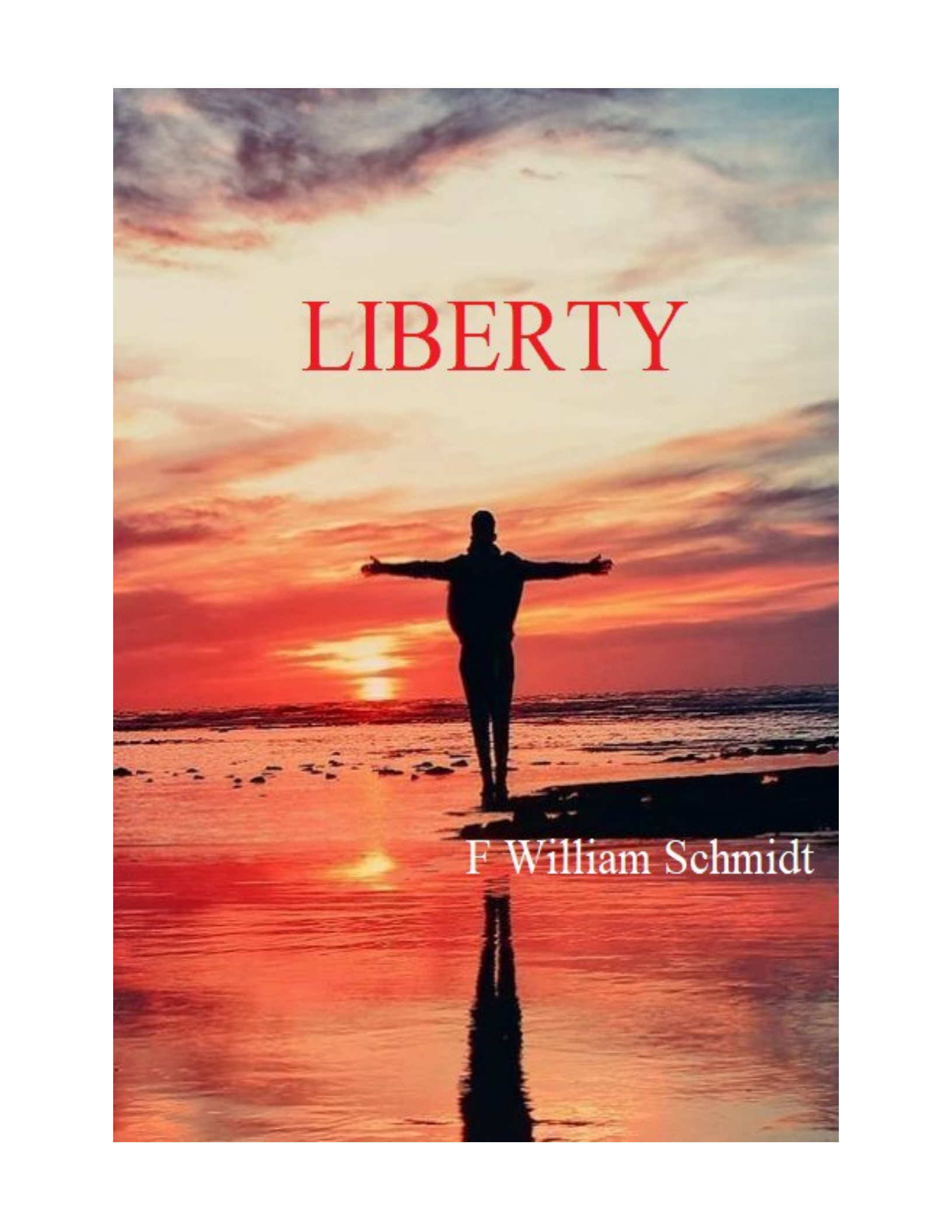


LIBERTY

A full-page background image showing a person's silhouette standing on a beach at sunset. The person's arms are outstretched horizontally. The sun is low on the horizon, creating a bright orange and red glow that reflects in the shallow water. The sky is filled with soft, colorful clouds. The overall mood is one of freedom and tranquility.

F William Schmidt

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Publisher's Preface

Each of us is conditioned by our schooling and upbringing to believe that government is necessary and beneficial. In this book, Bill Schmidt proves by relentless logic that all of it is on the contrary useless and malevolent.

Bill died on 11/30/2025 aged 92. Since the 1990s he has been my friend and mentor. After realizing in the 1960s that government is our implacable enemy he took steps to keep as low a profile as possible, out of its way; among other things he therefore published very little. But he did say that after his death I had his permission to publish this present masterpiece.

You may well find, as I did, that its powerful reasoning stretches the mind. On occasion you may encounter (as I did) an unfamiliar word; so keep a window to dictionary.com open as you read. Perhaps you'll wish to read it once, reflect on it, then read it again (as I did.) Its theme contradicts a large part of what all of us have been taught – in schools whose curriculum is set by government, and which is mostly delivered by government teachers. Surprise, surprise.

But Bill's reasoning is unanswerable. That demands action, and I've added a one-page P.S. at the end of the text, to suggest what you might wish to do so as to end the existence of this massive intrusion into our freedom and distortion of our minds.

Enjoy Liberty!

Jim Davies, TakeLifeBack.com

Introduction

This book is about libertarian political theory. I have devoted a good portion of the last several years to formulating a consistent and non-contradictory theory of free market social organization. This material is voluminous, for so much of it flies in the face of the conventional political wisdom - the mis-education that we received in the Government public school systems. It aims to undo the damage that was inflicted upon us by our teachers.

It concentrates on the topics of rights, taxation, and an introduction to hard-core libertarian political theory. I intend to challenge - and to change - your life-long perceptions of the nature of the political process.

The statists have always offered mankind irrationality, chaos, destruction - and death. But the free market libertarians offer mankind reason, spontaneous and dynamic order, production - and life. These are the topics we are going to explore here.

Let these first waves of the free market theory of the future wash over you; immerse yourselves in the principles of true liberty.

Some readers of this book may be Government snoops who have crashed the party, not to learn the truth, but to tattle to the bureaucrats who sent them. If that is the case, then I intend to change THEIR agenda too; indeed, I intend to blast their brains with the unvarnished truth about Government and bureaucracy; about how they violate everyone's rights and fence the wealth they filch from everyone; about how they waste life-sustaining resources and contaminate everything they touch; about how they lie and cheat and steal and kill; about how their predecessors have conned generation after generation of human beings into believing that they are necessary; about how we now understand, philosophically, why all of that is false, that their game is utterly corrupt from A to Z, and that their days are numbered.

The principles involved are so simple and straightforward that even the most mentally arrested products of the public school indoctrination system - the

bureaucrats - can understand what they are doing wrong. They will learn that there are no rational alternatives to a free market. And then, if there is a shred of integrity in their characters, they will admit their errors, they will in turn give their superiors an earful of the truth, they will resign, and like other readers, they will start producing desired goods and services and offering them, value for value, in voluntary exchange to mutual advantage in the marketplace. They will stop being parasites and predators, and they will start being producers - and truly human beings.

What has happened to Life, Liberty, and the pursuit of Happiness? What has happened to individual autonomy, sovereignty, and responsibility, not only in the United States, but throughout the world? What has happened to mankind's eternal dream of peace, prosperity, and happiness on Earth?

The answer is both simple and profound: Twenty-three hundred years ago, the Greek philosopher, Aristotle, tried to teach mankind that contradictions do not exist in Reality, but only in the minds of people who do not think clearly. The political philosophers have never learned that lesson; and the result is the many lethal contradictions inherent in the concept of the State.

The government school systems have conditioned us to believe that the State - that is, the legal apparatus of power, control, and coercion - is (1) necessary, (2) legitimate, (3) benevolent, and therefore (4) that without Government, there would be chaos. But history demonstrates, overwhelmingly, that this belief is false on all four counts.

Consider the evidence. Let's start with your own attitude toward Government.

Item one: Do you believe that the Government is primarily here to help you - or to hinder and harass you? Are you satisfied with the quality and quantity of services that your Government provides? Do you feel that you are getting your money's worth for the taxes you are forced to pay? If the Government were to shut down for a week, or a month, or a year - or forever, could you survive and prosper without its rules and regulations, its concern and care?

And what is your attitude about the many political double standards that exist: for example, that you have to account to the Government for every penny you earn and spend voluntarily in the Marketplace, but that the Government does not have to account to you for every dollar it steals from

you and squanders?

Item two: Consider the daily news. How much of it is negative? Probably at least 90%. Now consider that negative news; how much of it comes from the political arena rather than from the economic marketplace? Again, probably at least 90%. Everyone knows implicitly that most of the news is negative, and that most of this negative news comes from Government; but almost no one asks the question: Why? What is there about Government that creates all of this continuous conflict and chaos?

Item three: Suppose that I said to you: "You must obey the rules I make for you; and further, you must pay me one-third of your income." You would, of course, tell me to go to hell. But if I persisted and took you to court with these ridiculous claims, the judge would require that I submit some sort of document as evidence that you had voluntarily agreed to my demands. Since I could produce no such document, my case would be laughed out of court.

But the Government says to you: "You must obey the rules we make for you; and further, you must pay us one-third of your income; or we will lock you up." You could - and should - protest: "But I never signed any document which obligates me to obey the Government's rules or pay the Government my hard-earned money." Morally you would be correct, but in this case *you* would be laughed out of court because the Government makes the rules, runs the courts - and has most of the guns; you have no opportunity to approve or disapprove; you must obey and pay - or else. The political playing field is not level; it is tilted toward the politicians. Or to put the same point in more succinct language: the political process is the means by which the victors - on the battlefields or at the polls - exploit the vanquished. The result of this preposterous situation has been the history of the human race. Irrational political philosophy has caused endless misery: garbage in, garbage out.

Item four: Consider political borders. What are political borders, and why do they exist?

A political border is a boundary separating two jurisdictions governed by two sets of rules for human action. Political borders may coincide with natural geographical boundaries, but not necessarily: a Chinese Wall may be built to keep people out, a Berlin Wall may be built to keep people in, or most commonly an arbitrary line - straight, curved, or gerrymandered - is drawn across the face of the earth.

These sets of rules for human action on either side of a political border - i.e., the constitutions and statute laws - are supposed to enable people to live in harmony with reality and at peace with one another. But if these sets of rules for human action were the same everywhere, then there would be no purpose for political borders. Therefore, these rules must be significantly different on either side of every political border.

Immediately, however, we are faced with an insuperable contradiction: If these rules are supposed to enable human beings to live in harmony with reality and at peace with one another, then why are the constitutions and statute laws different in every town, city, county, state, and nation? Why are legality and illegality - and thus, presumably, right and wrong - different in different places, and different even in the same place at different times? How can people live in peace and harmony if the rules which are supposed to make peace and harmony possible are in conflict between every jurisdiction - and from time to time, within every jurisdiction - on this earth? Again, why do political borders exist?

The natures of physical reality, mankind, and logic and ethics are always the same everywhere; they do not change when a person crosses a political border. The great diversity of human values, virtues, and problems notwithstanding, rational human life and happiness have a universal basis in Natural Law - in the inexorable facts of physical reality, and in the natures of mankind and human consciousness. The Natural Law pervades reality. And human beings must think and act in accordance with Natural Law and with the facts of reality if they are to survive, prosper, and be happy.

Because Natural Law pervades reality and is always the same everywhere, the rules for human action should always be the same everywhere, so that people can in fact live in harmony with reality and at peace with one another. All jurisdictions should always have the same rules - that is, there should be only one permanent set of rules and thus only one permanent jurisdiction. But when more than one set of rules and more than one jurisdiction exist - and thousands have existed and do exist - then, at most, only one set of rules at only one time can be right; and perhaps all of them are always wrong. Is one set of rules right? If so, which one? And at what time? *Or are all the rules wrong?* Again, why do political borders exist?

Item five: Lord Acton said that power corrupts, and absolute power corrupts

absolutely. And R.J. Rummel's book, Death by Government, presents overwhelming evidence that in the last century alone, over 200 million human beings have been slaughtered *by their own Governments*; and this is only civilian victims, i.e., political victims; this figure does not include the millions of combatant casualties in two world wars and innumerable lesser conflicts; the grand total is substantially more. And the grand total over the past several centuries is several times greater yet. Further, we must remember that an allegedly peace-loving and rights-respecting democracy, the United States of America, is the only nation in history that has used nuclear weapons to incinerate defenseless civilian populations.

The evidence is overwhelming, and the conclusion is obvious: WITH Government, there IS chaos - and destruction and death.

So, what is this thing called Government?

Clearly, it is something quite different from the necessary, legitimate, and benevolent means of social organization that we were taught in school. But until very recently, the concept of the State has not been understood. No longer. Now we know why the State is always a disaster, and always ends up on the battlefield. Government, rationally understood, is an infernal engine of chaos, destruction, and death. But the Government educational systems have brainwashed many generations of human beings, and have rendered most of us impotent to identify the real cause of most of our problems.

The "libertarian axiom" is this: **No one has the right to violate anyone else's rights.** But conventional political societies violate everyone's rights with laws, taxes, etc. The implementation of the libertarian axiom is a free society based upon the economic Marketplace exclusively, a voluntary society based upon contractual consent.

But conventional political societies are not based upon voluntary contractual consent; political societies violate everyone's Rights with laws, regulations, taxes, and so on; political societies are based on mythology, propaganda, intimidation, and force; political societies are the legal means by which the victors exploit the vanquished, as ten thousand years of miserable, chaotic, blood-soaked human history abundantly affirm. Garbage in, garbage out. Politics in, misery out. Government in, chaos out.

Today only a few hundred people really understand these principles; but in the near future, several hundred million will understand; and soon thereafter, mankind will finally be free of the miserable curse of Government.

1. Rights & Responsibilities

A right is a moral principle which defines the property title and the resulting exclusive decision making relationship between a human subject and an object. A right sanctions the actions taken by that subject with respect to that object.

The most fundamental fact about a human being is that he is alive, and life is a process of self generated and self sustaining action; ie life is action. The fact of life is given to man, but the means of his survival is not given. Man's survival depends upon his thinking and actions. And so the most basic human fact - of life - implies the most basic human Right - to Life; the Right to Life "comes with" the fact of life. If a man did not have the Right to implement his thoughts in action to achieve his own survival, then he could not achieve it. Therefore, the fundamental Right to Life - i.e., the Right to take those actions which will achieve survival - is necessarily implied by the fundamental fact of life. **A rational understanding of the right to life is a condition of human survival.** An axiom is a statement that requires no proof because its validity is self-evident. Further, because an axiom requires no proof, it is the irrefutable basis of proof. And finally, the negation or contradiction of an axiom is a logical impossibility.

The right to life is an ethical axiom. It requires no proof because it comes with the fact of life. It is the irrefutable basis of all other Rights. And its negation, in the form of "If I don't have the Right to my Life, then who does?" is impossible.

In the case of the most fundamental Right - the Right to Life - the human subject and the object are identical: the individual person and his life are inseparable. The person - the subject - possesses his own life - the object. And because possession is equivalent to use and disposal, the person who possesses his own life uses and disposes of his own person; that which uses and disposes is the same as that which is used and disposed of; again, the

subject and the object are identical.

One need not take any actions to "earn" the Right to Life; because the Right to Life comes with the fact of life, it cannot be earned; rather, it is the basis for earning other Rights. And the Right to Life is inalienable; one cannot delegate or violate the Right to Life without destroying that which is its necessary basis: the life itself.

The Rights to liberty and the pursuit of happiness are not separate Rights; they are corollaries of the Right to Life; they are other ways of stating that a person has the Right to use and dispose of his own person, his own Life.

Again, **life is a process of self-generated and self-sustaining action**; life is a process of mental and physical actions which creates wealth - i.e., the means of human survival, progress, and happiness. **All wealth must be created and earned by individual human thought and action.** A person implements his life by acting upon conceptual and physical material to mold it in the image of his values; and the results of these actions are created objects: food, clothing, shelter, ideas, knowledge, love, etc. The wealth that a person creates is derived from that person's mind and time and work: it represents a portion of that person's life. If a given subject had not acted upon a given part of his environment as he did, then the resulting object would not exist; that wealth exists only because its creator implemented his Right to Life by creating it; that object exists as it does only because that subject acted as he did. Therefore, just as the wealth which results from a creator's thought and action is an extension of its creator's life, so the Right to that wealth is an extension of its creator's Right to his own Life. **That wealth is his by right.**

All Rights other than the Right to Life are derived from the Right to Life. These property Rights to created wealth involve subjects and objects that are not identical. Consequently, there is no obvious physical relationship between a created object and the subject who created it.

The production of wealth includes the generation of an exclusive but implicit title to use and dispose of the wealth that is produced. The creation of the title is simultaneous with the creation of the wealth to which the title refers; the mental and physical actions of the subject which creates the object also creates the moral relationship between the subject and the object, and the title then morally defines the resulting subject-object relationship. The concept of property Rights makes this implicit title both explicit and objective.

Therefore, property Rights provide a conceptual and moral link between created wealth and its creators, between objects and the human subjects who created them - a link that sanctions the actions of a specific human subject with respect to specific objects.

Created objects can be exchanged or given away; therefore, property Rights to objects, unlike the Right to Life, are alienable - but only by the voluntary consent of the human subject who created or earned that object - i.e., only by the person who has a just title to that property.

All Rights are moral relationships between specific subjects and specific objects. All property belongs to a subject - to its creator or to a person who enters into a voluntary trade relationship with its creator, and thereby acquires a morally legitimate title to the property. Rights to objects may be divided between two or more subjects in different respects: e.g., a renter has certain Rights to use a certain property for a certain period of time in exchange for money, but the ultimate use and disposal of the property remains with the owner; the owner of shares in an enterprise has a Right to a certain percentage of the assets of the enterprise; etc. But by the Law of Contradiction: the same Right cannot exist between an object and more than one subject at the same time and in the same respect. Therefore, because a Right is a sanction to use and dispose of an object, it implies a simultaneous and secondary prohibition upon all nonpossessors of that Right: a prohibition upon the use and disposal of that object in the same respect by anyone else.

The concept of rights includes the axiomatic right to life and the exclusive property rights derived from it; there are no other rights.

All property must have a specific identity, and the owner(s) of property must have a specific identity. All property must be owned by someone, or it is not property; and the owner(s) of property must be a specific person or persons. Therefore, all property must be privately owned or it is not property. There can be no such things as "unowned property" or "public property." "Public property" is an oxymoron, a contradiction in terms: the adjective "public" contradicts the noun "property."

The conventional "rights" to freedom of speech, freedom of the press, and freedom of assembly imply the notion of "public property": that there is a "public podium" of one sort or another; and so the implied question is: "Who

will get to use it?" And the implied answer is: "Everyone."

The conventional "rights" to freedom of speech, the press, and assembly are all concerned with communication: the creation, transmission, and reception of messages. Physical media are required for these events to occur: sound vibrations in the air, a piece of paper, or a meeting place. But if all property is privately owned, then all physical media for the creation, transmission, and reception of messages are privately owned. Therefore, one who creates, transmits, or receives messages is exercising his property Rights to the use and disposal of certain physical objects. These events occur with the voluntary contractual agreement of everyone involved. Therefore, the freedoms of speech, press, and assembly are not special "rights"; they are applications of the principle of private property Rights to communications. Rationally, there is no such thing as a "public podium." Nor is there any rational basis for prescribing or proscribing who is to create, transmit, or receive messages - nor the contents of those messages. Anyone who prescribes or proscribes either the form or the content of any message is violating the property Rights of someone else.

Some theorists believe that Rights exist only in a social context, only in the presence of other people; this is false. Rights exist prior to the presence of other people; but Rights become relevant to one's values and actions only in a social context, because one's Rights can be violated only by other people. Rights must exist prior to a social context in which they could be violated; otherwise, the existence of the social context would create the Rights; and if the social context creates the Rights, then the comings and goings of other people would snap the Rights into and out of existence; i.e., the potential threat to one's Rights posed by other people would create the Rights which are being threatened. This is impossible: that which is threatened must exist prior to its being threatened. Individual thought and action - and thus subject-object relationships - and thus Rights - exist independently of, and logically and chronologically prior to, the existence of any social contexts. Thus, Rights are not derived from social contexts, nor from political constitutions nor statute laws. **Rights are conditions of human survival derived from the facts of reality and natural law and from the thoughts and actions of individual human beings who transform their environment to produce wealth.**

Contrary to popular belief, the Rights of one person do not limit the Rights of another, as in the expression: "My right to swing my fist ends where your nose begins." This is true, of course; but the implication of this statement is that the proximity of your nose limits my Rights - that if it were not for your nose, I could be free. This is absolute nonsense, because it can never be in my self-interest to injure you. If you are rational, then you are producing values and wealth to trade with me or with others who trade with me; and so you are directly or indirectly valuable to me. And if you are irrational and violate my Rights, you should rectify this injustice by paying me reparations according to the Principle of Justice. In either case, if I were to injure you, that would not promote my own well-being and happiness.

Since everyone is actually, or at least potentially, valuable to everyone else, your Rights do not limit mine, nor do my Rights limit yours. Rather, your Rights and my Rights are the moral principles which define what is yours and what is mine, and which define our decision-making powers and sanction our actions with respect to the wealth that we have created. Therefore, your Rights and my Rights do not conflict; rather, they are the necessary basis for assuring that when we act, we will NOT create conflicts, and that our actions will be to mutual advantage. Hence, **just as there are no "conflicts of interests" among rational human beings, so there are no "conflicts of rights" among rational human beings.**

This natural law theory of rights is an essential precondition of a civilized and peaceful society and thus of human survival progress and happiness.

Specificity, Accountability, Responsibility

When human beings interact, each one brings to their encounter a particular set of Rights, based upon the thinking and the acting that each one of them has done. If their encounter is to be productive and cordial, it is important that each individual knows exactly where he stands with respect to the others. In trivial encounters, conventional customs based upon rationality and honesty may suffice. But in encounters which involve significant amounts of wealth, and therefore the possibility for equivocation, misinterpretation, or even fraud, a written statement which outlines the Rights and duties of each party to the others and to which all parties have agreed is imperative. Such

written statements - voluntary, explicit, contractual agreements - are essential to the efficient functioning of the Marketplace.

There are three beneficial results of voluntary, explicit, contractual agreements. First, every party to a contract knows, as precisely as may be desired, his Rights and obligations with respect to every other party; the context of the agreement can be stated as precisely as may be desired - the **conceptual/verbal specificity** of the terms of the transaction can be stated as precisely as may be desired. Second, because of this conceptual/verbal specificity, every party's obligations with respect to every other party are objectified; therefore, every party to a contract assumes **moral accountability** for his actions to every other party. And third, if an action by a party to the contract violates the specific terms of the contract for which that party is accountable, then **financial responsibility** for that violation can readily be assigned to that party.

Therefore, explicit private contracts which mediate voluntary exchanges to mutual advantage in the Marketplace optimize the three crucially important parameters of Specificity, Accountability, and Responsibility. Voluntary contracts which optimize Specificity, Accountability, and Responsibility are the hallmarks of the Marketplace.

Note that in a "trivial" encounter, such as buying provisions at a grocery store, the possibility of an explicit contract always exists: on a common sense basis, the grocer agrees to provide goods of the stated quality for the advertised price, and the customer agrees to pay the grocer in valid money and not to upset the shelves. They could sign such a contract if it were mutually advantageous for them to do so, and their expectations would almost always be confirmed by the outcomes of their encounters. But this equivalence of expectations and outcomes seldom occurs in the political arena: the outcome of a political encounter is virtually never what the citizens anticipate; the Government says it is going to do one thing but almost always does another; and rational citizens would never sign contracts which allow the Government to act this way.

In the absence of explicit contractual agreements specificity, accountability and responsibility are suboptimal or nonexistent; this is the hallmark of the political process in all of its theoretical and historical forms. No citizen ever signs a voluntary explicit contract with the

Government to obey laws, pay taxes, fight wars, or any of the rest of it; and if anyone did sign such a contract, then it would be an economic action in the Marketplace, not a political action outside the Marketplace. In lieu of such explicit economic contracts, we are asked to believe that an implicit "social contract" exists, which may or may not be implemented in the form of a political constitution; but in either case, there is no morally valid contract because no one has explicitly agreed to any of it.

The absence of voluntary contracts between the rulers and the ruled and the resulting suboptimal specificity, accountability and responsibility in the political arena cause all of the political problems which have bedeviled mankind for centuries and which fill the daily news, yesterday today and tomorrow too.

2. Ethics

The moral purpose of human life - the purpose which is implicit in every thought and action of every human being - is each individual's own well-being and happiness. But well-being and happiness do not exist, ready and waiting to be enjoyed: they must be achieved and earned.

All human beings necessarily do what they believe will promote their own well-being and happiness. All human beings necessarily do what they believe will benefit them the most in any given situation, or they would do something else, namely: what they believe will benefit them the most in that situation.

Several examples illustrate the universal motivating principle of self-interest:

The mother who spends her money for her children's welfare rather than on her own comfort is acting in her self-interest as she interprets it: her children's welfare is a greater value to her than her own comfort, or she would spend the money on herself instead.

The person who leaves a higher paying job that he does not like for a lower paying job that he does like is acting in his self-interest as he interprets it: the positive difference in the non-monetary circumstances of the two jobs is a greater value to him than the negative difference in the monetary circumstances of the two jobs; otherwise, he would remain in the higher paying job.

The worshipper of God is acting in his self-interest as he interprets it: he believes that, sooner or later, the act of worship will benefit him, or he would not do it.

The person who vows to live a life of poverty is acting in his self-interest as he interprets it: the psychological pleasure he receives from his belief that living in poverty is noble is greater than the physical pain of the privations he endures; otherwise, he would renounce his life of poverty.

The Hindu fakir, lying on his bed of nails, is acting in his self-interest as he interprets it: the psychological pleasure he receives from the mortification of the flesh is greater to him than the physical pain of the nails; otherwise, he

would get up and do something else.

The man who risks his life to save his mate in an emergency is acting in his self-interest as he interprets it. When an emergency occurs, he decides in the split second before he acts that her life is so valuable to him that existence without her would have little meaning for him; and so he readily risks his life to save hers. The tribute a rational man pays to his mate by such an action is not his willingness to sacrifice his life for hers, as everyone believes, but his selfish judgment of her value: he willingly risks death himself, because that is the price that Reality suddenly demands for the pleasure of continuing to live his life with her - and he readily pays that price.

The desire to maximize one's own satisfactions is inherent in human nature; every action of every human being is calculated to maximize those satisfactions; and given the nature of human motivational psychology, it cannot be otherwise. Therefore, it is irrational, futile, and disastrous to condemn self-interest as being inherently evil - as virtually every ethical system in history has done. Without the motivating principle of self-interest, life would be impossible.

Human beings have no automatic knowledge of what well-being and happiness are, nor of what actions will achieve them. What a person believes to be in his self-interest may not be in his rational self-interest: it may not correspond to the facts of reality which are relevant to achieving his own well-being and happiness. Therefore, **human beings need an ethical standard of value, an ultimate criterion for judging all of their values, goals, and actions in terms of achieving their own well-being and happiness.**

The rational ethical standard of value must involve basic alternatives if it is to function as an appropriate standard for the judgment of lesser alternatives. The basic physical alternative faced by every human being is life or death. The basic psychological alternative faced by every human being is thinking or nonthinking. The physical result of maintaining one's life is health; and the psychological result of thinking is self-esteem - the sense of efficacy that one experiences from using one's mind correctly. Both of these factors involve the individual human being. But there are two other factors that are relevant to one's well-being and happiness, factors which involve one's relationship to other human beings. The first is the freedom to act in one's own self-interest

without the interference of other people, and the second is the psychological satisfactions one receives from other people in the forms of friendship and love. We can call these four factors: health, self-esteem, liberty, and love.

For a human being to achieve the moral purpose of his life - i.e., for a human being to experience an optimal sense of well-being and happiness - all four of these criteria must be fulfilled. To the extent that they are not fulfilled, then the sense of well-being and happiness is compromised or is impossible. **Taken together, these four factors of health, self-esteem, liberty, and love comprise the rational standard of value: man's life as a rational being.**

Therefore, the good is what promotes human well-being and happiness by fulfilling the rational standard of value of man's life as a rational being; and the evil is what prohibits human well-being and happiness by failing to fulfill the rational standard of value of man's life as a rational being.

A human being should think and act so that his apparent self-interest coincides with his rational self-interest; ie, so that his actions will actually achieve his well-being and happiness; therefore, a reality-oriented ethics, an ethics which allows a human being to achieve the moral purpose of his life - his own well-being and happiness - is an ethics of rational self-interest.

Given the contradictions inherent in conventional ethics, it is necessary to note that an ethics of rational self-interest does not rule out caring and benevolence. On the contrary, because everyone is actually, or at least potentially, valuable to everyone else, rational self-interest readily accommodates caring and benevolence; but it does not accommodate intentional self-sacrifice for no rational purpose. However, only if other people, acting in their own self-interests, respect your Rights, will you be benevolently motivated toward them in return.

Given the contradictions inherent in conventional ethics, it is also necessary to note the irrationality of the dictum: "Judge not, that ye be not judged." Just as the motivating principle of self-interest is psychologically inevitable, so is judgment psychologically inevitable. Human beings are constantly judging - themselves and others - by whatever standards they have accepted. And again, rational standards are necessary for making realistic judgments which will help each individual to achieve the purpose of human life: well-being

and happiness.

Just as it is irrational, futile, and disastrous to condemn self-interest, so it is irrational, futile, and disastrous to condemn judgment. Judgment is inevitable; and without rational judgments, human life would be impossible.

A value is an object, an idea, or an emotion which a person seeks to create or acquire or use. As noted above, everyone necessarily acts in his self-interest as he interprets it, or he is not motivated to act at all and he would do nothing. This means that whenever a person acts, he is necessarily trying to achieve a value which he believes will contribute to his own well-being and happiness. Therefore, every motivating value is a motivating value because one anticipates that it will contribute to the achievement of the moral purpose of one's own life.

This implies that values are hierarchical; i.e., some values are more important than other values. A simple example, which starts with a mundane goal and ends with the purpose of life: one gets up in the morning so he can go to work; one goes to work to create wealth; one creates wealth so he can sustain his life; one sustains his life so he can experience his own well-being and happiness. Therefore, just as concepts are hierarchically ordered from the individual facts of Reality at the bottom of the hierarchy to the Universe at the top, so values are hierarchically ordered from the goals which motivate one to act from moment to moment at the bottom of the hierarchy, to the ultimate goal which integrates these lesser actions - the purpose of human life - at the top.

The purpose of life - well-being and happiness - can be experienced only by individual human beings. And the fundamental human alternatives of life or death, thinking or evasion, action or inaction, happiness or misery, all pertain only to individual human beings. Collectives, as distinguished from the individuals that comprise them, cannot live, think, act, or be happy. Therefore, **the purpose of human life and the ethical standard of value are meaningful only for individual human beings.**

Consequently, because all values are hierarchically related to the highest value - the purpose of life - and because the purpose of life is necessarily a function of individual human beings, it follows that all values are individual values. **All values, by their very nature as values, are and must be individual values.**

But what about collective values? Collective values, to be values at all, would have to be hierarchically related to a collective standard of value and a collective purpose. But the rational standard of value and the rational purpose of life are meaningful only in the context of individual human beings. Further, collective values, if they existed, would inhere in a group as such; they would exist in an imaginary limbo between the individual members of a group. And further still: what would be the status of the collective values when the identity of a group changes - i.e., when individuals join or leave a group? The conventional notions of collective values, collective standards, and collective purposes are floating abstractions having no referents in reality. **Collective values do not and cannot exist; all values are individual values.**

A distinction must be made between collective values and common values. All human beings have many important values in common: we want to live, we want to be healthy, we want a high standard of living, we want the threat of violence and war to go away; above all else, we want to be happy. As human beings, we share these values; they are common values, but they are not collective values. As individuals, we have decided that these are important values for our lives and happiness. But we hold these values only as individuals, not as a collective. The members of a group may hold many similar values; such values are individual values which are common to the members of the group; but they do not inhere in the group itself in the same way that they inhere in the individual members of the group; and so they are not collective values. Again, all values are individual values.

All conventional ethical theories and political systems hold that inevitable conflicts of interests always exist between human beings, and that sacrifices are necessary if people are to get along together. Therefore, given the premise of sacrifice, conventional moralists say that sacrifice of oneself to others is good, and sacrifice of others to oneself is evil. And almost everyone believes this.

But note the fundamental contradiction in this theory. One person cannot sacrifice to another person unless there is another person to receive one's sacrifice. And the person who receives the sacrifice cannot then be sacrificing; rather, he is benefiting from one's sacrifice to him; he is sacrificing one to himself; and therefore he is evil. Hence, the ethics of

sacrifice requires some people to sacrifice other people to themselves, so that others can sacrifice to them. It requires that some people must be evil, so that other people can be "good." Half of mankind must live the evil lives of parasites, so the other half can live the "good" lives of victims; half of mankind must be damned, so the other half can be defrauded. Thus, the achievement of the "good" requires the creation of an equal amount of evil. So, while most people are busy fighting in barrooms, streets, and jungles to decide who will have the pleasure of being evil and the pain of being "good," some equally immoral rascals run off with all the loot.

Hence, the ethics of sacrifice is no ethics at all; it is the abnegation of ethics; it is an invitation for those who do have guns to seize the wealth created by those who don't. And yet this absurd notion is the basis of virtually every ethical theory and political system which has ever existed upon this Earth. And then people wonder why half the world is aflame, and the other half is mad.

The error of conventional ethics and politics is the premise of sacrifice. Conventional moralists and politicians apparently believe that wealth exists in static amounts - that the same quantity of wealth is always in existence. But if this were true, then the fact of human progress and civilization would remain a total mystery; and, to most moralists and politicians, it always has. The name of their miserable game is: Who gets what, at whose expense, and how? They seem to compare human beings to starving beasts which happen to find a pile of bones, and which then proceed to fight forever over that fixed supply of bones. And obviously, what one beast gets another cannot have.

But what the moralists and politicians have never learned is that human beings are not beasts. And although most people believe they must fight over a fixed supply of bones, they do not have to do so. Rather, human beings have a unique "bone factory" - their minds - the potential of which they do not yet understand: **the human mind can produce as many "bones" - as many values and as much wealth – as time and intelligence allow.**

And the human mind MUST produce all of the distinctively human values such as food, clothing, shelter, knowledge, peace, and love; these values are the result of human thought and action, and only of human thought and action. Thus, all people, to the extent that they are rational, have similar basic interests: the production and exchange of the material, intellectual, and

emotional values required for human survival, progress, and happiness. **everyone is actually, or at least potentially, valuable to everyone else;** there are no conflicts of interests among rational people who act on the premises of value production and voluntary exchange to mutual advantage.

But certainly there is intense conflict in a romantic triangle? Is there? Of course not! You don't believe it? Then consider this.

Love is one's intellectual and emotional response to the expression of his own highest values and virtues in another person. But one's own values and virtues had to be achieved, and so did those to which one is responding. Therefore, love, like all other values and virtues, is not an automatic product of nature, just waiting to be consumed and enjoyed. Love, too, must be created and earned.

Suppose we have a romantic triangle: two men and a woman. What happens? A fight? Given the conventional ethics of sacrifice, probably so. Neither man wants to be "good" and lose the woman, and the other is in the way; so, beat the hell out of him, or even kill him if need be! And, of course, that happens all the time; it is the inevitable result of trying - and failing - to practice the "morality" of sacrifice.

So, what is the rational interpretation of a romantic triangle? Simply this: a woman's love is not a bone to be fought over by a pack of drooling beasts. If the woman is rational, her romantic choice is the total sanction of her mind for finding her highest values and virtues in the character of the man she chooses. Hence, the man she chooses must have **earned** her sanction.

If neither man in the triangle meets the woman's standards, then neither of them has earned her sanction, and both will be rejected.

If one man meets her standards but the other does not, then the one has earned her sanction and the other has not. If the loser starts a fight, he does so on one of two possible premises: Either he demands the unearned sanction of the woman, which would deny her the freedom to live her life as she desires, and which would be immoral; or he thinks she made an error: he fulfills her standards whereas the man she chose does not. But the choice - and the error - was hers to make, not his. And further, if her judgment is so poor that she made an obvious error on so important an issue, then she is not worth fighting for - nor living with.

Finally, even if both men could earn her sanction, one of them will have started establishing a context with her before the other comes along; and the context with the first man is a value to the woman which the second does not offer her.

The loser in a romantic triangle has not earned the sanction of the woman. He can behave like savage only at the cost of being labeled a savage; and since a rational woman wants a man, not a savage, he would be confirming her decision to reject him. Therefore, unless a woman is thought to be a stupid pile of bones, fighting is for the beasts. (And in a triangle of two women and a man, the same principles apply.)

The most conclusive refutation of the fallacy that self-interest causes conflicts and requires sacrifices is also the most selfish action possible to a human being: the total celebration of his mind and self-esteem and life in the act of sex. In sex, is the pleasure of one partner gained at the other's expense? Of course not; so where is the conflict? Is not every investment in the other's joy soon returned with a large dividend? Of course; so where is the sacrifice? Therefore, is not the ultimate form of selfishness also the ultimate voluntary exchange to mutual advantage? Indeed it is.

All right then: **all values and virtues must be created and earned by thought and action.** The real ethical issue is not conflict and sacrifice, but **production**: production of the material, intellectual, and emotional values required for human survival, progress, and happiness. The name of the human game is rational self-interest, value production, and voluntary exchange to mutual advantage. And so a rational person rejects the lethal premises of conflict and sacrifice and all of their inevitable results: the malevolence, misery, and violence which they have always caused.

The Psychological Effects of Conflicts and Sacrifices

To act, one must value the natural beneficiary of one's own actions: oneself. Otherwise, the new situation which results from one's actions has no more value than the old, and one is motivationally paralyzed.

But the morality of sacrifice says that the self is evil. To be "good," one must become a servant and a slave to the survival, happiness, and whims of others - any others, all others, simply because they are not the self. Thus, one has

the duty to provide food, clothing, shelter, wealth, and even pride, sexual fulfillment, love, and happiness for everyone else - but never for oneself. This is the very lowest form of prostitution, because even a common whore is not denied her fee. Therefore, everyone has a moral blank check on the mind and life of everyone else; but those who attempt to cash these checks are always damned as evil.

People who try to live by the conventional ethical principle of self-sacrifice create a false schism between the moral and the practical: to the extent that they are good, they lose their incentives to think and act and produce. This destroys the natural motivational premium of rationality over irrationality, - that is, of Good over Evil - and the result is moral chaos. In this situation, those who act on irrational premises may appear to gain in the short run. They then create institutions which concretize these premises - institutions that allow no one to escape, and no one to achieve a complete success and happiness.

Therefore, conventional morality has a standard which human beings, by their nature, cannot fulfill except at the cost of their own destruction. And when human beings fail to immolate themselves upon the altar of this "good," their morality administers this *coup de grâce*: "I told you so: you're rotten to the core."

Inevitably, the natural benevolence, optimism, and joy of childhood are gradually ground down to a nameless frustration by the age of twenty. And by the age of thirty, this frustration becomes an overwhelming sense of malevolence: the belief that no matter how hard one may think and work, one's most cherished values can never be fulfilled - the belief that human beings are metaphysically doomed to unhappiness by some forces beyond their understanding and control - the belief that thought and action are ultimately futile, because the moral purpose of human life - happiness - can never be achieved by human beings on Earth. And so, after centuries of evasion and stagnation, cynicism becomes the norm throughout the world.

The philosophers attempt to explain it all by asserting: "Man has a tragic flaw." Well, human beings do have a tragic flaw; but it is not a metaphysical flaw - it is not inherent in human nature - as most of the philosophers apparently believe. Rather, it is an epistemological and ethical flaw: it is the

failure of human beings to use properly their only means of survival: their minds. It is the refusal of human beings to think. But thinking is volitional; and so the flaw can be corrected by every human being in every moment and issue of his life - if he will choose to do so.

Either mankind will choose to think rationally, or the contradictions exposed on the pages of this book will continue to wreak their inexorable revenge, not only upon human happiness, but upon human survival too.

3. Libertarian Principles

1. The ancient philosophers established the five branches of conventional philosophy - Metaphysics, Epistemology, Ethics, Politics, and Esthetics - to enable them to understand and explain the world as they experienced it, a world in which political ideas and political institutions were a given fact of daily life. The greatest of them, Aristotle, tried to teach mankind that contradictions do not exist in reality, but only in the minds of people who do not think clearly. However, the ancient philosophers played a diabolical trick upon the human race because Politics is a maze of contradictions; they should have addressed themselves instead to Economics. Consequently, the writings of the philosophers and social scientists on Politics have been futile because they have not understood the subject.

2. The contemporary Objectivist philosopher, Ayn Rand, did an incredible amount of crucially important work in Metaphysics, Epistemology, Ethics, and Esthetics; she completely reversed the long history of irrationality in these fundamental areas. But although Rand wrote extensively on Politics, she too missed its central point. The following paragraphs summarize what has been accomplished in her stead.

3. Mankind has always lived - and died - predominantly by myths. As a consequence, history has always been chaotic; for endless centuries up to the present day, ignorance, injustice, and barbarity have been the rule, not the exception. But generation after generation of human beings have become so accustomed to this chaos in daily life that no one recognizes its true significance: it is the overwhelming evidence that something very fundamental has always been very wrong with the myths that constitute the Conventional Wisdom, especially in Politics.

4. **The conventional ethics of self-sacrifice, a product of the Judeo-Christian tradition, is filled with contradictions.** These contradictions have virtually destroyed the human spirit, leading to an almost universal sense of malevolence and despair. **An ethics of rational self-interest has been formulated by Ayn Rand.**

5. **As a consequence of many centuries of irrational ethics, the conventional political philosophy and political science are also filled with contradictions.** This is as true of democracy as of totalitarianism, as true today as it was a thousand years ago, as true on one side of the old Iron Curtain as on the other. All political ideologies are variants of the same fundamental contradictions.

6. The Conventional Wisdom in political science can be summarized as follows. It is believed that there are two foundations upon which society is based: Economics and Politics, or the Marketplace and Government. The Marketplace is the engine of production and exchange of the goods and services that are required for human survival, progress, and happiness; and Government makes and enforces the rules of the economic game. It is further believed that these two foundations of society are in dynamic equilibrium with each other, and that both are essential for society to function. **This is completely false.**

7. **The truth is this: there is only one foundation - the marketplace - which develops spontaneously wherever there is a division of labor, production, and exchange.** From the principles of rational ethics and motivational psychology - the right to life, rational self-interest, the profit motive, maximizing satisfactions - we can derive the concepts of property rights, private contracts, voluntary exchange to mutual advantage, competition, and totally free markets - i.e., the principles of laissez-faire capitalism. Because laissez-faire is derived from ethics and motivational psychology, and because it evolves naturally and spontaneously in the marketplace, it is the *ipso facto* standard in economics.

8. **The marketplace has its own natural law which balances and regulates it optimally, derived from these same universal principles of ethics and motivational psychology.**

9. **The right to life is axiomatic; it is inherent in the nature of human existence;** and any alternative to the principle that every individual has a right to his or her own life is inconceivable. (If you do not have a right to your life, who does?) The implementation of the right to life involves thinking, acting, and producing wealth (all goods and services). The production of wealth also includes the implicit generation of an exclusive title to use and dispose of the wealth that one produces. The concept of property rights makes this implicit

title both explicit and objective. All wealth must be produced - by someone; if work is not done, wealth is not produced; if work is done, wealth may be produced; if the creator of that wealth had not created it, it would not exist; that wealth exists only because its creator implemented his or her right to life by creating it; therefore, just as the resulting wealth is an extension of its creator's life, so the right to that wealth is an extension of its creator's right to his or her own life. **This is the natural law basis of property rights. Property rights are an essential precondition of a civilized and peaceful society.** Rationally understood, the concept of rights includes the axiomatic right to life and the exclusive property rights derived from it; there are no other rights.

10. All economic decision-making power is created by the productive work of individuals in the marketplace, implementing their axiomatic rights to life by creating wealth, and simultaneously generating exclusive property rights to the use and disposal of the wealth that they create. Property rights to wealth may be transferred by their generators to other individuals by means of voluntary exchanges in the marketplace. all other transfers of decision-making power violate rights, and thus are immoral.

11. There are no conflicts of interest among rational people who do not violate each other's rights. There is surely **competition** to determine who is the most efficient producer of the goods and services desired by the consumers in the Marketplace. But because efficient production benefits everyone, competition is not conflict. These principles are important components of Adam Smith's "Invisible Hand." **Real conflicts occur only when rights are violated by individuals or governments.**

12. Essential to the proper functioning of society is the concept of contract: voluntary agreements which explicitly state the rights of individuals and their commitments to one another. voluntary contracts in the form of explicit written agreements optimize three important aspects of human interaction: specificity, accountability, and responsibility. Explicit contracts **specify** the rights and commitments of all parties to an agreement; therefore, these contracts objectify the **accountability** of every party to act as voluntarily agreed, and they also optimize the **responsibility** of every party to compensate the other parties for non-performance. **explicit contracts enable everyone to know, as precisely**

as may be desired, where he or she stands with respect to everyone else.

13. **The political process is not essential to the proper functioning of society; on the contrary, the political process is a legally sanctioned parasite upon the productivity of the marketplace.** Government legally, but immorally, transfers decision-making power and wealth generated by individuals in the Marketplace into the Political Arena where the spontaneous balances of the Natural Law are short-circuited by the contradictions of the Positive Law and the Statute Law.

14. It is crucially important to understand very explicitly and very precisely what the Political Process is, and what it is not. What it is not, is easy: the historical evidence is overwhelming that the Political Process is not in practice what it is thought to be in abstract theory and popular belief: the legitimate and essential means of justice, defense, etc. But what the Political Process is, is much more subtle, which is why it is misunderstood.

15. The first subtle point which has eluded the philosophers and political scientists is that we cannot understand what politics is until we understand what economics is. The second subtle point is that the rational standard of economics is laissez-faire capitalism, and for most intellectuals laissez-faire has always been a dirty word. And the third subtle point is that **politics is simply the absence of the principles of laissez-faire; therefore, the political process is not a positive concept; it is a negative concept** - it is the absence of several positives: property rights, private contracts, voluntary exchange to mutual advantage, and totally free markets. All of this is beyond the understanding of the philosophers and political scientists.

16. **Politics is a morally corrupt form of human interaction which is legally exempted from rational economic principles and the constraints of property rights, private contracts, voluntary exchange to mutual advantage, and totally free markets.** Most significantly, the political arena is that portion of the marketplace which is legally exempted from private contractual agreements; it is that portion of the marketplace which is morally corrupted by the legalized absence of the specificity, accountability, and responsibility of private contracts.

17. **In the political arena, there are no explicit contractual agreements between the rulers and the ruled which specify their rights and responsibilities to one another. Furthermore, such contracts cannot exist.**

If such "primary" contracts existed, we would no longer have a political entity, but an economic entity instead; we would no longer have a Government, but a business enterprise in the Marketplace. The political process, by definition, excludes the possibility of primary contracts; it excludes the optimal specificity, accountability, and responsibility which follow from explicit contracts. therefore, the political process short-circuits the spontaneous natural law economic balances and regulators of the marketplace.

18. The Constitution is morally invalid: no one, living or dead, has ever signed it and history confirms that "the social contract," the vote, the massive edifice of the statute law, and all of the "checks and balances" and "separation of powers" of conventional democratic theory are ineffective constraints upon political power: none of them are based upon explicit contracts between the rulers and the ruled. Despite millions of laws - many of which are conflicting, and none of which have been agreed to contractually by the citizens - the political arena is a morally gray area in which anything goes. The laws are made to be broken; the first people who break them are the same people who make them. For the state there is no bottom line; it is, and it does, whatever it can get away with. The state is superimposed upon the spontaneous and natural order of the marketplace by fraud and force.

19. Rationally, there is no such thing as "public property". All property must be owned by some specific individual(s) - all property must be derived from some specific individual(s) right(s) to life, all property must be private - or it is not property. And rationally, there is no such thing as "the public interest"; all interests are the interests of some specific individual(s); all interests are inevitably private.

20. Governments violate the property rights of their citizens on a wholesale basis. Part of the economic decision-making power produced by the citizens in the marketplace is seized by the state in three ways, all of them legal but none of them moral: (a) inflation of the money supply and (b) government borrowing that can never be repaid, both of which are implicit theft, and (c) taxation, which is explicit theft. Inflation and bogus borrowing involve fraud; taxation involves outright force. This Economic Decision-Making Power, this wealth created by the productive actions of individuals in

the Marketplace, is usurped by Government fraud and force. It is then thrown into a public pot, the Government's Treasury, and becomes Political Power. In this form, the original rights to the Decision-Making Power no longer exist; voluntary contracts to control the use and disposal of the wealth no longer exist; everything is up for grabs; and hordes of political cannibals - thieves, fences, and tyrants of all types - proceed to feast themselves at the public trough.

21. All political actions violate rights, because no one has contractually agreed to such actions, voluntarily and explicitly. Nor would anyone agree, voluntarily and explicitly, if he or she understood the nature of Government. (What rational person would have contracted to finance Auschwitz, Buchenwald, or the Soviet Gulag, Teapot Dome or Watergate, Kent State or Tiananmen Square, Hiroshima or Nagasaki?) Because political actions violate rights and are not contractually constrained, they raise the level of risk in society; and so, compared with economic actions, **all political actions have suboptimal effects, and many have the reverse of the intended effects.** A current example of this is the political war on drugs. The drug epidemic of the 1980s stems from the same source as the alcohol epidemic of the 1920s (and 1980s): the malevolence and despair over the human condition due to the conventional ethics of self-sacrifice (cp. a rational ethics of self-fulfillment). The political war on alcohol (Prohibition) failed; and the political war on other drugs will also fail for the same reason: because it will violate rights and increase the levels of risk, malevolence, and despair instead of decreasing them. But before the political war on drugs is lost, it will consume vast resources, kill thousands of people, and unleash an epidemic of police repression which will be far worse than the drug epidemic itself. Again, **all political actions have suboptimal effects, and many have the reverse of the intended effects.**

22. The Marketplace implements the optimal Specificity, Accountability, and Responsibility of private contracts, which Government does not do and cannot do. Hence, everything that government attempts to do can be done better in the marketplace. This applies especially to the "core" political activities of the "limited government" theorists - e.g., justice and defense; precisely because justice and defense are so crucially important, they must be constrained by private contracts; we have only to witness a world in which justice and defense are universally politicized - and in which crime and war

are rampant - to see the importance of this principle. Therefore, contrary to universal belief, there are no essential Government services.

23. Consequently, taxes are not "the price we pay for essential Government services," nor are taxes "the price we pay for civilization." All taxes violate rights; therefore, all taxes are immoral, counterproductive, unnecessary, and uncivilized. In truth, **taxes are the bribes that citizens are forced to pay the politicians for the privilege of living outside the politicians' jails for the current year.** Taxes are one of the prices we pay for not understanding the nature of Government.

24. Political "solutions" to "public problems" are not solutions at all; rather, they are themselves the causes of the next round of problems, which is why The State is forever hatching out more irrationalities, injustices, conflicts, frauds, scandals, crimes, and wars which neither the political process nor the economic process which it has short-circuited can ever resolve.

25. **If there is any further doubt about the moral status of the political process, let us remember that all governments are born - and die - on the battlefield.**

26. Political science rationalizes and sanitizes the verdicts of the killing grounds by asserting that The State acts in the interests of both the victors and the vanquished: even the losers want the mail delivered and the roads maintained. Consider, therefore, all the wonderful things that Government does for everyone: it violates rights, increases risks, perpetrates fraud, and hobbles the markets; it penalizes productivity and success, and rewards incompetence and failure; it squanders wealth, wastes natural resources, and pollutes the environment; it debases the coinage and currency, and manipulates prices and interest rates; it denigrates the individual, and pits groups of people against each other; it intimidates the innocent, and elevates scoundrels to preeminence and power; it systematically and relentlessly destroys the true, the good, and the noble; it lies, it cheats, it steals, it bombs, it burns, it rapes, it murders - until eventually it comes full circle and collapses under the weight of its own internal contradictions into the carnage of the battlefield from whence it came, ultimately to be destroyed and consigned to the trash heap of history. So, who needs this institution of fraud and force, this engine of destruction and death? Reason and evidence to the contrary, all people think they do. One hundred million corpses in this

century alone apparently are not enough. The human capacity for folly is truly infinite.

27. Everyone remains steadfastly loyal to an irrational political mythology, but at the same time everyone is disgusted with politicians and politics-as-usual, as the "oust the incumbents" and the independent candidate phenomena confirm. The basic problem, however, is not venal politicians or irrational policies. Political science quibbles over various alternatives to laissez-faire, oblivious to the fact that laissez-faire is the natural and moral standard of human interaction. **Thus, the basic problem is the venal and irrational nature of the political process itself. Politics does not work; it never has and never will. Politics cannot work because it is nothing more than the legalized short-circuiting of the only process that can and does work - namely, economics -** as endless centuries of human history have been trying to tell us. Ousting the incumbents and electing independent candidates is no answer; what must be ousted is the mythology that rationalizes the political form of social organization.

28. **Political science is the study of legalized fraud and force, a web of clever sophistries that exists only in the sense that astrology and alchemy exist: as medieval anachronisms which should have been refuted and rejected long ago. the political process is riddled through and through with lethal contradictions. all governments are variants of the same fallacy: "to the victor go the spoils." the concept of "the state" is an incredible philosophical and historical mistake: government is a wretched protection racket which always fails and results in war.** Virtually no one has ever understood any of this, which is why the problems exist in the first place, and why there appear to be no solutions to them. Plato, Machiavelli, Hobbes, Rousseau, Hegel, Marx - all of them were wrong, dead wrong; and innumerable lesser minds have blundered to the same bad end. **Consequently billions of human beings have lived in misery and died in vain.**

29. This sorry state of the world is not an accident, nor is it due to mankind's failure to practice The Good; rather, it is due to mankind's failure to **understand** The Good. Urgently needed is a critical reexamination of the Conventional Wisdom in ethics, economics, and politics: sorting out the false from the true, rejecting the false and refining the true, and then reintegrating

everything into a consistently rational formulation. This has been done, and you are reading some of the results. Reason, Reality, and the overwhelming evidence of centuries abundantly affirm: **society should be organized on the basis of economic principles exclusively.** The alternatives are these: Either boardroom contracts or battlefield corpses; **either capitalism, peace, prosperity, and life - or collectivism, chaos, war, destruction, and death;** there is no middle ground. **A universal understanding of these concepts is absolutely essential to the survival of the human race.**

30. Mankind must rouse itself from its ideological stupor and start thinking clearly. Real and lasting solutions to the age-old problems of society are not possible until people are willing to question the basic premises of political science - until people no longer constrain their thinking inside the usual Political Box - until people identify the lethal contradictions that are inherent in The State - until people stop believing the ridiculous myths that lead them to disaster - until people start thinking and acting rationally - i.e., in concert with Reality.

The Copernican and Darwinian Revolutions altered our understanding of the Universe and our place in it. The Libertarian Revolution is altering our understanding of the principles of social organization, and the results will change the course of history.

The Essence of the Anarcho-Capitalist Position

1. A is A; Existence is Identity; Existence is an objective absolute; things are what they are. Human beings and the world in which we live have specific natures and characteristics which are dictated by the Law of Identity.

2. Human beings implement the axiomatic Right to Life by acting, creating wealth, and thereby generating Rights to Property. The efficiency and productivity of the life-sustaining process of wealth creation are greatly enhanced by a division of labor and the exchange of goods and services in a social context.

3. Because A is A and entities have specific identities, all actions have consequences. Therefore, human beings must have realistic and objective rules by which to interact.

4. There are two possibilities with respect to the rules by which we interact: either (A) Acting in our own self-interests, we mutually agree to the rules, voluntarily and explicitly; or (B) Some of us impose the rules upon everyone else.

5. In the first instance, we have the Economic Process or the Marketplace, the rules are in the form of explicit Contracts which implement specific Rights in specific contexts, and the result is voluntary exchange to mutual advantage.

6. In the second instance, we have the Political Process or Government, and the rules are in the form of Laws. Laws are not Contracts; Laws are imposed by political insiders upon political outsiders, by the Rulers upon the Ruled; and the result is the wholesale violation of Rights and the exploitation of the many by the few.

7. Contracts, being voluntary and to mutual advantage, rarely must be enforced. But because Contracts are explicit and contextual, when they must be enforced, they optimize Specificity, and hence Accountability, and hence Responsibility.

8. Laws, always being involuntary and exploitative, must always be enforced. Laws are explicit, but not contextual. They attempt, in their complexity, to be specific; but due to the great variety and uniqueness of the contexts in which they are applied, they remain inevitably generic and noncontextual. And because Laws violate Rights and are involuntary, generic, and noncontextual, they cannot and do not optimize Specificity, Accountability, and Responsibility.

9. Consequently, the Marketplace is always superior to Government in every respect: rationally, morally, and economically.

10. It is crucially important to understand what Government is, and what it is not. The political philosophers have forever failed to recognize that Government is not "something"; rather, Government is the result of the absence of something. **Government is a negative concept, a corruption of the marketplace, in which the absence of voluntary, explicit, and contextual contracts between the rulers and the ruled results in the plethora of problems which are unique to government:** taxation, inflation, borrowing which cannot be repaid, inefficiency, incompetence, malfeasance, corruption, scandals, injustice, riots, revolutions, and wars.

11. Government cannot be based upon Contracts between the Rulers and the Ruled - upon voluntary, explicit, and contextual agreements about the rules of social interaction which optimize Specificity, Accountability, and Responsibility. If Government were based upon such Contracts, then it would become a private enterprise operating in the Marketplace, and would no longer be Government. **Government, by its nature, is irrational, immoral, inefficient, and inferior.**

12. It is absurd to argue endlessly about "the proper functions of Government," the relative merits, costs, and effects of Marketplace vs. Government activities, the Government's position or policy on this issue or that problem, *ad infinitum*. All such arguments violate the Rule of Fundamentality; they imply an affirmative answer to the logically antecedent question: Should Government exist? And because the answer to that question is overwhelmingly and irrefutably "No," all other arguments about Government are irrational, irrelevant, and futile.

13. **Politics is a bogus subdivision of philosophy, and political science is a fraud.** The concept of 'the state' is a mistake - a horrendous and historically fatal mistake. government is an infernal engine of fraud and force – chaos, destruction and death.

14. Once these principles are understood, the legitimacy and superiority of the Marketplace are established, the illegitimacy and inferiority of Government are confirmed, and the course of human history is changed forever.

4. The Nature of Government

A businessman cannot exclude his competition from the Marketplace by coercion; nor can a businessman coerce his customers to deal only with him; nor can a businessman coerce everyone to finance his operation whether they want his goods and services or not.

But a politician does exclude his competition from the political arena by coercion; a politician does coerce all of the citizens to deal only with him; and a politician does coerce all of the citizens to finance his operation whether they want his goods and services or not.

Why do these differences exist between the Marketplace and Government? Ultimately, because there are no explicit contractual agreements between the politicians and the people which would optimize the Specificity, Accountability, and Responsibility of the rulers to the ruled.

Let us examine the nature of Government in more detail.

The purpose of government for the rulers is power and control. The rulers govern by limiting the freedom of choice and action of everyone within certain arbitrary political borders.

First, Government commandeers certain parts of the Marketplace for itself: e.g., police, courts, prisons, the military, coinage and currency, education, controlling domestic recalcitrants, and alternately subsidizing and suppressing foreign Princes. Government establishes its monopoly by legally denying freedom of entry to these areas of the Marketplace to all other enterprisers, by saying to them: These areas of the Marketplace are ours; we permit no competition, or at least no serious threat to our monopoly.

Second, Government says to everyone within its arbitrary political borders: If you want the goods and services which we supply, then you must come to us, because we permit no one else to supply them.

Third, Government appeals to false "collective values" to gain the sanctions, support, and sacrifices of the citizens: WE must do thus-and-so "in the public

interest" or "for the common good" or "because of national security," etc. But "we's" are not alive; "we's" do not have values or act. Only "I's" are alive, have values, and act. Only individuals face the basic alternatives of thinking or evasion, action or inaction, happiness or misery, life or death. "The public" has no values or interests as distinct from the values and interests of the individuals which comprise the public. There is no "public interest" or "common good" or "national security."

Fourth, if these appeals to fraudulent collective values fail to gain the sanctions, support, and sacrifices of all the citizens, then Government says: Whether you want our services or not, you must use and pay for them, because we - your rulers - have so decreed. If you resist our decrees, then we will harass, or fine, or jail, or execute you.

Thus, Government appeals to false collective values to gain the sanctions, support, and sacrifices of the citizens. This is fraud. Government denies entry to certain areas of the Marketplace to other enterprisers, and Government requires everyone within its borders to use its goods and services and to finance its operations. This is force. To establish and perpetuate itself, Government makes irrational appeals to the citizens, violates individual Rights, initiates coercion, and creates conflicts and injustices which would not otherwise exist. **Government is a nonmarket institution which is superimposed upon the marketplace by fraud and force.**

It is crucially important to understand clearly the true nature of Government. The ultimate *modus operandi* of Government, like that of the solitary gunman and the criminal gang, is the initiation of coercion. But Government differs from gunmen and gangs in one important respect, a respect unique to Government.

When a gunman says "Your money or your life," or when a gang says "Pay or die," they are being honest about their intentions: the victims will do their bidding, or perish. The ultimatum and the alternatives are clear; no deceit is involved. Government, however, cannot be so honest about its intentions, because Government has a problem that gangs and gunmen do not have. Gangs and gunmen control only the geographical areas where they are actively initiating coercion; without active coercion, there is no actual control. But if a Government tried to operate this way in the vast area over which it claims sovereignty, as much as one half of the population might be

required to police the other half; and the other half probably would not be able to create enough wealth for everyone to survive. Therefore, Government's problem is this: It must control, but it must not be so large a part of the population that the victims cannot support themselves - and also their rulers in the manner to which they have become accustomed.

How can Government exert sovereignty except by being a gang - i.e., a police state? Government does so by trying to convince its intended victims that its actions are in the interests of everyone, or at least in the interests of the majority of citizens. That is, **Government must gain the sanctions, support and sacrifices of its victims.** Government asks its intended victims to make sacrifices to "the public interest," "the national security," or some other variant of "the common good" as a "collective moral purpose." But all of these appeals are fraudulent, because only individual values, purposes, and standards exist. (Point 3 above.) To the extent that these fraudulent appeals succeed in gaining the sanctions, support, and sacrifices of the citizens, Government then uses these sanctions to justify the initiation of coercion against recalcitrants - against those who reject the Government's fraudulent appeals and who refuse to sanction their own victimization by Government. (Point 4 above.) Thus, Government appears to act in the name of what the citizens want, while really acting in the name of what the rulers want.

The political process must operate by fraud when it appeals to false collective values on all fallacious public issues; and it must resort to force when its fraudulent appeals fail to gain the sanctions of all of its intended victims.

Government, like a gang, provides certain services to its victims - e.g., "protection." But such services are either unwanted by the victims, or are inefficiently performed; otherwise, fraud and force would not be required to supply and finance them.

Government always begins as a gang. But a gang becomes a Government when it (1) makes fraudulent appeals to its intended victims in terms of "the common good"; (2) receives the sanctions, support, and sacrifices of many of its victims; and (3) initiates coercion in the names of its victims, primarily against recalcitrants. By first gaining the sanctions, support, and sacrifices of many of its citizens, Government acquires power, neutralizes much of its

potential opposition, and can then concentrate its coercion upon only those who actively resist. In this manner, Government can extend its control over a much larger area and population than it could otherwise effectively coerce.

The amount of force a Government must initiate is inversely proportional to the success of its fraud - to its ability to gain the sanctions, support, and sacrifices of its citizens. The more successful the fraud, the less necessary the force. **Thus, government, which allegedly exists to protect its citizens from fraud and force, is itself a unique and diabolical combination of fraud and force.**

We have said that Government differs from a gang in that it receives the sanctions of many, if not most, of its victims. And we have also said that Government exists in the absence of explicit contractual agreements between the rulers and the ruled. Is this a contradiction? How can we say that the people have sanctioned the Government and that they have not? Can we have it both ways? Yes, we can, because the people simultaneously have and have not sanctioned the Government – **but in different respects**. And now we come to the most critical point in understanding the true nature of Government, a subtle point which has escaped the notice of the political philosophers for endless centuries up to and including the present day. This is absolutely crucial.

Most of the citizens have implicitly sanctioned the existence of government. None of the citizens have explicitly sanctioned the existence of government. The implicit sanctions of most of the citizens create the government, but in the absence of explicit sanctions, the government is not adequately constrained. The implicit sanctions of most of the citizens allow government to exist, but the absence of explicit sanctions allows the government to go out of control.

What do we mean by implicit sanctions and explicit sanctions?

Implicit sanctions of Government abound, and they have always been used by politicians and political philosophers to justify the existence of Government. Some examples: You obey the laws and regulations, you pay the taxes, you do not openly rebel against the Government; i.e., you agree to the existence of the Government - implicitly. You obey the laws because you realize that there must be some rules, or society could not exist; you pay the

taxes because you believe that you are getting some useful services for your money; and you don't openly rebel against the Government, because they have all the guns and you probably couldn't succeed even if you tried. So, you say to yourself: I don't like all the laws, and I don't like all the ways they spend my money; but there's nothing I can do about it, and where else could I go where the situation would be any better? Right? And so you grant an implicit sanction to the Government to exist, to legislate, to tax, and to control - you.

But you do not grant to the Government an explicit sanction: you do not sign a voluntary written contractual agreement that obligates you to do certain things for the Government, such as obey laws, pay taxes, fight wars, etc., and which in turn obligates the Government to do certain things for you, such as respect your Rights, honor its agreements, provide the services for which you pay, etc. You do not sign any such voluntary explicit contract, and neither does anyone else.

Between the implicit sanctions that you do grant to government, and the explicit sanctions that you do not grant to government, there is a huge conceptual, moral, and financial chasm; and it is in this chasm that all political problems occur.

You think you are paying for one thing, but invariably you get something else; that something else is almost always considerably less than that for which you paid; and you are legally powerless to do anything about it, *because there is no contract.*

The Government makes the rules. The Government's laws compel you to obey and pay; but these same laws do not compel the Government to produce and provide because the Government can change the laws. The political/legal playing field is not level; it is tilted toward those who make the laws: the Government. Voluntary explicit contracts between the rulers and the ruled could create a morally and economically level playing field; but if such contracts existed, then we would be operating in the Marketplace, not in the political arena. **Voluntary explicit contracts between the rulers and the ruled cannot exist in the political arena; and as we shall soon see, the absence of such explicit contracts is one of the distinguishing characteristics of Government.**

Government is a nonmarket way of doing things that should be done in the marketplace.

Government forbids private theft, and yet finances itself by public theft. This double standard is then compounded by fraud, because the alleged purpose of the theft - providing essential goods and services to the citizens - is false.

If an individual steals a billion dollars, it is considered to be grand larceny, and the Government would lock him up. But the Government steals hundreds of billions of dollars, it is considered to be standard operating procedure, and only the people who object or resist the theft are ever locked up.

If a company squanders a billion dollars entrusted to it by its customers, it is a scandal of major proportions and the Government would put the company out of business. But the Government squanders hundreds of billions of dollars entrusted to it by its citizens on boondoggles of every description, it is never put out of business, and the word "scandal" is seldom heard.

If a corporation keeps such poor records that billions of dollars are lost, it is considered fraud, and the Government would put the corporation out of business. But the Government loses hundreds of billions of dollars through poor record-keeping, it is never put out of business, nor does it ever improve its records.

Always it is the double standard: **what government prohibits to the citizens, the citizens must endure from government.** The government does not tolerate illegality from the citizens; but the citizens must tolerate immorality from the government - because there are no explicit contractual agreements between the rulers and the ruled.

Where does most of the money go? Into the pockets of the people who run the Government, and those who have favored status with the Government: the Legal Establishment, the Education Establishment, the Banking Establishment, the Defense Establishment, etc. **Government is a legal way for favored political insiders to rip off everyone else.**

Political incentives are perverse: short-term gains are preferred to long-term pains; but only long-term pains can solve the problems created by earlier short-term gains.

All political action violates Rights, and so it either aggravates already existing problems, or causes new conflicts and injustices elsewhere.

Therefore, all political action creates a demand for more political action, coercive intervention creates a demand for more coercive intervention, until the political risks of being in business to produce the means of human survival and happiness far exceed the economic risks. These political risks cannot be accurately predicted because the threats and actions of legislators, regulators, and enforcers are based upon subjective legal whims, not upon objective moral principles; but they decrease today's investment and research, which decrease tomorrow's production, progress, and standard of living for everyone.

The political process is both coercive and monopolistic, and so there is no possibility for redress of the conflicts and injustices which it generates. The victims have no alternative: they must petition the politicians for relief. Then the politicians intervene again and demand that everyone sacrifice still more of his Rights and wealth, again "in the public interest." Therefore, the politicians violate Rights and seize wealth, and thus they cause most of the conflicts and injustices; then they pose - and are accepted by their victims - as the only possible arbiters of the conflicts and injustices they have caused. All of their victims must come to the political throne, bend a knee, and beg for the return of what is rightfully their own: the wealth which they have produced. And so the politicians both cause and dispose of most of the conflicts and injustices as they desire. They have a closed system which is enforced by a legalized monopoly of initiated coercion. And there will always be a need for referees, when the referees and the refereeing process cause most of the disputes which must be refereed. The result is a spiral of irrationalities - until a crisis finally destroys the system.

Government is a Negative Concept

The ancient Greek philosophers founded the intellectual enterprise by attempting to explain the world around them in rational terms. One of the most obvious things in the world around them was the existence of The State, in the form of the city- states of Athens, Sparta, etc. The philosophers divided their subject into the five standard categories: Metaphysics, Epistemology, Ethics, Politics, and Aesthetics. They assumed that Politics was sufficient to cover the issue of how society should be organized because they did not yet

understand Economics, and understandably so: they were blinded by the pomp and glory of The State; the daily activities of mere merchants, shopkeepers, artisans, fishermen, and farmers were beneath their interest. And so the ancient Greek philosophers bequeathed to the world a terrible legacy, because ever since then philosophers have focused their attention on Politics rather than on Economics, and they have attempted to complete the following proposition:

Government is _____ (fill in the blank).

Plato, Machiavelli, Bodin, Hobbes, Montesquieu, Rousseau, Hegel, Marx and all the others tried to fill in this blank with various fanciful explanations and rationales for the existence and functions of The State. But all of their explanations and rationales were futile, because the original formulation of their inquiry was wrong. Instead of assuming that Government was a positive concept which required explanation, they should have corrected the error of the ancient philosophers in overlooking the basic function of Economics and the Marketplace in human life: as the voluntary association of individuals for the production and exchange of the goods and services that are essential for human survival, progress, and happiness. If the philosophers had focused on Economics rather than Politics, they would have seen that the proposition Government is _____ (fill in the blank) was fatally flawed, that Government is not "something," that Government is the absence of something, and that the correct formulation of the proposition should be:

Government is NOT _____ (fill in the blank).

The correct filling in of that blank requires an understanding of the fundamental characteristics of Economics: Natural Rights, Natural Law, freedom of association, explicit contracts, voluntary exchange to mutual advantage, and the spontaneous production, exchange, and consumption of goods and services controlled by the profit and loss system which allocates talent, time, and resources to those activities which are most urgently demanded by the consumers in the Marketplace.

When the marketplace is properly enshrined as the standard of social organization, then it is obvious that government fraud and force are unwelcome intruders on the scene of civilization, that government is not a positive concept, and that politics and government are what remains of the social order when many of the fundamental characteristics of

economics and the marketplace have been legally suppressed.

Government, therefore, is **not**: Natural Rights, Natural Law, freedom of association, explicit contracts, voluntary exchange to mutual advantage, and the spontaneous production, exchange, and consumption of goods and services controlled by the profit and loss system which allocates talent, time, and resources to those activities which are most urgently demanded by the consumers in the Marketplace. The result is all of the irrationalities which have always been associated with the existence of The State.

History has been screaming at the human race for centuries to understand the problem. But the historians, philosophers, and politicians have always been too busy dealing with the sordid results of the problem in daily life to understand the problem itself. Now we finally hear what history is screaming, and now we can change it for the better.

Government Defined

Every concept has a definition which identifies that concept exclusively in terms of its fundamental and distinguishing characteristics. Most of the conventional definitions of Government read about as follows: "Government is an institution which has a legitimate monopoly to enforce certain rules of conduct within a given geographical area." This definition misidentifies the true nature of Government.

First, although Governments could have monopolies on the use of coercion within given geographical areas, very few, if any, do. Almost every square mile in the United States has at least four Governments: township, county, state, and federal; and if a community is involved, then there is a fifth municipal Government too. The belief that Governments have monopolies within given areas is a myth; however, Governments always act as if they were monopolies, and so we will assume that they are.

Second, the word "legitimate" in the above definition implies that Government functions as an agent of the citizens. However, the only morally legitimate way that one individual or group of individuals can be empowered to act as an agent for another individual or group of individuals is by means of voluntary contractual agreements between everyone who is involved. Only

voluntary contractual agreements can legitimately transfer the decision-making power of one individual to another; all other transfers of decision-making power violate Rights, and thus are morally illegitimate. But in the political arena, there are no voluntary contractual agreements between the rulers and the ruled; nor can there ever be such agreements: if such agreements existed, then we would no longer be in the political arena but in the Marketplace. Therefore, all Government actions violate Rights, and the moral legitimacy of Government is another myth.

The above definition of Government is a floating abstraction; such Governments do not in fact exist, never have existed, and never will exist. However, if we omit the words "legitimate" and "monopoly" from the above definition, we would come closer to the truth: "Government is an institution which enforces certain rules of conduct within a given geographical area." But this definition could, with equal validity, be applied to the Mafia - a point to which we shall return.

In order to arrive at a realistic and accurate definition of Government we must briefly consider how concepts are defined and interrelated one with another.

A definition states the identity of a concept, and it consists of two parts: a more general part, a genus, which is the next higher level concept to which the concept being defined is fundamentally related; and a more specific part, a differentia, which states a fundamental characteristic of the concept being defined, and which distinguishes that concept from all other concepts within the same genus.

Human knowledge is hierarchical in structure: concepts are related to one another in a hierarchical order starting with simple and specific concepts at the bottom of the hierarchy and ascending to progressively more complex and general concepts. The first level of knowledge consists of perceptual referents; e.g., this chair, that chair, etc., which are combined to form the concept "chair" or "chairness." Concepts at successively higher levels in the hierarchy are formed by combining two or more fundamentally related concepts from the next lower level; e.g., chair, table, etc., are combined to form the concept "furniture"; furniture is combined with curtains, rugs, etc., to form the concept "household furnishings"; household furnishings are combined with structures, tools, etc., to form the concept "man-made

objects;" and so onward and upward to progressively fewer, broader, higher level concepts until we reach the top of the hierarchy with a single all-inclusive concept: the Universe, Existence, the totality of that which exists. Therefore, all human knowledge is organized into a hierarchical network of concepts, and each concept has a definition that states its identity and locates its position in the hierarchy. Our definition of Government, to be rational and valid, must conform to this pattern.

We have demonstrated that Government is not and cannot be a market institution; Government cannot be an institution which evolves in the Marketplace and is created and constrained by voluntary contractual agreements among all of the participants. Thus, the genus of our definition of Government is: "a nonmarket institution." "Nonmarket" means that in the absence of legitimizing explicit voluntary contracts among all of the individuals who are affected by that institution, participation in its activities is at least in part involuntary. **These are negative characteristics: the absence of the positive characteristics which are inherent in the marketplace - voluntary contractual agreements and voluntary exchanges to mutual advantage.** This genus includes two types of institutions: Governments and criminal gangs.

To establish a realistic differentia of our definition of Government, let us compare the typology of Government with the typology of a criminal gang, e.g., the Mafia. (By "typology" we mean a listing of how individuals relate to an institution, and whether these individuals gain or lose from the existence of that institution.)

The typology of the Mafia consists of four groups of people which, for reasons that will soon become apparent, we will number from 1 to 5, omitting 3, as follows:

Group	Description	Gainers/Losers
1	The Mafia itself	Gainers
2	Others who profit from the existence of the Mafia: pimps, prostitutes, gun runners, drug dealers, corrupt police, etc.	Gainers
3	-	

- | | | |
|---|---|--------|
| 4 | Other criminal gangs that want to replace the Mafia | Losers |
| 5 | Most of the people - who understand the shabby truth about the Mafia, and who want nothing whatever to do with it | Losers |

Groups 1 and 2 consent to the existence of the Mafia because they gain from it; groups 4 and 5 are dissenters because they lose.

The typology of Government consists of five groups of people, as follows:

Group	Description	Gainers/Losers
1	The Government itself: the executive, legislative, and judicial branches, the bureaucracy, police, military, etc.	Gainers
2	Others who profit from the existence of the Government: the legal, banking, utility, education, welfare, and defense Establishments, and other quasi-governmental institutions	Gainers
3	Most of the citizens, who believe they gain from Government but who really lose more than they gain; they grant Government implicit but not explicit sanctions to exist and act	Losers
4	Political dissenters who want to take over the Government	Losers
5	The very few people who understand the shabby truth about Government, and who want nothing whatever to do with it	Losers

Groups 1 and 2 consent to the existence of Government because they gain from it; groups 4 and 5 are dissenters because they lose. **But Group 3 of the Government typology is both unique and paradoxical: these people lose, yet they are consenters.**

The Mafia is surrounded by enemies which it subdues by force; it is both illegal and immoral. But Government goes to great lengths to establish a

facade of moral legitimacy, and so it exists in the midst of millions of naive Group 3 citizens who believe they gain from Government, whereas in fact they lose more than they gain. Government asserts that it and it alone can provide certain essential services; and this bogus assertion fetches many of its citizens because they do not understand the rational Marketplace standard for judging economic efficiency. If this fraudulent appeal fails, then Government calls for sacrifice to false collective values: the public interest, the common good, the national security; and this bogus call fetches many of its citizens because they do not understand the ethics of rational self-interest and the contradictions that are inherent in all forms of sacrifice to collective values. The Group 3 people want highways, schools, justice, and peace; the Government promises them all of that; and so the **Group 3 people grant to Government implicit sanctions in the form of acquiescence to the Government's commands:** they obey its laws, pay its taxes, and fight its wars. **But the group 3 people do not grant to government explicit sanctions in the form of voluntary contractual agreements which would optimize the specificity, accountability, and responsibility of the rulers to the ruled;** and therefore the people do not get from Government the highways, schools, justice, and peace they pay for, but instead potholed roads, inferior daycare centers for gun-toting adolescents, kangaroo courts that administer injustice, and intermittent war. In short, they lose; yet, they grant Government implicit sanctions. This is an example of what Ayn Rand called "**The Sanction of the Victim**" (although she did not identify this version of it).

Again, these millions of losers to Government who mistakenly believe they gain from Government grant implicit but not explicit sanctions to Government to exist and act. The implicit sanctions of these naive Group 3 people appear to legitimize Government; and **the existence of this group distinguishes Government from the Mafia.** Indeed, **a gang becomes a government when it acquires significant numbers of group 3 implicit sanctions; and when a government loses those sanctions, it again becomes a gang.**

Only when Government's two fraudulent appeals fail to gain the sanctions of all the citizens does Government initiate coercion to exclude its competition, enforce its laws, collect taxes, and suppress dissent. Thus, Government can concentrate its firepower - fraudulently seized from the many people in

Group 3 who grant it implicit sanctions - upon the relatively few people in Groups 4 and 5 who actively dissent. Therefore, although Government is legal, it is immoral; again, so much for the morality of The Law.

The differentia of our definition of Government is: "which receives the implicit but not the explicit sanctions of many of the people within a given geographical area to enforce certain rules of conduct, and initiates coercion against dissenters." This is a complex differentia, but it accurately identifies the fundamental characteristics of Government, and it also distinguishes Government from criminal gangs.

Combining the genus and differentia, the complete definition of Government is: **"Government is a nonmarket institution which receives the implicit but not the explicit sanctions of many of the people within a given geographical area to enforce certain rules of conduct, and initiates coercion against dissenters."**

Government is created by the implicit sanctions it does receive; but government is not effectively constrained because it does not receive explicit sanctions.

Government's carefully crafted facade of moral legitimacy neutralizes most of its opposition and permits it to wreak far more damage than any criminal gang. The worst disaster perpetrated by the Mafia was the St. Valentine's Day Massacre which lasted six seconds and killed six thugs; but the worst disaster perpetrated by Government was World War II which lasted six years and killed sixty million people, all of whom implicitly sanctioned one Government or another - and therefore perished. **Government is fraud and force – propaganda and plunder – chaos, destruction and death.**

Summary

The cause of all political problems is the fallacious belief that some human beings have the "right" to demand sacrifices and to initiate coercion in a morally legitimate way - the "right" to violate Rights - the "right" to dispose of the wealth, liberty, and lives of other human beings to achieve false collective values. Kings and emperors used to assume such powers which they exercised in the name of a god; prime ministers and presidents now assume such powers which they exercise in the name of a mob. But the final

result has always been the same: To the victor go the spoils. And so the errors of coercive politics have always institutionalized the errors of sacrificial ethics, the individual is still a pawn at the mercy of his masters, and no one can escape.

Government is a nonmarket phenomenon; it does not arise in the Marketplace by the voluntary actions and explicit contractual agreements of sovereign individuals; it is superimposed by fraud and force by some people upon others. **The political process is logically irrational, morally illegitimate, and financially irresponsible.** There is nothing in human nature or Reality which necessitates Government, and there is nothing in rational philosophy and psychology from which Government can be derived. **Government is a universal myth, akin to the once universal myth that the earth is flat. Political science is a fraud and a delusion. Politics is a great leaping, soaring, thunderous exercise in sheer fantasy and reality-faking. Government is a mass neurosis.**

Where does it end? It ends where it always does: with economic stagnation and hyperinflation, with continual violations of individual Rights and uncontrollable "crime," and with riots, revolutions, and wars. But the intellectuals always prefer to preside over the catastrophe each time it recurs, rather than discover its cause. And so the political cycle of hope, disappointment, and disaster repeats itself, over and over again, throughout the course of history. Finally, the philosophers and moralists declare: "We told you so: Human beings are evil and life is a sewer." And then the cycle begins again.

5. Borders and Warfare

What are political borders, and why do they exist?

A political border is a boundary separating two jurisdictions governed by two sets of rules for human action. Political borders may coincide with natural geographical boundaries, but not necessarily: a Chinese Wall may be built to keep people out, a Berlin Wall may be built to keep people in, or most commonly an arbitrary line - straight, curved, or gerrymandered - is drawn across the face of the earth.

These sets of rules for human action on either side of a political border - i.e., the constitutions and statute laws - are supposed to enable people to live in harmony with reality and at peace with one another. But if these sets of rules for human action were the same everywhere, then there would be no purpose for political borders. Therefore, these rules must be significantly different on either side of every political border.

Immediately, however, we are faced with an insuperable contradiction: If these rules are supposed to enable human beings to live in harmony with reality and at peace with one another, then why are the constitutions and statute laws different in every town, city, county, state, and nation? Why are legality and illegality - and thus, presumably, right and wrong - different in different places, and different even in the same place at different times? How can people live in peace and harmony if the rules which are supposed to make peace and harmony possible are in conflict between every jurisdiction - and from time to time, within every jurisdiction - on this earth? Again, why do political borders exist?

The nature of physical reality is not different on either side of a political border, nor is the nature of mankind different on either side of a political border. The basic principles of logic and ethics, which human beings must use to survive, prosper, and achieve happiness, are derived from physical reality and from human nature; and so the basic principles of logic and ethics are not different on either side of a political border. The natures of physical

reality, mankind, and logic and ethics do not change when a person crosses a political border - e.g., from the United States into Canada, or from California into Oregon, or from Manhattan into the Bronx.

The natures of physical reality, mankind, and logic and ethics are always the same everywhere. The great diversity of human values, virtues, and problems notwithstanding, rational human life and happiness have a universal basis in Natural Law - in the inexorable facts of physical reality, and in the natures of mankind and human consciousness. The Natural Law pervades reality. And human beings must think and act in accordance with Natural law and with the facts of reality if they are to survive, prosper, and be happy.

Because Natural Law pervades reality and is always the same everywhere, the rules for human action should always be the same everywhere, so that people can in fact live in harmony with reality and at peace with one another. All jurisdictions should always have the same rules - i.e., there should be only one permanent set of rules and thus only one permanent jurisdiction. But when more than one set of rules and more than one jurisdiction exist - and thousands have existed and do exist - then, at most, only one set of rules at only one time can be right; and perhaps all of them are always wrong.

Is one set of rules right? If so, which one? And at what time? **Or are all the rules wrong?** Again, why do political borders exist?

War

All people function on at least some rational, pro-life premises or they would be dead. But people make the mistake of forming nations and Governments; and they collectivize their rational and pro-life premises by calling them "the American way of life," etc. Politicians then equate loyalty to the rational and pro-life values of the "way of life" with loyalty to their own irrational, anti-life political Establishment. The contradictions in this collectivist package-deal are known as patriotism.

When the politicians have gained the sanctions of the citizens, the mass neurosis of patriotism permits the substitution of irrational and anti-life "collective values" for the rational and pro-life individual values which were the basis of the original loyalty. And since the conventional ethics of altruism and self-sacrifice has always been irrational and anti-life, it is easy for the politicians to transfer loyalty from pro-life values to anti-life institutions.

War begins by compromising the only real deterrent to war: human rationality. First, an incident occurs which violates the rights of some specific individuals. Then the flames of force are fanned by patriotic demagogues who trumpet the collectivist fiction that a group has been injured. "**They** destroyed some of **our** values; are **we** going to let **them** get away with it?!" And so the cry of the patriots, by appealing to false collective values, causes many people to pledge their allegiance to a flag, to a nation, to a Government, to some leaders. The neurosis of patriotism gives to the politicians the sanctions of the unthinking masses in whose names - and over whose dead and broken bodies - the coming conflict will be waged. For the greater glory of the victims' dead and broken bodies? Of course not. For the greater glory of the victorious politicians and militarists, and for their brand of collective values and initiated coercion – **fraud** and **force**.

Many of the victims of this neurosis know nothing about their opponents, except that some leaders refer to each others' followers as "the enemy." The few who are sane enough to resist this appeal are quickly hustled off to jail or exile. But most people are too foolish and confused by political propaganda to resist.

And if the cries of the patriots fail to launch the juggernaut, then bands of barbarians, spoiling for a fight, are always eager to violate rights and initiate coercion - in the forms of taxation and conscription - to commence the killing. Therefore, mass irrationality in the forms of nationalism and patriotism, and mass coercion in the forms of theft and slavery, are required to start a war.

On the battlefields of Los Angeles and New York City, if one man has an argument with another, he may aim a gun and kill him. The victim's estate will be compensated by being forced to pay more taxes to support the killer until he is gassed in a cage or fried in an electric chair. But on the battlefields of Europe and Asia, one man may have no argument with another, yet he aims a gun and kills him anyway - because the other man wears a different colored shirt, speaks a different language, and is in the way. Neither knows what he is doing, because neither knows the contradictions in all forms of Government. No matter; one of them kills the other anyway. And if this mindless killer kills again and again and again, his leaders will give him a shiny badge and a gaily colored piece of ribbon. Now he is a hero. When this

hero quits his killing, he will then be good political timber, and soon he may become a selfless public servant. Eventually, his victims' estates may be compensated by putting him in a leader's chair from which he can direct the next cycle of mayhem and murder. But now the killer commands the carnage from a discreetly safe distance. No longer does he bring grief to the families of those who are in the way: now he gasses or fries even the loved ones of the men that he destroys - now he incinerates many hundreds of thousands of innocent human beings - at Auschwitz, Buchenwald, and Belsen - and at Hiroshima and Nagasaki. And yet no one ever stops to ask "**What the hell is happening?!**"

The question has now been asked. Here is the answer. **The hell that is happening is that the inevitable result of Government is war.** Because Government, by its nature, initiates coercion to achieve false collective values, Government force begets Government counterforce, as groups of people aggress and retaliate against each other. Thus, when threatened by one of their own kind, leaders strive to defend their fiefdoms. Always they resort to the ancient tribal rituals to rally their followers: they wave a flag, they sing an anthem, they lead a parade, they unleash the tongues of nationalistic demagogues, they arm themselves in a frenzy of mindless patriotism. And if all that fails to seduce their followers, then the leaders increase the coercion they initiate: more taxation, conscription, destruction, and death.

Just as individuals join political parties to protect themselves from the perils of the legislative process, so leaders join international alliances to protect themselves from the perils of the military process. Indeed, after many wars the former enemies become the best of friends, and then they unite against other nations which had been their allies. (For example: World War II pitted the United States, Great Britain, France, Russia, and China against Germany, Italy, and Japan; the Cold War that followed World War II pitted the United States, Great Britain, France, Germany, Italy, and Japan against Russia and China.) But in the end, it makes little difference which nation is on which side or why. Because all Governments pursue false collective values and violate rights by initiating coercion, all Governments are contradictory and evil institutions; and so their alliances, intrigues, and betrayals are both irrational and futile. And finally, when all the talk and balloting have failed, the bulleting begins. **Therefore, a government's ultimate solution to the coercive threat posed by the existence of another government always has**

been, is, and must be: war. This is history's most devastating illustration of the 180 degree phenomenon: governments seek perpetual peace, and the inevitable result is perpetual war.

For centuries, people have been building the wrong kinds of social structures, and the contradictions in these structures inevitably cause them to collapse. Then the survivors of each catastrophe crawl out from beneath the wreckage and build new structures in the image of the old. And, of course, the same contradictions bring them crashing down again. And again. And still again. People wring their hands and wonder why the same theories always fail, why the same structures always come crashing down upon their heads. And people always evade the obvious answer: if the same structures keep collapsing, then they have not been built correctly. Why do people always evade this obvious answer? Because Government is a cultural sacred cow; its existence must not be questioned; its premises must not be analyzed. "Of course we must have Government! Without Government, there would be chaos!"

Well, consider the facts: there has been more Government in this century than ever before - and more brutality, chaos, and war than ever before - and still more is waiting to be unleashed. **Every weapon ever devised by man eventually has been used in war.** And because the cause of war persists, this precedent is still valid to this day. People plead for peace; people pray for peace; but their pleas and prayers are futile: they must reject their sacrificial roles as followers - or they are doomed to follow their leaders to destruction.

The cause of war is government. People violate each others' rights and initiate force against each other by means of government and in the name of false collective values. These contradictions result in institutionalized mass conflict, that midwife and undertaker of nations, that exercise in political law and order known as war.

If one wants Government, one wants war; if one wants war, one wants Government. The Law of Contradiction cannot be defied by pretending to favor Government but to oppose war. That is impossible. And that is why every political "search for peace" is an obscene and bloodthirsty contradiction in terms - and why such searches have always failed, are failing now, and always will. By their very natures, Government and peace are contradictories, because **Government is the cause of war.**

6. Legislation

The alleged purposes of legislation are to define the Rights of individuals, to enforce the execution of contracts, and to ensure the administration of justice. But can ethical objectivity and justice be achieved by legislation? Of course not. Why not?

Consider the nature of legislation. First, the legislative process is a variant of the franchise fallacy which has already been refuted. But in the case of legislation, the victims are even further removed from controlling the process which violates their Rights and interests. Second, legislation attempts to standardize the application of universal ethical principles to an unlimited variety of particular situations. In any given case, the universal ethical principle that is the basis of the legislation may be rational or irrational. It makes no difference: since all cases are unique, any attempt to standardize by legislation cannot achieve its alleged purposes of ethical objectivity and justice.

Existence is an objective absolute; therefore, all rational ethical principles are universal and objective; therefore, the legislative **statement** of rational ethical principles is irrelevant to the administration of justice. Again, because Existence is an objective absolute, all ethical situations are specific and contextual; therefore, all rational analyses of similar situations will be similar, and all rational analyses of different situations will be different; therefore, the legislative **application** of rational ethical principles is futile and/or unjust. Further, all statute laws exist in the absence of voluntary contractual agreements which would morally legitimize them, they violate the Rights of everyone, and thus they must be enforced by the initiation of coercion which compounds the problem and makes it even more unjust.

These points are crucially important and universally misunderstood; they bear repeating.

If an ethical principle is rational - if it is consonant with the facts of Reality -

then it is derived from Natural Law: it is derived by means of logic from the axiomatic concept of Existence, and from the rational ethical standard of value. Hence, because Existence is an objective absolute, a rational ethical principle is valid by the grace and sanction of Reality. Any legislative acknowledgment of its status is irrelevant to the validity of the principle. Thus, the explicit statement of a rational ethical principle is the province of philosophy, not of legislation.

But if an ethical principle is irrational - if it is not consonant with the facts of Reality, if it is not derived from Natural Law and the rational ethical standard of value - then it is invalid by the grace and nonsanction of Reality. All of the legislating in the world cannot make it otherwise; and so any legislative acknowledgment of its status is irrelevant to the invalidity of the principle. Thus, the explicit statement of an irrational ethical principle is the province of fools; and there surely is no shortage of them in legislatures.

Therefore, whether a universal ethical principle is rational or not, the legislative **statement** of the principle is irrelevant to justice and human life; it adds nothing to what philosophy can do.

Further, every **application** of a universal ethical principle must be contextual: specific persons, objects, relationships, and actions are always involved. And since the combinations of persons, objects, relationships, and actions are unlimited in number, the contextual applications of any universal ethical principle are also unlimited in number. Therefore, the statute law can never be sufficiently specific and contextual to deal justly with all the possibilities.

An injustice results from an action which violates an individual person's Rights: an involuntary value loss is suffered by the rightful owner of that value, a loss caused by someone else. Every injustice has a specific context: specific persons, objects, relationships, and actions are involved - a specific value belonging to a specific victim has been damaged or lost as the result of a specific action by a specific offender. Thus, all injustices are specific and contextual.

The Principle of Justice tells us that the rectification of an injustice requires the offender to create and return to his victim the value-equivalent of the loss sustained, insofar as that is possible. Because every injustice is contextual, and because the possibility of applying the Principle of Justice optimally to every case is also contextual, the rectification of an injustice must be specific

to that case. Thus, all justice is specific and contextual.

Human beings are neither prescient nor omniscient: they cannot know what will happen in the future, nor can they know everything that there is to know. And even if they could - a thousand years, a million legislators, and all the ink and paper in the world would not be sufficient to apply even one universal ethical principle to every specific situation that could occur. Therefore, to the extent that the legislative process is optimally just, it is massively voluminous, and thus futile; and to the extent that the legislative process is efficient, it is incomplete and thus unjust.

Of course, there are many types of legislation other than those which are intended to administer justice, and most of that legislation is so wildly inane as to require no detailed refutation. But law enforcement is precisely that - enforcement; and therefore if a law does not attempt to administer justice, then it necessarily administers an injustice, and so it is morally invalid without further comment.

However, even superficially plausible statute law is irrational. All injustices are contextual and specific. But because almost all legislation is formulated before the occurrence of the cases to which it will be applied, it cannot be contextual and specific. Legislation attempts to escape the realm of the arbitrary by codifying everything; all cases to which a statute law is applied are assumed to be identical; but they aren't - justice is always contextual; and thus the process of codification is itself arbitrary. Therefore, legislation is the futile attempt to standardize and freeze the application of abstract ethical principles according to the compromised momentary whims of some lawmakers; legislation is the futile attempt to bury the inexorable facts of Natural Law and the Principle of Justice under an avalanche of statute law, complete with arbitrary "magic numbers" of so many dollars, so many days, months, and years, so much of this and that and everything else. And all of it is noncontextual, arbitrary, irrational, and unjust.

It is invalid to object that statute law classifies injustices into broad categories and then grants to the judge certain discretionary powers to apply the law contextually. Such an argument admits that statute law is unjust without contextual interpretation. But the application of the Principle of Justice requires total judicial discretion; and legislation can only deny to the judge this total discretion to deal with every case on a contextually specific basis.

Therefore, to the extent that the statute law permits judicial discretion in a specific case, it is irrelevant to the administration of justice in that case; and to the extent that the statute law prohibits judicial discretion in a specific case, it is inimical to the administration of justice in that case. Hence, legislation never helps, and almost always hinders, the rational administration of justice - as the surfeit of laws, lawyers, and lawlessness confirms.

For example: If I steal a thousand dollars from you, and your interim losses and costs are another thousand dollars, then the Principle of Justice requires the judge to sentence me to pay you two thousand dollars. Thus, we already know what the judge should do. If the law allows him to do this, then it is irrelevant to the administration of justice; so, who needs it? But if the law does not allow him to do this, then it is inimical to the administration of justice; so, again, who needs it?

Of course, most cases are more complex and subtle than this; but they can be settled rationally only by applying the complex and subtle implications of the Principle of Justice, not by applying the complex and subtle whims of some legislators. In short, a judge - who is morally and financially responsible for his actions - should make the decisions on a contextually specific basis.

However, the statement of the Principle of Justice is not all that needs to be said about the administration of justice. There must be some procedural rules to apply the Principle of Justice objectively to each specific case. But for the reasons already cited, these rules should not be legislative - they should not be imposed by a third party upon the offender and victim. Rather, the rules should be contractually agreed to by the offender and the victim in each case. (About which much more later.)

Some injustices are rectified by a method of reparations payments which is similar to the application of the Principle of Justice. The most notable exception to this is the category of offenses known as "crimes." In legal parlance, a "crime" is a violation of a statute law. But because there is no such thing as a rational statute law, there can be no such thing, in reason, as a violation of a statute law; there can be no such thing, in reason, as a "crime." (In this book, the term "offender" is always used rather than the term "criminal," and the term "crime" is always in quotes.)

"Criminal law" is supposed to protect society from certain actions of individuals. In "criminal" cases, there may or may not be individual victims.

But only individuals are alive; hence, only individuals can have the most basic Right - the Right to Life; and since all Rights are derived from the Right to Life, all Rights pertain only to individuals; therefore, only individual Rights can be violated. Collectives - such as nations, races, or societies - exist; but they are not alive; thus, they have no Rights as distinguished from the Rights of the individuals which comprise such collectives. Hence, every injustice - i.e., every violation of a Right - must have an individual victim. If there is no individual victim, then there has been no violation of a Right, and so there has been no injustice. Yet the lists of victimless "crimes" fill many volumes: e.g., gambling, prostitution, sedition, treason, etc. Further, the legal documents pertaining to these "crimes" always begin with "The People of the State of X vs. Y". But these "crimes" do not violate the Rights of "The People of the State of X"; "The People of the State of X" are not victimized by these victimless "crimes"; and so they have no rational complaint against the gambler, the prostitute, or the alleged perpetrators of various unpatriotic acts against the Government. And just as the definitions of "crimes" are arbitrary and irrational, so are the punishments meted out for the commission of such "crimes": arbitrary fines payable to the politicians, and arbitrary prison sentences which are involuntarily financed by the real or imaginary victims of such "crimes."

Fictitious violations of fictitious "collective rights" are commonly punished today, whereas real violations of individual Natural Rights are commonly ignored. Most of these real violations are caused by politicians and militarists; and the rest are the work of the miscellaneous savages who thrive in the amoral jungle of statute law which has overgrown the Earth. Therefore, it is no paradox that the current epidemic of injustices cannot be cured until the category of offenses known as "crimes" is abolished - i.e., until all statute law is abolished.

Textbooks of political science pose this question: Should the legislator, as the trusted representative of his constituents, vote his own judgment on the issues which come before him; or should he be a "rubber stamp," merely translating the wishes of his constituents into legislative decrees? At least the textbooks have the decency to leave the question unanswered, because it is rationally unanswerable.

Either a person voted for a legislator, or he voted against that legislator, or he

didn't vote at all. It makes no difference: in none of these cases is there a voluntary contractual agreement between the voter and the legislator. Yet the legislator assumes the "right" to make decisions for other people, voters and nonvoters alike, without contractual agreements with any of them which morally empower him to do so.

If I were to make a transaction in your name but without your contractual agreement, no court would hold you financially responsible for that transaction - because there is no voluntary contractual agreement between you and me. But the legislators are continually making transactions without voluntary contractual agreements with you or me or anyone else, transactions that they claim are legally binding on all of us, and the courts don't give a damn.

People say: "Oh, that's different; that's something else entirely." I agree: it's something else all right. The rational self-interests of each person are unique to him, and when he loses the decision-making power to pursue his own interests, then logical and ethical chaos ensues.

The irrationalities involved ascend to dizzy heights when all the aspects of the situation are considered. For example: what happens to the interests of those who voted for a winning legislator, but then he supports a losing position in the legislature? Or what happens to the interests of those who voted for a winning legislator, but then he supports a winning position in the legislature to which they are opposed? Or what happens to the interests of those who voted against a winning legislator, and then he supports a winning position in the legislature? Or what happens to the interests of those who voted for, or against, a defeated legislator? - do the laws he helped to pass now become invalid? - do the bills he helped to defeat now become law? Or what happens to the interests of those who supported a certain piece of legislation if the executive vetoes it, or if the courts declare it to be unconstitutional - and then the process begins again?

I must apologize: I have tried very hard to think of analogies in the business world to illustrate all of this irrationality, but I have failed. I can only say that if such analogies existed, the business world could not function. Of course, a legislature and a social system based on statute law cannot function rationally either. But everyone has become accustomed to political idiocies; everyone expects the legislative process to be arbitrary, irrational, and unjust; no one

ever questions the nature of the whole procedure; and so it continues.

Because legislators are not concerned with providing justice for you and me and everyone else, but with legally stealing from all of us instead - so they can buy our votes with our own money - they can argue forever about who will be the victims and the beneficiaries of their theft, how it will occur, etc., etc., *ad nauseam*. And that is exactly how these ladies and gentlemen spend their time and our wealth.

So, to summarize: the legislative process is at best ridiculous and at worst disastrous. The statute law arbitrarily attempts to standardize the principles and procedures to be used in interpersonal relationships, and to freeze these principles and procedures according to the momentary whims of some legislators. Therefore, statute law is either irrelevant or inimical to what it attempts to do.

American politicians and lawyers pride themselves on devising and preserving "a government of laws, not of men." They mean that men are arbitrary, but that their statute laws are not. And once again, they are wrong. All legislation is formulated by men; therefore, in the sense that they intend, the distinction between men and law is trivial: statute law can only concretize and institutionalize the compromised whims of some legislators.

Politicians and lawyers seem to believe that only those principles which have been standardized and frozen in statute law can be objective and just. And by implying that statute law is a nonarbitrary rock of certainty in a sea of human change, politicians and lawyers implicitly deny that Reality - and therefore, the Natural Law of Reality - is sufficiently objective for their purposes.

But because the legislators are always arbitrarily changing their arbitrary laws, where is their rock of certainty - and their justice? What axiomatic concepts do the politicians and lawyers have which are more fundamental than Existence, Consciousness, and Identity? What standard of truth do they have which is more certain than the Law of Contradiction? What ethical standard do they have which is more basic than Life itself? And what principle of justice do they have which is more just than the Principle of Justice? These questions are rhetorical. The quote from Cardozo in the chapter on "Crime" and Justice is typical of the political and legal mentality: arbitrary assertions about moods, magic numbers, and moral relativism - but rarely any logic, and still more rarely any proof.

The arbitrary nature of The Law has been immortalized in this well-known anecdote. Two men meet on a street corner early in 1933; one of them has a pint of whiskey in his pocket and the other has a hundred dollars in gold coins; the one with the whiskey is a criminal, and the one with the gold is not. However, a year later, these same two men meet with the same things in their pockets; but now the one with the gold coins is a criminal and the one with the whiskey is not. (In the intervening year, the possession of gold was outlawed and Prohibition was repealed.)

Perhaps the greatest moral absurdity of all is the motto on the facade of the United States Supreme Court building: "Equal justice under law." Precisely. To the extent that legislation is enforced, justice is indeed equal. But justice, rationally understood, is contextual, not equal. Every attempt to enforce every statute law that has ever existed has violated the Law of Contradiction and the Rights of one or more persons. Legislation makes the administration of justice impossible; any justice that occurs is in spite of, not because of, the statute law.

But throughout history, legality has always been equated with morality, implicitly if not explicitly. When obvious differences have developed between legality and morality, as in wartime, people have blamed such differences on human frailty. But never have they understood that statute law must violate individual Rights, and that legality and morality are contradictories. Although this is evident in practice, people still believe that legality and morality should be synonymous. This is one reason for the current moral cynicism, and for the ever increasing contempt for "The Law." This situation will continue until people learn that objectivity in ethics is a function of the volitional, the realistic, and the contextual - not the coercive, the imaginary, and the arbitrary.

To the extent that the law is enforced, justice and social order are impossible. the world-wide cry for "law and order" is the cry for a contradiction, and thus for chaos. For evidence read today's newspaper. Again, the 180 Degree Phenomenon.

(The alternative to a political/legal society is an entirely economic/contractual society, a society in which the Marketplace is free to function without the contradictions of the political process. About which much more

later.)

“The Majesty of the Law”

We are taught that The Law protects the Rights of everyone. But in fact all laws violate the Natural Rights of everyone because no one has agreed, voluntarily and explicitly and contractually, to respect and obey the laws. And many laws further violate many people's Rights because they pit one person against another, or one group against another, and thereby create conflicts that would not otherwise exist. There is nothing majestic about the wholesale violation of everyone's Natural Rights by the very laws that are supposed to protect those Rights.

We are also taught to "Respect The Law" and to "Obey The Law." But why should we? The Law constantly contradicts Reality, and frequently contradicts itself as well.

Respect the laws? Obey the laws?

Which laws? The laws that no one has contractually agreed to respect and obey? A law on one side of a political border which says that you may not own gold? Or a law on the other side of that same border which says that you may own gold? A state law which says that blacks and whites must not attend the same schools? Or a federal law which says that blacks and whites must attend the same schools? A law which says that you must not steal from anyone else? Or a law which says that you must permit the politicians and the tax collectors to steal from you? A law which says that as a citizen you must not murder the people next door? Or a law which says that as a soldier you must murder the people in Europe and Asia? An antitrust law which says that you must not produce wealth? A tax law which seizes part of the wealth you do produce - so the politicians can buy votes and create conflicts that would not otherwise exist? A Federal Reserve law which prints funny-money so fast that it reduces the purchasing power of the wealth you have left? Or a draft law which commits the ultimate contradiction of forcing you to be free: of coercing you to die a futile death to defend all these other laws?

Only irrational people can be bamboozled into respecting and obeying The Law: the lawyers, lawmakers, judges, bureaucrats, and police. These people sometimes respect The Law, and occasionally they obey it too. But frequently

they do not.

The Government creates and enforces millions of laws. One of its most majestic laws was the Gramm-Rudman-Hollings Act of 1985 which was intended to control Government spending and balance the budget. The law failed, majestically: federal Government spending continued to increase and the federal budget deficits continued to increase. Therefore, two years later, Congress rewrote the law and started all over again. And again the law failed; and it continues to fail, year after year. This majestic law, created by Government and intended for Government, was ignored by Government. If the Government does not respect its own laws - if the Government does not obey its own laws - then why should anyone else respect and obey the Government's laws? The laws are made to be broken, and the first people who break them are the same people who make them. So much for the majesty of the Government's laws.

A disreputable person or thing for sale to the highest bidder is called a whore. The Law is a whore - a majestic whore perhaps, but nevertheless a whore: its immoral favors can be bought by anyone who is foolish enough to do so.

Respect The Law? Obey The Law? The Majesty of The Law? Pardon me while I retch.

Not until people laugh at The Law, not until people scoff at The Law, not until people have contempt for the contradictory Majesty of The Law, will they be truly free.

7. Taxation

Voluntary exchanges in the Marketplace involve prices which are established at the intersection of supply and demand, i.e., by the aggregated value judgments of the producers and consumers who participate in the Marketplace. These prices facilitate the maximum volume of transactions, given the desires of the participants.

But the political process is not financed voluntarily; rather, it is financed coercively in three different ways: by taxation, by inflation, and by borrowing which can never be repaid, and which is, therefore, ultimately coercive too. (Inflation and Government borrowing which can never be repaid are discussed in “Libertarian Principles” and elsewhere in this book.)

Taxation is the simplest form of Government financing. A tax is not a price; a tax is not voluntarily established at the intersection of supply and demand. Rather, a tax is coercively established at the intersection of political conflicts and compromises. Taxation is never voluntary; it always occurs under the threat of coercion: either you pay the politicians what they demand, or you will have to pay them more later, or you will be deprived of your liberty.

Some people might continue to pay some of their taxes if the threat of coercion were removed - if they believed they were getting useful services for their money; this is because people believe that Government is both legitimate and beneficial, and so they grudgingly pay their taxes. But the usually unsatisfactory results of Government action would soon disenchant most people who might voluntarily pay some of their taxes; and so, ultimately, taxation must be enforced by initiating coercion against everyone.

You are not coerced to buy a ton of butter from your local grocer every April 15th; but if you don't buy a ton of guns for your peace-loving leaders every April 15th, they will send their gendarmes to fine you or to fetch you to the nearest jail. And the greater your income - that is, the greater your ability to produce the means of human survival, progress, and happiness - the greater the tax you must pay to remain at large, and the greater the resources that are available to the politicians to spread their mayhem and misery across the face

of the Earth.

When a person creates wealth, he simultaneously creates a property right to that wealth: an exclusive decision-making power over the use and disposal of that specific wealth. Therefore, any involuntary use and disposal of the wealth that he creates - including the coercive seizure of that wealth by government - is a violation of his property rights. In principle, what he creates and earns is his, by Right; but in practice, what he creates and earns is not all his, by law; the difference is seized by the tax collector.

But that is not the end of the matter. Tax money is never spent as its creators would have spent it themselves, or they would spontaneously spend their wealth in the Marketplace as they see fit without the coercive assistance of the tax collectors and the bureaucrats. Thus, given the optimal interests of those who created the wealth that is seized by Government, tax money is always spent inefficiently.

And so we are faced with the apparent paradox that government, which poses as the defender of individual rights, is in fact the greatest violator of those rights in the form of taxation to finance itself in defiance of the desires of the citizens.

Given the vast amount of wealth that Government acquires by taxation, there must be some sort of rationale to justify its actions. And indeed there are several reasons which are advanced to rationalize these wholesale violations of the citizens' Rights.

Here are some of the common rationales for taxation.

1. Taxes pay for essential services that only Government can provide.
2. Government can spend and invest wealth more wisely than the citizens.
3. Taxes enable Government to redistribute the wealth more fairly.
4. Taxes are required to balance the economy.
5. Taxes are the price we pay for civilization.

Let us consider each of these in turn.

Rationale #1. Taxes pay for essential services that only Government can

provide.

Everyone believes that taxes are required to pay for essential Government goods and services that the Marketplace cannot provide. There are several fallacies in this belief.

First, if Government goods and services really are essential, then why doesn't the Marketplace demand for them spontaneously create supplies of these goods and services?

Second, if Government goods and services really are essential, then why aren't they sold individually to everyone, on the premise that everyone needs essential services?

Third, if Government goods and services really are essential, then why must people be forced to pay for them? Food is essential, but the grocer doesn't force you to buy it. Nor must you be forced to buy clothing, shelter, medical care, and other goods and services that really are essential for your survival and well-being; rather, acting in your self-interest, you voluntarily obtain them. But it is not in your self-interest to subsidize the Welfare Establishment, the Education Establishment, the Defense Establishment, and everyone else who feeds at the Government trough; and so threats and coercion are required to cause you to do so.

Fourth, the truth is that all of the goods and services which Government supplies can be supplied more rationally, efficiently, and justly in the Marketplace.

And fifth, Government provides its inferior goods and services only to justify its existence, only as a facade to camouflage its true and sinister purpose, which is **to usurp the economic decision-making powers of the citizens under the guise of providing essential services.**

Collectivist economists have an answer (of sorts) for the first three points above: Why doesn't the Marketplace provide all goods and services? Why aren't all Government goods and services sold to the citizens individually? And why must the citizens be forced to pay for them? The economists' answer is the notion of "externality."

"Externality" refers to situations in which certain goods and services allegedly cannot be provided to individual consumers and financed by the usual market mechanisms because external benefits are involved. Economists

assert that two kinds of "externality" exist. The first involves the type of situation in which A, acting in his own self-interest, inadvertently provides a benefit to B, and yet B does not pay for this benefit. The second involves the type of situation in which the nature of the good or service is alleged to be inherently collective, and there is no way that it can be supplied and financed individually. Both of these situations, however, can be reduced to the same fallacious notion: that given the supposed nature of certain goods and services, external benefits are provided which cannot be financed by the usual market mechanisms.

The economics literature is replete with many alleged instances of externality, but we will consider only one example of each type: the lighthouse and defense. Merchant seamen, fishermen, pleasure boaters, and others who use the public waterways have an imperative need for lighthouses and other aids to safe navigation. But who will build and maintain a lighthouse, and how will its services be financed? If a shipping company maintains a lighthouse for its own benefit, then other mariners can use its services without paying. How can the lighthouse be financed equitably? By Government, of course, which means by the fraud and force of law and taxes. (But if everyone must pay while only mariners benefit, the problem remains unsolved!) Similarly with defense: Everyone supposedly benefits from a military defense, and yet it cannot be financed voluntarily because most people would never pay for it. Again, Government must do the job by means of the fraud and force of law and taxes. (And then "defense" dollars are spent for offense instead in Viet Nam and elsewhere.)

Problems of this type occur because a basic contradiction has been injected into the reasoning process, and from that point on, nothing makes any sense at all. The noun, "the public," is indefinite; it does not refer to specific individuals, nor even to a specific number of individuals. The solution to the lighthouse and defense problems, and to all others which involve "public property," "public finance," etc., is to recognize that when "public" is used as an adjective, it is still indefinite and therefore cannot be applied to specific things. All property must be privately owned, or it is not property; there is no such thing as "public property." All finance must be private; rationally, there is no such thing as "public finance." But when people believe "the public this" and "the public that" actually exist, they become ensnared in the contradictions of The Collective Fallacy; when they try to deal with the

problems which inevitably result from these contradictions, then no rational solutions are possible; and at that point, they call on the Government contradictions of law and taxes, fraud and force, to bail them out. This is what the economists are trying to do with their notion of "externality."

The solution to the lighthouse problem is simple: all waterways, including the oceans, should be privately owned; mariners will use a waterway only if navigation aids are provided by the owner; mariners will pay a license fee for the use of a waterway, and the fee will cover the cost of maintaining the navigation aids, lighthouses included.

The solution to the defense problem is more complex, but the same principles apply. This subject is discussed in detail in the last section of the book in the chapter on how society should be organized on the basis of economic principles exclusively. Suffice it to say here that a free society is a contractual society; there will be no "public property"; people will live in communities which are privately owned and contractually organized; and the contractual agreements which create these private communities will include provisions for supplying and financing defense services. (It must be noted that in a free society, the need for defense services will be minimal because Governments will no longer be able to commandeer vast resources for "defense," i.e., to wage war. This issue is discussed in detail later in the book.)

The lighthouse and defense problems were due to the uncritical acceptance of the contradictory notion of "public property": waterways in the case of the lighthouse, and land organized on the basis of false political principles in the case of defense. Yet virtually all economists believe in "public property," and thus they are led to conjure up other contradictions, such as "externality," to deal with the deleterious effects of "public property." These professors and others have never learned the most fundamental principle of the intellectual enterprise: How to think rationally. When the contradiction of "public property" has been identified and rejected, then the bogus concept of "externality" is seen to be nothing more than a collectivist rationale for Government fraud and force. To summarize the issue of "externality": All "essential Government goods and services" can be provided by the Marketplace.

However, the primary rationale for taxation is that Government must provide certain essential goods and services that the Marketplace allegedly cannot

supply.

Private enterprises in the Marketplace cannot establish coercive monopolies; private enterprises are always subject to competition, actual or potential. Private enterprises are always constrained by voluntary explicit contracts. Private enterprises must supply what the Marketplace demands - or fail. Private enterprises must price their goods and services low enough to gain and maintain market share, and yet high enough to earn a profit - or fail.

But the provision of Government services is controlled by no such constraints. Government need not concern itself with competition; it has legalized monopolies. Government is never constrained by voluntary explicit contracts with the citizens. Government supplies the goods and services it desires, not what the market demands. Government can charge whatever prices it pleases; if it fails to make a profit, the taxpayers can be coerced to pay the deficit. Therefore, the Government's provision of goods and services is inferior in every respect to what the Marketplace does or could provide.

Therefore, the primary rationale for taxation - which is the financing of certain essential goods and services - is false. the purpose of taxation is not to provide essential goods and services. Rather, the real purpose of government taxation is power and control; the real purpose of taxation is to usurp the economic decision-making powers of the citizens - under the guise of providing certain essential goods and services. Note this well: the operating principles are (1) usurpation of economic decision-making powers - force again; and (2) under the guise of providing - fraud again.

The paradigm is:

Irrational rationale: "Government provides X for the purpose of Y." Rational translation: Government **usurps the economic decision-making powers** of the citizens to do Y, **under the guise of providing X.**

Note these examples:

Rationale: "Government provides postal services so the citizens can communicate." Translation: Government **usurps the economic decision-making powers** of the citizens for communications **under the guise of providing** postal services.

Rationale: "Government provides public schools so the citizens will be educated." Translation: Government **usurps the economic decision-making**

powers of the citizens for education **under the guise of providing** public schools.

Rationale: "Government provides Social Security so that retirees can have incomes." Translation: Government **usurps the economic decision-making powers** of the citizens for savings **under the guise of providing** old-age security.

Rationale: "Government provides coinage and currency to facilitate commerce." Translation: Government **usurps the economic decision-making powers** of the citizens to facilitate commerce **under the guise of providing** coinage and currency.

Rationale: "Government provides police, courts, and prisons to facilitate justice." Translation: Government **usurps the economic decision-making powers** of the citizens to facilitate justice **under the guise of providing** police, courts, and prisons.

Rationale: "Government provides military forces so the citizens can live in peace." Translation: Government **usurps the economic decision-making powers** of the citizens for keeping the peace **under the guise of providing** military forces.

And note these results:

The postal service is inferior.

The public schools are failing.

The Social Security system is nearly bankrupt.

The coinage has been debased and the currency is being inflated.

The "crime" rates are soaring and justice has become impossible.

Domestic and foreign "peace-keeping" operations occur, but the peace remains unkept.

Whenever Government tries to do something - anything - the reverse inevitably occurs: the 180 Degree Phenomenon. However, the Government always does accomplish this: It always violates the Rights of the citizens to provide that same something for themselves, and thereby transfers to itself the powers that the citizens have lost.

Again: Government **usurps the economic decision-making powers** of the

citizens to provide essential services for themselves with Marketplace efficiency and justice; and these Government usurpations always occur **under the guise of providing** those same services in the political arena rather than in the Marketplace.

And again: **these usurpations of individual economic decision-making power by government fraud and force occur because there are no primary voluntary explicit contractual agreements between the politicians and the people which would optimize the specificity, accountability, and responsibility of the rulers to the ruled.**

All of the services that Government supplies are provided and financed in a manner that assures their inferiority. Some of these services certainly are essential: coinage and currency, justice, defense, etc. But when these essential services are legally monopolized by an institution which cannot supply and finance them in a rational manner, then everyone suffers and no one can do anything about it.

It is universally believed that a certain minimum level of Government services must be provided, and that if one person pays lower taxes or no taxes, then this deficit must be made up by another person paying higher taxes. Therefore, we are told that we must all pay "our fair share." Our fair share? Of what? Of extortion and theft? What is our fair share of extortion and theft to pay for inferior services we don't want?

Taxation does not provide essential services in an optimal manner. Taxation violates individual Rights and usurps the economic decision-making powers of the citizens which they would use in the Marketplace to provide those services for themselves if they could do so. Instead, taxation supplies inferior services, inefficiency, and injustice - given the standards of the people who are coerced to pay for those services.

Despite Government's incessant propaganda about the need to provide essential services for the citizens, **the name of the government game for the politicians is power and control, not services.** That is why the government's power and control are effective, but the services it provides are not. However, if "essential" is defined as meaning "fundamental," "intrinsic," and "concerning the essence of," then there certainly are several "essential" services that are inherent in the nature of Government: Fraud and force - taxation and tyranny - chaos, destruction, and death.

The phenomenon of collecting taxes for the alleged purpose of providing essential services to the citizens is the most extraordinary fraud in history – equalled in magnitude only by the perpetual failure of the citizens to understand the truth.

Rationale #2: Government can spend and invest wealth more wisely than the citizens.

Taxation is based on the implicit premise that although human beings are intelligent and industrious enough to create wealth, they are not intelligent and industrious enough to spend and invest it wisely, and so they need political help to do so. This is absurd because everyone knows it is much easier to spend money than to earn it. Nevertheless, "Government gathers and invests the savings of the citizens." (Rational translation: The State seizes and redistributes the wealth created by the citizens.)

The politicians and bureaucrats assume that they have a right to seize as much of our hard-earned wealth as they desire, and therefore that we have no Right to it. Their arrogance is revealed in such utterances as the following: "If we cut taxes, how do we know that the people will save their money rather than merely spend it?" (Well, the Government doesn't save any of our money; it spends all of it - and more.)

Everyone seems to believe that when Government spends money on any program or project, it is merely acting as an agent for the people, spending their money for their benefit. Individuals and organizations in the Marketplace spend their money as they see fit. But when Government spends money, it is money that has been seized from the citizens by fraud and force; it is economic decision-making power that has been usurped by the Government from the citizens who created the wealth; it violates the Rights of everyone, and especially those who lose more than they gain from these involuntary transactions; in the absence of voluntary explicit contracts between the rulers and the ruled, suboptimal Specificity, Accountability, and Responsibility are introduced into the transactions; and the wealth is always spent for various kinds of political largesse. Once the Government starts subsidizing a part of the Marketplace with its legally stolen wealth, then the unsubsidized private organizations are at a competitive disadvantage, and eventually Government control will strangle what remains of them.

The tax system puts taxpayers in the paradoxical position of making

intentionally poor investments to create losses for tax write-offs. This is wise investing? Such are the perverse and destructive incentives which drive the political process.

The Government wastes billions of dollars every year; the Government runs a budget deficit of more billions of dollars almost every year; the Government has created a national debt so large that it can never be repaid; and still the Government has the audacity to assert that it can spend and invest our wealth more wisely than we can.

Government is an inefficient, expensive, and dishonest "fencing" operation: it charges an exorbitant fee for returning to its victims a fraction of the wealth that it has stolen from them. But Governments are not merely common fences. A common fence does not coerce his customers to deal with him, he does not steal the goods himself, he does not squander most of the stolen goods, and he does not leave his unwilling customers fighting among themselves to decide which fence they will be forced to deal with next.

In the lexicon of statute law, the receipt of stolen goods, knowing them to be stolen, is a felony. Therefore, all Government personnel, suppliers, and dependents are felons: politicians, bureaucrats, judges, police, militarists, academicians, teachers, students, scientists, retirees, individual and corporate welfare recipients, and the suppliers of the paper, bombs, and bullets that the politicians hurl at each other and everyone else.

But Governments are not just fancy fencing operations run by and for the benefit of unconvicted felons. The end result of the political process is that the victims become enraged at the fence's bullying, at his continual violations of their Rights and interests, and at his excessive charges for returning to them a fraction of their own wealth that he has seized. The victims will not tolerate this abuse forever, and then the bullet does indeed replace the ballot. Again, the 180 Degree Phenomenon. So much for Government's ability to spend and invest more wisely than the citizens.

Rationale #3: Taxes enable Government to redistribute "the wealth" more fairly.

Government believes that wealth does not belong to the individuals who created it. Rather, Government believes that "the wealth" is a collective resource which it can seize, manipulate, spend, and squander as it wishes "in

the public interest."

Many people believe that profits in the Marketplace are obtained by winners at the expense of losses sustained by losers, and that Government, in the name of fairness, must forcibly redress this injustice and return the money to the losers. This fallacy concerning the source of profits is refuted in the economics section of this book.

When Government seizes the citizens' wealth, and then goes through the charade of returning it in the form of services, one of three outcomes is possible: either the Government returns to each individual what it took from him, or less, or more.

If the Government returns less, which is usually the case, then this is an obvious injustice to the individual. If the Government returns more, which is sometimes the case, then this is obviously an injustice to other taxpayers who must receive less. And if the Government returns the same amount, this is also an injustice to other taxpayers, because the Government has consumed resources collecting and redistributing the wealth. No matter what the Government does, once it has violated the Rights of the citizens by seizing their wealth, injustice is then inevitable.

All Government programs and projects coercively redistribute wealth; and they do this in some way other than how the voluntary and spontaneous Marketplace mechanisms would have distributed the wealth to maximize the satisfactions of the participants. Therefore, taxation always uses the virtues of the producers of wealth to subsidize the vices of the politicians and those who have political favor. Taxation is a legal way of diverting wealth from those who earn it to those who yearn for it - so that the yearners can buy votes and create still more injustices for the earners.

We are told that a progressive tax system - one that seizes relatively more from the rich than from the poor, on the premise that the rich are better able than the poor to pay for essential services required by everyone - is a fair tax system. And of course the conventional ethics of self-sacrifice reinforces this assertion. But taxing the rich to subsidize the poor does not really help the poor. It merely means that the rich will have fewer resources to invest in productive enterprises, and therefore that the poor will have fewer goods and services available to them - and a lower standard of living as a result. Taxes benefit only those who receive back more from the Government than they are

forced to ante up; and that benefit is only temporary, because taxes reduce the incentives and the productivity of everyone.

All taxes create victims. The tax collectors seek out potential victims who have no political clout; these people are helpless to defend their Rights in the political arena, and so they must bear the brunt of the irrationality. But if the bureaucrats try to lay taxes on those with political clout, they will encounter fierce opposition; and if they try to lay taxes on those with economic clout, they will encounter people with the means to protect their wealth, and protect it they will as best they can. Therefore, a progressive tax system is a myth: the burden of taxes always falls heaviest on those who are least able to escape the threats and thefts.

The free Marketplace optimizes Specificity, Accountability, and Responsibility. But once the Rights of the creators of wealth have been violated by taxation, and the wealth is redistributed by the Government, then Specificity, Accountability, and Responsibility are compromised, conflicts are created that would not otherwise exist, and the result is injustice, inefficiency, and ultimately economic chaos. This is a fair redistribution of wealth? Once again, the 180 Degree Phenomenon.

Rationale #4: Taxes are required to balance the economy.

Collectivist economists assert that a free economy is inherently unstable, and that Government intervention is required to balance it. To accomplish this, they usually call for higher taxes, although their reasons are often different and conflicting.

One year we are told that "It would be irresponsible to cut taxes at this time." Rational translation: It would be irresponsible for the Government to respect the Rights of the citizens and to leave them in peace to enjoy the fruits of their labors. Another year we are told that "Taxes must be raised so the Government has funds to stimulate the economy" - which ignores the fact that Government theft increases risks, decreases purchasing power and investment, and thereby reduces economic activity. And still another year we are told that "Taxes must be raised to slow down the economy," which increased taxes surely do (and which contradicts the point above). An economy is the total wealth production and exchange activities of a society;

these activities are required for human survival, progress, and happiness; therefore, consider the killer premises of those who assert that "Taxes must be raised to slow down the economy." They really mean that **taxes must be raised to slow down the achievement of human survival, progress and happiness.** And taxes do just that.

The politicians know very well that raising taxes decreases incentives, production, and the standard of living of everyone, and that lowering taxes increases incentives, production, and the standard of living of everyone. But they don't seem to know that abolishing taxes altogether would maximize incentives, production, and the standard of living of everyone - themselves included.

Once people have been forced to ante up to Government, they all want more Government favors and largesse. Some want more on the basis of getting back what was stolen from them; some want more on the basis of fencing what was stolen from others. But everyone wants more. Pressure groups know that they can escape the optimal Specificity, Accountability, and Responsibility of the Marketplace if they can belly up to the public trough. The money is there for the taking; so why not? These factors create an insatiable demand for Government largesse; and how can taxes ever be reduced when the citizens are always demanding more from Government?

Taxation creates economic dislocations, inefficiencies, conflicts, and problems that would not otherwise exist. And so the greater the political intervention in the Marketplace, the greater the demand for ever more interventions and resources "to correct" all of the problems which are caused by the political process itself.

The biggest "balancing" fallacy of all is the futile attempts of the Government to control the business cycle by means of contracyclical intervention; all of these attempts aggravate the cycle instead (as noted in the economics section of this book).

The economy does not require "balancing" by academic witch-doctors nor by politicians and other gunslingers. In a free economy, enterprisers, capital, and skilled labor naturally flow to those areas of the economy which generate the greatest returns, adjusted for risk - which means to those areas where consumer demand and thus potential consumer satisfaction are greatest. This mechanism, known as "the Invisible Hand," if left to operate unfettered, will

spontaneously and optimally balance a free economy. The incentives in the political arena are all irrational and perverse. Once the premise of coercive financing is legalized, there can be no end to the process of violating Rights and seizing wealth created by individuals in the Marketplace - until the system is abolished and everyone can spend the wealth he earns as he sees fit. Failing that, the spiral of irrationalities will continue until the system collapses into economic and social chaos under the weight of its own internal contradictions. So much for political "balancing" of the economy. Again, the 180 Degree Phenomenon.

Rationale #5: Taxes are the price we pay for civilization.

The great American jurist, Oliver Wendell Holmes, once said: "Taxes are the price we pay for civilization" (on the premise that without Government there would be chaos).

But taxation violates the Natural Rights of everyone. Taxation is legalized theft. Taxation distorts the Marketplace and wastes time and resources. Taxation creates an elite class of political favorites who feast at the public trough and fence the stolen wealth, and a massive underclass of political victims who are coerced to subsidize this cannibalistic process. Taxation pits man against man, and group against group, as everyone struggles to regain what he has lost - but which has been squandered and cannot be regained. Taxation requires an immoral bureaucracy to terrorize innocent citizens. Taxation is tribute that the citizens are forced to pay the bureaucratic robber-barons. And taxation is the ultimate means which enables the politicians to wage war.

Are taxes the price we pay for civilization, as Holmes asserted? And if so, then what kind of civilization are we paying for? Or are taxes the price we pay for not understanding the true natures of both Government and civilization? The questions are rhetorical. Lamentably, the great jurist was a jackass.

We must understand, as Holmes and millions of others have not, that the historical origin of taxation is "To the victors go the spoils." In ancient times, taxes were the tribute that the losers on the battlefield were forced to pay the winners. This tribute to the victors was intended to violate the Rights of the vanquished - and it did. Most of the wars of history have been fought by rival Princes for the privilege of confiscating the wealth of the people in the

form of taxes.

In modern times, taxes are still the tribute paid to the victors by the vanquished. But now the victors on the battlefield - or at the polls - camouflage their theft by asserting that the tribute is being used to provide essential services to both the victors and the vanquished. However, all Government services are provided in the absence of voluntary contractual agreements between the rulers and the ruled; and so all Government services are inferior and can be provided more economically and justly by the Marketplace. The rationale of paying taxes for public services is a facade for Government extortion: taxes were, and are, tribute, nothing more.

Paying taxes is not virtuous, any more than paying tribute to a criminal gang is virtuous. Taxes do not provide essential services; taxes merely short-circuit the Marketplace mechanism which would provide those services in the absence of Government.

Let us put the moral issue of paying taxes into a rational perspective. Are the citizens of a defunct Government still obligated to pay taxes to that Government? Were the American colonialists still obligated to pay taxes to the British Crown after the Revolution of 1776? Were the French still obligated to pay taxes to the *Ancien Régime* after the Revolution of 1789? Were the Russians still obligated to pay taxes to the Czar after the Revolution of 1917? Were the people in East Germany still obligated to pay taxes to the Communists after the Berlin Wall came down? And will Americans still be obligated to pay taxes when the contradictions in the United States Government cause it to crash in ruins on the scrap heap of history?

The answer to all of the above is: Of course not. The "obligation" to pay taxes is only as real as the proximity of the tax collector's gun; and when that gun is removed, so is the obligation to pay taxes. The only moral obligation involving taxes is to keep oneself from being shot, not to pay tribute to the politicians.

But unfortunately every successful revolution in history has failed to end the tyranny that it has overthrown. Just at the point when people finally shed their shackles and could be free, they willingly accept some more - because they have never understood the contradictions that are inherent in *all* forms of Government.

The political process is utterly irrational; it is based on myths and fallacies. Consequently, it results in an endless parade of paradoxes and contradictions. And chief among those paradoxes and contradictions is the phenomenon of taxation.

Every time you pay taxes, you have a sneaking suspicion that something is basically wrong with the whole system. But despite the endless billions of dollars involved, no one stops to translate that sneaking suspicion into rational conceptual form.

The tax system accomplishes its massive thefts by a combination of appeals for self-sacrifice to false collective values, moral intimidation, and initiating coercion.

Government financing - of anything and everything - occurs in the absence of voluntary contractual agreements between the politicians and the people. Therefore, the Rights of the people are violated, and the usurpation of the economic decision-making power of the people results in the loss of optimal Specificity, Accountability, and Responsibility. Always the result is the same: the citizens do not get what they pay for.

One of the rallying cries of the (first) American Revolution was the following: "No taxation without representation!" What does representation have to do with it? All taxation is legalized theft: the wealth created by an individual is stolen. It matters not whether your neighbors agree to it, whether your "representatives" agree to it, or whether the rest of the human race agrees to it. You have never signed a voluntary contract that you agree to it, and that is all that counts.

Taxation is not only theft, but it is a form of slavery too. "Tax freedom day" now occurs some time in May, meaning that for the first third of the year, we are working for the Government against our wills. The only difference between taxation and slavery is that in the case of taxation, the individual who creates the wealth can receive it first but then must give it up; the slave never receives it in the first place. However, more diabolical forms of taxation, such as withholding, are fully equivalent to slavery, since the creator of the wealth never does receive it. Further, by means of withholding, the IRS can coerce the relatively few employers to pay the taxes rather than the relatively many employees, and it can concentrate its firepower upon the hapless employers who get nothing but headaches for their trouble.

The IRS allows certain deductions and provides certain loopholes on our income taxes. How good of them! How very decent and good of them to allow us to keep some of the wealth that we have created and earned, and which is ours by Right, not theirs. Everyone believes that a tax deduction or a tax exemption is a favor granted by the Government, whereas tax reductions are lesser injustices laid upon the taxpayers. Only when the IRS is abolished will the deductions and loopholes be large enough.

A former IRS commissioner has asserted that "Income tax evasion is pure theft." But that is not the only irrational reason why the tax collectors come at us with such self-righteousness and vengeance. The conventional ethics has been telling us for centuries that we are evil, and that if we accumulate worldly goods, then we are more evil still. But we can do penance for our evil by letting the legal thieves relieve us of our ill-gotten gains, thereby enabling us to atone for our baser natures and to become good self-sacrificing members of the community of man. Motivated by this holy mission to save us from ourselves (and to pad their own pockets too), armed with the gun of Government, and facing only token opposition from a naive citizenry that has sanctioned its own victimization at their hands, the tax collectors act with a ferocity and zeal that transcend all decency and reason.

Government forbids private theft, and yet finances itself by public theft. This double standard is further compounded by fraud, because the alleged purpose of the theft - providing essential goods and services to the citizens - is false. The tax collectors are dishonest with the citizens about the purpose of their theft, and no penalty is placed upon them. But if the citizens attempt to defend their Rights by being "dishonest" with the tax collectors, then draconian penalties await them.

The tax collectors keep rotten records of their thefts: they are always losing track of what comes in and what goes out. And yet the taxpayers are coerced to keep detailed records for the tax collectors (in violation of the Fifth Amendment) of the wealth they have produced and sold, and they are coerced to wrestle with a complex and contradictory maze of rules and regulations which is forever changing - when they could be devoting that time and effort to producing still more wealth.

Government vigorously prosecutes "money laundering." And yet taxation and Government spending are a very vigorous form of legalized money

laundering.

It is usually considered a felony for the citizens to assault the tax collectors; but it is standard operating procedure for the tax collectors to assault the citizens.

Taxation guarantees that no one gets what he wants, everyone has to pay for it, and no one can do anything about it. Taxation is logically absurd, economically counterproductive, and morally reprehensible.

There is a practical limit to the levels of taxation that the Government can collect. Beyond a certain point, the incentives of the victims to produce are so reduced that productive people give up and go on the dole, and then the whole system falls apart. Further, all of the irrationalities of the tax system can never be enforced upon the entire population. There aren't enough police to do it. The perpetuation of the tax system depends upon the ignorance and timidity of the people: the system can function only as long as it is sanctioned by a majority of its victims. Therefore, "Death and taxes" are not both inevitable. Taxes can be abolished any time that the human race decides it has had enough of Government. And although abolishing taxes will not make death less certain, it would greatly enhance and extend the quality of life.

* * *

The bottom line on taxation is this: either you pay or you go to jail. Therefore, **taxes are really bribes that the citizens are forced to pay the politicians for the privilege of living outside the politicians' jails for the current year.** But if a citizen does pay taxes, then he is guilty of bribing public officials; and according to the legal lexicon, he too should be sent to jail. Therefore, all taxpayers should be locked up: some for evasion and the rest for bribery. But then the politicians should be locked up too for accepting bribes, everyone is in the pokey, and who will guard the gates - or do the work to keep everyone alive? The benevolence of the politicians, however, saves us from this logical disaster: once bribed for the current year, the politicians let the law-abiding and self-sacrificing taxpayers roam free until it comes time to shake them down again.

The mafia extorts 'protection money' from a few hundred victims: 'pay or die.' the government extorts taxes from many millions of citizens: 'pay or go to jail.' is there a difference? (Not much, but some; see The Nature of

Government.) **Taxation is irrational, taxation is immoral, taxation is deceitful, taxation is wasteful, taxation is counterproductive, and taxation is legalized theft. in the name of any human decency left on earth: taxation must be abolished.**

8. Environmental Pollution

Environmental pollution is now recognized as a major threat to the health and welfare of all human beings; however, the ultimate cause of pollution remains unrecognized. This essay identifies the conceptual cause of pollution, and demonstrates that a rational solution to the problem is impossible until that conceptual cause is understood and corrected.

Let us begin with a mundane example. If someone leaves garbage in your yard, you pick it up and throw it away. You have the right to do this, because the garbage is property which has been abandoned by someone else, and is now on your property. But if this someone continues to leave garbage in your yard, you will soon become irritated because he is violating your rights: he is using your property as a dumping ground without your permission. So, you will soon discover who is responsible and you will sue him for violating your rights. And then the dumping of garbage in your yard will stop.

What enables you to stop the dumping of garbage on your property? The fact that you own your property, and thus that you and you alone have the decision-making right to the use and disposal of it. If you do not have this right, then you do not possess property, because only that which you have the right to control is your property.

But what happens when someone dumps his garbage into the air and water - when a factory pollutes the air, or when a municipal sewage disposal plant pollutes a river? Can the victims of pollution sue the factory or the city? No, not in reason. Why not? Because air and water are "public property"; they are not owned by anyone. Air and water are as essential to human survival as is land itself; they have economic value; but they are not private property. When they are polluted, no property rights are violated; so, who will sue whom? Therefore, the pollution continues.

So, what is the ultimate cause of environmental pollution? Simply this: the notion of "public property" violates the Aristotelian Law of Contradiction. All property must be owned by one or more specific persons, or else it is not property. Of course, "public property" is allegedly "owned" by "everyone." Is

it? You are one of everyone; but do you have exclusive rights to the use and disposal of the Washington Monument, the gold in Fort Knox, or a hydrogen bomb? Obviously, you do not have any of these rights. Who does? No one. The point is that property which is allegedly owned by everyone, is really owned by no one, and therefore it is not property.

It is irrational to maintain, as the collectivists do, that "public property" is owned by the government. Either the government is everyone - i.e., no one - or it is the politicians who control the government at any particular time. In either case, I will simply say: "Show me the deed to the allegedly public property which identifies the names of the people who own it." But there is no such deed, and there can be no such deed; "public property" has no owners; hence, it is a contradiction in terms. And "private property" is a redundancy: all property must be private - it must be owned by someone - or it is not property.

But let us assume for a moment that the water and air belong to the politicians. If they are the owners, why did they let their property fill up with garbage? Why is the problem usually becoming worse? Because pollution does not cost the politicians anything. If the fish in a polluted lake should die, that puts the fishermen out of business, but not the politicians. If the air in a certain town becomes so foul that people cannot live or work there any more, that puts the real estate owners out of business, but not the politicians. Rather, these problems are the "business" of the politicians. But even so, the politicians may not want to fight pollution because more regulations and higher taxes will aggravate everyone, including people who are not responsible for the problem; and this may defeat the politicians. Because property rights to water and air are not universally recognized as they should be, there are no direct economic incentives to maintain the quality of the water and the air, and there is no economic responsibility and economic recourse when their quality deteriorates. So, the contradiction of public property devours some more innocent victims: the fishermen and real estate owners who require clean water and air to earn their livelihoods, but who cannot control the quality of that water and that air.

Although property rights are universally violated *en masse* throughout the world, the concept is more or less understood with respect to things that a fool will bump into if he doesn't watch where he's going, such things as

houses and cars and trees and hills. But when the issue becomes the least bit subtle, as with the water and the air, then the conventional mind is overwhelmed; and so the water and the air continue to be polluted.

When there were fewer people and not much pollution, the problem of water and air ownership did not arise. But the time has long since passed for people to start thinking seriously about this issue, and to include water and air in the concept of property rights.

Whenever this topic is discussed, some collectivists always say: "You're crazy! How can anyone own the water and the air? They're moving all the time!" This is the mindless type of mentality that is responsible for the problem. It is an obvious fact that the water and air are moving all the time; and I certainly do not propose to hold them still.

But I do propose the following. Granted that a given quantity of water or air cannot be owned across any length of time. **But a depression in the surface of the earth which contains water, such as a lake or a river basin, and an air-space above a given tract of land, can be owned. And so the water within a depression, and the air within an air-space, can be the responsibility of an owner while the water and air are there.**

Consequently, all property rights to land should include the rights to surface waters and to air-spaces above that land. The rights in each case should be defined with respect to the particular nature of the property. For example, the owner of a factory or a skyscraper will require a higher air-space than the owner of a rural home. Above these levels, the air-space might be owned by local helicopter transportation companies; and above that, by the airlines. Because such property has value, it would be bought, sold, and leased like other types of property, with appropriate differences due to its particular nature.

The application of the principle of water-space and air-space ownership to pollution is this: a person may pollute his own property - his own water-space or air-space - all he wants, if he can keep his pollution from entering someone else's water-space or air-space, which is impossible. Therefore, he cannot afford to pollute his own property, or he will be sued when that pollution enters someone else's property.

What would be the grounds for such a suit? Absolutely "pure" air would be prohibitively expensive in an industrial society, and certainly not necessary. So, the standard in each case would be the demands of the marketplace: the uses one's neighbors make of their air-spaces. If one's neighbors own apartment houses, then the standard would be different than if one's neighbors own a desert.

But reasonable standards can be agreed upon in each case by rational people by means of voluntary contractual negotiations. If one wanted to build a home between two polluting factories, he could sue the factories to stop polluting his air-space; but if other air-spaces were not being violated, it might be cheaper for the factories to buy the property between them than to stop polluting. Etc.

The point is this: **let the market decide**; i.e., let the individuals involved pursue their own rational self-interests, rather than have the politicians initiate coercion against everyone by means of taxation and arbitrary regulations about how clean the air should be. The costs of disposing of waste materials should be part of the costs of production; anti-pollution expenses should be passed on to specific consumers in the form of higher prices for specific products, not to the public at large in the form of higher taxes and arbitrary regulations. **Only the private ownership of property - all property - permits a rational and just determination and distribution of these costs.**

* * *

Because "public property" is a contradiction in terms, in a rational society there would be no public roads; all roads and streets would be privately owned. Major interurban highways probably would be toll roads, like the turnpikes today. Minor roads and city streets would also be maintained by private corporations, and probably would be paid for by a system of reciprocal licensing. For example, you would buy a license to use the street serving your property from the corporation which owns and maintains it; this corporation would have reciprocal licensing agreements with the other road corporations which own the other streets and roads in your area; so, you could use these other streets and roads; and by paying additional fees, you could use the streets and roads in all other areas as well. Customers of the other road corporations could use the street serving your property under

similar conditions. Competition among road corporations for long-term contracts with property owners would keep license fees reasonable.

This might seem to be a very complex and impractical system. But it is very practical and just, because a vehicle owner would pay only for the roads he actually uses; the roads with the heaviest traffic would earn the most income, which would allow optimal maintenance and expansion of those roads when necessary; and the competitive nature of the road system would tend to insure the most efficient and productive use of resources. But with the "public" road systems, there is no rational economic relationship between the use of a road and its income; therefore, construction and maintenance of roads respond to political pressures, not economic demands; and the absence of competition permits an inherently inefficient political bureaucracy to control what should be a dynamic sector of the private economy.

The point of all of this with respect to air pollution is that a road company would own the air-spaces adjacent to its roads; so, it would be responsible for any pollution which left its air-spaces and entered other air-spaces. Therefore, road corporations would not allow polluting vehicles on their roads; they would not license such vehicles, nor would they have reciprocal agreements with any corporations which did license such vehicles. Because polluting vehicles would not be allowed on roads, manufacturers could not sell such vehicles; and so only non-polluting vehicles would be made. ("Polluting" and "non-polluting," of course, would be defined by the composite economic demands of the participants in the marketplace.) There would be no endless public hearings, legislation, regulation, and taxation about the vehicle exhaust problem because the problem would not exist. And if these rational economic relationships and incentives had been present all the time, the problem would not exist today.

Similarly, river basins, lakes, and all other bodies of water have economic value, and in a rational society they would be privately owned. The favorite example of the water pollution non-thinkers (when this was written in 1970) is Lake Erie. But if the politicians could have protected any body of water from pollution it should have been Lake Erie: There are two national, five state and provincial, and many county and city governments involved. And yet Lake Erie is damn near dead. No rational, just, and permanent solution to the problem can occur until people start thinking about its cause: the

contradictory notion of "public property."

Eventually, Lake Erie will be owned by the "Lake Erie Corporation." The stockholders of this Corporation will elect a board of directors; and the board of directors will hire the decision-making management of the Corporation. This management will monitor the market demands for the many possible uses of the Lake, such as transportation, water supply, fishing, recreation, and waste disposal. They will decide which combination of uses would yield the greatest profit to them - i.e., which combination of uses would serve the most urgent needs of their potential customers; and so they will decide what types and levels of pollution, if any, would be tolerable. They will then sign long-term contracts with enterprisers who want to use Lake Erie for these various purposes; thus, the Corporation will control the use of the Lake to maximize its productivity. But just as General Motors would not intentionally trash its factories, so the Lake Erie Corporation would not mindlessly exploit the Lake today, or it would violate its contracts and have no product to sell tomorrow, and so its investment would be lost. Therefore, it would always be in the Corporation's interest to maintain and improve its property.

If commercial fishing were an economically feasible use of the Lake, the Corporation would stock it with desirable varieties of fish and would charge for this service. Anyone dumping more contaminants into Lake Erie than his contract permitted would be sued by the Corporation for violation of contract, and then the excessive pollution would stop. Anyone finding more contaminants in Lake Erie than his contract permitted would sue the Corporation, and the Corporation would in turn sue the polluter for violation of contract, and then the excessive pollution would stop. Contracts among Great Lakes Corporations would state the permissible types and levels of pollution in the waters passing from the water-space of one corporation to the water-space of another; and if the terms of these contracts were broken, then again the offender would be sued for violation of contract, and the excessive pollution would stop.

Similarly, in a rational society there would be a "Mississippi River Corporation," a "Mediterranean Sea Corporation," and, yes, even an "Atlantic Ocean Corporation." Problems would arise in implementing this, and it sounds preposterous at first. But would the problems be as great, and does it sound as preposterous, as what sometimes happens (1970) to the polluted

Cuyahoga River which flows into Lake Erie? It catches fire! Really! Aristotle would have been bitterly amused by that.

The optimal solution of the water pollution problem is private ownership of bodies of water. And if the rational economic incentives which are inherent in this solution had been present all the time, the water pollution problem would not exist today.

* * *

Political pollution controls create economic injustices while ignoring the political cause of the problem, and therefore cannot solve the problem. Political controls must be the same everywhere, or different in different areas. If the political controls are the same everywhere, they are a compromise: they allow less pollution than people would tolerate in some areas, and more pollution than people can tolerate in other areas; hence, unnecessary anti-pollution costs arbitrarily penalize firms in some areas, and intolerable pollution continues in other areas, thus perpetuating the problem. But if the controls are different in different areas, then some areas are relatively clean and other areas are relatively dirty; the firms in the clean areas have greater anti-pollution costs than the firms in dirty areas; and so, other things being equal, the clean area firms will fail and the dirty area firms will prosper, again perpetuating the problem. Therefore, if the political controls are the same everywhere, they won't work optimally; and if the political controls are different everywhere, again they won't work optimally. The problem is the notion of political (noneconomic) rather than economic controls: they do not work and they cannot work - because they violate the Aristotelian Law of Contradiction on a wholesale basis.

The political-legal way of dealing with social problems inevitably involves generic, coarse-tuned, and coercive tactics to deal with the problems, while frequently ignoring the political-legal source of the problems in the first place. Whereas the reality of the problems is that each is essentially unique, and can be solved with optimal efficiency and justice only by economic means which permit specific, fine-tuned, and voluntary tactics to deal with the problems.

Most people believe the collectivist drivel that pollution is the result of rampant individualism, selfishness, technology, and capitalism. When they are not marching, singing, and sledge-hammering cars, they are demanding

more regulation, legislation, taxation, and sacrifice - and a lower standard of living for everyone. But the cause of pollution is not capitalism; the cause of pollution is the universal failure to understand and implement one of the basic concepts of capitalism: property rights. Only the private ownership of all property allows free choice and true justice, including solutions to pollution problems according to the desires of the people involved in each case. Only private ownership of property prevents the conflicts which arise when coercion is initiated by means of arbitrary political controls and taxation. But until the contradiction of "public property" is understood and corrected, the world's water and air will continue to be free public sewers, and pollution will continue to be profitable for those who pollute. But now the problem cannot be solved, because the almost universal acceptance of this contradiction forbids a rational and just solution.

There are no conflicts of interests among rational people. There are conflicts only among collectivist fools who try to make their contradictions work in practice. And when a basic contradiction is accepted, then all hell breaks loose in daily life.

Everyone believes that certain portions of the environment must be politically controlled "to serve the needs of all the people." But when the water and air are so controlled, the needs of none of the people are served, and the water and air deteriorate as well, because they become free public sewers. Therefore, the result is the reverse of what was intended. This is an example of the 180 degree phenomenon: **Whenever government tries to do anything, the result is always suboptimal by free market standards, and often is the reverse of what was intended.**

9. Consensus Politics

The political process appeals to false collective values, makes threats and demands sacrifices from everyone, and initiates coercion against recalcitrants. In a dictatorship, this is taken for granted, and only one group - the despot and his retainers - has political legitimacy. However, it is commonly and erroneously believed that democracy is somehow different; and because democracy is commonly and erroneously believed to be the principal alternative to dictatorship, people do not question the nature of the system, nor the premises upon which it is based. Instead, they try to protect their Rights by learning how to play the game.

How is the Government Game played? For the politicians, the purpose of the Government Game is **power and control**. The politicians begin the Game by appealing to false collective standards of value, such as "the common good," "the public interest," "the national security," etc. Then, in the name of these false collective standards of value, the politicians limit the freedom of choice of everyone within certain arbitrary political borders; this Governmental limitation of the freedom of choice violates the Rights of everyone, initiates coercion against recalcitrants, and creates conflicts which would not otherwise exist in the Marketplace.

For the citizens, the purpose of the Government Game is to get back what they have lost. What makes the game exciting is that it is a type of musical chairs: the chances of getting back all that the Government has taken are nearly nil, because most of the stolen wealth is spent to keep the music playing, and the rest is hurled at handy targets such as human beings and the moon.

When Government seizes and spends the earned wealth of everyone, some individuals can benefit at the expense of others: some people - Government personnel and those who have political favor - can get back from Government more than was taken from them, at the greater expense of the many victims who now can get back even less of what they lost; and the inevitable result is the creation of conflicts which did not otherwise exist.

What is the reaction of the individual victims in the Marketplace to these violations of their Rights and these seizures of their wealth by Government?

The rules of the Government Game forbid individual action to defend one's Rights and interests and to recover the wealth which has been stolen by the Government. Instead, the democratic decision-making process involves the vote - the plebiscite; and therefore, the only way to keep from losing all one's wealth, and to get back at least part of one's wealth that the Government has seized, is to form a group to minimize the violations of one's Rights by the workings of the political system. And so the group, rather than the individual, becomes the operating unit in the democratic process. The individual members of each group compromise their Rights and interests to get half a loaf rather than nothing from the Game, a loaf that was all theirs before the Game began. Every issue is formulated, discussed, and acted upon as if only groups exist, but not the individuals of which they are comprised. The plebiscite plurality is the goal to be achieved: the group which has a plurality can then devour the other groups without being devoured itself. The survival of the individual in this collectivist jungle does not depend upon one's integrity, knowledge, and productivity, but only upon how many votes - and victims - one can deliver.

Because all public issues are morally invalid, all political decisions and deals are also morally invalid. The decisions and deals which must occur in forming groups and disposing of other groups are the forced compromises of the morally uncompromisable interests of individuals; and the Rights of these innocent but politically impotent persons are then violated on a wholesale basis.

Every type of social organization is located at some point on an ethical spectrum. At one end of the spectrum is dictatorship, in which the leader's values are imposed upon everyone else; only one political party is allowed to exist, and the goals of that party are the uncompromised desires of the leader; these goals are achieved by initiating coercion against the citizens so they will sacrifice their interests to the leader. Given the fact that all Governments operate by fraud and force to violate the Rights of their citizens, one-party dictatorship is the political ideal because it is the most efficient form of political organization for violating Rights.

At the other end of the spectrum is the Marketplace, in which all individuals

can express their values by voluntary production and exchange to their own advantage, and no one's values can be coercively imposed upon anyone else. (At the risk of corrupting the language by describing this economic situation in political terms: in the Marketplace, all individuals "vote" with the ideas and the wealth they create to achieve their own uncompromised interests; every individual is his own "party"; and there are as many "parties" as there are participants in the Marketplace.)

In the middle of the spectrum, where two or more political parties exist, the political process struggles along, crippled and divided against itself. The leader's desires are frustrated by the political opposition, representing the compromised interests of many of the victims of the system; and, in turn, the compromised interests of many of the victims are frustrated by the leader's desires. Everyone is trying to coercively impose his compromised values upon everyone else, according to the ebb and flow of the tides of public opinion.

The closest point on the ethical spectrum of social organization to one-party dictatorship is two-party democracy, e.g., the United States. But every individual has a unique context of Rights, values, and interests which is being violated by the political process. Therefore, both parties in a two-party system always embrace a great diversity of interests on any given public issue, and the members of opposing parties often find themselves in agreement on many public issues.

The greater the number of parties in a political system, the closer the goals of each party are to some of the goals of the individuals whose interests are served by joining that party and whose Rights and values are violated by the operation of the political process. The more parties that exist, the more issues are being defined in terms of groups of individuals who are trying to defend their common interests against the workings of the political process on that particular issue.

But the number of parties in a political system notwithstanding, the *modus operandi* is always the same: compromises of individual Rights and interests occur within parties, and then each party tries to present a united front to all the opposition parties. If there are only two parties, then most of the compromises take place between the factions of each party; that is, relatively more compromises take place within parties than between them. If there are

many parties, then the greater coincidence of the interests of the individual victims with the goals of each party results in relatively less compromise within each party and more compromise between the parties. But no matter how many parties may exist, the same degree of compromise of individual Rights and interests must ultimately occur for there to be a collective decision on a public issue resulting in a collective action - i.e., the same degree of injustice must be generated for the political process to operate.

Therefore, the principal difference between a two-party system and a multi-party system is where the greatest compromises, and thus the greatest injustices, occur: within the parties at the early stages of the collective decision-making process in a two-party system; between the parties at the later stages of the collective decision-making process in a multi-party system.

A politician is more apt to compromise his constituent's Rights and interests with his friends than with his enemies. Because members of the same party are friends, and because most of the compromises in a two-party system occur within parties rather than between them, the political process usually is more efficient in a two-party system than in a multi-party system. A multi-party system often has difficulty obtaining a working plurality on any given issue, and so it may be unable to decide what are the public issues to be contested - i.e., who are to be the victims of the system, and how much coercion is to be initiated against them to achieve the false collective values of the bogus public issues. Therefore, individual Rights, values, and interests may be violated more efficiently in a two-party system than in a multi-party system. But this is no surprise, because a two-party system is closer to the political ideal of a one-party dictatorship.

Everyone's Rights, values, and interests are unique to him, and everyone should be free to act in his own rational self-interest to trade with others only when it is to his own advantage to do so. No one should be able to legitimately impose his values on anyone else; and because there are no conflicts of interests between productive people who respect each other's Rights, no compromises should be necessary. Rationally, there should be as many groups or parties as there are individuals, in which case the groups or parties are irrelevant because all the individuals are already acting voluntarily in their own interests to achieve their own values. Therefore, the only rational point on the ethical spectrum of social organization is at the end where the

Marketplace exists.

Hence, the ethical spectrum of social organization is from the evil of dictatorship where no compromises with the leader's desires are possible, to the good of the Marketplace where no compromises with the values of the individual participants are possible. All points on the spectrum between dictatorship and the Marketplace - e.g., socialism, welfarism, democracy, etc. - are only varying degrees of compromise of the Marketplace with the tyrant. And so an important measure of the institutionalized injustice in any social system is the extent to which the number of operating units is less than the number of individuals participating in that system.

Given the nature of the political process, party labels and slogans are meaningless. Because all political systems are based upon false collective values and initiated coercion - i.e., upon fraud and force - the only relevant questions are: Who will be the victims of the system, and how much must they sacrifice to keep the system going? And so the number of parties and their goals are largely a function of what are considered to be public issues at any given time and place, and how much the individual victims are willing to compromise to form a group large enough to defend their Rights and interests from the workings of the political process.

Therefore, the conventional political alternatives - of left versus right, liberal versus conservative, and dictatorship versus democracy - are all pairs of false alternatives to blur the focus on the real issue: **liberty vs tyranny** - are the individuals in a society able to exercise their Rights and pursue their interests free from the initiated coercion of gunmen, gangs, and Governments? We are all taught in politically controlled schools that democracy is the ideal social system for the resolution of conflicts. But because conflicts do not normally exist among human beings, the 180 Degree Phenomenon turns the social ideal of democratic consensus politics into an infernal engine for the creation of conflicts, injustices, corruption, chaos, destruction, and death.

10. “Crime” and Justice

There are now more laws and law enforcement - and more "crimes" - than ever before. If more laws and law enforcement were the solution to the "crime" problem, shouldn't the "crime" statistics be decreasing, instead of continually increasing as they are? When the size of a problem increases faster than the size of its alleged solution, this suggests that something is wrong with the solution, or even that the solution is in part the cause of the problem. Does this imply that laws and law enforcement are in part the cause of the "crime" problem, and that the real solution of the problem is less laws and less law enforcement? Certainly it does.

In the case of environmental pollution, a missing crucial concept - total and absolute private property Rights - was the ultimate cause of the problem. Perhaps some crucial concept is missing in the "crime" problem: perhaps the concept of **justice**.

* * *

The American jurist, Benjamin Cardozo, "defined" justice as follows:

Justice, to which law in its making should conform, is a concept by far more subtle and indefinite than any that is wielded by mere obedience to a rule. We appeal to it as both a test and an ideal. It may mean different things to different minds and at different times. Yet when all is said and done, justice remains, to some extent - an aspiration ... a mood of exaltation ... a feeling for what is fine or high.

This is not only not a definition, but it is a blatant evasion of the meaning of justice. It rises in a crescendo of moral relativism, and then vanishes in an emotional cloud of aspirations, moods, and feelings. Such nonsense as this is responsible for the absence of justice throughout the world, and for the universal "crime" problem.

* * *

The virtue of justice is the act of rendering to each person his due. it involves respecting the rights of others, and paying reparations when such rights are violated. All Rights are derived from the most basic Right: the Right to Life. Only individuals are alive; therefore, only individuals have the Right to Life. Groups of individuals - collectives - exist; but such collectives are not alive; therefore, collectives have no Right to Life. And because all Rights are derived from the basic Right to Life, there are no such things as "collective rights." **All rights are individual rights. An injustice is the accidental or intentional violation of a right.** Because only individual Rights exist, every injustice is sustained by an individual; and so every injustice is a matter between two individuals: an offender and his victim. In some cases, there may be one offender and many individual victims, or many individual offenders and one victim, or many individual offenders and many individual victims. But these are multiple individual injustices, not collective injustices. There are no such things as "collective injustices," "collective offenders," "collective victims," or "collective restitutions" for violations of Rights. "Crimes against The State" and "Paying one's debt to society" are absurd.

The Principle of Justice

When an injustice occurs - i.e., when an offender violates a right by seizing or destroying a value belonging to his victim - the application of the virtue of justice is the principle of justice. When an offender violates a right, he establishes an implicit debt relationship with his victim. The principle of justice makes this implicit debt relationship explicit, and it requires the offender to “undo” his offense by restoring his victim's situation to the pre-offense state, insofar as that is possible. The offender should return to his victim the lost value; or, if that is impossible, then the offender should return to his victim the equivalent of the lost value in the form of monetary reparations. The offender also owes his victim the amount of all other losses due to the injustice. And the application of the Principle of Justice also requires the offenders who create the need for justice services to pay the costs of providing such services. Thus, the Principle of Justice states that **an offender owes his victim the value-equivalent of the loss sustained.** All of this, of course, is with the proviso: insofar as is humanly possible.

Some people recoil at the thought of monetary reparations for the loss of limb or life: "How can money compensate an irreparable loss?" And, of course, it cannot. But these same people have accident and life insurance because they know that money can be exchanged for material wealth; material wealth is the result of thought and action, and is required to sustain life. If a victim is deprived of a portion of his wealth-creating capacity, or his life, by the action of an offender, then monetary reparations transfer part of the wealth-creating capacity of the offender's life to help sustain the victim's life, and/or the lives of the victim's dependents.

Today, if I were to steal a hundred thousand dollars from you, and if I were caught and convicted, I would go to jail for some arbitrary period of time "to pay my debt to society." No one seems to notice, or to give a damn, that you were my victim, not society. You probably would not get your money back, but you would have to pay more taxes to keep me jailed. And while I am living in jail at your expense, waiting to be released to spend your money, I can be planning other ways to steal from you again. And then people wonder why there is a "crime" problem!

Let us apply the Principle of Justice to this example of the "crime" problem. If I steal a hundred thousand dollars from you, then I owe you a hundred thousand dollars, plus the interim losses you have sustained because you did not have that wealth to use and enjoy. If you have good evidence that I am guilty, then you will surely accuse me of the theft. If I am not caught, then the situation is similar to what it is today.

But if I am caught and I agree that your evidence is good, then I may admit my guilt, return your money and interim losses, but not incur the costs of an investigation and a trial, which I must pay if I am found guilty. If I no longer have the money, then I must earn it and return it to you, again plus your interim losses. I must also pay the expenses of finding, detaining, and charging me, because my irrationality caused the problem. By this time, my stupidity will have cost me many thousand dollars more; and my name will be entered on the lists of common thieves for all to see. This will make it difficult for me to obtain employment and to make contractual agreements, since the risks of doing business with me would be greater than with honest men.

If I refuse to admit my guilt, and you still believe your evidence is good, then of course you will take the case to court - at your expense. If I am proven guilty, then the same things will happen as above, and I must pay your court costs too. But if I am proven innocent, then the court costs are yours to pay, and your name will be entered on the lists of people who make false accusations. In either event, I would be very foolish to steal from you, and you would be very foolish to accuse me falsely. Although few cases are so simple, the principle involved is clear.

The Private Justice Company

The proviso mentioned above - "insofar as is humanly possible" - may seem to sabotage the operation of the monetary reparations concept, because the "humanly possible" may not be much with respect to the capture and rehabilitation of some offenders. But the probable method of payment for the protection of Rights and wealth in a rational society would bridge this potential gap between theory and practice.

People routinely buy protection on their values, such as their homes and cars and lives, in the form of insurance. Such insurance may provide protection against loss due to negligence of the victim, or from "accidents," or from the malicious actions of other people. In cases of negligence of the victim and impersonal or anonymous accidents, the responsibility for the value loss does not extend beyond the victim himself, and so restitution from someone else is impossible. However, when the actions of other people are involved, then there is an element of financial responsibility involved, because the action of an offender which uses or destroys a value belonging to his victim necessarily violates the Rights of the victim. And in such cases, as noted above, the offender establishes an implicit debt relationship with his victim, a debt which can be paid. There should be a special form of insurance against losses which also involve the violations of Rights, because the responsibility for the loss belongs to someone other than the victim; the responsible party often can be identified, and then some form of restitution can be made to the victim. And so the costs of insurance protection against this kind of loss would be significantly less than against losses generally, because in many cases some form of restitution by a specific responsible person is possible.

In a rational and free society, the administration of justice will be the function

of Private Justice Companies (PJs), which will insure Rights, apprehend offenders, and oversee the earning and payment of reparations to victims. When proof is presented to a PJ that an insured Right has been violated, then the PJ would pay the victim the assessed value of the loss incurred; and the task of finding and apprehending the offender, and of obtaining from him the value-equivalent of the loss sustained, plus all interim losses and costs, then becomes the responsibility of the PJ. The PJ would charge a different premium for each type of protection, on the basis of experience and actuarial calculations: the incidence of various types of violations of Rights, the likelihood of apprehending that type of offender, and the likelihood of that type of offender being able to earn the amount of the reparations sentence. Thus, the PJ will assume the risks that (1) the offender is dead, (2) the offender is not caught, (3) the offender is unable to create any wealth, or enough wealth, (4) the offender will die before the full reparations have been earned, etc. But because the PJ will have monetary incentives to prevent offenses and to apprehend offenders, the protection and justice services under the PJ system will be superior to those available today.

What if a victim has no insurance on a Right that has been violated? He could still obtain justice services on an *ad hoc*, pay-as-you-go basis. However, in such cases, upon presentation of proof that a Right had been violated, the PJ probably would pay the reparations to the victim only if and as they were earned by the offender.

What would happen in an emergency? The PJ personnel probably would act without stopping to check the credentials and insurance coverage of everyone involved. At a later time, they would investigate the victim-insurer-offender relationships. If a victim had no insurance protection on a Right that was violated, the services of the PJ would still be of value to him, and he would be billed accordingly. In an emergency, even if the identity of the victim were unknown, the PJ personnel would still try to deter the offender, on the premise that their action is of value to someone; when they discover the victim's identity, they can bill him accordingly.

Reparations and the Offender

The Principle of Justice appeals to the self-interest of the potential offender not to violate the Rights of others, and it also appeals to the self-interest of

the actual offender to repay his victim to the extent possible and as soon as possible.

As the result of rendering justice to the victim, the offender is now held morally responsible for his actions. Therefore, justice is rendered to the offender too. Not only must he repay the value-equivalent of his offense plus interim losses and all costs, insofar as that can be done, but he will be publicly identified as an unreliable person. These are strong disincentives to the commission of offenses, disincentives that do not fully exist today - and thus the soaring "crime" statistics.

The application of the Principle of Justice does not violate the offender's Rights, nor does it initiate the use of coercion against him. The offender voluntarily established an implicit debt relationship with his victim, but without his victim's consent; the application of the Principle of Justice makes this debt relationship explicit, and discharges the debt insofar as that is possible to do. If coercion is required to achieve justice - that is, if the offender does not understand that further irrationality only increases his expenses - then this is retaliatory coercion against an offender whose guilt has been objectively established. The purpose of this retaliatory coercion is not to seize a value belonging to someone else, but to return that value or its equivalent to its rightful owner.

While creating wealth to pay reparations and to support himself, the offender will learn that **all values and virtues must be created and earned by thought and action**. In most cases, the offender will learn the satisfaction of productive work, and will earn a genuine pride from being able to create wealth and support himself. And so, in most cases, the problems of rehabilitation of the offender - and thus of recidivism - will solve themselves; and this solution will occur at the expense of the offenders who cause the problems, not at the expense of their victims and everyone else.

Reparations sentencing assumes that an offender will work. But what if an offender refuses to work? The simplest and most logical answer to this is: if he won't work, then he won't eat. The offender is responsible for his own living expenses, and he is sentenced to create a given amount of wealth for his victim. Therefore, if he doesn't work, or chooses to become irrational and "incorrigible," then his continuing expenses will cause his situation to deteriorate still further.

Under the present penal ("corrections") system, this irrationality is usually met with more irrationality: solitary confinement, bread-and-water rations, beatings, etc. But in a rational reparations system, this could be handled as follows. An offender's earnings could be divided into three parts: the first portion of his income would be paid as reparations to the Private Justice Company or to the victim, as above. The second portion of the offender's income would be used to defray his living expenses. And the third and remaining portion, if any, would be used to make further reparations payments as above, and/or to educate the offender so as to increase his earning capacity, and/or to make investments to increase his income, the combination of these to be decided by the offender and the PJC as part of his reparations-rehabilitation program.

Therefore, under this procedure, if an offender does not work, then he does not eat - literally. "Incorrigibles" will soon learn that they are no longer living on the political gravy train; no longer can they loaf at public expense; no longer is the penal system a form of public welfare for naughty overgrown adolescents. They will soon learn that the reparations sentencing system is a hard-nosed and no-nonsense business enterprise for the administration of **justice**. They will soon learn that bluffs and threats and cussedness and violence will only increase their problems, and that they will be locked up and ignored until they are ready to act sensibly. And when the "incorrigibles" discover that they must either shape up or perish - literally - they won't remain incorrigible very long.

What if the injustice involves an amount of money much greater than the offender can ever earn, or if the value loss involves an intangible, such as loss of limb or life? Assume that the average life expectancy of offenders is thirty years, and that the average earnings of offenders, above expenses, is \$5,000 a year. Thus, the average reparations earning potential of offenders would be \$150,000. Any amount more than this could not be earned by the average offender; and so, with appropriate adjustments for actuarial experience, this is the maximum amount that a PJC would be willing to cover on any single violation of a Right. Any insurance on a Right above this amount would be ordinary insurance, not Reparations insurance. Thus, the PJC takes reasonable risks when insuring Rights, and it oversees the earning of reasonable reparations from offenders.

Reparations sentences to pay exorbitant sums, or to pay one's earning capacity for life, are as unrealistic as the present sentences for 99 years, or even consecutive sentences for 99 years. Sentences for exorbitant sums cannot be productive, as the offender will know that he cannot possibly earn the required amount; and similarly, the incentives are lost if one is sentenced to spend a lifetime as a slave to someone else. For some heinous offenses, even that may seem too light a sentence; but anything more cannot be optimally productive for everyone involved. A more rational alternative is to impose a sentence which the offender reasonably could earn, in addition to his expenses, over an extended period of time. Thus, the offender has a difficult goal, but one that is definite and potentially achievable.

Under the reparations sentencing concept, the offender will always know what is expected of him, and what he can expect of others. He will always know, to the dollar, exactly where he stands at any point in time. He will always be motivated to produce as much wealth as he can, because he will see that he is making progress toward an important goal: his physical and economic freedom. He will always know that he is not on an endless treadmill, and that his fate does not rest with the arbitrary decisions of judges and parole boards, but with his own rationality and productivity. He is in charge of his own fate, perhaps for the first time in his life; and thus his rehabilitation is virtually assured. Even if the offender becomes wealthy, at least he will have rehabilitated himself, and some measure of justice will have been done to the victim and the insuring PJC, on the premise that some reparations earned by the offender are better than none.

Today the Principle of Justice is not understood; and so there is no rational relationship between the value loss sustained by a victim and the "punishment" meted out to the offender who caused that value loss. Consequently, potential offenders are seldom deterred, and actual offenders are seldom rehabilitated; and thus there is a rapidly escalating "crime" problem throughout the world.

What will prevent a PJC from brutalizing the offenders in its charge? Any PJC which treats offenders irrationally and unjustly will not obtain optimal wealth production from them. Therefore, such a PJC will not be able to compete in the Marketplace for the insurance premiums of people who want to insure their Rights. It will always be in the interests of the PJCs to operate

rationally and justly. If they fail to do so, and assuming that most PJCs do act rationally, then the victimized offenders can eventually collect reparations for injustices from the personnel of the unjust PJC. But the worst possible situation is the present one, because the "criminals" and their keepers have no objective moral and financial responsibilities to one another; they are one group of wild animals that are caged and controlled by another group of animals only slightly less wild than themselves.

The barbaric practice of capital punishment for murder must be abolished. It assumes, implicitly and irrationally, that reparations and rehabilitation are impossible; it satisfies only the "eye-for-an-eye" sadists who are hell-bent on retribution; and it denies even the justice of reparations to the victim's survivors or his estate.

For thousands of years, both victims and offenders have been treated irrationally. The victim has been better off financially if the offender is not pursued, caught, and convicted, for this only increases the victim's taxes and cannot alleviate his losses. And if the offender is pursued, caught, and convicted, then he has been arbitrarily fined for the benefit of the politicians, or he has been locked up at his victim's expense and left to rot, or beaten, or killed. But under the Principle of Justice, the income tax is levied against the offender, not the victim: The victim's situation is returned to the pre-offense state, plus all interim losses and costs - at the offender's expense - insofar as that is possible.

(The universal practices of fining, incarcerating, and executing offenders have their historical origins in the desire of The State to immobilize its opposition, rather than to do justice to individual victims. But the legal and penal mentalities are so mediocre that they have never made a clear distinction between "crimes against The State" and offenses against individuals. If someone does something wrong, then fine him or lock him up or chop off his head, and to hell with his victim. The purpose of the penal system has always been and continues to be retribution, not reparations.)

* * *

What about "organized crime" involving gambling, narcotics, and prostitution? These activities are irrational, and people who use these services are irrational. But these activities concern only people who waste their lives being stupid. Others are not involved except secondarily; their involvement

would not occur if "organized crime" did not exist; and "organized crime" is encouraged and perpetuated by idiotic legislation: by outlawing gambling, narcotics, and prostitution.

The costs of providing gambling, narcotics, and prostitution are minimal. But when these activities are outlawed, then the costs of providing these services are higher: one must pay the suppliers of these services enough extra so that they can afford to risk breaking the law - or can afford to buy off the police and the politicians. **That risk premium is the primary source of "organized crime's" income.**

If that risk premium did not exist - i.e., if gambling, narcotics, and prostitution were not illegal - then the lure of illicit profits from providing these services would not exist. The demand for the services might still remain, but the profitability of providing them would be minimal; and so the main income of "organized crime" would disappear. The Prohibition era in the United States, and the rise and fall of Al Capone and other gangsters, is an example of how idiotic legislation encourages and perpetuates "organized crime."

The irrationality of outlawing gambling, narcotics, and prostitution can be illustrated in terms of the Principle of Justice. If the Rights of the prostitute, or of the narcotics addict or peddler, are violated as a result of their own stupidity, these problems can be resolved by applying the Principle of Justice. But no Rights are violated by the client of a prostitute, or by the gambling enterpriser or the gambler. In the case of the last two: Who is the victim and who is the offender? Who will pay reparations to whom? - and for what? Clearly, no Rights have been violated and no injustice has occurred. (It is invalid to argue that the gambler's family is the victim; the gambler could have deprived his family of the money by giving it to a charity instead of gambling it away; so, should we outlaw charitable gifts too?)

Prohibition demonstrated that a political attack on "organized crime" does not effectively reduce the demand for the goods and services which "organized crime" provides. But such an attack does increase the risks, and thus the costs, of supplying these goods and services. The increased costs are passed on to the customers: e.g., a narcotics addict becomes a thief to get the money needed to pay the political risk premium. Then a series of other irrationalities ensues - from not recognizing that idiotic legislation perpetuates "organized

crime."

Therefore, a political "war on organized crime" is another crazy contradiction. **The political process encourages "organized crime";** again, the 180 Degree Phenomenon.

* * *

The full extent of the 180 Degree Phenomenon as it applies to "crime" must await the **Legislation** chapter of this book, because **the enforcement of statute law is a major cause of the "crime" problem.** But it is obvious that the traditional political-legal approach to the "crime" problem has not identified and applied the Principle of Justice. This is not an accident: the traditional political-legal approach cannot rationally apply the Principle of Justice, because it is concerned primarily with enforcing edicts, not administering justice; and its inability to administer justice is largely responsible for the "crime" problem.

The present world-wide system of "justice" is absurd. Sentences for arbitrary fines payable to the politicians, fines which often are levied when no one's Rights have been violated, must be abolished and replaced by payments from offenders when justice services are required. Sentences for arbitrary periods of imprisonment "to pay one's debt to society" must be abolished and replaced by sentences to create a specific amount of wealth to pay one's debt to one's victim. And the barbaric prison systems, which serve as stockyards for the dregs of humanity, must be abolished and replaced by special farms, factories, offices, and shops where offenders can produce wealth under secure conditions. In summary: if rationality and capitalism were introduced to the realm of justice, then "crime," if not cured, could at least be contained.

The Principle of Justice is the missing concept which permits a rational solution to the "crime" problem. And if this concept and this solution had been present all along, then the "crime" problem would not exist today.

The Contradictions of the Courts

1. Twenty-three hundred years ago, Aristotle tried to teach mankind that contradictions do not exist in reality, but only in the minds of people who do not think clearly. However, most of mankind - including the politicians, bureaucrats, and lawyers - have yet to learn this fundamental principle; and

so the political and legal systems are riddled through and through with lethal contradictions.

2. Contradiction #1: No one has ever agreed, explicitly and contractually, to the existence of the political and legal process, including the government's laws and courts. And it is obvious that no one can be held morally accountable and financially responsible for anything to which he or she has never agreed.

3. Contradiction #2: The laws are imposed by political insiders - the politicians - upon political outsiders - the people. The people are expected to obey the laws, but the politicians are not - because they can change the laws whenever they wish.

4. Contradiction #3: The law attempts, in its massive detail, to apply itself to innumerable situations. But every situation to which it is applied is contextual - specific individuals with specific rights are interacting in a specific manner; and the law can never be detailed enough to apply optimally to every situation. Therefore, the law is inherently and inevitably generic, suboptimal, and unjust.

5. Contradiction #4: A person who has a grievance with another person is usually required by the courts to present objective evidence of the existence of an agreement - in the form of an explicit contract between the individuals - which has been violated. But the government court system operates on the basis of a double standard: the court system is never required to present similar objective evidence, in the form of explicit contractual agreements between the citizens and the courts, that the citizens have voluntarily transferred certain powers to the courts. The courts endow themselves with legal jurisdiction and legal legitimacy, but they are not endowed by the people with moral jurisdiction and moral legitimacy. The courts simply assert that they have the power to fine, imprison, and execute whomever has the misfortune to fall into their clutches; but no one protests this wholesale violation of individual rights, and so the courts can get away with it.

6. Contradiction #5: Even though the existence of the government's laws and courts are never contractually agreed to by the people, the bureaucrats and judges have the moral and intellectual arrogance to pass judgment upon millions of people who do have contractual agreements with each other.

7. The courts operate in the absence of voluntary contractual agreements with the people which would morally legitimize their existence and their actions. Instead, they have wrapped themselves in a mantle of legal legitimacy which is itself morally illegitimate. Therefore, the courts must justify themselves by using **moral intimidation** upon the citizens: the courts bluster and bulldoze their way to power by preying upon the ignorance and timidity of the citizens.

8. Just as no court would respect the claims of individual citizens which are not validated by explicit contractual agreements, so no individual citizens should respect the claims of a court which are not validated by explicit contractual agreements.

9. The laws are morally illegitimate, and the courts are morally illegitimate. All laws are hot air, and all government courts are kangaroo courts, because no one has contractually agreed, voluntarily and explicitly, to their existence. Moral intimidation, bombast, bluster, and bulldozing can never negate the fundamental contradiction that the political justice system is based upon injustice.

10. This miserable situation will continue to exist until people understand that they have the right to contract with each other on a voluntary basis as they see fit, as long as they do not violate the rights of everyone else. And this miserable situation will also continue until people understand that they do not have to endure the preposterous claims of a legal Establishment which violates their rights and usurps their decision-making powers in the name of a perverted form of justice.

11 The people must learn a skill that the politicians and lawyers know only too well: the art of moral intimidation; and the people must use these principles to intimidate their tormentors in defense of their rights, their liberty, and their lives.

12. The continuous chaos caused by the conventional political and legal systems is overwhelming evidence that Aristotle was right: contradictions do not exist in reality but only in the minds of people who do not think clearly - the politicians, bureaucrats, judges, and lawyers whose contradictions are destroying the civilized world.

11. The Final Arbiter

The concept of the Final Arbiter is one of the most important, subtle, and thoroughly misunderstood issues in libertarian and free market philosophy. **The survival of the human race depends upon an understanding of this issue; and statists of all persuasions, objectivists included, do not understand it.**

An Arbiter is an impartial third party to a dispute which has the sanction of both parties to adjudicate the dispute and whose decisions will be considered both legitimate and binding upon the disputants. A Final Arbiter is an Arbiter whose hierarchical standing among all Arbiters is the highest, such that there can be no further appeal of its decisions. A Final Arbiter is needed because at some point in the judicial process an end must come to deliberation and litigation, and the judgment of the Arbiter must be enforced so that disputes can be resolved, justice can be administered, and life can continue for everyone involved.

The statists maintain that (a) society can function only if there is a Government Final Arbiter to adjudicate disputes; (b) contracts in the marketplace can be meaningful only if there is a Government court of last resort to enforce them; and (c) the use of force for the defense of rights and for the rectification of injustices can be rational, objective, and just only if there is a Final Arbiter which has a legal monopoly on the legitimate use of force.

After all, the statists assert, these are the obvious and irreducible functions of Government, the functions which are required for the civilized order to exist - so that disputes between individuals and groups can be resolved without resort to violence. The statists further assert that these functions cannot be performed by a private corporation, because such an entity, being within the marketplace, is inherently incapable of adjudicating disputes between other entities within the marketplace. Thus, the statists conclude, only an institution outside the marketplace which has a legal monopoly on the use of force can properly fulfill these functions - i.e., only a Government can be a Final Arbiter.

The above formulation is riddled through and through with lethal contradictions. But to understand them, we must answer these questions: (1) What facts are relevant to the issue of a Final Arbiter? (2) Given these facts, what are the choices? (3) How does a Final Arbiter become one? (4) How does a Final Arbiter remain one?

(1) The relevant facts

Human beings must live their lives and achieve their well-being and happiness in this one Reality which is Existence. Existence is an objective absolute; things are what they are, independently of human knowledge of them; A is A. And because Existence is an objective absolute, because facts are facts, because A is A, the Natural Law principles of logic, rights, ethics, motivation, and action are also objective absolutes (as has been discussed at length above). The human mind is fully capable of knowing the one Existence that exists; but human beings are not omniscient and the acquisition of knowledge is not automatic; in any given instance, the facts of Reality may be correctly identified or they may not. But human fallibility notwithstanding, it is only by reason that human beings can know the facts of Reality upon which their survival, progress, and happiness depend, and so rationality is the most fundamental virtue.

Because the human mind is fully capable of knowing the one Existence that exists, everyone has this one Reality in common; and because the Natural Law principles of logic, rights, ethics, motivation, and action are objective absolutes, they too are common to everyone and can be known by everyone.

The function of human consciousness is to identify the objective facts and principles of the one Reality that exists, not to create various alternative "realities."

Human beings may lack knowledge of Reality and the principles of Natural Law, but they cannot successfully evade or escape the result of this lack of knowledge. People who act blindly or on false interpretations of the facts can never succeed: Existence, acting via the Law of Identity, inexorably will become its own avenger, and Reality will wipe them out.

Therefore, existence - reality - is the ultimate final arbiter.

We must now make a crucial distinction between two types of final

arbiters: the one ultimate final arbiter which already exists independently of human beliefs and desires and which establishes the conditions and “sets the terms” of human life on earth, and one or more human final arbiters which identify and implement those conditions and those terms.

The ultimate Final Arbiter is not, as the statist and legal positivists assert, a human institution such as a political supreme court. Mankind has no choice in the matter: Existence dictates that Reality is the ultimate Final Arbiter; and Reality is what it is, independently of human knowledge of it. The rational standards of truth and justice are dictated by the Natural Law of Reality; these standards preexist, transcend, and are totally independent of all human beliefs and desires; and it is a perversion of the function of human consciousness to ignore these principles and to attempt to create various alternative "realities." Yet, the statist and legal positivists are guilty of this error on a continuous, massive, and global scale: they are forever trying to reinvent Reality in the image of their wishes and whims on the premise that "Saying makes it so." They are also forever failing in this endeavor; and the result, again, is the past and present sorry state of the world.

The institution which functions as the human Final Arbiter must conform to the ultimate Final Arbiter which is Reality. It must have an optimally efficient mechanism for identifying the truth, for accommodating new knowledge, and for correcting errors. It must implement the best current understanding of Reality, Natural Law, and Justice; but at the same time it must not freeze those conceptions so irrevocably that it cannot improve its principles and practices to conform to new and improved knowledge of Reality, Natural Law, and Justice.

The performance of the human Final Arbiter should be judged in terms of Justice, and its reputation should depend upon its integrity, objectivity, and impartiality. Everyone necessarily acts in his or her own interests as he/she understands those interests, or he/she is not motivated to act at all. The human Final Arbiter should be structured and constrained so that the administration of Justice coincides completely with its self-interest, and that the human Final Arbiter has no pre-existing or hidden agenda which can obstruct the optimal implementation of the Natural Law Principle of Justice.

The human Final Arbiter must be fully answerable to the marketplace it serves, so that individuals who have delegated a portion of their decision-making powers to it have adequate recourse if their expectations are not fulfilled.

(2) Given these facts, what are the choices?

Given the facts that (a) the ultimate Final Arbiter already exists in the Natural Law of Existence; (b) the implementation of this Natural Law in logic, rights, ethics, motivation, and action can be known by reason to everyone; and (c) this knowledge is neither innate, automatic, nor guaranteed, and so mistakes can be made in identifying the facts of Reality and in formulating and applying the Natural Law of logic, rights, ethics, motivation, and action - then the crucial questions become:

What type of institution can best implement the current understanding of Natural Law, and yet accommodate improvements in that understanding? What type of institution can optimize the objectivity and impartiality of the human Final Arbiter? What type of institution can optimize the integrity of delegated decision-making power and the feedback, both positive and negative, from the marketplace to the institution? **What type of human institution can best enable the knowledge and decisions of the fallible human final arbiter to approximate and to coincide most closely with the inexorable natural law principles which are the ultimate final arbiter?**

There are two possible answers to these questions. Either (a) a political Final Arbiter which has a legal monopoly on the use of force, such as a Government Supreme Court, or (b) one or more marketplace Final Arbiters which do not and cannot have a legal monopoly on the use of force.

(a) Political (Positive Law) Final Arbiter

Historically, the political Positive Law courts arose primarily from The Prince's desire to control and punish his defeated enemies, rather than to resolve disputes and rectify injustices that occur in the marketplace. This is why the Government courts, to this day, are not based upon voluntary contractual agreements with the citizens, why they implement all of the irrationalities of the Positive Law, why they arbitrarily fine, imprison, and/or execute offenders rather than putting them to work to create wealth for paying reparations to their victims, and why the crime rate is rapidly

escalating beyond the ability of the Government to control it.

For our purposes, the Government court system need not be described in detail; unfortunately, it is only too well known to everyone. Suffice it to say here that the Government court system is based upon the Positive Law (Statute Law) of constitutions and legislation, none of which have ever been explicitly and contractually agreed to by the people who are expected to obey them.

Judges in the Government court system are selected and promoted as much by political pull as by professional achievement. Injustices involving the violations of Natural Rights, including such violations by the Government itself, cannot be fairly judged by the political courts because the Government does not recognize the validity or even the existence of Natural Law. Further, in the absence of explicit contracts, the normal market optimizing mechanisms are paralyzed, and the inevitable result is suboptimal Specificity, Accountability, and Responsibility - and suboptimal justice. And the citizens ultimately have little recourse to change or improve the system: for endless centuries, the Government courts of every nation have approved tax laws (i.e., legalized theft), conscription laws (i.e., legalized slavery), and innumerable other violations of Natural Rights, and none of these courts have ever been answerable in the marketplace for any of these injustices.

Because the Government courts inevitably violate the Natural Rights of everyone, the irrational decisions of the Government courts must be enforced against everyone. People try to avoid the effects of laws which violate their rights, and the result is wasted time, effort, and resources - and disrespect for the political courts. Therefore, a society organized on political principles, being inherently unjust, is inherently less stable than a society organized on marketplace principles.

(b) Marketplace (Natural Law) Final Arbiters.

Private Justice Corporations (PJsCs, described elsewhere) would arise spontaneously in the marketplace in response to the demands of people for justice-related services. (We are using the term "Private Justice Corporations" here in the generic sense, and we are not differentiating between the various functions of police, courts, reparations, etc. These organizational details are not important; what is important is that the institutions are market based and contractually created and constrained. Every Private Justice Corporation

would either include, or have a contractual relationship with, one or more human Final Arbiters.)

There is only one ultimate Final Arbiter: Reality in the form of Natural Law. But because human beings are not omniscient, the optimal implementation of this one ultimate Final Arbiter requires that an unlimited number of human Final Arbiters be able to operate simultaneously in the marketplace, so that by open competition the fallible human Final Arbiters can approach most closely and most rapidly to the best current understanding of the ultimate Final Arbiter which is the Natural Law of Reality. If one human Final Arbiter is functioning to the satisfaction of everyone, then it may be sufficient. But the possibility must always be open to establish an unlimited number of human Final Arbiters in response to the needs and desires of the participants in the marketplace. Only in this way can the performance(s) of the human Final Arbiter(s) be optimized.

PJCs would have voluntary, explicit, contractual agreements with their clients which would enable, objectify, and constrain their actions with their clients. The PJCs would also have voluntary, explicit, contractual agreements with each other which would enable, objectify, and constrain their actions with each other. Disputes between clients of different PJCs could be resolved peacefully only in the presence of such contracts; and no rational person would sign a contract with a PJC that did not have contracts with other PJCs, because such a PJC could not service all the needs of all its clients. This interlocking network of voluntary, explicit, contractual agreements would extend between each PJC and its clients, between one PJC and another, and it would also include provisions for appealing decisions to higher courts, and ultimately to one (or more) highest court(s) which the individual PJCs have contractually agreed are to be the human Final Arbiter(s), and the decisions of which the PJCs are contractually committed to accept and enforce.

Comparing private courts with political courts, several important points are obvious. The reputations and economic power of the private courts, having been established in the competitive marketplace, would be more respectable and more imposing than the political power of a Government court. Private court judges would be competent and of the highest integrity, because incompetent or corrupt judges would imperil the economic survival of the court. Litigants would be much more likely to honor the decisions of a

private court which they respect and to which they are committed by voluntary contractual agreements, than a Government court with which they are forced to deal; and litigants who ignore the decisions of a private court would be subject to loss of **reputations** and **reparations** - payments for injustices committed.

Political courts have a legal advantage over the litigants that come before them: the litigants have to prove themselves to the courts, but the courts are firmly established by force of law and do not have to prove themselves to the litigants. Marketplace courts would not have this unfair legal advantage over the litigants that come before them; marketplace courts must continuously earn the sanctions of the litigants: they must prove themselves to be objective, impartial, and competent. And this levels the judicial playing field so that optimal justice can result.

(3) How does a human Final Arbiter become one?

A human Final Arbiter becomes one by being accepted as legitimate and competent, and thereby receives the sanctions of the people who are subject to its decisions. These sanctions endow the human Final Arbiter with the mantle of moral legitimacy, and they transfer part of the decision-making powers of many individuals to an institution in which these powers are aggregated as the human Final Arbiter.

A marketplace human Final Arbiter - a private court - would gain its legitimacy and power by establishing a superior reputation for integrity, objectivity, impartiality, and justice. A private court would receive the sanctions of its clients by means of voluntary, explicit, contractual agreements which transfer a clearly defined and delimited part of the decision-making power of each individual to the institution. As discussed elsewhere, these explicit, voluntary, contractual agreements optimize Specificity, Accountability, and Responsibility - and therefore justice.

A political human Final Arbiter - a Government court - also gains whatever legitimacy and power it has by receiving the sanctions of many of the citizens. However, these sanctions, like all political sanctions, are implicit and non-contractual; the citizens passively accept the existence of the Government - i.e., they do not openly rebel against it - and the Government then establishes the courts by law. These implicit and non-contractual sanctions transfer a poorly defined and poorly delimited portion of each

citizen's decision-making power to the political courts, and this leaves the citizens vulnerable to whatever further losses of individual decision-making power the political courts may choose to inflict upon them.

(4) How does a human Final Arbiter remain one?

An institution which functions as a human Final Arbiter remains one in the same way that it becomes one: by continuing to receive the sanctions of many people.

Human beings are not omniscient, and so optimal performance is not guaranteed by any human institution, the human Final Arbiter included. Further, knowledge is always increasing, and this means that improvements will be required in the rules and procedures of the human Final Arbiter. The sanctions received by the human Final Arbiter will be voluntarily and continuously renewed by the people only if they are continuously re-earned by the institution. If the human Final Arbiter is not objective, impartial, and just, and if it does not rapidly assimilate new knowledge and thereby improve its rules and procedures, then the people should be able to withdraw their sanctions of it and transfer those sanctions to another institution in which they have more confidence.

The continued existence of a marketplace Final Arbiter would depend upon its hard-earned reputation for objectivity, impartiality, and justice. People will renew their contracts only if they are satisfied with the services they receive. Explicit contractual agreements will enable the participants to withdraw their sanctions of the institution in an orderly manner; and therefore, the private courts would be optimally responsive to the legitimate needs of their clients. Does this mean that the private courts could be corrupted by their clients? Not at all: malfeasance would cause immediate and disastrous loss of **reputation**, loss of clientele, and **reparations** - payments for injustices committed. Again, the freedom of the marketplace optimizes integrity.

The continued existence of a political Final Arbiter depends upon the passive acceptance of the Government courts by most of the citizens, and the initiation of coercion by the Government against dissenters. No matter how irrational and unjust the political courts may be, the citizens can control and change them only with great difficulty; and so the political courts can violate the Natural Rights of the citizens indefinitely and on a wholesale basis and not be answerable in the marketplace for these injustices.

Integrity, Objectivity, Impartiality

For justice to be administered, there must be an objective and impartial Final Arbiter. The statist allege that Government is such an objective, impartial Final Arbiter, and indeed the only possible one.

But Government is not objective and impartial; Government is preoccupied with furthering its own interests at the expense of its citizens while appearing not to do so, and with gaining and maintaining the sanctions of the Group 3 citizens/ victims - by making fraudulent demands that they use "essential" but inferior Government services, by making fraudulent demands that they sacrifice themselves to the nonexistent public interest, and by initiating coercion against dissenters.

Political Final Arbiters have a preexisting agenda which compromises their integrity: they are sworn to uphold a political constitution - which is a document that establishes a Government - which is an institution that legally violates rights; and it is impossible for such a human Final Arbiter to defend rights when it is committed to violating them.

Will the Supreme Court uphold Natural Rights - and invalidate taxation, regulation, conscription, etc.? Of course not. The judges are paid by the tax collectors; they spend their time attempting the impossible task of reconciling a mass of arbitrary statute law with a political constitution, none of which have ever been signed or contractually agreed to by the individuals who are expected to obey them; they argue endlessly over various types of intervention in the marketplace, oblivious to the fact that laissez-faire capitalism is the only moral form of social organization; and they are protected from the threats of foreign Princes by conscripted soldiers. How, then, can the Supreme Court judges be objective and impartial, or even rational? They cannot be, and they are not. The Supreme Court remains true to its nature: the needs of The State are always paramount, and to hell with Reality, reason, integrity, rights, justice, and the inexorable Natural Law of Existence.

In the statist realm of Positive Law, with no rational and objective basis in the Natural Law of Reality, the edicts of the political Final Arbiter become "reality"; and when mere whims assume the legitimacy of law, then a

coercively monopolistic Final Arbiter IS needed - because whims, to be universally applied, MUST be enforced.

"Government objectifies and legitimizes the use of force." Does it? Have we forgotten the Government use of force at Auschwitz, Hiroshima, and Kent State? Government does not objectify and legitimize the use of force. Government merely seizes the decision-making powers of many individuals and delivers them into the hands of political barbarians who are both personally and legally irresponsible. The result is the atrocities of which Government and Government alone is capable: Buchenwald, Nagasaki, and Tiananmen Square.

There is no guarantee that the Natural Law human Final Arbiter(s) will be optimally objective and impartial. But the marketplace context of Private Justice Corporations, and the interlocking network of explicit contractual agreements among them, is the only context in which Specificity, Accountability, and Responsibility can be optimized; and this optimizes objectivity, impartiality, and justice too.

Feedback

The marketplace is characterized by continuous inputs and continuous outputs. Every new bit of market-generated information elicits an economic response: a different price, a new or improved product or service, customer turnover, etc. These market responses tend to be continuous, fast, specific, and in small increments. Similarly, marketplace institutions which are the human Final Arbiter(s) would also be characterized by continuous, fast, specific, and small incremental improvements in understanding of Natural Law and in correcting errors before they create major problems throughout the marketplace. Therefore, the feedback from the marketplace to the Natural Law human Final Arbiter(s) would be optimized by the market process.

A Positive Law Final Arbiter cannot implement the ultimate Final Arbiter which is Reality, but rather comes between the human mind and the ultimate Final Arbiter. In the political arena, the optimal market feedback mechanism is short-circuited by the Positive Law which freezes everything in legal ice according to the compromised Natural Rights and interests of all of the participants in the political process. Principles and institutions can be changed only by changing the political consensus: at least a plurality of the citizens must agree before change can occur. Thus, political feedback is

discontinuous, slow, nonspecific, and in large increments - just the reverse of the optimal feedback from the marketplace; and this applies to the political Final Arbiter as well.

When Government masquerades as the Final Arbiter, it relies on accepted conventions, ignorant public opinion, and ultimately initiated coercion to impose its edicts upon society and to suppress dissent. Thus, the political Final Arbiter can chronically distort the truth (as the United States Supreme Court has done from the beginning); and because the political Final Arbiter has short-circuited the rational marketplace feedback from Reality, it can continue to sweep rational principles and violations of Natural Rights under the political rug where they can fester indefinitely - (again, as the United States Supreme Court has done from the beginning). Therefore, people must endure repeated irrationalities and injustices - for years, even decades.

But eventually the citizens'/victims' hostility - based upon their implicit awareness of Natural Law and the continuous violations of their Natural Rights by Government - increases to the ignition point. No longer are accepted conventions, public opinion, or even coercion sufficient to suppress the dissent. Now the feedback from society takes the form of withdrawal of the implicit sanctions of the Government by the Group 3 citizens/victims; this destroys the bogus legitimacy of the Government and causes the Government to revert to the status of a gang: a protection racket gone awry. Then the feedback from the marketplace escalates rapidly into a nonspecific and immense increment: the society explodes in violence - riots, revolutions, and wars.

Therefore, one way or another, Reality is indeed the ultimate Final Arbiter.

Again: **there are no rational alternatives to a free market.**

Fighting In The Streets?

The standard statist argument against competing force services is that such entities would end up fighting each other in the streets and chaos would result. This argument has also been advanced by many champions of the free market who should have known better - including Ayn Rand. The following quotation is from her 1963 essay entitled "The Nature of Government."

"A recent variant of anarchistic theory, which is befuddling some of the

younger advocates of freedom, is a weird absurdity called 'competing governments.' . . . Instead of a single, monopolistic government, they declare, there should be a number of different governments in the same geographical area, competing for the allegiance of individual citizens, with every citizen free to 'shop' and to patronize whatever government he chooses.

"Remember that forcible restraint of men is the only service a government has to offer. Ask yourself what a competition in forcible restraint would have to mean.

" . . . One illustration will be sufficient: suppose Mr. Smith, a customer of Government A, suspects that his next-door neighbor, Mr. Jones, a customer of Government B, has robbed him; a squad of Police A proceeds to Mr. Jones' house and is met at the door by a squad of Police B, who declare that they do not accept the validity of Mr. Smith's complaint and do not recognize the authority of Government A. What happens then? You take it from there."

In this quotation, Rand erects a strawman - competing Governments - and then knocks it down. Of course competing Governments will end up fighting in the streets because they are not constrained by contracts. Rand passionately advocated the free market, and yet she overlooked the possibility of competing Private Justice Corporations because she believed that "objective law" and "limited government" are the glue which should hold society together. But as we have already noted, there are and can be no such things as "objective law" and "limited government."

In Reality there are only autonomous individuals who voluntarily agree to cooperate in the production, distribution, and consumption of wealth; and these individuals objectify their rights and responsibilities to one another with explicit contracts. **Rational self-interest, the confluence of individual interests, the division of labor, explicit contracts, voluntary exchange to mutual advantage, and the other natural law components of Adam Smith's "invisible hand" are the glue that holds society together.** This has everything to do with the marketplace, and nothing to do with Government. Indeed, Government and law, being non-contractual and therefore nonobjective, are forever forcibly dissolving the peaceful glue of the "Invisible Hand."

Ayn Rand, let us now "take it from there."

First, to be rational is to be reality-oriented; to be irrational is to ignore Reality. And rationality is a matter of choice; human beings must choose to think; human beings must choose to identify the facts of Reality and act accordingly.

Second, we must always assume that most people will be oriented to Reality - that most people will be mostly rational most of the time. If this is not our assumption - if we assume instead that most people will be irrational - then the manner in which society is organized is irrelevant because nothing but chaos is possible anyway. We must always assume that most people will be rational, and then deal with the exceptions when they occur - not the other way around.

Third, Private Justice Corporations (PJC's) would have explicit contracts with their clients which would objectify what they are and are not allowed to do; and clients would not sign contracts with PJC's that did not have a rational agenda. Many PJC's could exist; and for all of them a rational agenda would necessarily include explicit contracts with each other that would objectify the rules and procedures by which they would interact as they service their respective clients.

Fourth, what if a PJC became a renegade and violated its contracts with its clients and competitors? A PJC would require years to establish a reputation for integrity and honorable service, and so it would have nothing to gain and everything to lose by violating its contracts; but rationality is not guaranteed, and so this could happen. At the first sign of trouble, all other PJC's immediately would unite to hold the renegade in check as explicitly described, permitted, and indeed required by the terms of their contracts with each other. Any altercation that might occur would be limited because the PJC's involved would not have millions of patriotic and ignorant clients ready and eager to "do or die for the glory of the good old Black and Blue." Further, the renegade PJC would be subject to all of the severe penalties that the marketplace puts on enterprises which violate their contracts: loss of **reputation**, and payment of **reparations** to the victims for violations of rights and damages; and this would put the renegade PJC out of business, immediately and permanently. Therefore, the power of a PJC would be

constrained by contracts, reason, and Reality.

Fifth, what if several powerful PJCs became renegades simultaneously? This would, of course, violate our basic assumption that most people will be mostly rational most of the time; and again the PJCs have nothing to gain and everything to lose by doing so, but rationality is not guaranteed and so it could happen. What then? What might happen then is what has happened with Governments since the beginning of recorded history: not only fighting in the streets, but war in the fields, on the oceans, in the skies - and, if the militarists prevail, in outer space as well.

And now engrave the following crucial point into your consciousness forever:

The worst that could ever happen with private justice corporations is the same thing that happens every day and everywhere with governments.

Private Justice Corporations could only be a vast improvement over Governments; there is nowhere to go but up.

The integrity of the PJCs is not guaranteed, because rationality is not guaranteed. But the free market context provides every incentive for rationality and every disincentive for irrationality; nothing more is possible; nothing more is necessary. The contradictions of Government, however, are guaranteed to result in continuous war. Therefore, the argument about fighting in the streets is not only false, but obscene as well - because it applies to Governments rather than to Private Justice Corporations.

Although Rand was attacking competing Governments rather than competing corporations, this critique of her position is fully justified because, fundamentally, she was attacking the relevance and indeed the rationality of **competition** *per se* in the administration of justice. But precisely because the administration of justice is so crucially important to a free and peaceful society, this function **MUST** be subject to competition - to keep it free and peaceful. And to fail to understand this issue is to fail to understand what the marketplace is really all about.

By advocating the existence of The State - The Prince - Attila in whatever form - Rand inadvertently positioned herself among the Witch Doctors whom she despised.

Ayn Rand, we have "taken it from there." And this is our irrefutable response.

Summary

The ultimate Final Arbiter is the Natural Law of Reality; human beings have no choice in the matter. But they do have a choice in the type of institution which interprets and implements the Natural Law. This institution should facilitate the application of Natural Law principles, and also facilitate rapid but orderly improvements when new knowledge makes this necessary. There are two possibilities: a political Final Arbiter, such as a Government Supreme Court, which implements the Positive Law (Constitutions and Statute Laws) and ignores the Natural Law, and one or more marketplace Final Arbiter(s) which implement the Natural Law. Positive Law Final Arbiter institutions are superimposed upon the marketplace from outside; Natural Law Final Arbiter institutions evolve from within the marketplace.

The Positive Law Final Arbiter, like the political process from which it springs, is static; whereas the Natural Law Final Arbiter, like the marketplace from which it springs, is dynamic.

Marketplace Final Arbiters implement the principles of the ultimate Natural Law Final Arbiter and Natural Rights by means of voluntary and explicit contracts; the political Final Arbiter does not implement the principles of Natural Law and violates Natural Rights by imposing itself by fraud and force upon the citizens.

Freedom and contracts are much stronger incentives for integrity and justice than are coercion and law, both for the courts and for the litigants who come before them.

The Government's Supreme Court appears to solve the need for a Final Arbiter, whereas it does nothing of the sort; it merely institutionalizes the arbitrary, contradictory, and irrational Statute Law - and makes true justice impossible.

The Government court system, like the rest of the political Establishment, is an anachronism, a barbarous relic from ancient and medieval times. Political Final Arbiters are integral to The State apparatus of control and coercion; they are part of the problem, not part of the solution. Government courts are kangaroo courts; they deserve no more respect than the arbitrary and contradictory laws they enforce.

Marketplace courts and marketplace Final Arbiters are the optimal configuration for the courts and for the human Final Arbiters.

* * *

The Final Arbiter issue, as presented on these pages, is one of the most important, subtle, and misunderstood points in libertarian philosophy. Collectivists and statists do not begin to understand the issue, and many of the most brilliant champions of reason, liberty, and free markets have misunderstood it too.

Contrary to the strident assertions of Ayn Rand and the other Objectivists, the non-contradictory application of the Objectivist metaphysics, epistemology, and ethics leads to the anarcho-capitalist position, not to the Objectivist statist position. This conclusion was obvious in **The Market for Liberty**, written by Morris and Linda Tannehill (1970), in **For a New Liberty** by Murray Rothbard (1973), and other publications. The Objectivists' demands for ideological purity, coupled with their persistent evasion of the truth and their attacks upon the libertarians who understand the truth, are an intellectual scandal.

All benevolent advocates of reason and liberty must address and understand this issue of the Final Arbiter because, again, the survival of the human race depends upon it.

12. Limited Government

Political Institutions

When human beings have made the fatal mistake of deciding to form a Government, they need a document to legitimize their actions. And so they call a meeting of "distinguished citizens from all walks of public and private life" to draft a political constitution.

A constitution is a document written by some people to establish a Government over themselves and everyone else within certain arbitrary political boundaries. In modern democracies, a constitution is supposed to define and delimit the powers of the Government; and in the case of the United States, it included as an afterthought a series of amendments which is supposed to list and guarantee the fundamental Rights of the individuals who are subject to that Government. **But Government is an agency of collective, monopolistic, initiated coercion.** Therefore, writing a political constitution is as futile as throwing a pile of paper in the air to stop a speeding missile: the basic premises of the constitution's authors are guiding the weapon they have launched, and no amount of paper erected in its path can change its trajectory or target.

It is a fundamental violation of the law of contradiction to expect a constitution - a document which establishes and sanctions an institution which violates the natural rights of everyone - effectively to protect those rights.

It is another fundamental violation of the law of contradiction to expect a constitution - a document which establishes and sanctions an agency of collective, monopolistic, initiated coercion - effectively to limit the use of that coercion.

Nor is it rational to say that if a constitution establishes a set of "checks and balances" to limit the powers of the Government, then it can be morally legitimate. Have the checks and balances of modern democracies prevented

continual injustices, taxation, inflation, monetary crises, depressions, scandals, crime, conscription, riots, revolutions, wars, and all of the other benefits and joys of Government? Of course not. The checks and balances of modern democracies are still political: they are still characterized by the absence of contracts between the rulers and the ruled; they are still based upon the premise that "Might makes right"; they are still composed of different bands of thieves and rascals arguing with one another. And although politicians who are busy arguing amongst themselves have less time and energy to violate the Rights of everyone else, this is not an effective set of checks and balances. The furor and tumult of mock combat between political parties and among the different branches and levels of Government are simply the din of the political roulette wheel as it cranks out the names of its next victims and the method and degree of their harassment. For evidence, see today's newspaper.

The constitutional enumeration of individual Rights with respect to Government, and the constitutional attempts to limit Governmental powers with respect to individuals, are tacit admissions that Government can violate Rights and should be limited. But virtually no one understands that **Government, by its very nature, must violate everyone's rights; it cannot be limited except by countervailing force**, as history confirms. All constitutional "guarantees" of individual liberties and Governmental limits have no rational meaning or purpose - again, as history confirms.

By virtue of the law of identity, there can be no organizational device which will make government anything other than what it really is: an institution of collective, monopolistic, initiated coercion which systematically violates the rights of everyone.

The myth of constitutional legitimacy was brilliantly exploded by Lysander Spooner in 1869 - more than a century ago - in **No Treason: the Constitution of No Authority**. Spooner noted that political constitutions are never signed by the individuals who are subjected to their authority, and so these documents are contractually invalid:

“. . . if a written instrument is not signed, the presumption must be that the party to be bound by it, did not choose to sign it, or to bind himself by it. . . . Where would be the end of fraud and litigation, if one party

could bring into court a written instrument, without any signature, and claim to have it enforced? . . . The very judges, who profess to derive all their authority from the Constitution - from an instrument that nobody ever signed - would spurn any other instrument, not signed, that should be brought before them for adjudication. . . .

“The Constitution is no such instrument as it has generally been assumed to be; but that by false interpretations, and naked usurpations, the government has been made in practice a very widely, and almost wholly, different thing from what the Constitution itself purports to authorize. . . . But whether the Constitution really be one thing, or another, this much is certain - that it has authorized such a government as we have had, or has been powerless to prevent it. In either case, it is not fit to exist.”

* * *

The politicians and militarists who initiate coercion take an oath to support a constitution, but most of the victims who are morally disarmed by these documents take no such oath. No rational person who understood the true nature of Government would ever voluntarily take any type of oath or sign any type of agreement which sanctioned the legal violation of his Rights and the seizure of his property.

All political constitutions are based upon false collective values; they are not voluntary contracts among individuals; and they establish agencies of monopolistic initiated coercion. Therefore, all political constitutions are morally invalid, and all laws, decrees, treaties, "contracts," and other deals derived from such constitutions are also morally invalid. All politicians, militarists, and bureaucrats are free agents: the injustices they can commit are limited only by their ability to gain the implicit sanctions and the sacrifices of their victims by appealing to false collective values, and to initiate coercion against recalcitrants. Thus, all Governmental actions are ultimately accomplished by fraud and force.

Political constitutions are evil because they establish tyrannies, and futile because they cannot limit the tyrannies they have established. All political constitutions are self-contradictory documents; they can lead only to social chaos and military disaster - as indeed they always have. And yet almost every person on this Earth is coerced to live - and to die - under the bogus

authority of one or another of these absurd and vile documents.

In summary: **all political constitutions are based upon false collective values; all political constitutions are not voluntarily, explicitly, and contractually agreed to by the individuals whom they coercively control; all political constitutions violate the natural rights of everyone, and thus they cannot protect those rights; and all political constitutions establish and sanction agencies of collective, monopolistic, initiated coercion, and thus they cannot limit the use of that coercion.** Once again: the 180 Degree Phenomenon.

The Myths of “Objective Law” and “Limited Government”

The Objectivists and most other free market oriented individuals, many of whom call themselves "conservatives," favor a return to the principles of the Founding Fathers and advocate a society based on "objective law" and "limited Government." Fortunately for the rest of the human race, it will never happen because "objective law" and "limited Government" are floating abstractions with no referents in Reality.

First, throughout the history of mankind there have been millions of laws and thousands of Governments, but there never has been one instance of "objective law" or "limited Government." However, the argument from precedent is not convincing. There are more fundamental and compelling reasons why this has always been true.

Second, The Law consists of arbitrary rules and edicts unilaterally promulgated by The State - by The Prince - by the executive, legislative, and judicial branches of "limited Governments" and by the burgeoning bureaucracies of unlimited Governments. The Law is never of the form: "We, the undersigned, voluntarily agree to cooperate in the XYZ enterprise according to the following mutually acceptable terms" - which is, of course, the contractual form. Rather, The Law is always of the form: "I, The Prince, decree that you, The People, will/will not do thus-and-so whether you want to or not; either you will obey, or my gendarmes will force you to do so." The Constitution and The Law are what The State says they are; and if The State wishes to change The Constitution and The Law, then changed they are. The citizens have never agreed, explicitly and contractually, to The Constitution

and The Law. How can The Constitution and The Law be objective if they are dictated by one party and must be accepted and obeyed by another party under threat of coercion?

Third, what about dissenters? What if someone - more likely, what if millions of someones - disagree with The Constitution and The Law that they have never signed? How can dissenters be morally bound to obey a decree with which they disagree? If they can be morally bound to obey, then what happens to their Natural Rights, "objective law," and "limited Government"? And if they cannot be morally bound to obey, then what happens to the authority of The Law and the sovereignty of The State? What happens is that the issues of reason, principle, and Natural Rights are evaded, and that trivial dissent is tolerated but significant dissent is crushed.

Fourth, to say that Government can be limited by The Constitution and The Law, is to say that Government can be limited by Government; and that, as we know only too well if we admit the overwhelming evidence of history, is a surefire formula for disaster.

Fifth, the only way that Government could be limited is by a truthful and meaningful agreement between the rulers and the ruled - by an explicit and voluntary contract between the Government and every individual citizen subject to that Government. But if such a document were truthful, no rational citizens would ever sign it; and if rational citizens did sign such a document, then it would not be truthful. Furthermore, if the agreement were in contractual form, then we would no longer be in the political arena at all; then we would be limiting an enterprise in the marketplace, not a Government in the political arena; and so the idea is impossible. Government simply cannot be limited, not in any rational and meaningful manner.

Government is not and never can be "of, by, and for the people." Rather, Government is always of, by, and for the Government and those outside the Government who have commandeered The State apparatus of control and coercion to further their own ends at the expense of everyone else in the marketplace; e.g., the legal Establishment, the defense Establishment, the education Establishment, the welfare Establishment, etc.

Law is not and cannot be "objective." Government is not and cannot be "limited." To believe otherwise is to believe myths, and to sign a death warrant on mankind.

13. Contracts

The "limited Government" theorists - which include, unfortunately, the Objectivists - are involved in a lot of wishful thinking: they recognize that there must be an agency to enforce contracts, and they observe that Government exists by the use of force; and so, given the fact that Government exists, they try to sanitize the notion of Government by finding something legitimate and useful for Government to do - by saying, very conveniently, that Government is the agency which enforces contracts. But as Lysander Spooner noted in **No Treason: The Constitution of No Authority** (1870), immediately we are faced with an insuperable contradiction: Government itself is not contractually created and constrained; what moral claim can it have to enforce contracts? How can an entity which is not contractually created and constrained have a moral claim to pass judgment on other entities which are contractually created and constrained?

Contracts are explicit voluntary agreements between individuals in the marketplace; contracts involve the voluntary extensions of individual rights into the marketplace. Laws are not contracts; laws are not contractually agreed to by the citizens who are expected to obey them. Laws are rules that are unilaterally proclaimed by The Prince - by the emperor, the legislature, the courts, the police - by one or more entities of The State apparatus of control and coercion; the laws are enforced by the rulers upon the ruled - by the victors to control and exploit the vanquished.

There have always been millions of laws; they have controlled billions of citizens; but history confirms that they have never effectively constrained a single Prince. The absolutist political theorists were absolutely right: The Prince is The Law; The Law is what The Prince proclaims it to be; and having proclaimed The Law to be one thing, The Prince can then, with equal validity, proclaim The Law to be something else. Contracts are made to be honored and kept; but the laws are made to be broken, and the first people who break them are the same people who make them; e.g., the Gramm-Rudman deficit reduction legislation, which Congress promptly ignored. The

Law is logically arbitrary, morally illegitimate, and historically disastrous.

To assert, as the "limited Government" theorists do, that "the proper function of Government is to enforce the laws which insure peace, order, and the integrity of contracts," is to attempt to solve the legitimate needs for peace, order, and the enforcement of contracts with an agency of coercion which has always existed but is morally illegitimate because it is not based upon explicit and voluntary contracts.

Consider the historical origins of Government: were the Pharaohs concerned with enforcing private contracts? What about the benevolent intentions of Alexander the Great, Julius Caesar, Attila the Hun, Genghis Khan, Cesare Borgia, Pizarro, Cortez, George III, Napoleon, Bismarck, Wilhelm II, Lenin, Hitler, Mussolini, and Stalin? How many of these fellows were concerned with enforcing contracts in the marketplace, rather than with enforcing laws upon as many other people as they could conquer? Mao Tse-tung said it best of all: "Government comes out of the barrel of a gun."

A is A; what a thing will do is determined by what it is. Assigning a fox to guard the chicken coop will not protect the chickens. Similarly, Government is bred and born in violence; it operates by violence; and assigning to it various nonviolent and benevolent tasks, to sanitize the institution, does not change its fundamental nature.

The need to enforce voluntary contractual agreements in the marketplace must be met by an agency which is itself created and constrained by voluntary contractual agreements - i.e., by a business enterprise in the marketplace. People who superimpose a nonmarket, noncontractual entity - a Government - upon market and contractual entities, and then expect something other than continuous conflict and chaos, are spitting in the face of Reality, reason, and the eternal human hope for peace and prosperity upon this Earth.

To demonstrate and underscore the utter impossibility of a political contract - of an explicit, realistic, and truthful statement of the relationship between the citizens and Government, consider the following attempt to create such a document.

I, the undersigned, being a citizen of the Amalgamated States of Utopia (A.S.U.), do hereby solemnly contract with the Government(s) of the A.S.U.

as follows:

1. I agree that my rights are granted to me by The State, and therefore that The State may redefine and even rescind my rights as it desires. I hereby renounce all of my Natural Rights as a human being to act in my own rational self-interest when these Natural Rights conflict with or limit the application of any political constitution, law, regulation, edict, or right proclaimed by any duly authorized governmental entity within the borders of the A.S.U.
2. I agree to ignore the fact that laissez-faire capitalism is the only rational and moral form of social organization, and thus that all forms of Government, including the one to which I am agreeing, are morally illegitimate.
3. I agree to believe The State's fraudulent assertion that certain essential services can be provided only by Government; and I agree to finance and use these Government services even though these services, when judged by the rational standards of the free market, are inferior, inefficient, and unjust.
4. I agree to obey The State's fraudulent demands that I sacrifice my selfish private interests to the greater public interest, even though sacrifice is psychologically impossible and collective values such as the public interest do not exist.
5. I agree to ignore the most fundamental moral principle of social organization - respect for other human beings' Natural Rights, and its immediate corollary - that it is immoral to initiate coercion against other human beings. And I agree to ignore the fact that the Government will initiate coercion against millions of people who disobey items 3 and 4, and thereby will violate their Natural Rights.
6. I agree to ignore the principle that there are no conflicts of interests among rational people who respect each others' Natural Rights in the marketplace, and therefore that the Government, by violating these Natural Rights, will create unnecessary conflicts of interest on a wholesale basis.
7. I agree to ignore the fact that all property must have some specific owner(s), that all property must be private; and therefore that "private property" is a redundancy and the Government's "public property" is a contradiction in terms.
8. I renounce my Natural Rights to free choice in the marketplace with respect to all matters which The State deems to be the subject of popular

plebiscite, and to submit to the decisions of the plurality or the majority even on issues where I voted with the minority or didn't vote at all.

9. I agree to respect, honor, and obey the majesty of The Law, even though the Government's laws are (a) enacted without my explicit contractual consent, (b) violate my Natural Rights to act in my own rational self-interest, and (c) frequently are in conflict with and contradict each other.

10. I agree that The State has the right to judge the validity of voluntary contractual agreements among its citizens, even though The State itself is not and cannot be based upon valid voluntary contractual agreements with the citizens - as this document is demonstrating so clearly that even a Senator could understand it.

11. I renounce my Natural Rights to the results of the productive labor of my mind and life to the extent that various legislatures desire to tax those labors, even though I will never know what I am receiving in exchange for those taxes.

12. I agree to the Government's monopoly on the issuance of coinage and money, even though I recognize that historically The State has always abused this monopoly power by debasing the coinage, inflating the money supply, and thereby transferring to itself ever larger portions of the wealth created by the citizens.

13. I agree to ignore the fact that the free market optimizes productivity according to the demands of the consumers, and thus that all Government interventions in the economy penalize the productivity upon which human survival and progress depend.

14. I agree to ignore the fact that most of the problems which are the rationales for Government interventions are the inevitable results of prior interventions. But no matter: I agree to subsidize everyone who has to be rescued at public expense from the consequences of their own ignorance, ineptitude, and indolence, including the education, defense, and welfare Establishments, respectively.

15. I agree that all criminals should be incarcerated or killed at my expense, rather than be required to create wealth and pay restitution to their victims.

16. I recognize that The State is not morally accountable and economically responsible for its actions, and that crimes such as fraud, extortion, theft,

pillage, and murder that are forbidden to individual citizens are legally permitted to The State: that taxation is legalized theft and that war is legalized murder. This obscene double standard further increases my respect for the majesty of The Law.

17. I agree that The State can violate my Natural Rights by the enforced servitude of military conscription, and that I will fight all other Governments which have incurred the displeasure of the leaders of the A.S.U., even though these leaders may have subsidized and armed these other Governments at my expense. Further, I will indiscriminately kill all human beings whom these leaders call "the enemy." And if I should die, I will have perished for the imperishable glory of the A.S.U.

18. I pledge that just as no amount of historical and logical evidence can ever convince me that Government is an irrational institution, so no amount of future political malfeasance, scandals, disasters, and wars will ever shatter my faith in the A.S.U.

19. I recognize that only an idiot or a lawyer (if there's a difference) could believe the ridiculous irrationalities and contradictions that are inherent in The State, and that only a madman would agree to them contractually. I also recognize that the fools who grant The State a moral sanction to exist are sanctioning their own victimization at the hands of savages, and so they have only themselves to blame. I further recognize that the A.S.U., like every Government in history before it, eventually will collapse under the weight of these same irrationalities and contradictions. Nevertheless, I agree not to identify these irrationalities and contradictions on pain of being liable for all the penalties of treason.

20. I confirm that I am not an autonomous human being who possesses inalienable Natural Rights and is capable of rational thought and independent judgment, but that I am an unthinking robot and a mere chattel of The State. Consequently, I am proud to be a citizen of the A.S.U.; to sing our national anthem - the Blood Spattered Banner; to pledge my allegiance to the good old Red, Black, and Blue; to pay my taxes, obey our laws, fight your wars - and wait for Reality to wipe me out.

Thank you, Amalgamated States of Utopia, for the privilege of allowing me to sign this contract and participate in another futile exercise in the mass insanity of Government: legalized fraud and force - propaganda and plunder -

chaos, destruction, and death.

14. A Potpourri

The Contradiction of Objectivism

Ayn Rand and Aristotle are the two greatest philosophers in the history of humankind; and Rand's philosophy of Objectivism is virtually the only system which recognizes that the most important institution in society is the marketplace - the spontaneous and ubiquitous forum in which human beings produce, exchange, and consume the physical and intellectual values which are required for survival, progress, and happiness. The two next most influential institutions have been The Church and The State, but unfortunately their effects upon civilization have been overwhelmingly negative. Ayn Rand and the other Objectivists have identified the mythology and contradictions of God, but they have not identified the mythology and contradictions of Government.

For years the Objectivists - Ayn Rand, Leonard Peikoff, Peter Schwartz, and others - have been attacking their free market allies, the Libertarians, who are in some respects a rather motley crew. The Objectivists accuse the Libertarians of various ideological errors, some of which are sometimes true. However, the Objectivists themselves are not error-free: their political position does not follow from their Metaphysics, Epistemology, and Ethics, and it contradicts the principles of laissez-faire capitalism. The Objectivists are clinging to Ayn Rand's mistaken faith - repeat, faith - in "objective law" and "limited government" as the proper means of social organization. But the concept of Government was refuted many years ago by Murray Rothbard and others, and Rothbard was once a member of Rand's inner circle; and so the Objectivists are surely familiar with the overwhelming arguments which demolish the decrepit and reprehensible concept of The State, and which establish the anarcho-capitalist ideological position. The conclusion is inescapable: the Objectivists are guilty of continuous evasion and perversion of the truth; and this, coupled with their relentless and arrogant attacks upon the Libertarians, many of whom do understand the truth, has become an intellectual scandal.

My real education began in earnest in 1963 when I first read Ayn Rand's Atlas Shrugged, and shortly thereafter I read the rest of her fiction and started subscribing to her newsletter. I attended all of the NBI lecture series in three different cities, many of them several times. I have participated in hundreds of Objectivist and free market discussion sessions, comprising several thousand hours, and I am in continuous contact with dozens of Objectivist and free market intellectuals.

My library of Objectivist and free market books comprises several hundred titles; and for twenty-five years, these shelves have included a University Microfilms copy of a PhD thesis submitted in 1964 to the Department of Philosophy at New York University; the title: **The Status of the Law of Contradiction in Classic Logical Ontologism**; the author: Sylvan Leonard Peikoff. From the conclusion:

The Objectivists have completely blown their credibility in Economics and "Politics": their understanding of Economics is flawed, and there is no such thing as "Politics."

Rationally "Politics" does not exist. "Politics" is not a positive concept, as virtually everyone, Objectivist included, believe. Rather, **"politics" is simply the negation of Economics.**

The political process is nothing but the legalized short-circuiting of the marketplace; "Politics" is a bogus category which contains nothing but the negatives of Economics, as ten thousand miserable years of human history have been trying to tell us.

The Objectivists must understand what they are doing wrong, and then stop doing it. Stop sanctioning The State. Stop parroting myths. Stop being Witch Doctors. And stop the goddam arrogance. I respectfully suggest that the Objectivists should confine themselves to what they know best - Metaphysics, Epistemology, and Ethics - and leave Economics and "Politics" to the competent anarcho-capitalist theorists who apply the Objectivist Metaphysics, Epistemology, and Ethics without contradiction.

The Objectivists' militant misunderstanding of the true nature of Government, even in the presence of overwhelming evidence and irrefutable arguments, tells us something unpleasant about the psychology of many Objectivists: they present Objectivism not as a benevolent and scientific

search for the truth, but as a typical ready-made religion - complete with a deity, a human hierarchy, an orthodox dogma, a warm welcome for true believers, a cold contempt for all blasphemers, and the waging of jihads against the infidels who do not accept the entire gospel.

There are many horror stories about benevolently motivated people who are genuinely interested in Objectivism and free market economics, who have rejected the dogmatism of the Church and The State, but who let their eyes stray to the forbidden works of Rothbard, Kelley, *et al*, and who then encounter the dogmatism of Objectivism and are brutally rejected by the Objectivist hierarchy as a result.

Many of us who started out as Objectivists have taken on the Libertarian label to distance ourselves from all of this, and from the individuals who arrogate to themselves the position of Rand's vicars on Earth - and who, like the Pope himself, mistakenly defend some conclusions which do not follow from their premises, while they denigrate some conclusions which do follow from their premises.

If the Objectivists are committed to perpetuating the myth of Ayn Rand as an infallible deity, then they should continue as they are doing. But if they are committed to Reality, Reason, Truth, and Human Life on Earth, then they should check their premises, because some of theirs - and hers - are wrong.

Ayn Rand's great achievements, like Aristotle's, will stand the test of time, and her errors, like his, will not diminish the significance of those achievements. But the basic principles of Objectivism must be applied to Objectivism itself, and the central tenet of the intellectual enterprise must also be reaffirmed: that only through free inquiry and open discussion can we understand ourselves and the world in which we live.

All of this confirms that no one has a monopoly on the truth, and that those of us who want to establish a rational and free society should benevolently open our minds a bit further, close our mouths a bit further, and check our premises a bit further too.

Political Leaders

The alleged purpose of a democratic government is to protect the rights and values of its citizens by maintaining civil order, administering justice, and

providing defense against external aggressors. The wealth and lives of every citizen depend upon the proper functioning of such a government, and so the responsibilities of political leaders are very great indeed.

But despite these very great responsibilities, the leader of a democratic government is selected in an irresponsible manner. The candidate for political office begins - and ends - by trying to present a pleasant image to the voters, an image which may or may not reflect his true nature. He tries to project an ineffable charisma, not an incorruptible character. Invariably he has a record of previous political successes - a record of successes in projecting an ineffable charisma to the voters. His purpose is not to create a product or service desired by others, but to create a pleasant image for them - not to produce wealth, but to promise the redistribution of the wealth produced by others - not to deal with the facts of reality, but to deal with the opinions of people. He is a manipulator, not of facts, but of opinions and people - a manipulator of public opinion.

An important step in the selection of a democratic leader is the political convention. A political convention is a midsummer gathering of several thousand earnest, sweating souls, many of whom sing and shout and march about - apparently to amuse themselves, since those who act more soberly seem as bored by these proceedings as those who view the spectacle on television. Party hacks grab their moment in the limelight to say what no one cares to hear; bombasts fan the air and airwaves with empty rhetoric; they sing and shout and march about some more; and then they nominate their leader.

After a short pause to mend political fences, the nominees roam the countryside - shaking hot hands, eating cold chicken, kissing terrified babies, and promising government favors - the voters' wealth - to everyone the world around. As H. L. Mencken observed many years ago: occasionally a candidate is so adroit that his audiences try to unhitch his locomotive, so he will have to stay with them awhile longer and promise them some more.

Eventually, when everyone is weary of all the election noise and nonsense, one pleasant image and set of promises triumphs at the polls. Thereupon, the new leader always repudiates his promises: instead of returning to the voters the wealth which was taken from them, he always takes away still more.

A political leader controls vast amounts of wealth which are not his - which were created by other people and which are therefore theirs by right; and he may even decide the fate of every human being upon this earth. Despite his great responsibilities, he is selected in a circus atmosphere. He arrogates to himself virtual *carte blanche* powers over his subjects. If he proves to be utterly irresponsible, he can be replaced, peaceably or violently, only with great difficulty; and his successor will be another political clone who will continue to manipulate and exploit the people.

Can political leaders be selected in a more serious manner, more in keeping with their great responsibilities? Or is there something about the political process that makes a serious selection quite impossible? Does the nature of political leadership forbid anything more rational than charisma, circus side shows, and continually broken promises?

The Vote

Only individual human beings are alive; and so only individuals can think, choose, and act; and so only individuals can have values, goals, and interests. There can be no collective values, goals, and interests as distinguished from the values, goals, and interests of the individuals which comprise a given collective.

But political scientists are pleased to believe that so-called "public issues" exist, and that ballots are morally superior to bullets for deciding these allegedly public issues. As usual, they are wrong. Nevertheless, human beings regularly vote upon such public issues. Let us examine this curious phenomenon.

We must always remember that all values, virtues, and wealth must be created and earned by individual thought and action. Therefore, although the rational self-interests of individuals are widely diverse, there are no true conflicts of interests among human beings unless coercion is initiated.

The first stage of the voting process involves the selection of an allegedly public issue, and its statement in the form of a legislative bill, a proposed regulation, a political party platform represented by some candidates, etc. But because the values and interests of every individual are unique to that individual, this first stage of the voting process necessarily compromises the

optimal interests of many individuals into two or more opposing positions or consensuses. These compromises involve the morally uncompromisable interests of everyone concerned. The result is that everyone loses something even before the vote occurs: the compromised positions which are to be decided by the vote are seldom in the optimal interests of anyone, and certainly are not in the optimal interests of everyone - or there would be no allegedly public issue to decide; people would simply act in their rational self-interests and would not waste their time voting. Therefore, the Rights of everyone are violated in this first stage of the voting process.

The second stage of the voting process involves a heated discussion of some sort. This discussion may be a public hearing in which distinguished legislators peer down from an elevated dais at witnesses who have been summoned to appear before them - or a fight between two red-faced fools in a bar - or a riot in the streets. In any event, interested individuals are allowed to express their feelings, if not their thoughts, about the violation of their Rights by the existence of the public issue.

When the hearings and the hassles have subsided, everyone proceeds to vote. The winners of the vote, having lost their Rights in the first stage and their time in the second, at least lose no more than that. But in this third stage, the losers take it on the chin again: their Rights were violated to form the losing consensus, their time and resources were lost defending that consensus, and now even that consensus has been rejected. And so the losers get nothing but another bitter experience of having their "inviolable" Rights and interests violated by the voting process.

Voting can decide "public issues" only if the losers are irrational: only if the losers agree that the winners have a logically and morally superior position due to their numerically superior position. If the losers abandon their optimal individual interests in the face of threats to enforce the results of the vote, then they sustain an injustice. If the losers do not abandon their optimal individual interests, then they are coerced to obey the results of the vote, and again they sustain an injustice. Either way, the losers sustain a series of injustices that violates their Rights. The losers can escape an immediate injustice only by more voting - which caused the original problem and hence cannot resolve it.

Political voting is the result of the ethical fallacy that real conflicts of

interests naturally occur among human beings. The franchise is supposed to be a civilized way of deciding who will be the sacrificial victims, and how much they will be forced to sacrifice, to resolve the alleged conflicts. But because there are no conflicts among human beings normally, the sacrificial nature of the political voting process, instead of resolving conflicts, creates them on a wholesale basis; and then it cannot resolve all these conflicts except by creating still more conflicts. Hence, the actual result of the political voting process is the reverse of what was intended. Again: the 180 Degree Phenomenon.

If a group of people voluntarily join together to elect a chairman or pass a rule, that is their own business; and as long as they do not coerce others to comply, no one's Rights are violated. But political voting allows no choice and no escape: whether or not one votes, or even agrees to participate at all, one must obey. Political voting appears to allow freedom of choice, but in fact it violates individual Rights: coercion or the threat of coercion must be initiated to force people to sacrifice their optimal individual interests on every "public issue." If the winning majority is 51%, then 49% of the voters and all of the nonvoters are coerced to comply; if the winning plurality is 34%, then 66% of the voters and all of the nonvoters are coerced to comply. This is rational? This is just?

What would you do if your grocer opened his store on the first Tuesday after the first Monday in November and announced Selection Day? "Today you can have your choice of anything you want; but starting tomorrow, I will stock only today's best-selling brands of soap, cereal, peanut butter, and everything else, and I will banish all other brands from the shelves until the next Selection Day." You would laugh in his face, stalk out of the store, and never come back again.

Yet this is exactly what happens on Election Day: the candidates and the issues with the most votes win, and all others are banished until the next Election Day. Incredibly, no one laughs, and many people come back again on the next Election Day.

In the Marketplace, people "vote" with their hard-earned dollars, and they are free to use their economic decision-making power as they desire. But the political vote violates everyone's Right to cast his economic "votes" as he sees fit. The political franchise does not empower; rather, it violates Rights,

distorts the Marketplace, and disenfranchises everyone. Therefore, in practice, the "right to vote" is "the right to violate other people's Rights," and thus is morally illegitimate.

The final stage of the voting process occurs whenever the enraged losers finally reject their roles as sacrificial victims and take to the streets and the barricades. It then becomes apparent that balloting is merely a ritualistic overture to "bulleting"; sooner or later, the bullet must replace the ballot. It always has; and given the nature of the political voting process, it always will.

Thus the ballot is not morally superior to the bullet for deciding "public issues," because rationally there are no public issues to be decided. But the existence of the franchise causes everyone to believe that there are such issues; and so balloting can only compound the injustices which make the bulleting inevitable.

Hence, all of the conventional principles and arguments about "one man, one vote," extending the franchise to this or that group of people, etc., are simply asinine. These are ploys to keep the politicians busy stirring their own pot so it won't boil over, while they are forever fueling the fire with more "public issues." And then people wonder why political problems never seem to go away.

In summary: the franchise should not be defended and extended, but rather abolished.

The Seen and the Unseen

Economics involves the evaluation of alternatives, the setting of priorities, and the making of choices. When one alternative is chosen, the other alternatives remain unfulfilled. This is well understood by everyone on an individual basis, but it is not well understood with respect to the "collective choices" made by Government.

The French economist, Frederic Bastiat, identified this crucially important concept and brought it to the attention of the world in his book, *THE LAW*, published in 1850. Bastiat noted that whenever Government undertakes a public program or a public project, the results are twofold. First, the obvious result is that something is done and now exists which was not done and

which did not exist before. But second, the non-obvious result is that this has occurred at the expense of all the other things which could have been done with those resources but were not; and because what was done was accomplished by resources seized by Government from the Citizens, the results of what was not done are borne, not by Government, but by the individual citizens who lost their economic decision-making power to the Government in the form of taxes. Bastiat called this principle "the seen and the unseen."

When a Government program is functioning and/or a Government project is completed, everyone can see that it exists, whereas obviously it did not exist before. However, the "public sector" has expanded at the expense of the "private sector." The decision-making power over the use of the resources has been coercively transferred from the people who created the wealth to bureaucrats who did not create it. This occurs in the absence of voluntary explicit contractual agreements which would optimize the Specificity, Accountability, and Responsibility for the use of those resources; and because the "public sector," unlike the "private sector," has no economic bottom line of profits and losses as determined by the desires of the consumers in the Marketplace, the result is the suboptimal use of those resources; and the stage is set for the massive waste of those resources and other scandals too.

A new Government program or project dazzles everyone; but everyone remains blind to the fact that the people who were forced to finance the new program or project now have a lower standard of living as a result. This lower standard of living involves a reduction in expenditures for "luxuries," and perhaps for the basic necessities of life as well. And it also involves the loss of marginal businesses and jobs in the Marketplace which enterprisers can no longer provide because their working capital and sales have been reduced. Government programs and projects do not provide more jobs; they simply result in the suboptimal use of resources.

Contemporary examples abound; here are a few to illustrate the principle involved.

Education: Taxes which support the public school system preempt the education portion of everyone's budget, and so there are few resources left for private schools which would be more responsive to the desires of parents for

their children's education.

Charity and welfare: Taxes which support public welfare preempt the charity portion of everyone's budget, and so there are few resources left for private charities which would be more responsive to the desires of benevolently motivated individuals.

Arts and sciences: Taxes which support Government funding of research, development, and the arts preempt the scientific R&D and cultural portions of everyone's budget; and so there are few resources left for private R&D and cultural activities which would be more responsive to the desires of the people who are funding these endeavors. The result is scientific R&D and cultural activities which are not optimally desired by the people who are coerced to pay for them.

In all of these examples and myriads more, the 180 Degree Phenomenon is hard at work.

The Invisible Hand

The principle of the Invisible Hand refers to a seemingly miraculous phenomenon: when everyone in the Marketplace acts in his own self-interest, production and exchange are spontaneously optimized to satisfy the demands of the consumers.

The British economist, Adam Smith, completed his monumental **The Wealth of Nations** in 1776. Referring to the enterpriser, Smith wrote:

"... by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. ... By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it."

To the best of my knowledge, neither Smith nor anyone since has offered a rational explanation of why the phenomenon of the Invisible Hand exists. And unfortunately, any principle which is not understood explicitly is not under conscious control. This has been the fate of the Invisible Hand. Theorists who believed it could not offer a rational explanation of why it was

true; and theorists who did not believe it had only to point to the failure of its supporters to explain it as sufficient reason to ignore it and to proceed with disastrous experiments in central planning.

The Invisible Hand does indeed exist, and there is a rational explanation for it. Several principles, taken together, account for the phenomenon of the Invisible Hand.

1. All human beings spontaneously act in their own self-interest, as they interpret their self-interest, or they are not motivated to act at all.
2. Very little wealth exists ready-made in nature, waiting to be consumed by human beings. Almost all wealth - knowledge, goods, services, and even love - must be produced by the expenditure of human thought, effort, and time.
3. Therefore, all human beings are actually or potentially valuable to each other.
4. Consequently, there are no fundamental conflicts of interests among rational human beings who produce at least the value-equivalent of what they consume - within the context of observing the Rights of others and fair trade.
5. All producers of wealth, acting in their own rational self-interests, are continually seeking to maximize their satisfactions with the greatest possible return on their investments of talent, time, and capital.
6. The Marketplace provides a competitive environment in which the producers who best satisfy the desires of the consumers are rewarded with profits, and the producers who do not are penalized with losses. The profits encourage enterprisers to commit more talent, time, and capital to produce more of what the consumers want; and the losses encourage enterprisers to commit less talent, time, and capital to produce less of what the consumers do not want.
7. This Marketplace economic nexus of prices, profits, and losses creates an optimally efficient mechanism of production, exchange, and consumption.

The combination of these factors results in the phenomenon of the Invisible Hand. The Invisible Hand is neither a myth or a miracle; it does exist, and it is due to the confluence of human interests in maximizing the production of wealth.

The Politicians' Paradise

Future generations will be astounded to discover that our present generation - which transplanted hearts, went to the moon, and built computers that processed millions of instructions per second - still believed the myth that society should be organized on the basis of political principles. But they will have preserved overwhelming evidence that this was true in the form of The Politicians' Paradise.

Washington, D.C. and the other national capitals will be transformed into live museums and amusement parks, in which actors posing as politicians, professors, bureaucrats, and militarists will recreate the contradictions of the political process for the education and entertainment of people who have not experienced these contradictions in real life. These places will function as grim reminders of what happens when generation after generation of human beings are irrational.

Every Politicians' Paradise will be a living time capsule from a bygone era - in which politicians can legislate each other, bureaucrats can regulate each other, and militarists can fight each other to their hearts' content.

The politicians will entertain the visitors with their paradoxes and absurdities. They will talk about reducing pollution while maintaining the contradiction of public property; they will talk about liberty and rights while licensing, taxing, and regulating one another; they will talk about achieving justice while locking each other up for committing victimless crimes; and they will talk about searching for peace while arming themselves for war. Granted that this will be low level entertainment, but it will demonstrate how foolish people used to be and why their times were so chaotic.

Life in The Politicians' Paradise will run the gamut of political contradictions. Every morning at eight o'clock the political scientists will lecture everyone on democratic theory, the social contract, political constitutions, the common good, the public interest, the national security, the franchise, legislation, consensus politics, externality, financing essential Government services, conflict resolution, and similar absurdities. Committee meetings will begin at nine, involving hearings and political maneuvering to determine who will be the beneficiaries and the victims of current public policy proposals. And at high noon, all the legislators will convene to fulminate and filibuster one another for the remainder of the day.

But unfortunately democratic Government is not limited to politicians and legislation. And so visitors to the labyrinthine Government office buildings can observe hordes of dronelike bureaucrats in the throes of making rules, regulations, and endless rolls of bright red tape. Visitors to the building mislabeled Equal Justice Under Law can hear the judges solemnly reaffirm the constitutionality of taxation and conscription. And visitors with strong stomachs who want to witness colossal waste and a Byzantine bureaucracy raised to the level of high art, will discover that spending a few hours in the bowels of the Pentagon will surpass their wildest expectations. Each day of the week in The Politicians' Paradise will feature a different essential function of Government. Mondays will be concerned with services and infrastructure; Tuesdays will be dedicated to regulation and intervention; Wednesdays will consider crime and justice; Thursdays will be devoted to diplomacy and international affairs; Fridays will focus on defense; and the weekends will be reserved for war (and peace).

Clearly, the pace of political antics will accelerate as the week wears on, and Fridays will be filled with feverish activity. Military maneuvers will be confined to Saturdays, and so the preliminaries to battle - diplomacy, espionage, etc. - must be finished by Friday night. It will be considered poor form and contrary to "The Laws of War" to commence hostilities before the break of dawn on Saturday. Consequently, acts of sabotage and sneak attacks can be expected throughout the night preceding, and visitors will be well advised to clear the area by sundown Friday. During the hostilities on Saturday, seasoned commentators will provide live coverage and will describe which treaties went awry and why, which leaders double-crossed their allies, how much wealth is being destroyed, how the body counts are going, and the brilliant tactics of the opposing generals on the field of battle.

The former national capitals adjacent to the sea will offer the added attraction of naval maneuvers: if the admirals are able to get under way and avoid collisions, they can "cross each others' Ts," blow each other up, and salute each others' sinking ships.

A truce will be declared at sundown Saturday, and everyone will retire from the scene to receive their ribbons and their badges. On Sunday, new peace treaties will be signed and new alliances forged, and then everyone will await the repudiation of these treaties and alliances in the coming week so the

battles can resume.

(Visitors will be reassured that the generals and admirals pose no threat to anyone outside The Politicians' Paradise. The militarists cannot make sophisticated arms; every one they ever had was stolen from some other clever person who designed it. Therefore, their weapons will be primitive: slingshots, crossbows, daggers, swords, spears, battering rams, and catapults to hurl rocks and boiling oil at one another. But their incompetence and inability to endanger the real world will be obvious to all.)

The most exciting event in The Politicians' Paradise will probably be The *Coup d'Etat*, wherein one politician usurps the power of another. Given the nature of Coups, it will be difficult to predict when a Coup will occur, and who will be the Couper and who the Coupee. But when a Coup begins, admission charges will be higher due to the increased demand for safe vantage points from which to observe the action. The successful Couper will then hold a kangaroo court in which the hapless Coupee is charged with "Treason and other High Crimes against The State." This formality will be followed by a public execution of the Coupee, preferably by hanging so the Couper's cronies can stone the Coupee's corpse as it swings limply in the breeze.

Yes, there will be something to amuse, disgust, and horrify everyone who visits The Politicians' Paradise, just as there is something to amuse, disgust, and horrify everyone today who is obliged to witness all of this imbecility on the daily news. But unlike everyone today, after our descendants have visited The Politicians' Paradise to see and hear and jeer all of this official foolishness and misbehavior from the past, they will be able to return home and resume a rational style of life, thankful that they do not have to experience on a daily basis the stupidities and atrocities that we must endure.

The biggest problem with The Politicians' Paradise, of course, will be finding enough unemployed actors to play such irrational, demeaning, and dangerous roles.

But the purpose of The Politicians' Paradise will not be merely entertainment: there will be serious lessons to be learned and relearned from these activities. In centuries to come, visitors to The Politicians' Paradise will be reminded of the contradictions of the political scientists, the boondoggles of the bureaucrats, the posturings of the politicians, and the mad maneuvers of the

militarists; and they will marvel that there actually was a time when such fools ran the world.

The 180 Degree Phenomenon

Whenever Government tries to do anything, the result is always suboptimal by Marketplace standards, and often the reverse of the intended effect occurs. Government controls the water and air, and they become free public sewers. Government tries to resolve conflicts, and creates more conflicts instead. Government attempts to fight "crime," and an epidemic of "crime" results. Government legislates to achieve "law and order," and civil chaos ensues. Government searches for peace, and the inevitable result is war.

Why is Government so damned inept? Many philosophers have assumed that the sorry state of the human race is due to a "tragic flaw" in human nature. They are wrong, again. There surely is a "tragic flaw," but it is in the human institution of Government rather than in human nature itself.

We have discussed why this is true; let us now summarize the principles involved. First, man's only means of survival, progress, and happiness - his mind - functions volitionally. Second, men necessarily act in their own self-interests, or they are not motivated to act at all. Third, if men must be coerced to act, then they do not believe such actions to be optimal for their contexts; otherwise, they would act spontaneously and would not have to be coerced to act. Fourth, anyone acting under the threat of coercion is trying to escape that threat, to avoid pain - not to pursue values, not to achieve pleasure; and so his performance under the threat of coercion is usually the minimal effort needed to escape that threat. The principle is this: **under the threat of coercion, performance is suboptimal**. Rational people are already acting in their own self-interests, and irrational people do not suddenly learn how to think at the point of a Government gun. Therefore, initiated coercion always has suboptimal results and is relatively counter-productive. And finally, in the absence of explicit voluntary contractual agreements between the politicians and the people, the Specificity, Accountability, and Responsibility of the political process are always inferior to that of the Marketplace; again, the result is that, by Marketplace standards, political performance is always suboptimal.

The primary contradiction which causes all of these secondary contradictions that appear as the 180 Degree Phenomenon is the contradiction of trying to force people to be free. By the nature of Reality and the human mind, people are naturally free. The volitional nature of the human mind does not have to be created, controlled, or coerced; it only has to be identified and permitted to function naturally. When this does not and cannot occur - when there exists an institution which, by its nature, violates this principle - and when virtually everyone sanctions and supports this institution - then the only possible result is stagnation, conflict, and chaos.

Adam Smith's "Invisible Hand" is the result of the absence of conflicts of interests among rational people, and the implementation of this principle in the form of explicit voluntary contractual agreements. But the institutionalization and legalization of initiated coercion, in the form of Government, creates the very visible hand of conflicts and suboptimal performance: the 180 Degree Phenomenon. **Rationality, liberty, and private contracts result in the invisible hand; but irrationality, tyranny, and public laws result in the 180 degree phenomenon.** The 180 Degree Phenomenon is the way in which the absolutism of Existence, acting through the Law of Identity, inexorably revenges itself upon those who choose to ignore the Law of Contradiction.

Because Government, by its nature, is false collective values and initiated coercion, the purpose of the political process is not the resolution of conflicts, but rather their creation. The politicians must be put out to pasture. How? By initiating coercion against them? Of course not. By initiating rational thought against them. That will create a conflict they can never resolve.

15. Summary

Everyone snorts at politicians. Everyone knows that the politicians run a three-ring circus with their executive, legislative, and judicial branches of Government. Everyone knows that they are full of humbug, that they are not to be believed or trusted, that they are an unprincipled gang of liars, thieves, and murderers. But everyone also seems to think that he needs the politicians; he sanctions them; he idolizes them; he clings to their every word; he even places into their blood-soaked hands the fate of the entire world. Surely Government is a great delusion.

Everyone must learn that conventional morality is a colossal fraud, because the ethics of self-sacrifice is no ethics at all. Everyone must also learn that conventional politics is a colossal fraud, because the coercive institutionalization of sacrificial ethics in the name of "the public interest" is not in the interest of the public.

Everyone must reject the false distinction between collective offenses which are considered patriotic and good, and individual offenses which are considered odious and evil. Everyone must understand that Government coercion is assault, that taxation and inflation are theft, that conscription is slavery, and that war is murder.

Everyone must understand these fundamental truths about the nature of Government:

- Government cannot defend human Rights; Government itself violates everyone's Rights.
- Government cannot coerce men to be good; Government coerces all men to be evil.
- Government cannot fight moral corruption; Government itself is a corruption of morals.
- Government cannot cause economic progress; Government causes economic stagnation.

- Government cannot stop theft with its laws; Government taxation is legalized theft.
- Government cannot control monetary inflation; Government money is the cause of inflation.
- Government cannot stop pollution; Government "property" is the cause of pollution.
- Government cannot preserve "law and order"; Government law is a cause of disorder.
- Government cannot administer justice; Government itself is administered injustice.
- Government cannot control thieves and murderers; Government itself is a murderous thief.
- Government cannot protect men from rackets; Government itself is a protection racket.
- Government cannot fight organized crime; Government itself is an organized crime.
- Government cannot control criminal gangs; Government itself is a gang of criminals.
- Government cannot preserve human liberty; Government itself is the cause of tyranny.
- Government cannot achieve peace; Government itself is the cause of war.

The false concept of Government is now dead and buried; may its interment be forever. But the political circus, the official humbug, the wholesale violations of Rights, the economic stagnation, the intervention, the taxation, the inflation, the pollution, the waste, the corruption, the scandals, the disorder, the "crime," the injustice, the tyranny, the war - all the evils of Government - how long will they continue?

The evils of Government will continue until everyone understands that conventional ethics and politics are riddled through and through with lethal contradictions. They will continue until everyone rejects the contradictions that sacrifice is needed to achieve fulfillment, that destruction is needed to

achieve production, that chaos is needed to achieve order, that savagery is needed to achieve civilization, that tyranny is needed to achieve liberty - that men must be forced to be free.

The evils of Government will end only when everyone understands that The State must be dismantled before it destroys mankind. They will end only when everyone stops idolizing liars, thieves, and murderers, and starts withdrawing his sanctions of Government. They will end only when everyone goes to his friends, to his neighbors, to the classrooms, to the meeting places, to the press, to the airwaves, to the Internet, to any vestige of human intelligence still left upon this Earth - and cries out in the name of reason, decency, and his own life and happiness: Leave us alone! Let there be justice! Let there be peace! Let us be free!

We live in a crazy world; or rather, we live in a world that is filled with crazy people.

We live at a time when philosophers declare that man's tragedy is that he has a mind (and thus he can understand what happens when he does not use it). But these same philosophers declare that "the human mind is impotent"; and so they do not know that if man would use his mind, most of his tragedies would not occur.

We live at a time when there is a fatal contradiction at the heart of ethics - a contradiction which defines Good in terms of Evil, a contradiction which damns the self and therefore human life, as Evil - and which then holds the contradiction of self-sacrifice, and therefore death, as Good.

We live at a time when all political systems initiate coercion - in the forms of regulation, taxation, inflation, and/or conscription - against all human beings, thus violating their Natural Rights and forcing them to sacrifice themselves to a false collective standard of value: "the common good."

We live at a time when several of these political systems have divided the world between them, and now stand ready with weapons of mass destruction to decide which form of initiated coercion and which form of sacrificial collective standard will prevail.

We live at a time when the producers of the material means of human survival, progress, and happiness - industrialists and businessmen - are reviled as villains; but those who initiate coercion - politicians and militarists

- are revered as heroes.

We live at a time when few men and women know that they must think to achieve true happiness, and so most people are alive only in the sense that they were born and are not yet dead; but we also live at a time when men and women either will soon begin to think, or they will all be dead.

Yes, we live in a crazy world. All of the unhappiness, insincerity, mass neuroses, economic stagnation, taxation, inflation, monetary crises, pollution, conscription, injustices, crimes, riots, revolutions, and wars - none of these are accidents. They are Reality's inexorable revenge upon inferior minds that try to ignore the objective facts of human life.

And so the misery and chaos continues - generation after generation, century after century - while intellectuals bemoan their mental impotence, while moralists deplore man's selfishness, while leaders consult each other's ignorance, while everyone patiently endures ever more coercion, sacrifice, and killing - and while the power of the human mind is waiting to be applied.

The waiting is now over. The power of the human mind is now being applied to the creation of a new renaissance, a rational renaissance, a renaissance affirming that man's life and mind and happiness are **good**. The ethical, economic, and political ideas of this renaissance are being presented in this book. Also being written are many essays on related subjects and works of fiction to present these ideas in more popular formats. And after many such books and essays, and many years of thinking by many millions of men and women, perhaps then the misery and chaos will subside. Perhaps then human beings can live their lives as their nature intended them to live. And perhaps then mankind can achieve a truly human happiness on Earth.

Publisher's P.S.

With your participation, the monstrous impediment called government can be made to disappear, and liberty enjoyed in practice. Here, I suggest how.

Resolve never to work for it, in any job at any level, and if you're working for it now, arrange to quit and obtain honest work. When everyone has done that, government will no longer exist; for it consists only of its employees.

Distribute this free book. That may take you a day, but it will require no money at all; just send a copy to each person on your email list, with a short cover note of recommendation.

As you know, it's so intellectually powerful that a majority of recipients may not be able to grasp it, at first sight at least. No matter, as long as a few do. Suppose that out of several dozen you send out, **three** do understand and act upon it, as you are planning to do now by reading this page – and do so within, say, two months. (It does take a while to think about it, as you will have found – and as I did.) Suppose those three then do the same, and so on.

Then after 2 months, there will be 3 new people committed never to work for government. After 4 months, $3 \times 3 = 9$. After 6 months, $3 \times 3 \times 3 = 27$. After 12 months, 729. Do your own math, but by mine it will take just under 3 years for 300 million literate Americans to do as you are doing now.

The monster will then implode, leaving us free to operate our own lives.

Jim Davies

2025