failing to stand for the national anthem, just once, you automatically became branded as

"traitor" since traitors often fail to show ritualistic respect for their country.

In applying such labels, any complexity or gray area of your individuality is ignored. The nuanced reality of the situation surrounding any supposed transgressions is ignored. You have a new identity, courtesy of identity politics. You are now identified on the basis of a grouping, on the basis of a label, without regard for whether you actually even belong in that group or fit that label!

The rise of what we call "political correctness" over recent decades has inspired quite a backlash, and deservedly so. By playing identity politics, PC has helped direct the evolution of social consciousness such that many people refrain not only from speaking their minds, but from speaking what they know to be true. It is easier to just play along and not rock the boat, for fear that saying anything un-PC might be offensive to someone, somewhere, for some reason.

What being PC tells us is that one should hide his bad thoughts, feelings, and biases. Be dishonest for the sake of appearance. Go out of your way to favor an individual not on individual merit or personal preference or shared values, but on the basis of that individual's membership in a group identified as disadvantaged. If you should somehow *not* favor an individual that belongs to one of these groups, admit that the reason(s) probably have to do with the fact that you are racist, sexist, homophobic, etc. It's absurd.

Enter the "alt-right"

The alt-right has risen to combat the political-Left's identity politics, but by what means does it often wage that war? By playing its own form of identity politics, and breeding its own forms of political correctness! It's fighting the Left by playing the Left's game. Many may object to this characterization, and say the alt-right thrives on political *incorrectness*. But that's the whole point: to be politically incorrect, even if simply for the sake of being so, is a

requirement if you want membership in the alt-right collective.

What that means is you go along with the party line of taking a politically incorrect stance always and everywhere, even if reason and truth and common decency threaten to take you elsewhere. And going along with the party line when it does not comport with reality is exactly what political correctness is.

The identity politics of the Left is a form of collectivism, where any individual can be deemed a member of an oppressor-group or of a victim-group by virtue of sharing traits common to that group. This is the exact opposite of individualism and libertarianism. The goal of identity politics is not to see individuals as such, as unique beings, but to see them primarily in their group context and to then value and classify them accordingly. But haven't some on the Right started doing virtually the same thing?

Colin Kaepernick made a decision to not stand for the national anthem prior to the football games in which he played. To many of us, this was an individual's action that we did not approve of, because it introduced an undesired element of disorder into our expectation of an NFL game, and seemed to be neither the time nor place for political protest. It may have offended our patriotic sensibilities. But we didn't bother to view his protest as *our* battle to fight. Hey, let's play ball. How is what one guy does for thirty seconds, before the game even starts, somehow going to "ruin" the game?

Of course for those viewing Kaepernick's protest from the Left, to be politically correct one had to support his actions. Likewise, for those viewing Kaepernick's protest through the lens of a Right-identified perspective, to be politically correct one had to *condemn* his actions. (Identity politics requires that you *must* take sides.) His actions were automatically placed by some into a larger narrative, either Left-leaning or Right-leaning, that rested on group identification for its thrust. By his refusing to

stand for the anthem, he identified himself as a character in a story, as either one of "us" (the righteous protesters who fight for social justice) or as one of "them" (the politically correct, complaining, self-righteous protesters and players of identity politics).

If you simply shrugged your shoulders and said, "whatever, let's play ball" then you were not taking the correct stand that a member of either the Leftist collective or the competing Right-leaning collective is expected to make (if you are going to actively support "Your Collective" by being politically correct, or are going to actively oppose the political correctness of the "Other Collective").

Many of us are content to let the market take care of these things. We have our opinions, but see no need to project them into the public sphere as political statements, such that we ourselves become characters in the story. It is apparent that through his protests, Kaepernick helped turn himself into a liability in the view of some NFL front offices, and so his actions perhaps carried a cost that the market imposed. He is not currently playing.

All's well that ends well. Except it didn't end; a handful of other NFL players decided to protest in a similar manner. Not being strongly identified with political collectivism on either the Left or Right, I frankly hadn't noticed, because I watch football to watch football, not to watch who does or does not protest before the game. Hearing the national anthem is honestly not the reason I tune in to football games. Football is.

Here I am, admitting that I do not always pay attention to our national anthem when played before a game. And if the song was not performed so close to kickoff, I frankly would *never* watch it. For me, the game starts at kickoff, and the game has absolutely nothing to do with patriotism. Does the fact that I don't make a point of observing that anthem before every game mean that I am disrespecting the flag, or that I am

unpatriotic? I don't think so. (In my personal opinion, a song about war and battle is not even the suitable choice for an anthem; I would prefer a song about amber waves of grain and shining seas, a song about the actual *nation* rather than about the guns and bombs that helped create its political independence.)

Now, if I am actually attending a game, of course I stand for the anthem. Is that because I feel deeply patriotic at that moment? Perhaps. Or perhaps it is because I am simply a conformist, and I stand because (almost) everyone else stands, and it feels better to stand than to not stand. I have no reason not to stand. Most humans will conform to the social norms around them without even thinking about the origins of those norms. Things go smoother when we *all* conform. Conflicts are avoided. We can focus on what's important: football.

Enter Trump

So what compelled Donald Trump to speak out regarding the ability of these players to protest without consequence? Other than perhaps his own failings in the football business, we must suppose it to be an illustration of the "new" political correctness of the Right. You see, just as the Left-collectivists cannot generally let any opportunity to complain pass them by, we now have Right-collectivists that look everywhere for opportunities to complain. Opportunities to divide, and force people to take sides.

Those on the Left have for decades decided that *their* hierarchy of values was most valid. Now the Right, having taking heavy losses as social norms on gender and sexuality have evolved, seems to be fighting back against the left by playing on the *terms* of the Left: identity politics and political collectivism. But aside from satisfying egos, does beating the other side at their own miserable game really count as victory?

The goal of identity politics, practiced from either the Right or the Left, is not to solve problems. The goal is to divide people, to more sharply define competing collectives. Wherever things are basically running smoothly (as in the NFL), the goal is to find the slightest problem and blow it out of proportion so that things *stop* running smoothly. Donald Trump has become a master of practicing Leftist identity politics from the Right. Injecting his presidential opinion into how NFL owners deal with protesting players is perhaps the clearest evidence of that yet.

Identifying with a collective is ironically a primary feature of being a football lover, where fans can become "fanatics" about their teams and even resort to violence as a result of taking that identification too seriously. Frankly, I think people should not take their identification with ideology, political party, nationality or religion any more seriously than they take being identified with a sports team. Relax, and pay attention to your family and friends, and be of service in ways that you are passionate about. Being passionate about beating the other collective, and "winning" at any cost, is unfortunately the kind of passion that has cost a few hundred million lives in the past century alone. Football may be violent, but its toll is substantially lower.

As a Pats fan, I am not so passionate as to avoid appearing disloyal, and to venture a guess that the Steelers will beat the Vikings in this season's Superbowl. Go ahead, call me a traitor...and I will laugh in your general direction.

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ABOUT THAT INK! COFFEE SHOP THAT YOU HAVE ALREADY FORGOTTEN ABOUT,

ARTICLE BY NICK WEBER

In late November 2017, social media went on fire and protests ensued as area residents expressed their frustration and discontent with a coffee shop that had placed, stupid as it was, a pro-gentrification sign in front of their business. As quickly as the flair up started, it has fizzled away from the media blitz that included coverage from news outlets as far away as the UK publication The Guardian. Many at the protests decried the sign, which stated, "Happily Gentrifying the Neighborhood Since 2014," as disgraceful and disrespectful to the local residents and businesses.

The outrage over the sign quickly steamrolled into a more general conversation about gentrification and its relationship to changing neighborhood dynamics and a community lost. One protest organizer told the crowd that "...he and other community members from across Denver will be forming a coalition to 'make sure we are putting a curb to gentrification within our entire city,' and emphasized that 'the question now is how this business and others — citizens and lawmakers — will respond to continued concern regarding increasingly inaccessible Denver neighborhoods.'" There is no question of the inflated nature of the Denver housing and rental market. If there was ever a good example of a market that is ripe for a reset, it is Denver's housing market.

Some of the protesters have broached the subject of rent control and have called for the city to add additional affordable housing units in the neighborhoods surrounding the coffee shop, among other areas of Denver as well. But, if we are to be concerned with affordable housing, we must be wary of the reality of any attempts at rent control. Let's start with a mental exercise: take a statement

and replace “I” with government. Rent control is: a) I get to determine what my neighbor’s property is worth, or b) government gets to determine what my neighbor’s property is worth. If you don’t agree with with the “I” statement, why would it be acceptable for government to do the same? Most would agree with the former and not the latter.

Taking a deeper dive into the concept of rent control, economist Robert P. Murphy has noted that, *“The most obvious problem is that rent control immediately leads to a shortage of apartments, meaning that there are potential tenants who would love to move into a new place at the going (rent-controlled) rate, but they can’t find any vacancies. At a lower rental price, more tenants will try to rent apartment units, and at a higher rental price, landlords will try to rent out more apartment units. These two claims are specific instances of the law of demand and law of supply, respectively.”* Continuing on with regards to the long-term viability of rent controlled neighborhoods, *“In the long run, a permanent policy of rent control restricts the construction of new apartment buildings, because potential investors realize that their revenues on such projects will be artificially capped.”* Other types of investments might be more attractive to developers which, in turn, leads to housing shortages, a problem rent control sought to alleviate in the first place.

Another negative aspect of rent control is that there is a decreased incentive for the owner to upkeep the building when there is an oversupply of potential renters. The incentive to work hard to keep tenants happy is removed. There is no motivation to *“install lights, cameras, buzz-in gates, a guard, or other (costly) measures to protect his customers,”* as Murphy points out. Finally, there is no incentive to work with a tenant who has fallen behind on rent payments due to the backlog of potential tenants who are ready to move in. Using government to keep things artificially low is one and the same coin as using government to keep things artificially

high. That is, for instance, using government to upgrade roads and add sidewalks, etc., will thereby incentivize construction in an area that otherwise would not have been developed. This represents an undue influence on letting the market determine where improvements should occur.

I used to rent a cheap studio apartment in the Uptown area, just East of Downtown Denver. I can’t imagine what that place is renting out for now-a-days. It had a really nice view of another apartment building five feet away; my window looked out onto a brick wall. The building is still there and I’m sure someone is easily paying twice as much as what I paid for rent. One thing I can tell you is that there is no way I would pay to live there now, given the current rental climate. My early housing options were a continual effort of finding the cheapest place I could live. I slept on a mattress on the floor, mainly because it was easier to move every year. What’s the point of this mea-culpa? I lived a very transitory lifestyle for a number of years, but I am sympathetic to those who have lived in a place their whole lives and who may have been the victims of nefarious schemes to get them out of their house. If you own it, there should be no governmental coercive mechanism in place to remove you from it. By the same token, if an investor buys a property there should be no mechanism in place to force them to do anything against their wishes.

It bears emphasizing that there has been a concerted effort at shaping the downtown and surrounding neighborhoods of Denver for many years and there appears to be a mental block, in that so many seem to be eager to invoke government to solve a problem that government helped create in the first place. The areas abutting and including the location of the Ink! Coffee shop (Five Points and Whittier neighborhoods) certainly have an African American history, but as with most things history, there are multiple factors at play. It wasn’t as if one day

gentrification took over and everyone was expelled from the community via the wicked hand of a single business. Decline and flight from these neighborhoods had been occurring outside of and well before any concerted gentrification efforts for a multitude of reasons and there is a sordid history of racism in the Five Points/Whittier neighborhoods that is undeniable. As summed up by the city's own [Library Resources website](#): *"Ironically, the slow, bitter end to the segregation of Denver's neighborhoods forever altered Five Points as the seat of the city's African American community. With the opportunity to acquire homes in other neighborhoods, most notably the immediately adjacent precincts of Park Hill, residents began to move. And with that movement, the populations of Five Points and Whittier went into precipitous decline. In 1959, the population of Five Points was 32,000; by 1974, it had declined to 8,700. Similarly, Whittier's population was more than halved between 1950 and 1990, declining from 9,160 to 4,350 people."*

Inherently, those kind of numbers translate into a lot of vacant properties, which, in turn, translate into lower rent prices and lower property values across the board. It is very possible that this neighborhood would be seen as a viable location for development given its proximity to downtown outside of any concerted governmental attempts at development, especially given the ever filling up number of downtown housing units. It's far less capital intensive to build a four story rental property than a high rise building downtown and with an ever-increasing Denver population it would seem to be a good fit. Surely, there are a number of reasons that people have moved to Denver; many fleeing from overt taxes and overly regulated jurisdictions in other parts of the country. But, recently, there are reports that people are moving to other areas in the U.S. because Denver is too costly and over-regulated. What is the common theme?

Too much government interference. Of course, government is always for the good of the people, right?

Using the 1990's as a jumping off point, let's revisit one of the government interventions into the redevelopment of the neighborhoods surrounding Ink! Coffee: the opening of the Central Line Light Rail in 1994. Funded in much the same way as all the recent seven part, \$937 million, massive bond packages were passed, that is, with a continuation of an existing tax structure, so the politicians can say, look see - we didn't raise taxes on you! The desire to promote growth in the areas adjacent to downtown has been a long time in the works. The stated goals of the RTD (Regional Transportation District) light rail projects were to reduce traffic, increase commuting options and to use the RTD stations as magnets for development. Former RTD general manager Cal Marsella summed it up: *"If we expect to grow intelligently, we know we have to make the right investments, and that's what really motivated this program. This is a business investment this community is making to position ourselves for the future so people can get to work, get to school, get to events."* You see, it's for the good of the people! (Sound familiar?) It's also determining how and where investment will occur, completely outside of any business risk-reward pattern due to its reliance on public funding.

Let's stop for a brief bit of history, for we have had street rail services tied up with development in Denver before. Some of the oldest neighborhoods in Denver were served by a combination of cable cars and electric rail cars. Most notably Elyria (North-East of Five Points), City Park (adjacent to Five Points), and Berkeley/Highlands (two recent residential hot-spots North-West of downtown) and University Park (near present day Denver University). Three companies originally ran a number of streetcar surface rails and over several years of government negotiation, backroom dealings, franchise

litigation (one company held an exclusive horse railroad franchise, another classic government intervention benefitting one company over another) and good old fashioned competition; the three companies wound up generally as one Denver Tramway System. The public/private nature of the Tramway System ultimately did it in for a multitude of reasons including perpetual arguments over fixed fares and legal battles over franchise contracts with the city. With years of neglected infrastructure and an inability to increase fares, the pre-existing rail system fell into disrepair and ultimately folded.

Certainly, that is a quick summary, but the point is master planning and transportation oriented development is nothing new in Denver, specifically in the neighborhoods that surround the Ink! Coffee shop. For more on this topic, check out the book [Riding Denver's Rails: A Mile High Streetcar History](#). The heart of the system revolved around the former stockyards, trainyards and downtown Denver and included a few spurs out to what we would call suburbs of their time. No doubt a somewhat of a chicken versus egg argument: were the early rail lines put in to provide a needed service, or generate development in certain areas of town? It seems more of the latter as land speculators not served by existing railways believed that they needed to add their own street railway service to get better value from their real estate. No problems there, right? A private company building a rail line sounds great, but this created problems due to the franchise agreements that were already in place with the city. What if there were no government sponsored interferences relating to franchise agreements, how would that have affected development in Denver? Pull up an old map of the routes and note the similarity to where the current central light rail line goes now. It was a good idea in the past, then a bad idea, and now, believe it or

not, it's a good idea again. What will it be next?

Continuing on, let's get out a map of Denver and chart out the following current government interventions in the areas directly in the shadow of downtown, which include the National Western Stock Show Redevelopment, Brighton Boulevard redevelopment, RINO (River North) redevelopment, Central I-70 reconstruction, City Park Golf Course renovation, Colfax Corridor upgrades, 17th Avenue Corridor upgrades, Union Station RTD redevelopment, Civic Center Park RTD redevelopment, former Stapleton airport redevelopment. Hell, even go back to the 1980's 16th Street Mall upgrade (also set for a new "upgrade"), the LODO (Lower Downtown) redevelopment and the addition of Coors Field. Add all that up and you have some serious economic intervention into the development of every area surrounding the Five Points/Whittier neighborhoods.

Similar instances like this can be seen in countless cities across the country. As business see the opportunity, they seek to capitalize since there is not as much risk with all the incentives offered via economic development packages and the physical infrastructure improvements occurring in the neighborhood. If there is no undue intervention, it is possible that investors would not necessarily seek to develop in some areas were it not for an incentivized process. That being said, undoubtedly, amidst all the redevelopment dollars floating around, there have been some outrageous insider dealings to "encourage" developers to invest, zoning favors pulled, friendly building department review boards, concessions made and individual property rights have been trampled upon. With the insane amount of money floating around, the little guys will be ignored. This should make it patently clear why ceding power will ultimately come back to haunt you. You have no recourse. Sure, go ahead and vote the

current Mayor out of office, government will roll on.

The anger directed as Ink! Coffee is real. The sign became the catalyst. There are many that have been left out at the hand of government induced development. But how many in Five Points/Whittier have ever voted to decrease, limit, or discourage the power that government wields? The message seems to be to blame Ink! Coffee, a 2,000 square foot storefront and a very small player in the greater gentrification debate. The anger is real. By all means protest in front their business, create a social media buzz, bring to light strong arm tactics used on unsuspecting home owners, band together and voice your opinion. But don't give more power to government by invoking rent control or demanding community centers be built. Don't fall into the "it's okay to spend tax money so long as it is something that I am happy with," mentality that so often occurs in politics from the national on down to the local level. Why not blame the Colorado Rockies? Why not blame RTD? Why not blame government? Why not blame voters who continually vote to give more power to government? Why not blame the taxes that fund these redevelopment efforts?

It's much easier to mock someone who proclaims "Taxation is Theft," because that guy is a whacko. You can't have it both ways, you can't vote every damn election to accede more power and tacit authority to government to regulate business, take care of the poor, advocate for "economic development," provide transportation, keep us safe from terrorism, educate our masses and any other of the multitude of "services" the government provides and then expect them to limit themselves?? This is a vicious cycle, start anywhere: ask government for help, neighborhood improves, rent costs rise, ask government to control rent prices, investors flee with profits arbitrarily capped,

neighborhood declines, ask government for help, and on and on.

And what happens when the tax base dries up? Think back to the housing crash in 2008; not one year before, Denver voters passed a massive bond package that relied upon a booming housing sector. Who do you think footed the bill when property taxes tanked, did government decrease spending? Did government adjust? You certainly had to. The problem isn't what government should do, the problem is government. How easily we forget...and history repeats itself.

Interview with Karry Lynn Dayton

[Karry is a philosopher and author living in California who has a new book out. We wanted to ask him some questions. ~Mike, FRV]

FRV: Karry, hope you're doing well. Nice to have you back. I have yet to receive it in the mail, but you have a new book out on Amazon.com, *The Augg*. Tell me about this work? Is this a departure from your other, more philosophical nonfiction works?

KLD: It is my first full length novel, not my first fiction, but definitely my first attempt, and boy do I mean attempt, in.to a lengthy consistent character driven story. Although it is technically a departure, it really isn't. The story is about the inventor of the first commercially acceptable version of augmented reality. It takes place twenty years or so after its invention to the point that everyone is in this new reality: The Augg. It follows the inventor through how reality is changed by the nature of this new invention and includes a section that specifically talks about Voluntaryism and the nature of the individual, moreover; why it's imperative that individuals be allowed to work out the nature of reality themselves. Think about how such an instrument of augmented reality will be used by the State.

FRV: You authored *The Constitution for a Fifth Grader*, which I regret to share that I've still only skimmed over it.

[interview continued below]

**REVIEW OF MAKING ECONOMIC SENSE,
MURRAY ROTHBARD (CHAPTER 3 & 4),
BY AMELIA MORRIS**

Chapter 3

In chapter three, Discussing The “Issues,” Rothbard pokes fun at the utter circus that is the election. “Depending on your temperament, a presidential election year is a time for either depression or amusement.” I love this statement because it holds absolute truth for most of the country. Especially in recent times, it’s rare to come across someone who takes this whole mess seriously. While others spent the election crying, for voluntaryists it is no surprise that the State would produce a character such as Donald Trump. Libertarians have long taught that the bad rise to the top in the State. (See: Hayek, *Road to Serfdom*)

I would consider myself to be among the crowd that is more amused by the ridiculous promises and hilarious smear-campaign commercials. Like most people, I try to ignore it all and tell myself that politicians are just shiny props for the unseen, ten-headed monster that is the federal government. But there’s always a hint of worry at how much power these people hold when I hear them discussing what are, to them, “the issues.” No one can deny that the media is our main source for what is supposedly the truth. They control what we hear and see daily, and it’s constantly changing. I hope I’m wrong, but I think I’m a smart enough person to know that what we’re told is either entirely false, or just a minute fraction of the truth.

It’s easier to throw your hands up and say, “I’m done with it,” than try to scope out everything that we’re not being told when it comes to things like tax plans, the housing market, the job market, recession, and most importantly, the general state of the economy. These are tightly intertwined, and our standard of living depends on them, which is

what makes being lied to so incredibly infuriating.

We could ponder why the government might have every incentive to report economic health, being that we’re told without them things would be much worse (inequality, recession; the things we have now *with* them).

True to form with most people in their twenties, I was happy to lie to myself and think that whatever happened with the government, it wouldn’t affect me, personally. Eventually, inevitably, the state of the economy becomes part of life for any self-sufficient adult, and can no longer be ignored. Being able to find work, rent an apartment or buy a house, and procure food are very real needs.

Other important (and frightening) issues like socialism and collectivism are rarely, if ever, discussed in the media. God forbid we look at our own brainwashed minds when there are things like transgendered bathrooms to focus on. As someone who has never trusted the government or its pet, the media, and especially after being introduced to Rothbard, I can solidly say that putting power back in the hands of average people will open the country up to unspoken truths and its full potential for prosperity through the free market.

Chapter 4

Same as the media uses wordplay to tiptoe around important issues, when it comes to tax and budget, the government uses wordplay to disguise cuts and increases. Even just the word cut is incredibly misleading. While an income tax cut would mean less money stolen from your paycheck, Social Security tax and inflation would rise. The same is true for government budget cuts. They would make it available to the public that they were cutting their budget in one spot, but it would just rise in another. Right now, the U.S. Government is debating a

supposed “tax reform” bill, which of course doesn’t declare taxation an impermissible theft, but is but to throw a bone to the people so they will believe real change is occurring.

I feel like I need to include, because of the irony, that the government budget problem was supposed to have been solved by the year 1984. Of course, that never happened. Not to mention that with every cut, there will eventually be an increase, and we will, quite literally, pay for it in the long run. We are told that increases are not really increases but rather closing loopholes.

Rothbard includes some wisdom from Ludwig Von Mises here: *“The very concept of “loopholes” implies that the government rightly owns all of the money you earn, and that it becomes necessary to correct the slipup of the government’s not having gotten its hands on that money long since.”* If that alone isn’t enough to fill someone with hatred for the thieving Feds, then I don’t know what is. You would have to live under a rock to not see that the government has way too much money, and we never know exactly where it’s all going. They get away with it, too, because we’re told it’s for the good of everyone.

However, militia, roads, schooling - these are all things that could be easily provided by the free market. Without the taxpayer, bureaucrats would have no means of their extravagant lifestyles, and would have to find a place in the private sector. We all know that politicians make cheats and liars out of themselves when it comes to creative economic semantics. It’s no big secret. Most of the population is either fine with it or too confused to know where to begin with taking them down. I hope for the latter.

[Series to be continued in next issue]

[Interview Continued]

..It looks to me like it was heavily inspired by Lysander Spooner’s *The Constitution of No Authority*, which concludes that the document is simply illegitimate for some basic reasons: (1) no contract is living and binding; (2) no living persons signed the document; (3) the people are operating in a contractual void with this document; etc. Not to mention, it has totally failed to limit government, as Spooner had pointed out. What are the mistakes you pointed out in this book and the corrections or conclusions? To me it would seem the faulty view held by most who maintain an affectionate view the constitution (constitutionalists) is to see it as a noble attempt to restrain the growth of government, rather than an attempt to expand it beyond the too-restrictive Articles which preceded it. Is this your view? This is Hamiltonianism today, right?

KLD: I actually attempt to give people who know nothing about Spooner or the Constitution a place to start and you are right, it’s heavily, like the atomic weight of Californium, heavily influenced by Spooner’s unbelievable short work. I try to keep much of the very serious implications of voluntarism out of the underlying text because in human to human interactions when you say to someone, very simply, “You are not property” they wave you away like it’s obvious, but when you corner them on taxation they cannot even measure the distance between their two opposing mindsets.

So for mistakes in CFG about the Constitution, I start with the inclusion of the 13th amendment. Not because I’m for slavery (after all slavery is anti-voluntary) but because it was a mindset change in the US social construct, where the so-called non-living limited document suddenly became a document where individuals were to be measured by the same expectations that were supposed to limit the government.

Hamiltonianism, I completely agree. Hamilton said in numerous Federalist papers that he expected it to be self limiting. It’s telling that he did not write about the Whiskey Rebellion (1791 to 94) nor about the Alien and Sedition act of 1798. It shows that either he was lying about his expectations of self limiting governance or he was oblivious to the violations that such early congressional laws really implied.

More likely, he was now a full fledged politician working on his own political ambitions and we poor peasants were just that; poor and peasants.

FRV: That's roughly my view of things. You've always struck me as quite knowledgeable in some basic starting points of philosophy, epistemology and metaphysics. Can you explain the significance in all this and how it underlies what follows from it? I've always been a believer of back to the basics. Are the fundamentals of philosophy where we need to continue to do our work? I believe you (as well as Murray Rothbard) would identify as an Aristotelian. Do we need to resurrect these old philosophers?

KLD: When I set out to write CFG I wanted to write an 80-page pocket 'diary'. A simple text on the underlying meaning of moral truths and natural rights of self-determination. But I chewed up way too much and couldn't cut any of it without losing the meaning. So, I wrote *Unification* which walks through, specifically the part of philosophy that I consider the most important. That would be Epistemology, which I consider not only the study of how we learn, but the process of learning itself. I consider that most people never really ask themselves how and to what extent their method of thinking has been created without their input and how we blindly accept other people's value of definition, even when those definitions require us to give up something that we created for ourselves. I consider myself an Aristotelian-Objectivist, in that I honor Aristotle's Logic, his core ideas of individual knowledge, and his basic construction of metaphysical reality. I say objectivist because Ayn Rand and Leonard Peikoff, for me anyway, fixed everything that was wrong or missing in Aristotle's basic metaphysics and his ethics.

I don't want to suggest that we should resurrect any old philosophers, even the Greeks who did more for individualism than any other time in human history. Simply because I fear that by 'resurrection' people will idolize them and thus, lose the point of even looking into them in the first place. But if you mean 'we' as in philosophers and thinkers, by all means. I can't say it enough: read everything. Devour it all, even if it gives you indigestion to do so. Even if you think it makes you sick to death. Nietzsche said it best: that which does not kill us makes us stronger.

FRV: What do you mean when you say, "the State misrepresents itself confusing the epistemology of men?"

KLD: The State - and for clarity when I say State I do not mean simply a Government, like the US federal government, but I'm talking about any agency of democratic process - uses core definitions to determine reality for us. It says, for example, that we vote them into power to do things we want them to do, thus implying that the definition of their job is *service* to the communities they come from. This is not only not true, but is clearly a misrepresentation of the meaning of *service*. But if asked they truly accept the original meaning of *service* and expect, because they themselves do not know the real definition, that nothing is amiss with their method of applying *service*. Anyone that has actually dealt with an agent in the DMV calling themselves customer service can guess at what I mean.

What makes it worse is that we individuals who look odd at them and say, "Well, that's not what service means!" are told to accept that $2+2=5$, in perfect Orwellian construction. In point of fact, it is Orwell that suggests that the State misrepresents any human endeavour for an epistemology. Winston Smith in 1984 says to his beloved that he will never betray her, but he does. The reason is that Smith has never, not once, even in by that point, really understood the value of love and loyalty. Smith thinks love is a real thing, unbreakable, and when it is broken, like all emotionalisms, he is finally beaten, because his one measure of reality is now destroyed. If he were an actual individual then even fear would be seen for what it really is and Winston, more like Valentine Michael Smith would disincorporate with a smile.

FRV: I also can't stand how they refer to us as customers, much less that what they provide (or, force us to buy) is a service. These types of things, such as calling taxation "revenue," are how we fail to distinguish between voluntary and coercive. I see you constantly refer to the self in your writing. A first principle in libertarianism is self-ownership. You obviously, and rightly, hold the individual highly and reject the idea of a "society" that has authority over another. Is this what you discuss in your book *The Unification of Self & Liberty*? Which book is this for you numerically?

KLD: There is no such thing called society. Society is a structure to indicate a group of individuals. It's merely a definition of something that contains real things. Epistemologically this is difficult to first see and unfortunately I've never been able

to think of a good analog to show how this works apart from suggesting that the word society was not created by a thing called society, but was invented by a single person. This person thought that such a word was required when discussing something with someone else and like all language, its point is purely for communication between individuals. Any other magical implications are simply hogwash. This does not belittle the value of words, it just puts the ownership back in the hands of the people both saying and listening to the words. Instead of transcribing it into a stone tablet and hoisting over one's head as a universal truth.

Unification is my third work of philosophy. The purpose of *Unification of Self & Liberty* is to shed light on the idea that the individual supersedes any concept of State. In *The Augg* one of my characters puts it succinctly: No man is smaller than the government he creates.

I say in *Unification* that the person themselves is what a Right actually is.

FRV: I believe the subtitle to the aforementioned book was "*Second Amendment Time to Shelve It.*" Don't you think this fixation on "ideal government," legislative documents, etc., is quite scary? This helps to create the idea that the right to own the means of self-defense isn't natural, but government granted. What do you think it would take to convince all these conservative-types to move over to genuine freedom, i.e., libertarianism?

KLD: Yes, it is terrifying actually. I don't think it's fixable. Let me try to clear that up. I am not saying that it is not fixable. I'm suggesting that human experience does not require an individual to look to deeply into their own make-up and thus, question their own methods of determining reality. Because this is not required, it's doubtful that we'll get a John Locke or a Thomas Jefferson in the foreseeable future. Could you imagine Jefferson writing the Declaration of Independence today? Even if somehow Jefferson was similar to the mental makeup of his real person and not integrated into the social construct of our education system, the words of this new *Declaration* would be empty, toothless.

Sadly I think we're headed for rebellion which will degrade into civil war. Not the kind of gray coats vs. bluecoats type either, but the kind we saw in Kosovo. The kind where neighbors form

death squads and kill anyone that disagrees with them.

Let's face it, for all of the politicians claiming that the United States is unified nation, no one really seems to like anyone else anymore. There will be pockets of real humans left in small towns I'm sure. But we have Korea to be our enemy, now that Iraq is fizzled out and the Afghan 'conflict' is probably purely in the hands of the CIA by now. So civil unrest might be put aside by another 'surprise' attack.

FRV: Shamefully, what it means to be an "American" is no longer to hold government and power with great suspicion, but in fact to do the complete opposite and pimp themselves out as whores for the State, wearing "thin blue line" patches, flying their flag, and a never-ending admiration for military service, etcetera.

KLD: I can't say that any better. It's an absolute truth. I'm nearly fifty and it's always been that way as far as I know. People put an ideology above their neighbors. Ideologies do not have values or morals or an ethics, people are needed for those things. Yet it is the bowing to a symbol of the ideology that matters to most people. I've heard their arguments about dedication and commitment in the case of soldiers, but there is nothing that says I can't be honorable to his idea of commitment and his actions, but to say that somehow his commitment is the same notion of the State is an implied impossibility. Taking a knee for example is to them spitting in the eye of soldiers (even if you ignore the fact it's really about police brutality) but that's not even possible to make that suggestion with anyone's Ethics but Hegel's, and I mean anyone. Only Hegel suggested that collective identity creates reality. So it makes little sense for an individual to even care about constructed value systems unless, by the act of a contract they work together for the time that is necessary. That is why it is even possible for there to be two different sides in this issue. It is funny, because both sides are really making the same kind of argument, the details are merely semantics.

FRV: Any thoughts on the culture wars (e.g. Antifa, the alt-Right)? I think it's mostly an annoying distraction from our enemy the State. It has brought some interesting shifts in the so-called "liberty movement," namely for libertarians to expand beyond the perhaps

simplistic view of the individual and economics to understand culture, whether for better or worse. Thoughts?

KLD: In my new book at one point the character Dmtr1 says:

“There are only two political ideologies. Two. Not fifty. Not a hundred. Not an infinite number imposed by the individual trying to enforce his view on the collective. There are two. One of which is a singularity. A self-defining point. An axiom. One view that cannot have a singular outer influence. This axiom can never have the word “but” imposed on it. The other political view is a nebulous undefinable quagmire and like all things where everyone’s pen is dipped and allowed to scribble itself over it, it grows black, not bright, but darker with every incursion, until there is no clean page left. This other view is the darkness of men. It is their damned, if god were to exist, sin. These two views are Voluntaryism and Communism.”

From my perspective, if it ain’t individualism - the right of an individual to live their own life and deal with people how they see fit - then it’s communism. All of it. And since all of their views require that they have power to make other people agree with their outcome, then all of their views will always lead to war, enemies, anger, hatred, and a lifetime absent of self reflection. It’s moments like that I wish there could be a God, to know that most people will never really know themselves and then simply die, it’s disheartening.

FRV: I would agree. We might be accused of being simplistic here, or black and white, but it’s necessarily voluntary or it isn’t. I wanted to ask you.. The libertarian conception of rights is that they’re *negative*, i.e., there is no positive obligation to act for another, but that rights necessarily entail a freedom more coercion or invasion. It would seem to me the increasing idea of positive rights will mean social decline. Could you help us simplify and define the nature of rights and comment on the dangers of misconceptions of our rights?

KLD: The problem begins when we allow someone else to use language as a tool to control us, that is, we believe that they can set up an idea from whole cloth. This idea they then communicate to others and these others agree or disagree with the idea. If it’s agreement then by the concept of agreement the object itself becomes a real thing, even though it’s just words.

If it’s disagreement then both sides folly over finding compromise. In the end both sides assume that a construction of words, written down are magical entities that make absolute truths. This is made worse, because agencies of violence, such a government’s, gain by this power of immoral force, the authority to create the definitions of the language we use during our negotiations. Thus, when people talk of ‘Rights’ they normally aren’t really talking about what a Right actually is, because they’ve made an assumption on the prescribed definition and all the negotiations that have occurred to obscure the original ownership of the word ‘Right’. For me, it’s very simple: People are not property. Thus only the individual owns the self and has exclusive ‘Right’ to use the body how the individual wishes. In Unification I call this “The Constitution of the Self” and use this notion to imply that this self contract, because that is what it is, supersedes any other contract that can exist with other people or groups of people. If two individuals sign a contract and one then signs a different contract that violates the first, he’s in the wrong and owes something for wronging the original contract holder. Therefore by this same social logic, my contact with myself, by individual self Constitutional construction of an Ethical monument I cannot violate myself and that natural contract I have with my own work, energy, and time.

Most still subscribe to the idea of shared opinions of reality and ownership. The socialism of their underlying epistemology is still present, thus for them, a ‘right’ is an object outside of the self that other people magically have the ability to define for other people. Alexander Hamilton had that one correct in the Federalist Papers when he dissented against a ‘Bill of Rights’, implying that by including such an instrument it would indicate the limit of any rights.

FRV: I tend to think that ethics precedes economics. The ethical argument, I think, is more foundational of libertarianism, whereas some appear to think our defense rests upon economic utilitarianism or “efficiency,” that is, to think a better economic outcome would justify an invasion of property rights. For an example, you will see people defending the “price gouger” on the basis that raising prices will help ration scarce supplies as well as call forth new ones and thus lower the price, which I believe to be true. But it seems much more fundamental to me that we argue *ethics*: the guy selling his rightfully owned

water bottles doesn't have to sell them *at all*, much less at a given price, because they are his. Do you have anything to say on where ethics and economic converge or complement each other?

KLD: To me Ethics is my measure of how I deal with what I know. This of course covers physical reality, but it also subsumes moral responsibilities. In your example of selling water bottles, first, I completely agree, but society of course can't. Because they have confused morality with things like not letting people starve. Say it to yourself like this and feel how it grates against an underlying principle that you hold about 'charity': *Morality is letting people starve*. That doesn't sound correct does it? It can't of course, because we do not create or own our morality. Other people have deposited their views on us since our births. We can't, not even me, claim ownership over our morality. So when society sees a man "gouge" someone that is thirsty, it strikes against their version of the golden rule and leaves them flat, hurt and confused by such behavior. Since they can't get past that base moral value, they probably would have a very hard time seeing how morality is made from a logical ethical truth, whatever that Ethical truth may be. In my case it is: self-ownership and ownership over the means of production. Doesn't Von Mises talk about this in his book *Socialism*, when he's discussing the division of labor?

FRV: What are your prospects for liberty? I'm sort of long-run optimist, short-run pessimist. This rigged economy (thanks to the Federal Reserve and the Federal government) has to go bust, as economic theory informs us. Doubtful the Phd economists who run these schemes would ever own up to their inevitable failure and unworkability. Not to be a doomsayer, but we're at the somewhat-average ten-year mark since the Great Recession. The world we live in is not on the sustainable foundation of liberty, but one founded on the gimmicks and ponzi schemes ran by states and their cronies. Not only is the whole production structure distorted, but the people's minds as well. Any thoughts on how this all might unfold? There will surely be social effects, and probably social unrest when the pump runs out.

KLD: I want the best, but I'm what would be considered a pessimist. I've briefly explained already, but I forgot to mention an important historical note.

If this country disintegrates and other nation states agree that the disintegration is occurring, then the 'great experiment' will never return. It should not be forgotten that the U.S. is the only country to date to use nuclear weapons. The rest of the world knows this too. The rest of the world knows we have thousands and to avoid the petty squabbles of petty tin-pot dictators rising from the ashes of the U.S. phoenix and lighting the world on fire as they do, one of our illustrious enemies will seize the opportunity in the name of 'world safety' to invade, occupy and irreversibly change forever anything that even looked like individualism. So, of course, while we squabble with ourselves, others are probably conspiring.

FRV: That all definitely seems likely. There also appears to be little cohesion among the people in their thoughts, and without an insistence on liberty, who knows what social collapse could bring us. It almost seems as if the lack of hope can leave the libertarian to fall into nihilism.

I think this is certainly dangerous. Any comments on nihilism?

KLD: I'm not a nihilist, although I think Nietzsche is the bee's knees. Even with historical doomsday looming, I'm not a nihilist. Even with the fact that government continues to limit my every step, movement, thought, deed, action, income... I am not a nihilist. If I can survive myself, I'm pretty sure most people can.

I wish that I could say that nihilism is a cop out, but it takes effort to really, honestly turn against everything. Think how hard it must be to throw out the self with that bathwater?

FRV: Any comments on "Commiefornia," where you reside?

KLD: Yes, one. Never, ever, ever move here. I think the tectonic plate that California sits on is moving it closer to hades every day. California has no understanding of charity. No sense of giving. It has confused the definition of theft with the definition of charity.

Thank you for this interview. I hope only that I wasn't boring and that you got as much out of this as I did.

VACATING THE STATE: FREE MARKET ALTERNATIVES TO DOMESTIC VIOLENCE POLICY, ESSAY BY PATRICK MACFARLANE

I. INTRODUCTION

From a young age, we are taught that monopolies produce situations in which consumers, laborers, and competing businesses are easily and unfairly exploited. From there, the traditional logic goes, the state must step in to prevent predatory business practices. Ironically, according to [1] the accepted Public Goods Theory, we are also to believe that essential infrastructure like public utilities, roads, and policing, must themselves be both collectivized and monopolized by the state, because of their importance in facilitating a civilized society. Bolstered by the Public Goods [2] Theory, the state enforces its monopoly on essential services through the legitimized use of coercive violence, resulting in a product that, despite the political process, is neither responsive [3] nor accountable to the public. While the state's monopoly of critical infrastructure produces problems that pervade throughout society, the realm of domestic violence policy (and policing in general) is especially rife with unintended consequences caused by the state's immunity to market forces.

For most of American history, the state has not only been complicit in the commission of domestic violence, but has patently and effectively legitimized it. In response, the battered [4] women's movement emerged as a private, grassroots response, providing resources to women [5] who could not count on the state for relief. Over time, the battered women's movement began to affect public policy by influencing the state apparatus, creating mandatory policies and [6] state-funded social resources for abuse victims despite the fact that many battered women's [7] advocates remained skeptical of state involvement, seeing the state as a traditional enforcer of "the patriarchy." [8]

By analysing the state's shortcomings within the field of domestic violence, and policing in general, this paper will ultimately assert that the anti-domestic violence movement was incorrect to look to the state for solutions to a complex and delicate societal issue. Accordingly, Section II will document the relationship between the battered women's movement, the private sector, and the state. Just as the battered women's movement emerged as a non-state, grassroots cause, Section III will assert that the movement should once again

look beyond the purview of the state. It will do so by identifying why the state, from an economic perspective, is utterly incapable of effectively solving social issues like domestic violence. Section IV will offer successful, existing private alternatives, and theorize the scalability of these models. In concluding, Section V will suggest a course of action and briefly warn against the danger of further state involvement.

II. THE STATE, THE PRIVATE SECTOR, AND BATTERED WOMEN'S ADVOCATES

Although as a reflection of contemporary sentiment, the state is historically complacent in the commission of domestic violence. "At the time of [the United States'] founding, wife-beating was approved as integrally connected to a system in which wives ceased to exist as independent legal entities upon marriage. Because husbands could be held responsible for their wives' conduct, it was believed that they had the right to control their wives' behavior, through physical violence if necessary." [9] Indeed, as recently as the 1970's "wife beating was considered a private matter between husband and wife in which the state should not intrude. . . . Police officers were trained to separate spouses at the scene of a domestic incident and, if necessary, to tell the husband to 'cool off' by 'taking a walk around the block.'" [10]

Throughout this time, domestic incidents were deemed "low priority," where police either responded hours late, or not at all. Because of the state's monopoly on "essential services" like law and policing, victims of domestic violence were often left without legal recourse. [10] The state's unwillingness, or inability, to effectively respond to situations of domestic violence is evidenced by the fact that it was the private sector itself, unburdened by the "popular will," that first began to address the issue. This phenomenon began in 1885 with the Chicago "court watch" program facilitated with help from the Women's Club of Chicago. [11] Associate Professor Emily J. Sack of Roger Williams University School of Law recounts the private impetus behind the emergence of the Battered Women's Movement, and its reluctant pursuance of state involvement: [t]he early battered women's advocacy movement was a grassroots effort to provide services and shelter to domestic violence

victims, independent of state involvement (emphasis added). Given battered women's experience with the justice system, it was obvious that the state was not the source of help for domestic violence victims. Moreover, as a theoretical matter, many advocates viewed the state as an enforcer of a patriarchal system, with an interest in maintaining the status quo of male dominance over women. The state's condonation of male violence against women exemplified this interest. However, many battered women's advocates realized the need to effect systemic change, and focused not only on assistance to individual women, but also on revamping the laws and policies that ignored domestic violence as an issue for the public justice system.

In order for the public's attitude toward domestic violence to change, the state's traditional role in tolerating domestic violence had to be attacked. These advocates pushed for the direction of state resources to battered women, such as the funding of battered women's shelters and community-based victim advocacy groups. Battered women's advocates also worked to change laws and policies to increase access for domestic violence victims to civil protection orders against their abusers. In addition, they advocated for increased enforcement of criminal law, including aggressive police involvement and prosecution in domestic violence cases. [12] Through the late twentieth century and into the twenty-first, an uneasy alliance developed between the state and battered women's advocates. "[t]he tension lay in whether the battered women's movement could partner with the state without being co-opted by it." [13] In tandem with these aggressive state policies, our textbook lists three other factors that constitute "the revolution" in domestic violence policing. They include: 1) the development of legal, health, and social service resources, both private and publicly funded, and 2) the proliferation of awareness and knowledge. However, both the Buzawa text and Associate [14] Professor Sack note that criminalization and arrests constitute "the heart of public reforms," which have rested "heavily on reforming criminal justice and legal intervention with offenders and victims."

From this point, it is evident from the text that social service agencies and individual rehabilitation efforts have taken a backseat to criminalization. [15] Despite this trend toward criminalization, Professor Leigh Goodmark notes that there is "no reliable social science data ties the drop in the rates of intimate partner violence to criminalization . . . [or to the] Violence Against Women Act." Moreover,

Professor Sack is [16] critical of the ultimate effectiveness of these aggressive policies, stating that in some ways they have "revictimized" victims of intimate partner violence. She notes that mandatory arrest and prosecution take autonomy away from victims by aggravating violence against them, subjecting racial minority perpetrators to a racist judicial system, or initiating the deportation of immigrant abusers. To battered women's advocates, these are all important and valid concerns, especially [17] in light of their ultimate goal: "the impact of these policies on the safety and autonomy of battered women." [18]

In light of legitimate concerns presented by Professor Sack and other battered women's advocates, the movement has reached an interesting crossroads: while some battered women's advocates may distrust government intervention in domestic violence issues, none would want to return to the period when abuse was perceived as only a private family matter in which the state should not intrude. Therefore, the solutions they propose reflect the ambivalence of not wanting to rely on government intervention and yet not wanting the government to abandon battered women. [19] From this crossroads, a split emerges in the movement. One group favors a continuance of aggressive, mandatory policies, while the other opposes them. Despite this split, both groups favor "increased state services for battered women, including greater access to shelters, economic assistance, and employment opportunities." [20] While admitting that mandatory policies have their flaws, Professor Sack argues that a return to discretionary policies would regress the movement to the mid-1970s, when state actors saw intimate partner violence as a private matter in which the state should not interfere. She [21] continues: [r]ather than abandoning mandatory criminal justice policies that even their critics recognize have several benefits, we should address directly the problems with the implementation of these policies, and examine the laws and policies that create consequences for arrest and prosecution with which we disagree. [22]

Complicating these efforts (which Professor Sack details as consisting of state-centric reforms, research, and community outreach) are competing political influences such as men's rights [23] activists, "conservative 'feminists,'" and resistance from within the criminal justice community itself. [24] In light of 1) the severe political resistance that anti-domestic violence advocates face, 2) growing concern for mass incarceration in the United States,

and 3) lingering doubts concerning the effectiveness of mandatory policies (not to mention the regressive threat of repealing said policies), the remainder of this paper will argue that anti-domestic violence advocates, and indeed society in general, is fatally incorrect in appealing to the state as a real solution to the problem of domestic violence.

III. THE STATE'S ANTIQUATED BUSINESS MODEL

What is the state? Why, despite the political process, is the state unable to adapt to the diverse minutiae of both individual and public demand? According to German sociologist Franz Oppenheimer, the state is "the organization of the political means." He further articulates: "*There are two fundamentally opposed means whereby man, requiring sustenance, is impelled to obtain the necessary means for satisfying his desires. These are work and robbery, one's own labor and the forcible appropriation of the labor of others . . . I propose in the following discussion to call one's own labor and the equivalent exchange of one's own labor for the labor of others, the 'economic means' for the satisfaction of need while the unrequited appropriation of the labor of other will be called the 'political means' . . . The State is the organization of the 'political means.'*" [25] Because the state does not obtain its resources through the process of voluntary exchange, its very existence is not beholden to the demands of those it purports to serve. If victims of domestic assault are dissatisfied with the service that the agents of the state provide, the state will continue to be funded through compulsory taxation, thus immunizing itself against the wrath of [26] unbridled market forces.

Moreover, without the price discovery process unique to the private sector, there is no means by which the state may accurately calculate where to efficiently allocate resources: The preeminence of the capitalist system consists in the fact that it is the only system of social cooperation and division of labor which makes it possible to apply a method of reckoning and computation in planning new projects and appraising the usefulness of the operation of those plants, farms, and workshops already working. The impracticability of all schemes of socialism and central planning is to be seen in the impossibility of any kind of economic calculation under conditions in which there is no private ownership of the means of production and consequently no market prices for these factors . . . In the capitalist system all designing and planning is based on the market prices. Without them all the

projects and blueprints of the engineers would be a mere academic pastime. They would demonstrate what could be done and how. But they would not be in a position to determine whether the realization of a certain project would really increase material well-being or whether it would not, by withdrawing scarce factors of production from other lines, jeopardize the satisfaction of more urgent needs, that is, of needs considered more urgent by the consumers. The guide of economic planning is the market price. [27]

The state, in lacking the ability to accurately allocate resources, will never be able to serve its customers as efficiently as the private sector. To suppress this reality, the state will simply outlaw competition, or use its coercive regulatory power to either patently, or effectively, relegate responsibility to a private monopoly, often excluding said monopoly from traditional legal liability. [28] Furthermore, within its legal monopoly, the state also claims the power to arbitrate disputes, to which the state itself is a party. Often, whether for practical reasons or otherwise, it [29] precludes itself from personal liability to those it fails to protect. For example, in *Town of Castle Rock v. Gonzales*, the Supreme Court concluded that: [30] [R]espondent did not, for purposes of the Due Process Clause, have a property interest in police enforcement of the restraining order against her husband . . . This result reflects our continuing reluctance to treat the Fourteenth Amendment as 'a font of tort law,' but it does not mean that states are powerless to provide victims with personally enforceable remedies. [31] In this case, the Castle Rock Police Department failed to enforce a permanent restraining order, resulting in the abduction and eventual deaths of three young girls, ages ten, nine, and seven, at the hands of their estranged father. The incident occurred after their mother, suspecting their abduction, phoned police at 19:30 20:30, 22:10, and 00:10. Throughout the phone calls, she was informed that there was nothing the police could do about the restraining order. They simply advised her to wait and see if her estranged husband brought the girls back. At 20:30, the estranged husband called, indicating to the respondent that he had taken the girls to a theme park in Denver. Respondent immediately called the police department and requested they check the theme park for his vehicle and put out an "all points bulletin." They refused to do either. Fed up with the lack of response, at 00:50 she drove to the police station and filed an incident report. "The officer who took the report 'made no reasonable effort to

enforce the TRO or locate the three children. Instead, he went to dinner." At 03:20, the estranged husband arrived at the police station with a 9mm handgun and effectively committed suicide by discharging it at armed police officers. In the cab of his truck, police "found the bodies of all three daughters, whom he had already murdered." [32]

In the interest of protecting federalism and state sovereignty, the Supreme Court made the proper decision by excluding liability under the Fourteenth Amendment, thus leaving the door open for states to create "a system by which police departments are generally held financially accountable for crimes that better policing might have prevented." However, from the [33] perspective of a victim of domestic violence, this result may be unsatisfying, as many states have not done so, or have done so only in a narrow sense. [34]

Even though some states have recognized or provided common law and statutory relief that "afford[s] a cause of action for police failure to enforce restraining orders," the case law articulates a general rule that governmental liability requires the undertaking of a special duty. [35] This general doctrine is clearly delineated in *Warren v. District of Columbia*, where the court [36] dismissed a series of complaints related to inadequate policing: The Court, however, does not agree that defendants owed a specific legal duty to plaintiffs with respect to the allegations made in the amended complaint for the reason that the District of Columbia appears to follow the well-established rule that official police personnel and the government employing them are not generally liable to victims of criminal acts for failure to provide adequate police protection . . . This uniformly accepted rule rests upon the fundamental principle that *a government and its agents are under no general duty to provide public services, such as police protection, to any particular individual citizen . . .* At any given time, publicly furnished police protection may accrue to the personal benefit of individual citizens, but at all times the needs and interests of the community at large predominate. Private resources and needs have little direct effect upon the nature of police services provided to the public. Accordingly, courts have without exception concluded that when a municipality or other governmental entity undertakes to furnish police services, it assumes a duty only to the public at large and not to individual members of the community. [37]

Assuming the state's legitimacy, it absolutely makes sense why government actors are excluded from liability for failing to provide adequate police

protection, absent a special duty. The state, by its very nature, is unable to accurately allocate resources and is not beholden to market signals, resulting in individual consumers that are often unsatisfied with the service they receive. If a duty to protect individuals was imposed upon police and governmental actors, absent a special relationship, the courts would not only be inundated with a deluge of claims, but would have to pay out these claims with taxpayer funds, which are obtained coercively from the public.

To this point, Section III has illustrated how the state is: 1) immunized against market forces, 2) unable to accurately allocate resources, and 3) for various reasons, shielded from legal liability. These shortcomings stem from the state's fundamental moral failing: that the state delegates to itself, its actors, its private-sector friends, and its dependents, rights that either don't exist, or are that are not possessed by all private individuals. To illustrate this point, the reader will refer to Ginsberg's dissent from *Castle Rock v. Gonzalez*: Surely, if respondent had contracted with a private security firm to provide her and her daughters with protection from her husband, it would be apparent that she possessed a property interest in such a contract. Respondent's claim of entitlement to this promised service is no less legitimate than the other claims our cases have upheld, and no less concrete than a hypothetical agreement with a private firm. [38] While dicta, this quotation underscores the fact that the public sector, its agents, and (in certain situations) friendly private-sector elements, are often subject to a different standard than everyone else.

Moreover, the state is the only organization in society that has the ability to define and allocate such power. In *Castle Rock*, the police undertook a duty to enforce the respondent's restraining order. In this instance, a contract that would otherwise have imposed a private security firm with the duty to protect the respondent is unenforceable within the purview of the state.

The Supreme Court effectively permitted the City of *Castle Rock* to be excluded from liability for its own failure to recognize such a duty. The bright-line rule in *Warren* bodes even worse, not only for victims of domestic assault, but for every American who calls the police for protection. Although it is logical, from a public policy standpoint, not to impose unlimited liability upon traditional government police, the state's model leaves individual victims of police misconduct largely without legal recourse. This policy

unburdens police officers from the strict liability that would otherwise punish negligent or dangerous private security firms who contracted with individuals for protection. Even when the state's actors do follow through with the criminal legal service they have monopolized, the nature of the service has caused massive societal problems, because it is driven by political and not individual demand. For instance, the criminalization of domestic violence has been critiqued on a number of fronts: it is ineffective, it focuses disproportionately on people of color and low income people, it ignores the larger structural issues that drive intimate partner violence, it robs people subjected to abuse of autonomy and it ignores the pressing economic and social needs of people subjected to abuse. [39]

In addition to the above stated negative consequences, "scholars have argued that the turn to criminal law to address domestic violence has contributed to the phenomenon of mass incarceration." Generally speaking, criminalization, the state's primary response to not just domestic violence policing, but policing in general, has been called "a 'remarkable' failure, 'perhaps the [40] greatest in American history.'" [41] Since 1980, the incarceration rate in the United States has increased exponentially. Levels of incarceration have increased by five times during the life of the anti-domestic violence movement. The United States incarcerates approximately 2.2 million people, with another 5 million under the scrutiny of parole and probation officers. While the criminalization of domestic violence may not have been the primary cause of the increase in mass incarceration in the United States, scholars have argued that the turn to criminal law to address domestic violence has contributed to the phenomenon of mass incarceration. [42] This exponential increase in the prison population is an abomination to any nation that proclaims itself to be "The Land of the Free."

Professor Goodmark continues to question the effectiveness of criminalization in reducing or deterring instances of domestic violence, especially in spite of its negative consequences, concluding that, as above stated, there is: [n]o reliable social science data ties the drop in the rates of intimate partner violence to criminalization or to the increased funding and criminal legal system activity spurred by the Violence Against Women Act. [43] However, decriminalization seems to be an unsatisfying answer, given the fact that intimate partner violence is a victim-based crime more

deserving of police attention than non-violent drug offences. Setting aside the inconclusive deterring effect that traditional, state-centric "solutions" have had on intimate partner violence, prosecution is, by its very nature, reactionary and not preventative. The criminal process may only take place after a family member has been beaten and after children have been exposed to violence. In order to effectively *prevent* violent crime, victim advocates should themselves use the profit motive to create private, preventative business models in a way that makes the state obsolete.

IV. PRIVATE ALTERNATIVES

In Section III, this paper attempted to illustrate the state's fundamental shortcomings as a provider of essential services, specifically in policing domestic violence. Section IV will demonstrate how and why, within the purview of domestic violence, a market-driven security force is preferable to a state-centric model. In contrast to the state's model of domestic violence policing, private, voluntary models do not receive their funding from civil asset forfeiture, federal grants, or coercive taxation. Because private entities do not have a guaranteed source of income, they must satisfy the demands of their consumers. If a private security agency failed to protect their individual consumers, they could go out of business or lose business to a competitor.

Within the state's monopoly, if the police perform poorly, victims are oftentimes simply out of luck. Moreover, because of guaranteed funding, the police have little incentive to tailor [44] their policies to individual demand, save perhaps significant political will or public outcry. Even if enough political will manifested to enact targeted, popular reforms, without the profit motive, the state would be unable to tailor its policy to individual demand, or accurately participate in the price discovery process. [45] Accordingly, a private security firm could, and has, outpaced the police within the purview of domestic violence policing. For example, since 1995, the Victory Program at the Detroit Threat Management Center, staffed by volunteers, has protected over one thousand victims of domestic violence and stalking, free of charge. In tandem with protecting at-risk [46] individuals, Detroit Threat Management Center's Victory program offers additional services that the police usually do not have the resources to provide like, monitoring parenting exchanges, providing "bug-out" relocations for abuse victims, performing court and school escorts, and even providing

kidnap recovery services. Since its inception in 1995, "no individual or family has ever been injured [or] killed after coming to Detroit Threat Management Center for help." [47] Because the Detroit Threat Management Center is a 100 percent for-profit enterprise that does not receive any taxpayer funding, government grants, or subsidies, the profit motive requires them to tailor their services to the individual demands of their customers. Moreover, if [48] a customer is not satisfied with the services Detroit Threat Management provides, there is no one forcing a business or philanthropic relationship. Customers are free to seek security services elsewhere. [49]

By providing security for landlords and non-violent threat management consulting, the Threat Management Center generates enough profit to facilitate altruistic, community resources like self defense training, neighborhood patrols, and bodyguard services for vulnerable individuals and families. Their altruistic nature, aside from fulfilling their employees, has the added benefit of producing good PR credibility for the company. By analyzing feedback provided by the price mechanism and the profit motive, they are able to accurately delineate which policies are profitable from those that are not in a way that government agencies are incapable of doing by their very nature. [50] Guided by the profit motive, which allows business owners to quickly judge whether their efforts are creating real value, Detroit Threat Management has identified the state's reactionary model of policing as ineffective and unproductive.

Commander Dale Brown, the founder of the Detroit Threat Management Center explains the success of his alternative business model, which focuses on prevention and not prosecution: I created a sustainable system. I trained people as bodyguards to create excellence in managing human threats through nonviolent approaches. And as a result it turns out that wealthy people get wealthier when there's less death, carnage, lawsuits, injuries, and incarcerations on their property. This means that they like my peaceful approach, because it means more prosperity for them. But my focal point was community family safety, not allowing violent criminals to attack families. So it's a win for everyone, and it's sustainable because it's profitable . . . people need to know that there is prosperity with preventive protection as a model for managing human threats . . . When I came to Detroit I found out that the law enforcement community was bent on one thing, and that's prosecution. No matter how much I

pleaded with them to protect the population, they just weren't interested as a group, African Americans as well as Caucasian officers. It was across the board. The preoccupation was in predatory policing with the idea that we need to incarcerate people by any means necessary, setting up police stings, selling drugs, anything to do to create conditions for crime and then hold the people accountable to go to prison for those crimes that were preventable. And that's what I do. I prevent violent criminal activities. My staff is focused on public safety through non-violence by creating conditions where violence cannot occur, because predators cannot prey upon the families and the businesses. And it's profitable for everyone and positive . . . I created prosperous outcomes over and over again without losses, without injuries, without deaths, no killings of unarmed people, of innocents. And we have been attacked. We started seeing, you know, in the most ultra-violent situations, and I learned through these extremely violent conditions better ways outcomes, and all I can tell you is it was also because I had to. I'm accountable. I have no qualified immunity. That means if I put my hands on someone it has to be legal. There has to be a way for me to explain this as a civilian. And as a result, we've had no court cases in twenty years, no lawsuits in twenty years. [51]

In addition to providing security and community services, Threat Management Center has partnered with several philanthropic organizations to provide victims with the counseling resources that they need. These organizations include: "Safe Horizon," "Turning Point," "Interim House of the Metropolitan Detroit YWCA," and "Haven." [52] Despite the great resources that these philanthropic organizations provide, many of the [53] same economic principles that prevent the state from adapting to market demand still apply to nonprofits and public social services. This is because so of them receive state assistance through the form of special tax exemptions, subsidies, and legal privileges that shield them from pure market forces and the profit motive. With more innovative business plans, there is no reason to believe that other, private businesses are incapable of stepping in to replace non-profits and [54] state-based social services. To achieve this, the state must lower the barrier of entry for new businesses. Once it is easier to start a business, domestic violence advocates must step up to the plate and innovate with similar philanthropic, private enterprises. Eventually a competing web of private businesses should be able to step in to replace state-based services.

VI. CONCLUSION, AND A WARNING

The anti-domestic violence movement was birthed as a grassroots, non-state social undertaking because many of its original advocates saw the state as protecting and legitimizing domestic violence. Since then, the movement has attempted to use the state to influence public policy. This marriage has proven to be troublesome, because the state, by its very nature, is incapable of adapting to individual demand. As a result, mandatory policies and aggressive criminalization has further undermined victim autonomy and contributed to mass incarceration without definitively affecting the volume of intimate partner violence.

If past performance is to be indicative of future results, the anti-domestic violence movement should abandon the state as the primary means for expanding victim autonomy and preventing instances of intimate partner violence. While victims now have some recourse, if forward progress is to be maintained, the movement must begin to think outside the purview of the state and seed private enterprise with competing business models. In response, the state must lower the barrier of entry for these business to take root and stay out of their way. It is of the utmost importance that the state not grant these businesses subsidies or extra legal protections, lest they become despotic, corrupted by political influences, or simply another wing of the state itself.

Just as the anti-domestic violence movement emerged as a positive, grassroots effort, it must remain so by condemning state involvement. Indeed, when the government supercharges “private” industry with artificial demand, legal privileges, and subsidies, the results are disturbing. For instance, to deal with mass incarceration, the Justice Department created demand for “private” prisons. These Frankenstein inversions of free market enterprise have been rightfully lambasted in the media for their deplorable treatment of prisoners. [55]

It is difficult to predict precisely how the free market would solve social problems. However, this reality is merely illustrative of the fact that individual demand may only be met through what Adam Smith described as the invisible hand of the marketplace. Operating outside of the voluntary marketplace, the state exercises immoral, coercive violence to secure its funding and its legal monopolies, thus insulating itself from the wrath of consumer demand on the free market. If anti-domestic violence advocates continue to ally

themselves with the state, they will never be able to tailor policy to the individual demand of the victims for whom they advocate.

[1] Despite the fact that most private monopolies emerge because of state assistance. See HANS-HERMANN HOPPE, *THE ECONOMICS AND ETHICS OF PRIVATE PROPERTY* 4 (2nd ed. 2006); 2 *Id.* at 4 n.3; 3 MURRAY ROTHBARD, *FOR A NEW LIBERTY* 58 (1973); 4 Emily J. Sack, *Battered Women and the State: The Struggle for the Future of Domestic Violence Policy*, 2004 *Wis. L. Rev.* 1657, 1662-6 (2004); 5 *Id.* at 1675 (“*In addition, the Violence Against Women Act, passed in 1994 . . . offered the promise of substantial funding . . . for victim advocacy organizations, which traditionally had been run without state financial support or control.*”); 6 Now termed “the anti-domestic violence movement.” This paper will use these terms interchangeably; 7 *Id.* at 1666-75.; 8 *Id.* at 1675-77; 9 *Id.* at 1661-2; 10 *Id.* at 1661-1665; 11 EVE S. BUZAWA, CARL G. BUZAWA, & EVAN D. STARK, *RESPONDING TO DOMESTIC VIOLENCE* 2 (Laura Kirkhuff et al. eds., 5th ed. 2017); 12 Sack, *supra* note 3, at 1666.; 13 *Id.* at 1676.; 14 Buzawa, et al., *supra* note 9, at 1-2.; 15 *Id.* at 2. See also Leigh Goodmark, *Should Domestic Violence Be Decriminalized?*, 40 *Harv. J.L. & Gender* 53, 55 (Winter, 2017).; 16 Goodmark, *supra* note 14, at 55-6.; 17 Sack, *supra* note 3, at 1678-80.; 18 *Id.* at 1679.; 19 *Id.* at 1687-8.; 20 *Id.* at 1688.; 21 *Id.* at 1688-9. 22 *Id.* at 1697.; 23 *Id.* at 1722-1738.; 24 *Id.* at 1697-1721.; 25 MURRAY ROTHBARD, *ANATOMY OF THE STATE* 15 (2009) (citing FRANZ OPPENHEIMER, *THE STATE* 24-27 (1926)); 26 On the other hand, a business that generates revenue through voluntary exchange will lose the customers that it fails to serve.; 27 LUDWIG VON MISES, *BUREAUCRACY* 18-9 (1972).; 28 As in the case of public utilities.; 29 Outside of the current paradigm, this would be flagrant conflict of interest. This issue is not solved through “separation of powers” or federalism; See Hans-Hermann Hoppe, *The Paradox of Imperialism*, *The Mises Institute: Mises Daily Articles* (June 4, 2013), <https://mises.org/library/paradox-imperialism>. (“Conventionally, the state is defined as an agency with two unique characteristics. First, it is a compulsory territorial monopolist of ultimate decision-making (jurisdiction). That is, it is the ultimate arbiter in every case of conflict, including conflicts involving itself. Second, the state is a territorial monopolist of taxation. That is, it is an agency that unilaterally fixes the price citizens must pay for its provision of law and order. Predictably, if one can only appeal to the state for justice, justice will be perverted in favor of the state. Instead of resolving conflict, a monopolist of ultimate decision-making will provoke conflict in order to settle it to his own advantage. Worse, while the quality of justice will fall under monopolistic auspices, its price will rise. Motivated like everyone else by self-interest but equipped with the power to tax, the state agents’ goal is always the same: to maximize income and minimize productive effort.”); see also MURRAY ROTHBARD, *FOR A NEW LIBERTY* 59-60, (1973) (citing JOHN C. CALHOUN, *A DISQUISITION ON GOVERNMENT* 25-7 (1953) (discussing the futility of “separation of powers.”)); 30 *Town of Castle Rock v. Gonzales*, 545 U.S. 748 (2005).; 31 *Id.* at 768.; 32 *Id.* at 666-7.; 33 *Id.* at 768-9.; 34 *Id.* at 769 n.15. 35 *Id.*; 36 *Warren v. District of Columbia*, 444 A.2d 1 (D.C. App.)

(1981). 37 *Id.* at 11.; 38 *Castle Rock*, *supra* note 29, at 791 (Ginsburg, J., dissenting).; 39 *Goodmark*, *supra* note 14, at 58.; 40 *Id.* at 56.; 41 *Is.* at 69.; 42 *Goodmark*, *supra* note 14, at 56.; 43 *Goodmark*, *supra* note 14.; 44 See generally *Castle Rock*, *supra* note 29; see also *Warren* *supra* note 35.; 45 As discussed above.; 46 *Victory Program*, *Threat Management Centers*, <http://www.Threatmanagementcenter.com/vctryprg.htm>; 47 *Id.*; 48 Charitable giving, while not as precise as profit mechanism, are still a reliable indicator of good business practices. Private charities are usually careful to allocate donated funds towards a good use. In contrast, the public sector oftentimes equates failure with a lack of funding.; 49 This merely underscores the need for additional private security firms. Through market forces, these firms must compete with each other for clients. Skeptics may imagine a chaotic situation, where security firms physically battle for clients, but it is best to keep in mind that violence opens the door for legal consequences and represents a pure loss of revenue. Violence is bad for business, and private firms do not have the benefit of large tax bases to guarantee funding.; 50 *Mises*, *supra* note 26.; 51 *Ep. 597 Can the Private Sector Protect Against Crime? This Case Study Will Blow Your Mind, THE TOM WOOD SHOW* (Feb. 19, 2016) (<http://tomwoods.com/597>).; 52 *Collaborative Organizations*, *Threat Management Centers*, <http://www.Threatmanagementcenter.com/afftorgs.htm>.; 53 There is nothing wrong with completely non-state charity, but it most likely cannot, by itself, shoulder the entirety of demand.; 54 Nonprofits are unable to increase their productivity as efficiently as for-profit businesses. Lacking the profit-loss motives, nonprofits cannot participate in an accurate price discovery process. Additionally purely private enterprises use profit to invest in capital which, in turn, increases productivity. Furthermore, without an accurate price discovery process, a nonprofit is incapable of knowing where to invest capital.; 55 See *Brittany Hunter*, *Don't Confuse "Private" Prisons with Free Market Prisons*, *The Mises Institute: Mises Wire* (Aug. 29, 2016), <https://mises.org/blog/dont-confuse-private-prisons-free-market-prisons>. It is nearly impossible to predict exactly how private security firms, such as *Detroit Threat Management* would deal with the question of incarceration. Most victims of violent crime merely wish to be made whole. For now, the *Detroit Threat Management* is based on a preventative business model, which means protecting victims from abusers by making the abuse impossible. That being said, libertarian legal theorists have outlined how entire voluntary, non-state legal systems would work. Many have questioned if prisons would be made obsolete through a better business model. If prisons would exist, theorists like *Robert Murphy* have suggested that their purpose would be to secure restitution and could be funded through competing insurance firms. However, these theories are beyond the scope of this paper. For more information, See generally *BRUCE L. BENON, THE ENTERPRISE OF LAW: JUSTICE WITHOUT THE STATE* (1990); *BRUCE L. BENON, TO SERVE AND PROTECT* (1998); *DAVID. D. FRIEDMAN, THE MACHINERY OF FREEDOM* (3RD ED. 2003); *ROBERT MURPHY, CHAOS THEORY* (2002).]

**THE ECONOMY ISN'T DEMAND-DRIVEN
AND AUTOMATION IS NOTHING TO FEAR,**
THOUGHTS BY NOAH LEED

"If (un)employment were the key driving force of economic growth then it would have made a lot of sense to eradicate unemployment as soon as possible by generating all sorts of employment."
~ *Frank Shostak*

What we see is that economic growth itself helps in generating all sorts of unemployment, and then reemployment. There is no doubt that technological advances (tractors, for example) helped put people out of work, by allowing for the use of only a single man-hour of labor where it formerly took ten or perhaps a hundred man-hours to achieve the same output.

But technological advances also require the production of more and better capital goods, which obviously creates *new jobs*—better jobs. Why better? Because the productivity gains of increased output with fewer man-hours means more wealth creation per job in these new jobs.

Cutting the amount of labor required means the ability to generate far more output at the same cost. That allows a producer to lower prices, which in turn enables more consumers to purchase that output and have more money left for other purchases, raising their living standards (a fact sometimes referred to as "good deflation").

Greater real wealth creation allows for rising real wages, which allows for more demand and consumption, which allows for more wealth creation and more job creation. The increase in demand is a by-product of the increased productive output, *not the other way around*.

Can one really keep lowering his prices, keep increasing output, keep hiring more workers, *and* also give them raises even as he lowers his prices (and gets rich doing it)? Ask Henry Ford.

ECONOMICS URGENTLY NEEDED:: THE INTRODUCTION OF *HUMAN ACTION*

by Mike Morris

Prior to considerable elaboration by what would come to be known as the Austrian school,¹ economics had not quite yet been considered a specialized discipline. For the longest time it was referred to as *political economy*, originating from a more general moral philosophy. Economics, if anything, was more of a sub-branch of this moral philosophy, having little to say on its own.

While predecessors helped to ultimately lead to what is known as *economics* today (e.g. the classical economists), their work had shortcomings, and a full body of knowledge had not yet totally come into being. Market phenomena wasn't thought to be a study which could stand on its own, with laws or inner workings that could explain things.

In short, economics is involving conscious actors using scarce means that have alternate uses in the pursuit of subjectively valued ends. Ludwig von Mises narrows down the subject matter, making it clear that the point of concern for economics is the *actions* of the *humans* involved: choices, costs, alternatives, preferences, values, ends and means, buying and selling, etc. The human element cannot be removed, as arguably economists as John Maynard Keynes have done, as humans, i.e., *conscious and purposeful actors*, and not rocks, are the subject of study.

¹ This wasn't always known as the Austrian school, as, for instance, Murray Rothbard in his 1962 treatise *Man, Economy, and State* didn't repeatedly use the term, but believed he was simply elaborating upon positive economic laws. However, we might trace the school's origin with Carl Menger, who led the late 19th century Marginal Revolution by restoring economics on its proper path, refuting the objective theory of value of the classical economists and replacing it with a subjective, or, marginal utility theory of value; to his student, Eugen Bohm-Bawerk, who did work on capital theory, interest, and expanded clearly upon Menger, as well being one of Karl Marx's major late 19th century critics; up to Ludwig von Mises into the turn of the century, who incorporated money into general price theory, wrote very early on the cause of business cycles, and refuted socialism for its inability to calculate; and culminating with Murray N. Rothbard, who went on to expand upon Mises's treatise in his own massive *Man, Economy, and State*, among other prolific works.

Philosophers over the centuries had done much work in ethics, and advancements in the physical sciences had occurred, but they hadn't narrowed down a study of economics that deals with the actions of human individuals who aim at ends or goals, using scarce means to fulfill them. The classical economist's acceptance of the *labor theory of value*,² which was adopted by Karl Marx much to the detriment of everything that followed in communist theory,³ had perhaps restrained them in expanding upon market phenomena.

There remained insufficiencies in the study. How could one properly explain prices, wages, or diminishing satisfaction upon increased consumption, and therefore the law of demand, and so forth, without the marginal concept of utility and other additional economic concepts? More work was needed.

While they might be said to have been lacking in ways, however, what they [the classical] built helped us reach where we made it today.⁴

² The *labor theory* suggests that the value of something is "intrinsic" or related to the amount of energy (costs, labor) invested into its production. But value cannot be determined apart from *individual assessment*, and labor for laboring's sake (say, to make mudpies) does not guarantee it will satisfy anyone's utility. Value is subjective in the minds of individuals. It is perhaps for this reason too that Mises sees we're dealing with conscious human actors that we cannot use the methodology of the physical sciences (i.e., to treat men as stones that don't act) in economics.

³ While other factors matter (time, etc.), one of these detriments is to lead the follower of this reasoning to believe that there exists exploitation in the employer-employee relationship of labor for wages, since the labor theory would have them believe the spread in their wages-paid (in present) and the price-made for a good (in the future) constitutes them being ripped off, rather than to see that value is imputed *backward* from the consumer good to the capital goods instead of the other way around.

⁴ Though in Rothbard's view, however, classical economists like Adam Smith had led economics off-course, ignoring their predecessor's subjective theory of value (of the Scholastic tradition throughout Europe centuries before Smith, in Spain, Italy, France), in which it took the Austrians to correct.

"The transformation of thought which the classical economists had initiated was brought to its consummation only by modern subjectivist economics, which converted the theory of general market prices into a general theory of human choice." (p. 3)

Mises thus sees economics as a distinct discipline on its own. It isn't just means of explaining prices; economics must be a logical system of the full implications of *human action*. "Economics opened to human science a domain previously inaccessible and never thought of." (p. 1) There were things that could be said about human action which could be, beginning with axioms, logically described in sequence for what must follow. That is, the theory, or law, of demand could be traced back to the formal fact that man acts. Thus the title of Mises's *magnum opus* is fitting. This—*Human Action*—is the starting point, so to speak, of economic reasoning.

Even today, unfortunately, economics isn't considered a genuine, specialized discipline. It is something more of a collection of ideas, not yet integrated into a meaningful and systematic whole. There are no laws or principles, but only theories which are subject to being disproved at any time by new empirical data. Rather than building theory logically, data is thought to be necessary in informing theory. There are no *aprioristic* truths, such as that "man may not have his cake and eat it too," a proposition which need not be investigated to be proven true. Economics must imitate the physical sciences where all inquiry is assumed to be an empirical matter, rather than to logically think such ideas through (i.e., deduce them). While economics *may* have something to say, there aren't *laws*; only a collection of theories that may or may not be true, or which await confirmation.

Social democrats are therefore able to dismiss economic science all together, as have the Marxists who believe it to be a "bourgeois concept," or the Keynesians who have called it a "dismal science" as if to make it seem boring and uninteresting, while convoluting everything themselves. They're able to enact a law, which must be backed by violence, to decide later on if it works or not, whereas a science of economics could lend them this knowledge *beforehand*, say, that wage controls cannot work to produce the said effect of raising wages.

This is all to continue in their ignorance that they can plan the world and that to design a society is only limited by having the right people in power, not due to real forces which would make it unworkable. They are comfortable in believing this, and any economist who demonstrates their limitations is just an annoyance to be ignored.

Economic truths, then, have come to be seen as cold, and therefore not heeded at our own peril. The socialist idea *is* dreaming beyond the constraints of economic law to promise an essential utopia. It pains them to hear that government doesn't have a magic prosperity generator, but indeed must harm the process of wealth creation should they try to legislate such a future. They ignored any economic reasoning because "they did not search for the laws of social cooperation because they thought that man could organize society as he pleased." (p. 2) Society and prosperity could be designed, they believe.

F. A. Hayek, a disciple of Mises counting among the early 20th century Austrians, carrying Mises's own theories on to receive the Nobel Prize in economics in 1974,⁵ stated pertinently that "the curious task of economics is to demonstrate to men how little they really know about what they imagine they can design." (*The Fatal Conceit* 1988) Still today, the socialists see nothing in their path except getting the right men in power and passing the right legislative acts. It only requires enough activism, or picketing, and so forth, they suppose, until enough people will believe socialism into workability. We're just one more regulation away from eradicating poverty, I suppose.

For them there is no body of economic knowledge that could explain *why* they couldn't achieve their promises of higher wages, more wealth, and free access to everything for everyone. There is no such cause-effect relationship between, say, an increase in the supply of money (inflation) and a subsequent decrease in its purchasing power (by raising prices), or of enacting a law that says "you must pay all employees \$X if you hire them" and unemployment. These are to be ignored as fictitious roadblocks in the path to central planning.

So rather, they turn away from the real solution that a libertarian—capitalist—social order can offer, where free markets can deliver all the things we need, perhaps because preconceived notions and

⁵ There is speculation that the Nobel committee did not want to acknowledge Mises's massive contributions to economics, and so gave this to Hayek after Mises's death (though perhaps if the economics prize had been established before others, he would have won it early on). Moreover, surely Murray N. Rothbard, a most voluminous writer in the Austrian tradition, who knew virtually the entire history of economic thought, will never receive such a posthumous award for his too-radical conclusion in political philosophy of stateless.

internal bias has kept them from discovering anything that challenges what they deeply wish to keep believing.

ENTER ECONOMICS

This importance of keeping good ideas alive is partly the entirety of the tone of Mises's introduction, in which he wishes to invigorate the study and call forth a new generation inspired by its ideas to take up the task, perhaps after the Keynesian Revolution had swept most of the profession at the time, and bad ideas in mainstream economic circles still dominate today (e.g. Krugman, Stiglitz, Bernake).

There is no doubt before reading further that this is what Mises sees as his goal: to generate intellectual excitement, particularly among the youth, in the issues of economics. The implications of foregoing these lessons—of a weakened fight for liberty—will leave the future of the world less certain.

Mises thus identifies this as the importance of economics: the need to explain why there can be no policies implemented by a State on behalf of "society" or "the nation" of positive benefit, as the actors within are unique individuals who will suffer real consequences from doing so.⁶ Economically speaking, a loss in social utility will result from such a policy, as a maximization of utility occurs only in a free market where exchange is free, voluntary, and mutually beneficial.⁷ Coerced exchange, such as that of taxation, must necessarily have an injured party, and therefore the opposite effect.

Politically, as Mises is known to have pointed out, since there's no going back once interventionism is initiated, i.e., inflationism leads to rising prices leads to calls for price controls, tyranny may be had in the name of abstractions such as "the common good" should people refuse the lessons of

⁶ Mises is a classical liberal, who, while not abandoning the idea of government completely, certainly would submit that it should have no role in economic matters (exchange, prices, money) whatsoever. For Mises, however, his idea of government was that it must be voluntary, and that people always have a right to self-determination.

⁷ And this might be important in showing utilitarians, so they can understand you can arrive at libertarianism through utilitarian as well as natural rights principles. The major fallacy of the utilitarian is to assume utility can be measured cardinally, and thus interpersonal comparisons can be made.

individualist economics. The individual is primary in the Misesian analysis, as it is *he* who acts, values, makes choices, etc.

To be scientific, though a branch of philosophy and necessarily directly related with ethics, economics would have to purge itself of ideology and value-judgements as a strict science of *human action* in order to develop a system without political bias. At least it must *qua* economics.⁸ Up front here, then, Mises instantly points out his adherence to methodological individualism.⁹ It is improper and unscientific to start by viewing groups and suppose that *groups* act towards ends. Groups are composed of individuals, and *only the individual acts*.¹⁰

ARE THE YOUTH GETTING IT?

⁸ Mises maintained economics was value-free, i.e., explains cause and effect of various forces without incorporating ethical problems into it. It is not, for instance, a matter of opinion that maximum price controls will cause shortages, etc., but nor does economics say anything about whether a policy of price controls is good or bad. Value-laden economics should be purged from the science. Rothbard's view was more so that one *could* remain value-free *as an economist*, only so long as they didn't propose policies, in which they would then need to defend a system of ethics, to which Rothbard adhered to objective ethics. Mises didn't necessarily stand for objective ethics, though he did as a citizen advocate *laissez-faire*, but thought of economics as strictly value-free. The problem is that some economists make ethical pronouncements while contending to be acting "value free," which threatens the scientific status of economics proper. They have taken the State and its aggressive acts (taxation) for granted in assuming it may initiate policies. For Rothbard, one really cannot avoid ethics; and economics is an insufficient, though needed, justification for the free-market. To be a free-market economist is to give moral sanction to the justness of the property titles being exchanged. While Mises may have dealt more in the realm of strict economics, Rothbard helped to systemize it—ethics and economics—all.

⁹ And against the charge that Mises, the Jewish man who escaped Nazism in Europe for America, is a racist or a fascist, he is clearly opposed to this collectivist method of viewing group action. For Mises, all men have a right to self-determination, a right to leave a political union they saw no benefit in by remaining.

¹⁰ In this sense too, the State is only an idea, composed of individuals acting as government agents.

The concept of science, what should be understood as correct knowledge, is popular on colleges today. Students march in its name and hold scientific truth highly. But it is necessarily the physical or natural sciences (physics, chemistry) which might occupy a place of importance. Concern is that the globe is warming, and deniers of the need for state-intervention to remedy this are the ones *not* on the side of science, the virtuous banner they stand behind.

But what they might be ignoring is *economic science* (science, because there is a body of true economic statements), refusing to give it any attention as is done in the physical sciences, which have always been seen as much more prestigious than a social science that had not invented new machinery or tools which have bettered our lives. Many of them might consider that “the proof is in,” too, and without economics that might turn them against taking state intervention for granted, anyone therefore against the data—and the need to act collectively to combat it—is undeniably wrong.

For Mises, however, economics is of equal importance and science is never settled; it’s an ongoing process that always needs improvement. A new paradigm could always come along and shake up the older one, perhaps *especially so* in the physical sciences where falsification is all the more likely. Economics is built up logically, *beginning* with true axioms and deducing further truths, whereas the methodology of the physical sciences is empirical and requires testing and searching for the causes. These approaches are necessarily the opposite of one another.¹¹

That’s why, for economics, Mises points out that this is a failure on their part to see that it was the ideas of good economics, which gave us classical liberalism and a general hands-off approach to the economy, that allowed for a flourishing ultimately giving us the Industrial Revolution. This Revolution wasn’t mere coincidence of the times, but the result of a general American acceptance of the ideas of capitalism, i.e., a private property order absent state economic interventionism.

Economics, however, being founded in logic, is on more solid ground than observations in the physical sciences which are subject to being upset

¹¹ But since economics (logic) doesn’t imitate the physical sciences (though many, if not most, *do* try to use this method), it has taken a lesser place among people reportedly interested in science.

by newer findings.¹² Working through the logic, and beginning from irrefutable premises (i.e., that man acts and to deny this would be a human performing an action), each step along the way provides incontestably true statements as well. If A implies B, and A is true, then B is true too.

But because there are imperfections, or that economics does not adhere to the methodology of the physical sciences, however, does not invalidate that there is a body of knowledge that is created around the specific study of economics, or human action. That is precisely what Mises has set out to perform herein.

Economics is the logic of human action. This is only a sub-branch of the greater praxeology, in which Mises sees economics as the most elaborated. Economics considers that there are *individuals* who must make *choices*; that he has *alternatives* before him; and that he must therefore rank his *preferences* and find suitable *means* as to make purposeful *action* toward those *ends* he subjectively *values*. This act of choice, for Mises, that humans act and must act, and that attempting to refute this would constitute a contradiction, is the axiomatic beginning of what we call economics.¹³

ANTI-ECONOMISTS

Amazingly, old debates rage today. As we briefly mentioned, there are many detractors from the idea of there being a science of economics, which has laws universal of time and place, that apply to all human action. The Marxists, for one, are of this notion. Mises accuses Marxian thinking then of “polylogism,” meaning that economic reasoning, which might be considered a white man’s thing, isn’t logic that holds for everyone.¹⁴ It was merely

¹² Though this is not proof that economics as a study isn’t subject to regression. Indeed, at this very point in time, the mainstream school engages in fallacies long refuted by Mises. And before Mises, the Austrians of the early years had attempted to set economics in its rightful path again, whereas the classical economists had gone somewhat off course. What is needed, again, as Mises calls for, is a rightful return to logical, deductive, aprioristic economics and a subsequent abandonment of statist ideas toward the economy.

¹³ Mises thought this axiom to be *aprioristic* too, while his direct descendant, Murray Rothbard, thought it to be empirical. Either way, though, this insignificance doesn’t change what is deduced from this premise.

¹⁴ Marxists might argue I’m an anarcho-capitalist due to my “white privilege”; because I expect to be a beneficiary of white, patriarchal capitalism; that the

invented to justify capitalism, to which Mises is one of its most astute defenders. "Marxism asserts that a man's thinking is determined by his class affiliation. Every social class has a logic of its own." (p. 5)

Historicism, as another detractor from economics, "aimed at replacing it [economic logic] by economic history," (p. 4) where empiricism stood as the only method that could explain any economic phenomena. Furthermore it [historicism] "asserts that the logical structure of human thought and action is liable to change in the course of historical evolution." (p. 5) So nothing could be known for sure, and logic is an unreliable method for understanding economic events. There, again, cannot be logical statements such as that an increase in the supply of money must necessarily mean a decrease in the purchasing power of the preexisting units of money,¹⁵ or that a price control set below the market-price (a maximum price) must necessarily cause a shortage.

Irrationalism is yet another opponent of economics. This assumes that humans are irrational, and therefore reason is unsuitable for studying humans, and probably an argument for why man cannot be free. This is why rationalism, where reason is our guide, is necessary for our study of the social sciences, as economics cannot be built upon some flimsy view of man.

Since economics can refute the logic of its detractors, "polylogism and irrationalism attack praxeology and economics." (p. 5) Much like how Keynesianism can hardly be considered economics as much as it is an economic rationale for permanent inflationism and other such government intervention, "The main motive for the development of the doctrines of polylogism, historicism, and irrationalism was to provide a justification for disregarding the teachings of economics." (p. 6) Often, rather than refute the economics, they assume it away.¹⁶

free-market isn't real; or that we're apologists for the rich, capitalist class (despite that such cronies seek protectionism precisely through the means of the State).

¹⁵ This is also why the historian must equip himself with economic logic too, or else he may be unable to explain a historical event, such as an episode on rising prices. He will need to apply the tools of economic logic in his historical analysis. On this, see: *Theory and History*, Ludwig von Mises.

¹⁶ The Keynesian Revolution for example hadn't swept Mises aside by refutation, but because he was ignored

But Mises was undeterred. Despite these attacks, economists should continue their work, never tiring in their efforts to define in clear language the deductions of absolute truths that follow from initial, axiomatically true premises.¹⁷ An obvious motivation behind Mises treatise, then, is that he saw economics must not only be defended against its criticisms, but must be elaborated to stand on its own in a timeless work for the scholarly student of economics. Ignoring the task was unacceptable. "The system of economic thought must be built up in such a way that it is proof against any criticism on the part of irrationalism, historicism, panphysicalism, behaviorism, and all varieties of polylogism." (p. 7)

HOW TO VIEW ECONOMIC FREEDOM

The real world is not perfect; it is not certain; the future cannot be known or predicted; people do make bad choices at times; it is not ever in the state of equilibrium. So, nor is economics perfect. But it is still what we're working with now. "There is no such thing as perfection in human knowledge, nor for that matter in any human achievement. Omniscience is denied to man." (p. 7) If the market economy, then, *made up of men*, is compared to the benchmark of perfection, the actions of men within this market economy can be said to reveal failures. Perhaps it will *always* fall short in theory if its soundness is relevant to perfection.¹⁸ So we are to forget about *government* failures, and make excuses for all these shortcomings found in the free market economy.

"Market failure," then, it would seem is yet another term used to justify state intervention due

into history. Again, economics over time does not need to imply progression; the world could very well move toward *bad* ideas just as it could good ones. And for Mises this was of prime importance for constructing this massive treatise, his *magnum opus* which gives us an unprecedented elaboration of economic theory that, over a half a century after its 1949 publication, still holds the keys needed to defend the free society today.

¹⁷ And this clarity is important, for one interested in economics would be totally lost to pick up the jargon-ridden obfuscating Keynes as their introduction to economics.

¹⁸ As such, then, Mises acknowledges that man may make regrettable actions, but he is always working toward an alleviation of the uneasiness felt in his current state of affairs, and *ex ante* is making the highest-valued actions to his knowledge at that time.

to some alleged imperfection. Unlike the actors, who might at times make bad decisions, the State is omniscient and should step in and make the correction. They are the all-knowing men, unlike us mere mortals, who must expertly foresee what it is we cannot, and plan the economy accordingly. So the story goes, anyway.

But since humans admittedly *aren't* perfect, it is illogical to assert that a government, *made up of humans*, can intervene in the market economy for positive results. Would not they be self-interested, too, looking after their own before everyone else?¹⁹ Surely they would be. But worse, the incentive of profit in the market economy is in the act of satisfying consumer preferences. All actions by the State—a non-market entity—mean coercive interference with the market economy, injuring others in the process. Thus, within the State, the incentive is to increase the plunder and secure the continuation thereof, not toward the goal of bettering humanity. Hardly what we might call a benefit.

As Mises concludes, economic science will always need a continuance of work, as well as enthusiastic defenders willing to take up its cause into newer generations. This is surely what Mises hopes for in his writing. “A scientific system is but one station in an endlessly progressing search for knowledge.” This doesn't mean that economics has nothing to say, however. To the contrary: “.to acknowledge these facts does not mean that present-day economics is backward. It merely means that economics is a living thing—and to live implies both imperfection and change.” (p. 7)

A REVOLUTION IN THOUGHT

Ideas played a part in a liberal episode in history, that, although imperfect, is what gave rise to the great wealth Western countries still experience today; a history which Mises had already then seen

¹⁹ On this, the great French classical liberal Frederic Bastiat famously asked in his magnificent essay *The Law*, that, “If the natural tendencies of mankind are so bad that it is not safe to permit people to be free, how is it that the tendencies of these organizers are always good? Do not the legislators and their appointed agents also belong to the human race? Or do they believe that they themselves are made of a finer clay than the rest of mankind?” Mises believed the same, saying in *Planning for Freedom* that, “If one rejects *laissez faire* on account of man's fallibility and moral weakness, one must for the same reason also reject every kind of government action.”

as lost and in need of rediscovery. These ideas must always be reconstructed in a way that can inspire the youth to take them up, and supply their arsenal with ample attacks against socialism, quite frankly to assure the survival of humanity. The billions alive on this planet today whom were previously unsupportable are alive because of the relative freedom in economic exchange we have today, despite that it has been severely hampered by government economic policy. Socialism cannot feed men, but is quite literally a doctrine of starvation, and thus must be debunked.

Another set of detractors are the empiricists themselves from the physical sciences, who believe they're special because economics hasn't offered the world the things they have. Technology has advanced the world, but economics has not. Mises saw this as a slap in the face to the conditions which made the world ripe for their achievements to ever materialize in the first place. It might also be necessary to point out that, no matter what ideas any society may have, it takes capital investment to complete them, and this requires savings, which further entails a lowering of overall time-preference in that society.

While economics cannot explain everything, for instance *how* to build upon the technology that is needed to advance civilization, it plays an important role as a social science in logically tearing down the barriers that are inevitably put in place by states that would otherwise restrict their arrival. Mises says,

“It was the ideas of the classical economists that removed the checks imposed by age-old laws, customs, and prejudices upon technological improvement and freed the genius of reformers and innovators from the straitjackets of the guilds, government tutelage, and social pressure of various kinds. It was they that reduced the prestige of conquerors and expropriators and demonstrated the social benefits derived from business activity.” (p. 8)

Those most focused on the physical sciences, then, where everything is reducible to mere mechanics, may be tempted to dismiss the role of creative decision making in bringing about human welfare, and therefore may not realize that economic liberty must precede technological advancement.

“...none of the great modern inventions would have been put to use if the mentality of the pre-capitalistic era had not been thoroughly demolished by the economists. What is commonly called the ‘Industrial Revolution’ was an offspring of the ideological revolution brought about by the doctrines of economists.” (p. 8)

The Industrial Revolution, while not perfect, was the child of the much larger American Revolution which set forth libertarian principles for how the social order ought to be, and that was freedom from aggression in the form of taxation, regulations, tariffs, and the ideas of self-determination and private property. In a word, capitalism. As Mises says,

“What is wrong with our age is precisely the widespread ignorance of the role which these policies of economic freedom played in the technological evolution of the last two hundred years.” (p. 9)

These American ideals have long been forgotten about, and as many feared, substituted for the almighty State, its exorbitantly expensive military and wars, and political conflict as the center of life. Unfortunately, with statism as the order of the day, those most likely to uphold America's position as an anomaly in the world for a shot at liberty have succumbed to more fascistic tendencies of economic nationalism and militaristic expansionism. Americans today have lost the values they used to uphold of absolute liberty, and instead have substituted for them perverse ideas as to how man should live, or be left to live. “The economic policies of the last decades have been the outcome of a mentality that scoffs at any variety of sound economic theory and glorifies the spurious doctrines of its detractors.” (p. 9)

Today, economics is reduced to nearly nothing in the public schools; much less seen as something significant that everyone should be schooled in (perhaps because this would refute the alleged essentiality of government they attempt to cultivate). If any courses are taken at all, they've been diluted by jargon, graphs, and uninteresting stuff that will not spark a fire in someone reading it. Economics is made out to be a something concerning personal finance, mathematics, or business, rather than a body of knowledge which can explain cause and effect in human action. If taxation is discussed at all, the legality or history of its enactment might be covered rather than the relative impoverishment effect. If the Federal Reserve is discussed at all, it isn't in its origination in a conspiracy by bankers, or how inflationism is the cause of the business cycle, wealth redistribution, or other negative effects upon the economy. Its existence is taken for granted while the lesson following is Fed mechanics, such as how it conducts its “open-market operations,” rather than why this should be done at all.

As Mises correctly saw it, economic ignoramuses are a threat to liberty. Policies against liberty come

about precisely due to an ignorance of them. Legislative action nor good intentions can trump economic laws. Mises is adamant here: “The characteristic feature of this age of destructive wars and social disintegration is the revolt against economics.” (p. 9) As we see today, of the Leftist embrace of “socially liberal” ideas such as transgenderism, attacking the family, property, money, prices, profits, wages, etc., social degeneration appears to be coming about. The political-Right, perhaps keen on culture and more disposed to champion economic liberty, has dismissed economic lessons too.

A RESTORATION OF GOOD IDEAS IN NEED

Since actions are led by ideas, and those ideas must be good, workable ones, it's necessary that a population do not hold economic fallacies. If they do—if they believe creating money can create new wealth rather than to redistribute existing wealth to the inflationists—then they are doomed to repeat failures in history. For instance, socialism is not even good in theory, and leads to horrors (starvation and murder) in practice. Although economic freedom may be hard to obtain, it is actually workable once obtained, unlike socialism. In economics, there are really only good ideas and bad ideas; there's no such thing as “works in theory but not in reality.” There is no just separation of the two: if it isn't realizable in practice, it is a bad theory.²⁰

We see today, well into the 21st century, that ideas of protectionism are far from dead. The Trump administration campaigned on getting tariffs on imports, to protect American steel and other industries; the Leftists of the Marxist variety still believe that technological advancement (labor-saving devices) causes unemployment (among other dangerous ideas); respectable men in industry call for a “Universal Basic Income” as the eventually needed solution of the robot takeover²¹; scientific research is said to need protection and subsidies by government because it otherwise wouldn't be profitable, rather than subject everyone

²⁰ And thus seemingly, instead of admitting that they have a bad theory, Socialists continue to make workarounds with reality, i.e., are in need of a “New Socialist Man” to come about to make their ideas work.

²¹ These are Bill Gates of Microsoft, Mark Zuckerberg of Facebook, Elon Musk of Tesla and SpaceX, and others like Stephen Hawking.

to the test of profit and loss which is the only efficient, rational allocation of resources; etc.

Quite literally, then, our “society,” for lack of a better word, is doomed should they repeat the fallacies of the past, and should economics be unable to advance into the minds of the people. What was once common knowledge, that markets should be free, that price fixing doesn’t work and causes shortages or surpluses, that savings is good and necessary to expand production, etc., have faded into the 21st century, over a half-century after Mises wrote with an authority aimed at changing public opinion on economic matters. They have been swept aside, once again in time, by older fallacies resurrected in new aesthetics.

Few Americans, I would venture to guess, could succinctly explain why printing more money has disastrous effects. They’re all the more likely to suggest it as a solution. Keynesianism, for example, has made it fancy to believe governments and central banks, by deficit spending or inflating, play a special role in steering economic actions. Socialism, long refuted in theory and by experience, has come to be popular among the youth again.²² Marxist theory and discussion is still popular at the country’s universities, whereas libertarian ideas are condemned as bigoted, insensitive, and a prescription for mass economic inequality.

So economic teachings, essential as they are, are ignored by the masses and downplayed by those in power at a time when they’re needed more so than ever. With the insight of Mises, we can see that social disintegration, the politicization of life, etc., that we experience today makes perfect sense to be correlated with a demise of economic understanding by the masses. Bad economic thinking is coupled with the fall of civilization, just as good economic ideas are responsible for its rise. Thus, we see degeneracy today and behavior that has come far from the traditional values in which Westernism was built upon. What is at stake in defending proper economics is survival of Western culture and civilization itself.

We’re witnessing this more so than ever, as the democratic state has fully politicized the populace, giving us people who are crusading for “social justice” but are without a theory of justice in property rights, people who are begging for economic activism on part of the government but

²² Bernie Sanders ran a rather popular campaign in 2016 as an explicitly democratic socialist, which is but a softcore variant of communism, to which Sanders was likely hiding behind, fooling his supporters.

which have no idea the effects of even minimum wage laws (unemployment), as well as identity politics being played on both sides of the popularly accepted political spectrum. Seeing such strife and hostility toward one another demonstrates that capitalism offers us civilization, where people cooperate through the social order that arises out of a division of labor, while socialism threatens to roll back our relations with one another. Since we have come far from freedom, accepting in its place a centrally planned order, the cause of the political climate can be directly linked to government.²³

Socialism’s popularity comes from the seeming shortcut that it offers to prosperity. The followers of these doctrines truly believe we’re but a few legislative acts away from prosperity, and then may the government lift the natural restrictions of scarcity forever, giving us all great abundance. The socialist intellectuals have made the public believe that economic laws may be trumped by the state, and that, really, the laws themselves put forth by economics are not principles at all, but merely spooks that give an ex post rationalization for capitalism.

MOVING FORWARD

There is little hope for the future if the rising generations are convinced of the fallacies of old age. Keynesianism, for one, is essentially a resurrection of old Mercantilist fallacies, as Murray N. Rothbard framed it. In order to change the world, as Mises knew, it was imperative the world be offered an economics with systematic treatment, that could aptly explain why interventionist ideas are bound to fail, and that all such policies of government be held up to these insights in order to demonstrate their perversity.

Not only do they adhere to a backward economics, but they dismiss the history that good economics played in giving us the things we have today. To them, there are no examples of free-markets *ever* improving the lives of millions; everything we have today is *because* of the State, not *in spite* of it. This is the dangerous thinking we’re on to today. That the government is *not* a parasitical taker which earns its income via taxation, but a benevolent giver that we couldn’t do without. These ideas are pure fantasy.

The socialists today are essentially ungrateful, pseudo-intellectuals who take for granted the

²³ And this is highly controversial to the people who assume “taxation is the price we pay for a civilized society”, and that “without the state, there would be chaos.”

capital investment before them, which they intend to plunder into oblivion were the last few hurdles presented by liberty-minded people to get out of their way. Were they successful, the capital stock would be entirely depleted, and economic activity would begin to stagnate.²⁴ We would all return to a subsistence living. Obviously, anyone should be indefinitely more grateful to be born into a world where capital accumulation preceded their existence, rather than to be born into a deserted island to work with only the originary factors of production, land and labor.²⁵

For Mises, to explain the reasons behind prosperity which most have taken as a given was yet another task of the economist. To turn the “dismal science” into something stimulating for the interested students, as all life around us is economics. We must learn if the ends we seek (say, socialism) are attainable by the means we’ll use (force), which economics can provide us with this knowledge.

Economics is a science of means, not ends. As with the limited scope of libertarian legal philosophy that condemns aggression, economic science doesn’t tell men *how* to live their lives; and it doesn’t even assume *why* he acts. The goal is giving man freedom to that he can choose his own ends without coercive interference from others.

“It is not its [economic’s] task to tell people what ends they should aim at. It is a science of the mean to be applied for the attainment of ends chosen, not, to be sure, a science of the choosing of ends. Ultimate decisions, the valuations and the choosing of ends, are beyond the scope of any science. Science never tells a man how he should

²⁴ And this point is interesting enough that socialism seems to be popular mostly in the Western world, where there is great wealth already from preceding capital investment which has enriched the populations there. The campaigns of democratic socialists like Bernie Sanders often reference only the need for so-called “developed countries” to usher in a new, more fair age of socialism, which is an implicit admission that socialism cannot develop countries, i.e., be implemented from the ground up, but relies on capitalism to function until at least the market is squashed to the point of nothing left to offer.

²⁵ And surely here they wouldn’t maintain their logic of justifying “public goods” either for capitalists, that beneficiaries, i.e., so-called free-riders (people born into a world of capital accumulation), owe tax-money for these externalities they enjoy. Presumably this faulty theory would be abandoned here.

act; it merely shows how a man must act if he wants to attain definite ends.” (p. 10)

The significance of this treatise on economic principles presented by Ludwig von Mises, what is probably the most significant of the 20th century, is that our very survival rests upon exploding the myths of older ages that have resurfaced to haunt us, and, armed with such knowledge of what must follow from intervention into a natural order, a turning of the tides of the statist order that threatens to end mankind’s existence.

Today, most unfortunately, we live in a statist paradigm and not a libertarian one. We have yet to win liberty. The only way to work toward this end is a spreading of ideas. Economics in the Misesian tradition is a great place to begin.

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APPLYING THE SEEN AND THE UNSEEN TO MATTERS OF ACCOUNTING FOR WEALTH, BY SCOTT ALBRIGHT

[This is 6th in a series of reviews of *Economic Harmonies*, by Frederic Bastiat, Chapter 6]

When the bemoaning of cheap consumer goods, trade deficits and of displacements of workers due to newer capital investments in both industrial production and various services in general are coupled with a heavy embracing of the belief that aggregate spending and "production" in the general abstract sense are what determine the health of an economy (i.e., as measured by GDP, regardless of how much so called production is in response to consumer demand or of the hegemonic rule of state planners), and this view is still alive 170 years after Bastiat wrote the *Harmonies*, is it any wonder that the campaign logo "Make America Great Again" was both sported and sentimentally so alluring to so many President Trump supporters last year?

The tendency of trade protectionists and economic nationalists to view property rights in a quasi-nationalist construct, seeing unemployment of domestic laborers as inherently bad, regardless of the interests of producers, investors, entrepreneurs, is dismissive of the bigger picture effects in international trade. Even if growing international trade deficits mean that more former domestic laborers are laid off, and are now employed or employable only at lower wages, it also means that laborers in other nations who's said labor is outsourced for goods that we formerly produced, are now competitive enough to produce goods that will inevitably free up our labor to be available for other lines of employment.

Bastiat's use of the term real wealth was very helpful in this chapter so that the reader doesn't lose sight of the interest of the consumers, even when certain producers endure losses and have to go under.

"From the point of view of our satisfactions, that is, as far as our real wealth is concerned, we are as much enriched by the value that we have lost through progress in the means of production as by the value that we still possess.

In the transactions of everyday life we no longer take utility into account, in so far as, through the decrease in value, it becomes free of charge. Why? Because what is free of charge is common to all, and what is a common possession has no effect on each person's individual share of the total real wealth. No exchange is made of what is held by all in common; and since, in business transactions, we need to know only that proportion which is constituted by value, that is all we concern ourselves with."

This goes back to the seen and the unseen. We must be very careful in our analysis to separate not just value and utility, as we learned from the chapter five review, but here to know that with production losses, trade deficits or labor being dislocated, not to miss the interests of consumers being served. Bastiat's insight is very keen and from the beginning of the chapter he lays out the foundation of what we need to always observe.

"...for if we identify wealth (meaning the real, effective level of our material comforts) with value, if in particular, we affirm that wealth and value are in direct proportion to each other, we run the risk of putting our economic thinking on the wrong track. The works of second-rate economists and of the socialists prove this only too well. ... and we expose our minds to the greatest of all dangers-that of becoming involved in a *petitio principii* in which we assume as true what we are trying to prove, of looking at political economy backwards and constantly confusing the goal that we wish to reach with the obstacle that blocks our way."

And by exposing our minds to said dangers, we inherently feed the notion of business losses/bankruptcies, outsourced various stages of production, as being inherently bad or undesirable, but missing the forest through the trees in not looking for the changing patterns of consumer demand which result from newer, more innovative methods of production as capital investment/accumulation increases enabling a much more productive labor force and higher standards of living, more leisure and time freed up to pursue other things on your value scale, so to speak.

Wealth is a topic that is often undesirable for many to talk about possibly because of various ideals and their shortfalls, experiences in obtaining it maybe failing, as well as large differentials in monetary wealth being a cause of anxiety when its between you and family members or friends, the so called "keeping up with the Jones's mentality", among other reasons, but the debate, particularly among economists, as to what is the best

measurement for it goes back very far and will never be fully agreed upon with a consensus, but even in Bastiat's last days of writing the Harmonies, the pre-Keynesians, so to speak, were alive and kicking, with a degree of political power too!

"This is indeed a treacherous shoal for the political economist. Is wealth to be measured by the satisfactions achieved or by the values created?"

If there were no obstacles between utilities and wants, there would be no efforts, services, values, any more than there are for God; and, while measuring wealth in terms of satisfactions, mankind would be in possession of infinite wealth; yet in terms of value, it would have no wealth at all. Thus, two economists, according to the definition they choose, might say: Mankind is infinitely rich, or Mankind is infinitely poor.

The infinite, it is true, is in no respect an attribute of humanity. But mankind is never static; it always moves in some direction; it exerts efforts; it exhibits tendencies; it gravitates toward steadily increasing wealth or steadily increasing poverty. Now, how can political economists come to a common understanding, if this successive reduction of effort in relation to satisfaction, of pains to be taken or rewarded, that is, value, is considered by some an advance toward wealth and by others a descent into poverty."

These last two paragraphs remind me of the common belief of what a "post-scarcity" world may resemble; all utility, no value; A Jetson's or Star Trek-like Sci-Fi, where everything is like an economy on demand. This isn't possible because of the progressive, ever changing nature of man's wants, desires, and this is seen in patterns of

change in consumer demand, or just in the transition long ago from an agricultural to an industrial society in general. Instead of 80 percent of the able-bodied workforce needing to work on a farm, the continual accumulation of capital goods (i.e., the John Deere tractor) and more innovative methods of production being employed and continually improved upon, you freed up enough labor that could move to the city and work in industry, where more options became available than being a farmhand. This very change in the nature of man's wants will always necessarily mean that there will be obstacles to overcome, value in said services employed (and then exchanged) in overcoming the obstacles.

To believe mankind is infinitely poor in such a scenario just because there is very little labor necessary to obtain the goods and services one desires is blindly dismissing the differences between value and utility.

The widespread differences in ideologies regarding economic well being do have implications on public policy, and Bastiat was very wise to point them out in his chapter on wealth here. The ignorance of economics is pervasive now, as it was then in 1840s Europe. As they say, there is nothing new under the sun.

"Yet if the difficulty merely concerned economists, we could say: Let them have their arguments. But legislators and governments are daily required to take measures that exercise a very real influence over human affairs. And what a plight we are in if these measures are taken in ignorance so complete that wealth cannot be distinguished from poverty!"

So, I make this declaration: The theory that defines wealth in terms of value is, in the last analysis, a mere glorification of the role of obstacles. It rests on the following syllogism: Wealth is proportional to value, value to effort, effort to obstacles; therefore, wealth is proportional to obstacles.

I make this further declaration: Because of the division of labor, which assigns every man to a trade or a profession, this illusion is very difficult to destroy. We all live by the services that we render in overcoming obstacles, satisfying wants, or removing pain: the doctor by combating disease; the farmer, hunger; the textile manufacturer, cold; the carriage-maker, distance; the lawyer, injustice; the soldier, danger to the country; and so complete is the list that there is not a single obstacle whose elimination would not seem most inopportune and most inconvenient to someone, and even disastrous to society at large, since it would appear that a source of services, value, and wealth was to be destroyed. Very few economists have completely resisted this false notion, and, if political economy ever succeeds in dispelling it, on that score alone its practical mission in the world will have been accomplished; for I now make this third declaration: Our public policy is steeped in this notion, and whenever governments feel obliged to make special concessions to some class, profession, or industry, they follow no other procedure than to erect obstacles designed to encourage the development of a certain type of efforts, in order to increase artificially the number of services society will be obliged to call for, and thus to increase value, and supposedly, wealth."

The two primary economists that Bastiat exposes the errors of in this chapter are Jean Charles Leonard de Sismondi and Auguste, Vicomte de Saint Chamans. They were both

sympathetic to Keynesian thought, technophobic and protectionist policies. In what they believed was the state's role to uphold value wealth and obstruct anything that benefits consumer wealth is unfortunately still alive and well today.

Bastiat's highlighting of Saint-Chamans excerpts from his book *Nouvel essai sur la richesse des nations* (1824) reveal the weaknesses in its economic ignorance yet these same ignorant errors have an anchoring ideologically in statist policies today.

"A nation has two kinds of wealth," he says. "If we consider only useful commodities from the point of view of their quantity, their supply, we deal with wealth that procures society things that it can consume, and this I shall therefore term consumers' wealth.

"If we consider commodities from the point of view of their exchangeable value, or simply their value, we deal with wealth that brings society value, and this I therefore term value wealth.

"Political economy deals primarily with value wealth; and it is with it primarily that government may properly deal." ...

...Does exchange make it easier for men to acquire more consumers' wealth for less value wealth? Then we must restrain exchange. ...

...We must not neglect the opportunity, for it is obvious, that if machines increase consumers' wealth, they decrease value wealth." Let us bless the obstacles that the high cost of fuel in our country puts in the way of the multiplication of steam engines."

The fallacies here are numerous but we'll focus on the central one of the assumption of seen loss of value in producing a good, say, because of less labor used to yield a given level of output. What is unseen is that this is usually because of labor being more productive and freed up from older, less productive methods or that there is outsourced labor that is now competitive enough to relieve domestic workers of the former line of work. Because laborers are now more free to pursue other lines of employment, there is still more value wealth (in Saint Chamans terminology) to be created. Innovations in capital investment and methods of production create far more jobs than they kill, we will see that in later chapters more clearly. Plus, the fact that consumers can enjoy more goods, often cheaper, and doing so in voluntarily purchasing from producers who employ more innovative capital goods and tools, machinery, shows the merits of voluntary exchange through property rights, regardless of the source of any law that attempts to restrain it.

In my personal opinion, the two quotes from Saint Chamans that are most dangerous in fueling economic errors are ones that clearly illogical but yet give so much rise to what's the underpinning logic of how to cure today's recessions.

"If taxes confiscate money from areas where it is plentiful, in order to allocate it to areas where it is scarce, they serve a useful purpose, and this action, far from representing a loss to the state, represents a gain." ...

... "Luxury and extravagance, so disastrous to the wealth of private individuals, are advantageous to the wealth of the nation."

This is a very utilitarian yet illogical belief that countercyclical intervention can cure depressions, and it is still alive and strong today. If Mises' story of the master builder is any guide, then distortions in time preference, saving and investment, due to fallacious approaches of increasing aggregate demand and spending when the economy needs more savings and specifically production in lines that are sustainable, guided by proper incentives through the price system so there can be full dissemination of market signals for producers to properly respond to consumer demand (not the whims of central planners "ideal" or "social utility maximizing" utopia), then Saint Chamans had it entirely backwards!

The clamor against economic growth expressed by Saint Chamans and Sismondi is essentially no different today than it was in their time, but we must not forget that monetary factors are not everything, and that psychic profit has other determinants, and Bastiat may have been a little dismissive here of the psychic profit obtained from labor in and of itself, which is real and observable (ex. Amish desiring more primitive methods of production), as is the psychic disutility of forgone leisure (ex. not desiring overtime even when it is available for you).

We must remember that economic nationalist/protectionist sympathizing (not necessarily Luddites) quasi techno phobic laborers whom are afraid of A.I. and nanotechnology in so far as their own job security in their current specific line of employment would rather keep their current job than have to retrain themselves

to be more employable after the implementation of more A.I.

The point here once again, is to note that not everyone desires solely monetary gain and this same reasoning is used at the larger, national level by those who would rather have domestically produced goods in their line of production or labor, than to compete with foreign producers/laborers. Once these reasons entail a violation of private property rights and free exchange (such as a tariff, subsidy, or import quota), you necessarily violate the liberty of others and the NAP at that, and are involved in illegitimate yet often legal plunder.

Bastiat's contrasting of effective wealth and relative wealth at the end of the chapter is crucial in combating the progressive anti-capitalist attempt to undermine property rights and voluntary exchange in the name of inequality. Semantics do matter and these terms that Bastiat used will go far in our analysis.

"Let us state as a conclusion, then, that we may give, and give legitimately, two meanings to the word "wealth":

Effective Wealth, real wealth, which produces satisfactions, that is, the sum of the utilities that human labor, with Nature's help, puts at society's disposal.

Relative Wealth, that is, each individual's share in the general wealth, which share is determined by value.

Here, then, is the harmonious law that can be expressed thus: Through labor the action of man is combined with the action of Nature.

From this cooperation utility results.

Each individual takes from the general store of utility in proportion to the services that he renders-in the last analysis, then, in proportion to the utility he himself represents."

Assuming all exchange is voluntary, I agree with this law. The Relative Wealth is important for our analysis, because this is where the inequality hucksters, trade protectionists, and Keynesians believe respectively that our relative wealth is in jeopardy if we have growth in:

- a. income gaps between rich and poor
- b. trade deficits with other nations
- c. savings combined with a drop in spending

Once again, utilizing the seen and the unseen, these same critics forget that the poor are able to live as well as they can because of all the inventors, innovators, risk taking entrepreneurs have the capital saved to invest in the production of capital goods that make us all better off, especially the poorest, in terms of living standards and the productivity of workers.

Because more and more nations can produce the toys, clothing, apparel, certain car parts or parts of capital/producer goods, domestic labor is relieved to perform services in trades that are newer but in high demand and that we have a more comparative advantage in.

And last, but not least, the rebuttal to the Keynesian fallacies, if we are able to save more of our income and choose to do so, lowering our time preferences (desiring the

consumption of more goods/services at a later date than the consumption of lesser of them but now/sooner), the pool of loanable funds for banks, lenders, financial institutions grow, enabling more investment for further production of capital goods. Can we really "spend our way to prosperity"? What if we saved 0 % and consumed everything that we earned? Once you employ the reductio ad absurdum of the base of their ideology, the flaws are all too clear.

The belief by some that the interests of consumers are inherently at odds with those of the producers is rebutted more extensively in Chapter 11 of the Harmonies which we will get to the review later in 2018. Next, chapter seven review is a very crucial one because of its implications on praxeology, and the method of deductive reasoning in arriving at economic principles. We will see once again how the prescient Bastiat knew these principles both implicitly and explicitly, well before the common terminology was known and specifically used widely.

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