

formulations

Spring 1995

A Publication of the Free Nation Foundation

Vol. II, No. 3

Forum on 29 April: How can government establish self-government?

Our next FNF Forum will be held on Saturday, 29 April 1995, from 9 AM till 5 PM, at Oliver's Restaurant on Churton Street in Hillsborough, NC. We will explore this question:

If we libertarians found ourselves with political power (if for instance we suddenly started winning 51% of the vote) what would be the most responsible and compassionate way for us to use that power to dismantle the functions of the state, and to wean from dependence a population which does not understand that its needs can be satisfied by private means?

Speakers who have committed to participate are: Roy Cordato, Roderick Long, Bobby Emory and Richard Hammer. To register, send fee (through 20 April, \$16 for members and \$20 for nonmembers; after 20 April, \$20 for members and \$25 for nonmembers) to the Free Nation Foundation, [outdated address], Hillsborough, NC 27278.

Registrants receive: admission, the package of papers being presented, and Proceedings printed after the Forum. In addition to the discount, those who register on or before 20 April will receive their package of papers in the mail during the week before the Forum.

During the day we will break for lunch. Oliver's gives us the room with the understanding that many of us will buy lunch. Attendees may also get a meal before or after the Forum. Δ

Correction

Last issue, on page one, we described our recent FNF Forum on Security as having taken place on 15 October 1993. The actual date was 1994. Δ

Foundation News Notes

• In December we published a working paper, "Win-Win Society is Possible," by Richard Hammer. This 14-page essay argues that, in a voluntary society, the security and rights we cherish should prevail for economic reasons.

• During the last several months we have experimented with informal dinner meetings. On a weekday evening in November, and then again in February, we invited Members and friends of FNF, along with spouses or significant others, to join the Directors for a few hours of socializing and discussing current events. Such meetings will continue. The meetings were held at Oliver's Restaurant in Hillsborough. We welcome suggestions for other favorable locations.

• In January the 1994 Annual Report was distributed to Members. It shows sources and uses of funds during 1994. Expenditures were about \$4800. The Report proposes a budget for 1995 which would maintain a similar program, at \$4600. Δ

Murray Rothbard, R. I. P. by Roderick T. Long

Murray N. Rothbard, one of the foremost libertarian thinkers of the 20th century and a leading theoretician of free-market anarchism, died this past January at the age of 68.

A former student of Ludwig von Mises and associate of Ayn Rand, Murray Rothbard was a prolific and erudite writer whose twenty-odd books and several hundred articles range over economics (favoring the approach of the Austrian School), philosophy (expounding an Aristotelean version of Natural Rights theory), and history (especially economic history).

Dr. Rothbard's influence on the libertar-

(continued on page 2)

Presentation and Debate Scheduled for 11 May

Imagine This: The Power of Ostracism

On the evening of Thursday, 11 May 1995, FNF will sponsor a presentation and debate on the power of ostracism. Richard Hammer will present ideas and then will preside over a discussion. The meeting, in the District Court Room of the New Court House on Margaret Lane in Hillsborough, NC, starts at 7:30 PM. We have the room reserved until 10 PM. Admission is free and open.

This will test a new sort of meeting for FNF. In our Forums some topics have provoked discussion which had to be cut short because of time. These meetings will be less formal, more open ended. A speaker will formulate an institution which may become part of our envisioned Free Nation. Then the floor will open for discussion. Δ

Inside

**Protection from
Mass Murderers**
by Richard Hammer 3

**Glorious Revolution for
an American Free Nation**
by Philip Jacoson 6

**Elections, Libertarians,
and State Power**
by Stacy Powers 9

**Religious Influence
on Political Structure**
by Roderick Long 10

Banking in a Free Society
by Bobby Emory 13

Charles Adams on Taxes
by Robert Mihaly 15

**A Constitution of Liberty
Part III: Virtual Cantons**
by Roderick Long 16

Rothbard (from p. 1)

ian movement is incalculable. Priding himself on his radicalism, he used to brag that if there were a button one could push that would sweep away all vestiges of government in an instant, he would break his thumb pushing it. During the 1960s he played an instrumental role (along with Karl Hess) in waking libertarians to political self-consciousness and leading them to start their own movement and to break away from the conservative movement (which had served as an often uncomfortable political home for classical liberals during the first half of the 20th century). Later, Rothbard helped to draft the Libertarian Party Platform. Rothbard spent his last years teaching economics at the University of Nevada, serving as head of academic affairs at the Ludwig von Mises Institute, and editing the highly regarded *Journal of Libertarian Studies*.

Rothbard's best-known book among libertarians is probably *For a New Liberty: The Libertarian Manifesto*. His works also include, on economics, *Man, Economy, and State: A Treatise on Economic Principles* and *Power and Market: Government and the Economy*; on philosophy, *The Ethics of Liberty*; and on history, *America's Great Depression*. Two massive works were left unfinished at his death: one on the history of the American Revolution, four volumes of which have been published under the title *Conceived in Liberty*; and one on the history of economic thought, several volumes of which are in the process of being published by the Mises Institute.

Wry, pugnacious, and a bit of a curmudgeon, Murray Rothbard was always at the center of controversy, and his career in the libertarian movement was frequently marked by feuds and ruptures with other libertarian thinkers and organizations over principles and personalities. The most radical break came in recent years. Rothbard had always stressed the differences between libertarianism and conservatism, and urged libertarians not to think of themselves as "right-wing" or to compromise with conservative agendas:

"Libertarians of the present day are accustomed to think of socialism as the polar opposite of the libertarian creed. But this is a grave mistake, responsible for a severe ideological disorientation of libertarians

(continued on page 5)

formulations

Editor: Roderick T. Long

a publication of the
Free Nation Foundation
[outdated street address]
Hillsborough NC 27278

Statement of Purpose

The purpose of the Free Nation Foundation is to advance the day when coercive institutions of government can be replaced by voluntary institutions of civil mutual consent, by developing clear and believable descriptions of those voluntary institutions, and by building a community of people who share confidence in these descriptions.

Board of Directors

Richard O. Hammer, President
Bobby Yates Emory, Secretary
Candice I. Copas
Roderick T. Long
Christopher H. Spruyt

Formulations is published quarterly, on the first of March, June, September, and December.

Subscriptions to *Formulations* may be purchased for \$10 for four issues (one year). Membership in the Free Nation Foundation may be purchased for \$30 per year. Members receive: a subscription to *Formulations*, 20% discount on conference registration fees, invitation to attend regular meetings of the Board of Directors, copies of the Bylaws and Annual Report. Additional contributions are welcome.

FNF is a 501(c)(3) federal income tax exempt organization.

Information for Authors

We seek columns, articles, and art, within the range of our work plan. We also welcome letters to the editor which contribute to our debate and process of self-education.

Our work plan is to work within the community of people who already think of themselves as libertarian, to develop clear and believable descriptions of the critical institutions (such as those that provide security, both domestic and national) with which we libertarians would propose to replace the coercive institutions of government.

As a first priority we seek formulations on the nature of these institutions. These formulations could well be historical accounts of institutions that served in earlier societies, or accounts of present institutions now serving in other societies.

As a second priority we seek material of general interest to libertarians, subject to this caveat: We are not complaining, we are building. We do not seek criticism of existing political institutions or persons unless the author uses that criticism to enlighten formulation of an improved institution.

All submissions are subject to editing.

Submissions will be considered for publication if received by the 15th of the month preceding month of publication. Thus, the deadlines for writers are: February 15, May 15, August 15, and November 15.

We consider material in *Formulations* to be the property of its author. If you want your material copyrighted, tell us. Then we will print it with a copyright notice. Otherwise our default policy will apply: that the material may be reproduced freely with credit.

Address correspondence to: Free Nation Foundation, [outdated street address], Hillsborough NC 27278.

Protection from Mass Murderers

Communication of Danger: A Formulation

by Richard O. Hammer

On a Thursday afternoon in January a deranged law student opened fire with a semiautomatic rifle on a downtown street in nearby Chapel Hill, North Carolina. Before he was stopped he had killed two people, evidently selected at random.

Would this sort of thing happen in the libertarian land we would like to build? Many libertarians shrug when challenged to explain how such carnage could be avoided, saying that self-government does not promise perfection, that not all violence can be stopped. But I speculate that most violence such as this might be avoided. As I learn the implications of libertarian theory I am struck that our society, with little or no government, would differ radically from this society with which we are familiar. We must work to imagine it.

Discrimination

The libertarian position on discrimination often confuses newcomers to the movement. We oppose discrimination by government. But we accept discrimination by private parties as a right, no matter how foolish or unfair it may be. Where the government owns a street we would typically say that the government has no business barring people from carrying guns on the street. If, however, a private company owns a street, then we would say the company can exclude from entry anyone it wants — including people carrying guns.

So while the government in our land would have no power to bar people from owning weapons, neither would it have power to guarantee that owners of weapons could carry their weapons except on their own private property. And since I believe we would follow the advice of David Friedman, and sell the streets (to private operators), we cannot predict that guns would be allowed on all streets. It is, after all, not within our power to set policy for private property owners.

I expect many owners of streets, perhaps even all owners of streets in some cities, would disallow carrying guns. And if left-leaning attitudes, such as those in Chapel

Hill, influenced the owners of the streets in a city in our Free Nation, you can bet that guns would be banned on those streets. People entering the city might even be required to pass



Richard Hammer

through airport-style security. (They would take your gun, but give you free hypodermic needles and a fistful of condoms.)

Privacy

Free Nation policy regarding privacy, as I understand it, might also surprise newcomers to the libertarian view. As with discrimination privacy would be an entirely private affair. I would have no right granted by government to learn any of your past. But I also would have no compulsion to interact with you. If you want something from me, such as admission with a gun to my street, I may demand something in exchange from you, such as: certification of your psychiatric stability, bonding against the possibility of your misconduct, or at least the payment of a premium to cover my insurance.

Privacy has a price. If you purchase the space which you occupy there you may keep your secrets. But all your trading partners have a right to balk in any interaction in which they feel insecure for want of knowledge about you. If you would rather not tell them, they may demand other assurance.

Carried to an extreme, it might seem that the Free Nation would offer almost no privacy. But I do not think so. Life is a positive-sum game. In all normal transactions your trading partners gain by interact-

ing with you; they want the interaction so long as it brings them no nasty surprises. If they snoop more than necessary, or demand too much assurance, you can go to the competition. The most successful trading partners, those whose business blossoms and with whom you will most likely conduct most of your business, will be the best at balancing what they need to know with what they can ignore.

In stateless society I believe a norm emerges regarding privacy. And we have a word which describes that norm: civil. In our Free Nation I hope to see mutual respect mixed with caution: hospitality mixed with clear, although sometimes unstated, rules.

Tragedy in the Commons

When I first heard the account of the tragedy of the commons¹ I was struck with curiosity. I sensed that it promised to explain many public wrongs. My subsequent study now harvests the fruits I sought: I can blame almost all public wrongs on the commons, on the existence of a public space.

I use the term public space to refer not only to three-dimensional space, but also to decision space. Legislation, when it affects a decision you make, makes public space of the realm in which you make the decision. For instance, if legislation affects your decision to admit a person to your law school then the space of that decision is no longer your private affair, but is public.

Communication of warnings

In this section, inspired by the tragedy in Chapel Hill, I will look at ways that information travels from person to person through human society. I will note differences between private and public spaces. And, drawing from my personal experiences, I will try to develop a picture of a private network which would communicate warnings more successfully.

In deciding whether to communicate, and what to communicate, people seek their own interest, as they tend to do in all their transactions. Since a communication involves two parties (or more) most patterns of communication that continue can be characterized as win-win.

For an example, consider my experience with owning a house and having neighbors. If I become aware of some hazard in the neighborhood which might threaten my neighbors, I try to warn them. This is not mere neighborliness. It is in my economic

interest: at low cost I volunteer the warning knowing that, to some extent, this act will sustain among my neighbors a value which may pay back manyfold in the future. While private neighbors sometimes squabble, incentives favor mutuality. And mutuality to some degree becomes the norm.

Now it cannot be predicted from the outset, or guessed from the outside, exactly what information will flow through the private channels between me and my neighbors. If I discover that a neighbor welcomes warning of spreading dandelions but pooh-poohs warning of tornados, I will adjust my communications accordingly. Each relationship of exchange between partners will tend to be unique.

So I maintain that any attempt by government to regulate this communication would deteriorate its quality. If government compels certain communications, in spite of a lack of interest, one party will soon stop listening to the other. If government prohibits certain communications, then valuable warnings may be muted, and neighbors will have to rely on second best means of assurance.

For another example think of successful business relationships. In my business building houses, I dealt continually with particular suppliers and subcontractors. My attitude toward these trading partners was stingy but protective. I wanted their price to be about the best that I could expect to find. But, to save myself the work of finding and building new relationships of trust, I also wanted them to want to continue doing business with me. So, within bounds, I looked out for their interest and they looked out for mine. We warned each other of hazards. And here again, I think my experience describes not an exception but a norm: in private spaces incentives favor mutuality.

Unfortunately, for the security and efficiency of business transactions, government maintains a panoply of public spaces through which cheaters may escape. Obvious examples are: bankruptcy law; law which shields individuals within corporations; government monopoly on coercion coupled with ineffectual enforcement of court-ordered payments; the high transaction cost of getting anything done in government courts, with lawyers who are granted a monopoly by government.

And there are other examples of government-run protections for cheaters. These are less obvious but potent:

- The roads. If I have a good relationship of mutuality with the owner of the road, the cheater may lose his welcome to travel that way.
- The regulation by government of termination of utility services and of credit. On arriving home, the cheater might find his electricity turned off. His credit card might suddenly lose its aptitude.

In a Free Nation, a cheater might find himself in a phone booth (the only business that will accept his quarter) frantically trying to reach either me or one of the 24-hour bonding or arbitration services listed in the yellow pages.

I am trying to build the image here of a network of communication which would develop in a Free Nation. It would be a mesh of interconnected win-win private relationships. I believe that it would communicate warnings about dangerous or threatening people better than the state-sullied mess in which we now live. And I believe that misbehaving or threatening people, having no public space in which to range, would find their options quickly limited.

The *Borh*

Now I recall again the *borh*. In England before the Norman Conquest:

"For purposes of security, the most important social unit was the *borh*. A *borh* was an association, typically of twelve people, who stood surety for one another's good behavior. If a member of a *borh* committed a crime, the other members were committed to bringing him to justice — but also to helping him pay restitution for his crime."²

Was the murderer in Chapel Hill a member of a *borh*? Let us look at some accounts from the *Chapel Hill Herald*, and see if that will help us guess.

"Reporters had no trouble finding people who would say that Williamson was always a candidate to snap, a person, classmate Stan Sherrill said, '... prone to something like this, or something violent.'"

The sister of the murderer said (not a direct quote) "... that his family urged him over several years to get help for his serious mental health problems," and (a

direct quote) "The family knew that he needed help and we were able to get him to get some help, but it wasn't enough. It wasn't the kind of help the family felt he needed."

This killer was a troubled person. Even though he was physically close to people, moving freely through the public space, he was isolated. He was not a member of a *borh*, and no one would have admitted him to their *borh* unless he showed a great effort to modify his fit in life.

Knowledge of the danger of this man existed aplenty in certain places. Yet this knowledge did not travel through public space to people who would have made a difference had they known and had they, because of private responsibility, been compelled to care. The private owner of a street might be crazy to admit someone with a gun without first demanding to see a *borh* membership card. Similar pressure, I expect, would bear upon arms dealers. Also, but to a lesser extent, pressure to conform to the norms which concern us here could be communicated through other trading partners such as those who lease apartments, teach law, or sell gasoline or food.

So the picture of communication through interconnected private spaces differs radically from that of communication through public space. Discretion, civility, practicality, mutuality: these I think describe the communications through a private network.

Property rights and bills of rights

Since the murders the local newspapers have been ringing, as we might expect, with new calls for gun control. If I were owner of a private street I would have some policy limiting the flow of weapons onto my street. Therefore, for statist unaware of the benefits of private control, I can empathize with the calls for gun control.

I am struggling to clarify for myself the distinction between private space and public space. And as I hear the debate on gun control, I am struck that most of us do not think about this distinction when we think about our rights, such as those protected in bills of rights.

Naturally we fear that government will outlaw our right to keep and bear arms on our own private property, so naturally we want something like the Second Amendment. Unfortunately, our insistence that government not meddle with our right to do

X (in our own private space), when coupled with statist confusion of public and private space, can lead to wanton unregulated X-ing in public spaces.

Unregulated permissiveness in public space might present a small problem if public space were small. But as public space grows it becomes a nightmare. Statists naturally will imagine only one way to regain control; they will want to overrule the right (Second Amendment or otherwise) and police the public space with public means. We, on the other hand, build arguments for a better way to end the nightmare of unregulated permissiveness too close to home — privatize the space.

Conclusion

In our Free Nation the "public spaces," such as streets and malls in which a person might move among large numbers of strangers, would not feel like the public spaces in America.

I often think of the feeling in a private restaurant, or a private mall. These spaces have, in my experience, a feeling of a texture of rules. People in these spaces know that their behavior must conform. And even though these rules may not have been stated or written, for the most part we know the rules well enough. There is unmistakable authority: the owner or the owner's representative can kick you out. The owner has no obligation to continue a relationship with you that does not benefit him.

So as I try to imagine the feel of the Free Nation, I imagine a series of private spaces connected. As I leave a private restaurant I enter, not a public space of unlimited and unregulated mixing, but another private space where once again my welcome is limited by my conformity to rules. Generally, I cannot expect to go anywhere where I may threaten, injure, or insult with impunity.

So I posit that the murderer in Chapel Hill, if transported to the Free Nation, would find himself tied in a social network much more binding. He would have difficulty obtaining and traveling with a weapon till he removed from himself any stigmas of mental instability. And potentially he would be restrained in many other ways, since no private party would be obliged to trade with him unless confident that the trade would result in a win. Without *borh* membership, he might even have difficulty finding a road on which to travel to Chapel Hill.

We welcome debate. Δ

Notes

¹ Tragedy of the Commons: This phrase may have originated with a paper "The Tragedy of the Commons," by Garrett Hardin, in *Science*, 13 December 1968. It refers generally to abuse and degradation of public spaces. (Although in this paper Hardin focused particularly on his fear of overpopulation.)

The concept of the tragedy of the commons is often introduced with this story: during colonial times many villages in New England had a common, a grazing ground open to the stock of any inhabitants or visitors. Typically, these commons were overgrazed and almost worthless, while nearby private pastures were lush and valuable to their owners.

² Roderick T. Long, "Anarchy in the U.K.: The English Experience With Private Protection," *Formulations*, Vol. II, No. 1.

Richard O. Hammer, of Hillsborough, NC, for the time being works full-time on his hobby, the Free Nation Foundation. In the past he has worked as a residential builder and engineer.

Rothbard (from p. 2)

in the present world. [Historically] conservatism was the polar opposite of liberty; and socialism, while to the 'left' of conservatism, was essentially a confused, middle-of-the-road movement. ... Socialism, like [classical] liberalism and against conservatism, accepted the industrial system and the liberal *goals* of freedom, reason, mobility, progress, higher living standards for the masses, and an end to theocracy and war; but it tried to achieve these ends by the use of incompatible, conservative means: statism, central planning, communitarianism, etc."

(*Left and Right: The Prospects for Liberty* (Cato Institute, 1979), pp. 6-7.)

In the late 1980s, however, Rothbard baffled and disappointed many of his admirers, myself included, by breaking violently with the entire libertarian movement in order to make common cause with some of the more bigoted and reactionary elements on the "paleoconservative" right, and to launch bitter personal attacks on prominent libertarians in his newsletter *Rothbard-Rockwell Report*.

But in the wake of his death, few libertarians can feel anything but gratitude for Murray Rothbard's lifetime of dedicated service to

the cause of liberty, and sorrow at his passing.

It seems appropriate to give Dr. Rothbard the last word:

"My own basic perspective on the history of man ... is to place central importance on the great conflict which is eternally waged between Liberty and Power I see the liberty of the individual not only as a great moral good in itself ... but also as the necessary condition for the flowering of all the other goods that mankind cherishes: moral virtue, civilization, the arts and sciences, economic prosperity. . . But liberty has always been threatened by the encroachments of power, power which seeks to suppress, control, cripple, tax, and exploit the fruits of liberty and production. And power is almost always centered in and focused on that central repository of power and violence: the state. ... I see history as centrally a race and conflict between "social power" — the productive consequences of voluntary interactions among men — and state power. In those eras of history when liberty — social power — has managed to race ahead of state power and control, the country and even mankind have flourished. In those eras when state power has managed to catch up with or surpass social power, mankind suffers or declines."

(*Conceived in Liberty, Volume Two* (Arlington House, New Rochelle NY, 1975), pp. 9-10.)

"Strands and remnants of libertarian doctrines are, indeed, all around us, in large parts of our glorious past and in values and ideas in the confused present. But only libertarianism takes these strands and remnants and integrates them into a mighty, logical, and consistent system. ... Liberty cannot succeed without [a] systematic theory ... We now have that systematic theory; we come, fully armed with our knowledge All other theories and systems have clearly failed: socialism is in retreat everywhere, and notably in Eastern Europe; liberalism has bogged down in a host of insoluble problems; conservatism has nothing to offer but sterile defense of the status quo. ... libertarians now propose to fulfill the American dream and the world dream of liberty and prosperity for all mankind."

(*For a New Liberty: The Libertarian Manifesto*, Revised Edition (Fox & Wilkes, San Francisco, 1994), p. 321.) Δ

Glorious Revolution for an American Free Nation

by Philip E. Jacobson

The Second American Revolution, already underway, may be the "kindest and gentlest" — yet the most fundamental — political revolution in the history of Western Civilization

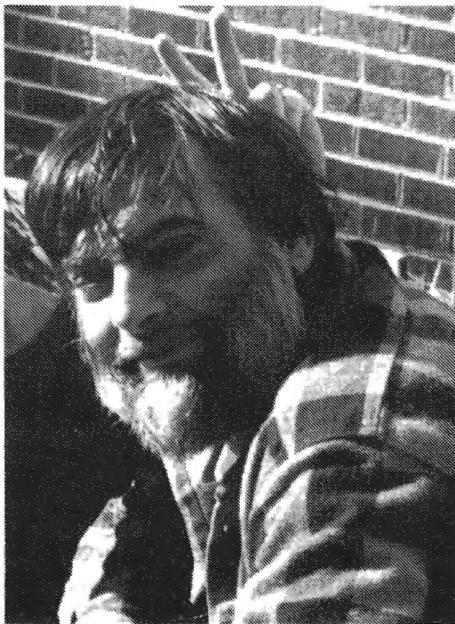
One of the most difficult tasks in envisioning a free nation (or any new society) is to picture how it would come to be. Typically, it is assumed that in order to realize a free society it would be necessary to destroy an old regime and replace it. The regime of one's home country would have to be replaced or one would have to move to a foreign land where this had happened. Would the change from statism to voluntarism really require that a society's regime be replaced?

In this essay I will explore this question. I will begin by borrowing some important ideas from the late historian Carroll Quigley. Quigley advanced a theory of the rise and decline of civilizations in his book *The Evolution of Civilizations*. In exploring previous civilizations, he reviewed the mechanisms whereby fundamental change had occurred in the past. He noted that historically fundamental political change has not always required the replacement of a regime.

Quigley stated that all civilizations followed a pattern which resembled the life cycle of an organism. He contended that the final phase of the life cycle, involving the collapse of the civilization, could be postponed by a rejuvenation, though he believed that decay would again set in over time. I believe that the objective of the Free Nation Foundation will require no less than a rejuvenation of Western Civilization. Thus, Quigley's insights can be applied to this problem.

According to Quigley, any civilization is based upon methods of organization which are unique to it. A key mechanism exists for each civilization, which he called the civilization's "instrument of expansion" which allows it to grow and dominate a specific geographic area. Over time, he notes, the methods become "institutionalized": they become ritualized. As the real world changes, because of technological

innovation or for other reasons, aspects of the instrument of expansion become obsolete. Yet many citizens still follow them blindly. The people of the society tend to forget *why* they do what they do and focus



Philip Jacobson

their thinking on *how* it is done. Traditions are followed without being understood. Method is emphasized to the detriment of goal. The society becomes dysfunctional and tensions among its citizens rise.

Most individuals in the society will see that something is wrong. Some will argue that something must be done to fix things. Basically there will be those who wish to focus on the methods the society uses to achieve its ends, and those that focus on the society's goals. Those who focus on method will seek greater adherence to tradition. Those who focus on goals will search for and advocate new methods of achieving the society's goals. In an extreme case, the advocates of change may promote a major change in the instrument of expansion or even its replacement by a new instrument. Quigley calls this conflict the "tension of development."

Quigley then describes what might happen next:

"From this tension and its ensuing controversy, there may emerge any one (or combination) among three possible outcomes: reform, circumvention or reaction. In the first case, **reform**, the institution is reorganized and its methods of action changed so that it becomes, relatively speaking,

more of an instrument and achieves its purpose with sufficient facility to reduce tension to a socially acceptable level. In the second case, **circumvention**, the institution is left with most of its privileges and vested interests intact, but its duties are taken away and assigned to a new instrument within the same society. ...

In the third possible outcome, **reaction**, the vested interests triumph in the struggle, and the people of that society are doomed to ineffective achievement of their needs on that level for an indefinite period."

(*The Evolution of Civilizations*, Liberty Press, Indianapolis. Emphasis added.)

The advantages of circumvention: the British example

For the most part, advocates of a free nation envision reform and reaction as the only alternatives. Reaction, of course, would be the result if no part of the earth could be transformed to a free nation, if statism in one form or another succeeded in suppressing efforts at reform in all parts of the world. There are endless examples of reaction in history with consequent erosion of the quality of life for the average citizens living under the resulting regimes.

Reform, it should be noted, can come in more than one way. It can be bloody, as in the French Revolution, or it can be relatively peaceful, as with the recent fall of the Soviet regime. The costs of bloody revolution are high. Not only is damage done during the revolution itself, but a resulting political instability often causes continued damage and inefficiency. Insecure revolutionary regimes often resort to purges and excessive intrusions into the lives of ordinary citizens in order to stay in power.

Yet peaceful reform can also be difficult for the society. The desire of the old aristocrats to retain their privileges impedes real change. Even when the top positions of power have been transferred to the new regime, the middle and lower levels are typically staffed by persons who have benefited from the system of privileges of the old regime. Peaceful transitions can be slow ones, as the new regime maneuvers to enforce its new methods on social institutions which are still geared to the methods of the old regime. Important technical or administrative knowledge is usually held by these lower-level persons. Often that knowledge

is indispensable to any regime and can be withheld in order to slow the process of change. Consider the situation of the anti-Communist Russian reformers of today, as well as that of the anti-Apartheid regime of South Africa.

The alternative of circumvention is well worth consideration. The classic example of circumvention was used by the British to resolve the problems caused by the English Civil War (their earlier effort at bloody reform). In that war Parliament's armies commanded by Oliver Cromwell had defeated and beheaded King Charles. Then Cromwell had established a dictatorship as bad as or worse than that of the King. Upon Cromwell's death (by natural causes) Parliament reinstated the monarchy and its associated noble families to power. Yet the new King James had learned little from his predecessor's death and tried to pick up where King Charles had left off. Frustrated, Parliament made a deal with another noble, William, Prince of Orange, called the "Glorious Revolution." James was ousted in a bloodless coup. William was given the crown, but with very reduced powers. The nobles kept extensive lands, subject to Parliamentary law. Titled noblemen were forbidden to hold seats in Parliament. In the following years, Parliament whittled away the power of the King and his Lords. Titles and significant amounts of wealth remained in the hands of the nobility (as they still remain to a very great extent). But political power passed to the commoner politicians in Parliament.

The British Empire reached its height using this system.

Revising the political tradition of Western Civilization

I would like to propose that the political crisis in the United States today might be resolved by a form of circumvention. In fact, I believe that this is already beginning to happen. Those of us seeking a free nation could take advantage of such a process. We can adjust our thinking and our strategies to work for and with a "new regime," while leaving the formalities of the old regime in place.

Let me first explore the nature of this "new regime." In my opinion, the territory of the United States is moving toward a voluntary political system. By this I do not

mean a lack of political order, but merely that political relationships would not be based on conscription. To some this would be "anarchy." To others it would be "limited government." Rather than focusing on this labeling dispute (which I think is semantic, not substantive), let us focus on the application of the principle of voluntary relations to the political functions we feel need to be performed.

The current regime is usually considered to have three functions: the three branches of government—administrative, legislative, and judicial. For years, libertarian theorists have noted that the judicial function has a voluntary form. Private arbitration systems already exist and thrive. Since other writers have examined these in detail, I will not discuss the judicial function here.

Some attention has been paid to the possibility of a voluntary system of administration. Mostly this thinking has focused on the privatization of government functions. I will comment briefly on a few weak links in this discussion.

But virtually no thought has been done on a voluntary legislature. This is particularly unfortunate since citizen representation via elections, the cornerstone of the current regime's claim to legitimacy, is best embodied in its legislative institutions. Having a system of elective representation is the biggest difference between the modern state system and the feudal state system which it replaced. It is, in my opinion, the modern state's "instrument of expansion." Therefore, after some brief commentary on the new possibilities for voluntarist administrative systems to replace the system of elective representation, I will focus my comments on new "legislative" systems.

Administrative Functions

The main administrative function thought to be inherent to government is the command of military or police forces. Less commonly noted by libertarians is the function of diplomacy. Certainly private guard services serve as a model for voluntary police, but what of military command? And what of diplomacy?

Military

Voluntary militia systems have existed in the past. Yet the tradition of the militia is that it is always subject to mobilization (conscription) by a central government. Only in this way, it is argued, can many militias be

coordinated in an orderly manner.

A voluntary model for coordinating the command of several independent militias already exists, though it is not used by any military force to my knowledge. It is the system used in the U.S.A. to coordinate fire departments (especially rural ones) in the event of a very large fire. If a local fire chief feels that his forces are inadequate, he may request help from neighboring fire departments. While not obliged to give assistance, neighbors usually give it, subject to prearranged rates of financial compensation. (In private systems, insurance could be set up to cover such a contingency). The assisting forces are always commanded by the department which calls on them, unless that department's chief (or his field deputy) voluntarily yields to another commander. This usually happens only when a particularly experienced leader from a "neighbor" department is seen by the local chief as having better skills. There is no presumption, however, that the local chief will yield. Further, the chief of an assisting force still has authority to recall his forces if he feels that action to be appropriate to his own department's priorities (as in the event of a fresh fire in his own hometown). Good will between neighboring fire departments has kept this system working for many years.

Diplomacy

Diplomacy is being privatized. There is no reason why private international diplomacy cannot function in the same way as private arbitration. The pioneer work of Jimmy Carter in Korea and Haiti is the first well-publicized step. He was able to step in because the nation's official diplomatic officers (including the President) had become so bogged-down in statist agendas that they had lost credibility. Having serious international credibility, yet no commitment to the immediate policies of any government, Mr. Carter was seen as more objective than any diplomat with governmental rank.

In the future, individuals with none of Mr. Carter's former government connections could provide international diplomatic services in the total absence of government. As individuals look to voluntary security services and to militias to protect them, each of these forces may come to operate in a manner similar to a mini-government. Relations among such forces would be based on diplomatic efforts. A "new diplomacy" will begin with individuals who build their reputa-

tions negotiating agreements among these little jurisdictions. Particularly talented individuals would gain wider reputations and be invited to take on bigger problems. Eventually, individuals who had never been associated with a state would begin to address diplomatic problems on a worldwide scale.

Legislative Functions

Finally there is legislation. It is very important to remember why we have legislatures. Legislatures debate and pass laws. That is, they coordinate the formation and the explicit listing of a community's highest-priority behavioral standards. When the feudal regime was overthrown, the ideal was established that all of the ethical standards of the society should have the voluntary endorsement of the people of that society (at least from a relatively large "citizen" class), rather than being the edicts of a relatively small elite. Yet this ideal presented a serious communication problem for any society which was larger than a small village. It was impractical for all the citizens to be directly involved in the discussion at the same time.

The system of elected representatives was invented to overcome this communication problem. At the local level, discussions would establish the character of would-be representatives and the sentiments of local voters. The local citizens would then pick representatives and collectively pay for them to travel several days and to meet with the representatives of other communities — the legislature. The representatives would shuttle back and forth between the legislature and the local citizens they represented, negotiating a common sentiment.

Theoretically, the representatives were to establish a common sense of what was appropriate behavior according to the society as a whole before writing it down as a law. This has worked to some extent. When serious competition for the job of representative is allowed, legislatures have a history of being less oppressive than feudal lords — at least towards those individuals who are allowed to vote.

But there are serious problems with the system of elected representation as a method of coordinating the citizens' desires. Minority rights are hard to maintain since the system allows any majority (or merely a plurality in most cases) to dictate behavior to the rest of the citizens. Since almost any citizen will be part of a minority on some topic, few citizens can completely avoid being victimized by some majority. Another problem is that communication via representa-

tives, even representatives with the best intentions, is inefficient. Ideas get muddled as they pass from person to person. Finally, when many issues must be considered, a citizen usually cannot find a single candidate who agrees with that citizen on all issues. Yet that citizen's vote is still taken by the candidate as a mandate on all the candidate's publicly expressed opinions.

These factors all serve in practice to isolate elected representatives from the true will of their constituents. The societies which use the political system of elected representation find themselves stuck with many laws which do not really reflect the will of even a majority. Politicians find themselves empowered to enact unfair laws which most of their constituents do not really want or which abuse one set of constituents at the expense of another. Great rewards are offered to representatives who ally themselves with special interests which seek to exploit the common citizen.

It is important to note that most laws require voluntary compliance in order to be effective. Consider the speed laws on most U.S. highways. Most of the time they are not obeyed unless a police car is in view. Yet law enforcement officials may eagerly seek even a partial enforcement of an unpopular law. Patrolmen write tickets and courts collect fees knowing full well that they do not enforce the public will. The working environment of law enforcement, when laws are unfair, tends to attract and hold officers who enjoy enforcement for its own sake. Enforcement is to establish "respect for law" or to collect revenue rather than to enforce a true public moral standard. Both politicians and law enforcement officials begin to argue that loyalty to the system, to "the law," is more important than justice in establishing public ethics.

The average citizen has learned that it is quite normal to disobey a very large number of laws. Obedience to the law is a function of fear of being caught more than respect for ethical values shared with other citizens. The legal system and the system of elected representatives are no longer seen as a vehicle for coordinating social values and for negotiating common ground. It is seen as a zero-sum environment where each citizen competes for the power to compel involuntary obedience from other citizens.

"Institutionalization" (in Quigley's sense) has set in.

The problem, as stated above, is due to the poor communication inherent in the system of elected representation. As the society has gotten larger and more complex, the problem has gotten worse. There are more things to discuss. Yet the method for transforming public discussion into law still

revolves around elections.

Talk shows and other new modes of communication promise to perform the functions of a legislature

Elections presume communication systems which were state of the art at the time of the American Revolution but which are quite primitive today. In the 1700s it was quite difficult for people to engage in public debate. Usually this required the individuals involved to meet face to face for the communication to go both ways. Citizens would usually need to come to a public meeting. Some communication was possible via newspapers or other journals, but this would be one-way, since few individuals owned printing facilities. Two-way communication required citizens to travel, which few could afford to do and which in any case took a great deal of time.

In other institutions within the society, coordination of policy has taken advantage of new forms of communication. Economic institutions increasingly use electronic methods for key communications. So do military institutions, academic institutions, and others. In each of these, speedy electric, two-way communication is commonplace. The legislature, the institution which coordinates the legitimization of public policy, lags behind. New "legislative" forces are emerging to fill this void. The task of consensus building is being taken up by communication professionals — by journalists, specifically by "call-in talk shows" on television and most significantly on radio.

There are other channels of discussion, which supplement the call-in talk shows. Computer based personal communications, ranging from one-to-one modem contacts, through local computer bulletin boards, all the way to the Internet offer a very free-form arena for citizens who have the appropriate equipment. An explosion in video communications, including expanded cable-TV, video tape stores, and more personal ownership of video tape players and cameras has put sophisticated multimedia productions in almost all citizens' homes. Computer programs and the hardware to run them, including better word-processing, graphics, spreadsheets, data bases, and "game" environments have little political impact yet, but offer considerable promise as educational and modeling tools. More paper journals exist than ever before, because almost anyone with talent and a personal computer can enter the field of publishing.

But while all of the new forms of communi-

(continued on page 19)

Elections, Libertarians, and State Power

If we want to gain power to dismantle the state we must start by working for good in our communities

by Calvin Stacy Powers

If there's one thing a libertarian can't stand and won't tolerate, it's philosophical inconsistency. They don't tolerate it in other people and they don't tolerate it in themselves. So often critics charge the libertarians with hypocrisy and ask, "Why do you run for office if you don't believe that using the coercive power of the state is moral?" Most libertarians are hard pressed to produce an adequate answer to the charge. But the libertarians' trouble in answering the question lies not in an inherent hypocrisy, but in their narrow view of the role elected officials play in our society. This myopic view is also, in my opinion, the fundamental reason that libertarians haven't had any credible success in electoral politics.

Libertarians tend to approach elections as simply a mass policy debate. Whoever has the best ideas is supposed to win. Whoever can defend their position most rationally, most consistently, and most abstractly, is supposed to win. As 20 years of libertarian campaigns have proven over and over again, this is absurd. But it hasn't yet dawned on the libertarian movement as a whole that the reason they aren't winning elections has nothing to do with their ideas and rhetoric. It's because the other candidates know that a politician is more than a policy analyst, much more.

A politician is a representative of the people who elect him. And by "representative" I do not simply mean someone who casts votes on behalf of his constituents. I mean someone who represents an idealized version of what the majority of people in the politician's district want to project to the world. The electorate doesn't just elect people based on their policy positions. In fact the overwhelming majority of people don't vote for politicians based on their policy positions at all. People vote on the

virtues of the candidate. They vote on image. They vote on credibility. They vote on community standing. Electoral politics is a popularity contest, not a policy debate. Policy debates happen after an election, not before it. And the elected politician's role in policy debate is more as a moderator of the debate, on the behalf of the people he represents, than as an active participant.

Whoever becomes the closest approximation to the community's idealized vision of the perfect citizen wins the election. That's why so many elections turn into mudslinging fights where the candidates try to ruin their opponent's credibility as much as possible. Winning an election takes, literally, years. It means becoming a pillar of your community. It means actually participating in all those wonderful institutions we claim are so important to replacing the state. It means volunteering at the local Red Cross. It means participating in the local neighborhood watch. It means serving as an officer in your local PTA. It means doing your fair share of the work at the local charity mission. It means participating in Church community projects. In short, winning an election doesn't mean boning up on the latest statistics from your favorite Think Tank. Winning an election means establishing your credibility among as many people in your community as possible through blood, sweat, and tears. And it has to be more than just a shallow ploy to earn name recognition at election time; people can smell that sort of dishonesty from miles away. You have to be seriously committed to building your community. In short, libertarians have to practice the philosophy they preach. It's how everyone else wins elections. Libertarians will have to do that too. Typically libertarians are never heard of in their community until it comes time to file for the elections. Then they creep out of the woodwork and enter the race. Nobody has ever heard of them before so nobody, except the few percent who share their skewed view of politics as policy debate, votes for them.

But the question remains. "What does a libertarian do, once elected, to reestablish voluntary, civil institutions to replace the coercive power of the state?" Simple. He does the same things that

get people elected in the first place. And this is where libertarians and other politicians will part company. After earning the respect of their neighbors and colleagues, through participating in all those community-based organizations, after receiving the blessing of the community by being elected, after being handed the mantle of "Community Leader" by the electorate, the typical elected official will suddenly change tactics and start using the power of the state where they before depended on voluntary means and voluntary institutions. The elected libertarian wouldn't. The elected libertarian would instead use the authority vested in him or her by the electorate to focus on the voluntary community organizations as the proper means for solving problems in the community.

By practicing what they preach, both before and after the election, libertarians can build communities based on voluntary, civil institutions. And when they have proven that it is possible, when they have reawakened the libertarian spirit in their constituents, the community will have no tolerance for other politicians using the ugly, coercive power of the state. Δ

Stacy Powers lives in Cary, NC and runs The Soapbox, a free online information resource for libertarian activists. The Soapbox can be reached at (919) 387-1152 with most communications software programs.

Libertarians:

**STOP
COMPLAINING**

**START
BUILDING**

**Join the
Free Nation Foundation**

Religious Influence on Political Structure

Lessons from the Past, Prospects for the Future

by Roderick T. Long

Does Religion Matter to Politics?

Libertarians are fond of observing that the longevity of a free society ultimately depends on its citizens' will to remain free. We can design the constitution so as to slow down the process of decay as much as possible; we can rely on market incentives to keep the system stable. But ultimately, if free men and women lose their understanding of and commitment to freedom — if freedom no longer seems natural to them, if it ceases to answer to their deepest convictions — then in time they will lose their freedom, bartering their sacred birthright for some new idol that has taken the place of liberty in their hearts.

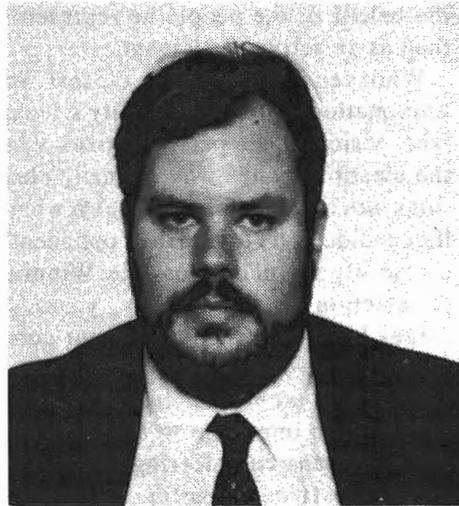
The right political structure can help a society remain free; but political structure is not enough. Its effectiveness depends crucially on the broader social and cultural context.

I don't want to overstate this point. The Blood Feud — hardly a libertarian institution — was a central and pervasive feature of mediæval Northern European societies during the early stages of their development; yet over time many of these societies (e.g., Anglo-Saxon England and Viking Iceland) began to move toward a more peaceful and humane restitution-based practice as a result of the economic incentives inherent in their competitive legal system. Taming the Blood Feud was no easy task, and its accomplishment in this instance is testimony to the power of political structure to prevail against deep-seated cultural norms.

But this example is a sword that cuts both ways. For in the long run these same societies ended up abandoning their quasi-anarchic political structure, and one of the forces driving them toward a centralization of power was the Catholic ideology of Kingship, which served to legitimize the aspirations of war chiefs like England's King Aelfred or the Icelandic *storgodhar*. Describing the case of England, Tom Bell notes:

"... the influence of Christianity imbued the throne with a godly quality, allowing

kings to claim a divine mandate. Onto this stage strode Alfred, king of Wessex ... emboldened by his holy title" ("Polycentric Law," *Humane Studies Review*, Vol. 7, No. 1, 1991/92, p. 5.)



Roderick Long

David Friedman offers a similar observation with regard to mediæval Iceland:

"Iceland was subverted by an alien ideology — monarchy."
(*The Machinery of Freedom*, 2nd ed. (Open Court, La Salle, 1989), p. 207.)

(For the interplay of political structure and statist ideology in the downfall of these societies, see my "The Decline and Fall of Private Law in Iceland" (*Formulations*, Vol. I, No. 3, Spring 1994), "Anarchy in the U.K.: The English Experience with Private Protection," and especially "Can We Escape the Ruling Class?" (*Formulations*, Vol. II, No. 1, Autumn 1994).)

So culture matters. And religion, as in the case of Aelfred, can be a powerful factor in shaping culture, for good or evil. How, then, might a culture's religious ideas influence the stability of a free society?

Conservatives often maintain that a strongly religious society is more apt to remain loyal to the ideals of liberty. Specifically, they claim that religion offers two advantages: that it provides a firmer foundation for moral character and personal responsibility, thus creating a citizenry more honest, self-disciplined, and self-reliant, and so less likely to be tempted to advance

themselves at the expense of their neighbors through government coercion—and that it offers the authority of God as an alternative to the authority of the State, and thus serves as a check on governmental aggrandizement.

Such conservatives frequently conclude that the government of a free society should take active measures to promote and strengthen religion. Even if we accept the premise, however, this conclusion does not follow. A society in which the coercive power of the state is enlisted in the support of certain religious ideas is no longer a free society, at least as libertarians understand the notion of freedom. Hence, even if religion should prove to be a necessary bulwark of freedom, such a bulwark would have to be held in place through voluntary means only, lest coercion in the means undermine the freedom that is sought as an end.

Many libertarians hold precisely the opposite view, that religion is always an enemy of liberty — that by discouraging independent thought, fostering intolerance toward non-believers, and demanding submission to authority, religion simply reinforces habits of mind that predispose citizens to become obedient slaves of the State. For such libertarians, the best guarantor of liberty is a society without religion; hence the laissez-faire utopias of libertarian fiction are frequently atheistic utopias as well (as in James P. Hogan's *Voyage from Yesteryear* or Ayn Rand's *Atlas Shrugged*).

But if liberty cannot triumph until religion has withered away, then I suspect we are in for a long wait; the religious impulse seems to be a basic fact about human society, and shows no signs of vanishing any time soon. Libertarians had better learn to live with it.

Fortunately, the notion, held by many libertarians, that religion is the natural enemy of freedom, is as much a caricature as is the conservative idea that religion is the natural bulwark of freedom. It all depends on the *content* of the religious ideas in question. Religion has certainly served as a force of oppression, as the simplest survey of history will show. And religion has served as a pro-freedom force too; for example, historians are beginning to recognize that the American Revolution was motivated nearly as much by religious Dissenters' resistance to the Anglican establishment as by Lockean republicans' resistance to King and Parliament. (See, e.g., J. C. D. Clark, *The Language of Liberty, 1660-1832: Political*

Discourse and Social Dynamics in the Anglo-American World (Cambridge University Press, 1994).

If we who seek to build a Free Nation wish to gauge our prospects for success, we might want to ask ourselves two questions. First, which sorts of religious ideas may be expected to advance, and which sorts to hinder, the establishment of a libertarian society? And second, which of these sorts seems likely to gain cultural dominance in the near future?

I don't have a full answer to these questions, but I'll share some of the ideas I've come up with so far.

Why Catholics Became Monarchists

History — to quote Lord Bolingbroke — is philosophy teaching by examples. So let's follow our teacher back to mediæval Europe to see what we can learn.

In the Middle Ages, most political theorists liked to describe the King as the "shepherd" or "steersman" of the community. The King's authority was not *absolute* — he was expected to rule within the bounds of the moral law, and his authority was contingent on his so doing — but it was *supreme*. The King was seen as the chief, almost the sole, source of order and harmony in the community; he was the protector, the judge, and the lawgiver. In the exercise of temporal power the King had neither partners nor rivals, but enjoyed undivided sovereignty; all decisions passed in a top-down fashion from the will of the King to the obedience of his subjects.

What is bizarre about mediæval political theory is that it bore so little relation to mediæval political reality. In most cultures, the dominant political ideology is an idealized version of the political institutions actually existing in that society. But not so here. Throughout most of mediæval Europe, Kings had very little power; they were basically war chiefs, specializing in foreign rather than domestic policy. The Kings generally did not create law, but rather rubber-stamped prevailing legal customs; far from exercising undivided top-down sovereignty, the King had to share his authority with countless local lords and barons, on whose support he crucially depended. Most of the political action took place at this more local level; the idea of the King as the supreme source of order in society would have seemed fantastic to the average serf, to whom the King was as remote a figure as the

Shah of Persia. It was to the local lord, not to the King, that the common people turned for help. When they obtained justice, it was the lord, not the King, who received their gratitude and loyalty; when they were oppressed, it was the lord, not the King, whom they cursed and resented.

But if monarchy was so marginalized in feudal society, why did that society's political theorists find it natural, for the most part, to conceptualize political authority in terms of the very un-feudal top-down monarchist model? The answer, I think, lies in the influence of Catholic Christianity.

The Bible is ambivalent on kingship. Kings are portrayed as chosen and anointed by God, and the faithful are urged to obey them; much of the "King as shepherd" imagery is drawn from scriptural sources (though also from Greek political theory). Yet on the other hand, Kings are frequently reviled and condemned, and resistance to their rule is often presented in a positive light. Defenders and foes of monarchy can each claim Biblical support; so adherence to the Bible alone is not sufficient to explain the Catholic enthusiasm for monarchy.

There is another reason, I think, for the affinity between mediæval Catholicism and monarchist theory. My hypothesis is this:

A culture's dominant religious ideas about authority and community play a significant role in determining what sorts of political structure seem natural to the members of that culture; and so those members will tend to reproduce, in their expectations about the structure and organization of their State, the ideals and attitudes implicit in the structure and organization of their Church.

Mediæval monarchist theory was a woefully inadequate description of the mediæval State — but as a description of the mediæval Church it scores significantly higher. The Catholic Church, after all, was a top-down hierarchical structure in which supreme and undivided authority rested in the divinely mandated Pope, who carried a shepherd's crook (!) and radiated his benign authority downward. Most political theorists were Churchmen, after all, and simply translated into political terms the notions of authority that seemed natural to them from their ecclesiastical experience.

The structure of the Roman Catholic Church, in turn, was modeled on that of the

Roman Empire, with the Pope being the spiritual equivalent of the Roman Emperor. In many ways the Church represented the last survival of Imperial Roman society; its leaders even wore the flowing robes and regalia of the old Roman aristocracy, when their congregations had long since switched over to the trousers of the "barbarians." More importantly, the early Church borrowed much of its internal organizational structure from the faltering Empire, even keeping such words as "diocese" (originally referring to an Imperial subdivision). Thus we see that relations of influence between religion and politics are a two-way street!

The mediæval political theorists, then, were looking at the politics of feudalism through the lenses of a political framework appropriate to the long-defunct Roman Empire. (Some even realized this; Dante Alighieri, for example, devoted his treatise *On Monarchy* to a call for the resuscitation of the Roman Empire, and in his *Inferno* the assassins of Cæsar are relegated to the lowest level of Hell, which they share with Judas alone.) It was the political structure of the Catholic Church — the idea that supreme authority derives from a single leader, responsible only to God — that made a similar structure for secular society seem natural, thus giving rise to the Catholic theories of monarchy that lent moral legitimacy to, and so fostered, the gradual centralization of power in the hands of monarchs during the later Middle Ages.

Why Protestants Became Democrats

The very factors that made powerful monarchs attractive to Catholics in the Middle Ages had the effect of making democracy become more and more attractive to Protestants during the Early Modern period.

That is not to say that the leaders of the Protestant Reformation harbored democratic sympathies themselves. Luther and Calvin were authoritarian to the core; and early Protestant political theory was on average *more* statist, and gave *more* power to the monarch, than Catholic political theory of the same period. Indeed, Protestant defenders of absolute monarchy generally dismissed all attempts to limit the authority of the King as "Papist" trickery. (Some of the reasons for this were political. Catholic theorists needed to limit the power of Kings so as to preserve the authority and autonomy of the Church; Protestants, on the other hand, were

attempting to enlist the aid of the Kings in order to resist that Church, and a theoretical justification of absolute power was a useful carrot with which to win royal support. Thus Protestant theorists initially became the champions of the newly powerful Kings that Catholic theorists had unwittingly created.)

But the alliance between Protestantism and powerful Kings was doomed to a short future; for there were political time-bombs hidden in Protestant religious doctrine, and in due time they were triggered. Protestants rejected the structure of the Catholic Church on the grounds that it wrongly placed human intermediaries between the worshipper and his God; they taught instead that each individual has a direct relationship to God, and must be responsible to his own conscience. Over time this led more and more Protestant sects to reject the top-down ecclesiastical structure in favor of a bottom-up approach in which the Church was run, not by a prelate from on high, but by the members of the congregation themselves. After all, if each individual enjoys the direct relation to God that in earlier times was reserved to the ecclesiastical hierarchy, it seems a natural conclusion that the powers of that hierarchy should be extended to the rank and file as well.

But as Protestants began to think of spiritual authority in bottom-up rather than top-down terms, they also began to find it natural to think of political authority in the same way. If individuals joined together in congregations can run their own Church, why cannot they equally well run their own State? And so Protestants began to drift toward democratic, or at any rate republican, ideals. Indeed, the more democratic a Protestant sect's Church structure was, the more democratic were its views on the State. Members of Protestant sects from the top-down end of the spectrum, like the Anglicans, tended to be politically conservative and to favor governmental authority; while those at the bottom-up end of the spectrum, like the Quakers, had the greatest tendency toward radical democratic ideas.

It has been said that everyone in America is a Protestant. Its Catholics are Protestant Catholics, its Jews are Protestant Jews, and its atheists are Protestant atheists. I take this to mean that the ethos originally associated with Protestantism has permeated the entire culture. (American Catholics might well be said to be taking an increasingly Protestant attitude toward the authority of the Pope!)

Certainly this country's founders were by and large drawn from the bottom-up end of the Protestant spectrum, and this no doubt does much to explain their attachment to popular rule.

Yet few Protestants rejected the core idea of State authority; a typical Protestant no more thought of abolishing the State than of abolishing his own Church. On the contrary, the State, like the Church, was seen as an arena in which power could at last be used for good purposes, since with its new democratic structure it now supposedly represented the interests of its members rather than those of a privileged élite. Nor did the increasing Protestant abandonment of the old Catholic claim to a spiritual monopoly, and the consequent acceptance of competing denominations, lead Protestants to the correlative idea of competing legal systems; for the religious life of the average Protestant was not experienced as a zone of competition: rather, one was born into the sect of one's parents, and one generally remained in it.

Will New Agers Become Anarchists?

In my view, Western culture is currently undergoing a religious revolution comparable in significance to the Protestant Reformation. I am referring to the New Age movement. Few opinion-makers are inclined to take the New Age movement seriously or indeed to recognize it as a religious phenomenon, much less to consider its political implications. But the motivations that drive it, and the needs it promises to meet, are paradigmatically religious, and its influence is rapidly spreading.

The New Age movement is not, in any traditional sense, organized; it has few churches, few prominent leaders, and no unified body of doctrine; and most of its adherents probably do not even recognize themselves as participants in a movement. Since its inception in the 19th century (when it was called New Thought), the most salient feature of the New Age movement has been its eclecticism; different branches of the movement mix and match, to taste, elements from Judeo-Christian, Hindu, Buddhist, Taoist, Celtic, Shamanist, Platonic, Gnostic, and various other traditions.

But there are some common themes, running through most (though not all) strands of the New Age web: the quest for mystical enlightenment, stressing understanding over faith; the immanence of the divine in everyday life; the divinity of the individual; the

continuity of the natural with the supernatural, and the consequent openness to "mind over matter" experiences; the importance of personal transformation and growth through self-actualization; the recognition of opposing religious traditions as containing distinct but complementary insights into the nature of reality; a preference for holistic and organic over reductionistic and mechanistic ways of thinking; the rejection of original sin and eternal damnation; a preference for progressive as opposed to static conceptions of the afterlife; God as a "Force" to be accessed in one's everyday experience rather than an angry personal judge to be feared; and so on. Ideas like these — ideas that clearly represent a heterodox religious consciousness — are rapidly becoming dominant in our culture, even among people who think of themselves as members of mainstream religions and have only contempt for the wackiest and most visible (but doctrinally marginal) manifestations of the New Age outlook, such as astrology and crystal power.

It is an open question whether New Age ideas will prove to be favorable or unfavorable to libertarianism. I consider them favorable, on the whole; but my present concern is less with the *theology* of the New Age movement than with its *structure*. In this respect, the New Age ethos stands to the Protestant ethos as the latter once stood to the Catholic ethos. The Catholic ethos championed a single monopoly Church, outside of which there was no salvation; the Protestant ethos sanctioned a plurality of broadly similar Churches, bound by a common sacred text, with each worshipper being a member of exactly one Church; the New Age ethos offers a smorgasbord of wildly diverse organizations, where participation in one is not held to preclude participation in others, and where many adherents drift from one to another as they please, or else practice New Age techniques privately and participate in no organized activities at all. Final authority rests not in another human being, like a King or a Pope — not in a common sacred text, like the Bible or the Constitution — but in oneself and one's own personal spiritual development.

That is not to say that the New Age movement lacks human leaders. On the contrary, it has a plethora of them; and public perceptions of the New Age movement often focus on these gurus and cult leaders as a sign of

(continued on page 14)

Banking for Free: Banking in a Free Society by Bobby Yates Emory

If the economy in a libertarian society is to exist at a level more advanced than barter, people will need banking services. We need to understand how the banking system will be different from today. How will we insure that the banks are sound? Will we be able to have a sound currency? Since the Federal Reserve is a special privilege granted to some businessmen by the government, libertarians probably will not want to continue it. How will currency be issued? Before the Federal Reserve system was established, there were bank panics. Will we have them again? (For a more thorough discussion of free banking see Steven Horwitz's *Monetary Evolution, Free Banking, & Economic Order* (Westview Press, Boulder, CO; available from Laissez-Faire Books), reviewed by Eric-Charles Banfield in *Nomos* No. 45 and *Formulations*, Vol. II, No. 2 (Winter 1994-95).)

How will free people bank?

Free people will use banks similar to those we have today, but with several improvements. Banks will offer services that are not available today (because the government agencies controlling banks do not now allow the services). There will be a lot more variety in the banks available. Some banks will be larger because banks will be able to operate in more than one state. Some banks will be smaller than today because without government regulators to deal with, the minimum economic size will decline.

Banks will be more readily available in well-to-do neighborhoods because competition will not be prevented. Banks will be more readily available in poor neighborhoods because they will not be prevented from adopting policies more suited to their environment. Some banks will be safer than today. Others will be more flexible in their policies than what we have today.

Let a thousand flowers bloom

By not preventing innovation, we will allow bankers to adapt their services to the needs of their customers. Just as our needs for personal transportation can be met by a range of options from a simple one-speed bicycle to a flashy sports car or a family sedan or a stretch limousine or a pickup

truck, so we will be able to choose a small personable bank or a computer-accessed bank or a large international bank. If we do not regulate them, banks will innovate much faster and in many directions. They will



Bobby Emory

provide us with a wider array of services and develop many different styles of offering those services. Since most changes are the result of the accumulation of many small innovations, by removing impediments to small changes we will allow major changes to evolve faster.

Adapting to their niche

If we do not thwart them, banks will devise ways of adapting to the needs of potential clients. In wealthy neighborhoods, more branches will be opened, giving the residents added convenience and better prices (more competition will drive savings rates up and loan rates down). In poor neighborhoods, banks will be able to charge fees so they can compete with check-cashing services and rent-to-own stores. Without regulations standing in their way, banks will be able to differentiate their services and will find many other market opportunities to customize their services to the needs of potential customers.

Where will bank examiners come from?

One of the "services" provided by government is to attempt to force banks to run soundly. If the government is not providing this "service," how will we know the banks are safe? Who will check that the banks are

being honest with us? Our primary protection will be the free market. No one will continue to do business with a bank (or any other business) that cheats its customers, so any bank wishing to stay in business has a powerful incentive to make sure its customers know it is treating them fairly.

Private inspectors

Just as we can have safe electrical appliances without government intervention (Underwriters Laboratory is a private institution) so we can have a private bank examiner. If the government does not preempt the field, a Good Housekeeping seal for banks will be developed to reassure depositors of the soundness of their bank. Banks probably will form alliances for mutual aid when runs occur. These alliances also will set and enforce standards for safe operation.

More than one standard

With the flexibility of private institutions, there probably will develop a variety of standards, so that customers will be able to select from a range of types of banks, from very safe but very rigid to more flexible but not as safe.

What will prevent inflation?

One of the primary concerns in designing a monetary and banking system is to eliminate inflation. Unfortunately, inflation has been a part of almost every monetary system yet tried. The history of money brings along with it the history of inflations. Modern coins have milled edges because the Roman Emperors used to shave the edges of coins. Today, almost every money is being deliberately inflated to the extent that it is no longer news. Only sudden disruptions, such as the recent devaluation of the Mexican Peso, are news. In recent years, only the German Mark and Swiss Franc have been relatively stable, so if we achieve an inflation-free money we will have accomplished a near miracle.

Current U.S.A. system a failure

Because of the size of the market and the volume of discretionary spending it represents, the U.S. dollar is almost an international standard. We should not be blinded by this apparent success. One of the most important functions of a monetary unit is as a store of value. In the eighty-odd years since the founding of the Federal Reserve in 1913, the dollar has lost roughly ninety

percent of its value. That is hardly acting as a store of value — especially in contrast to the previous 150 years, in which the value of the dollar fluctuated, but underwent no long-term trends. Notice the contrast between the two eras. The first included the turbulence and difficulty of the early years of the country, the rapid westward expansion and growth, and a disastrous civil war. The second era included the period in which the nation became the most powerful on earth with rapid technological advancement. Yet, in the first era, the money was stable and in the second it underwent a drastic decline.

Sound as a dollar or not worth a continental: Stability determined by design

What course do we choose for our currency? The 150-year stability of the dollar led to the phrase (now obsolete) "sound as a dollar." Unfortunately, we also have the archaic expression "not worth a continental" that expressed people's dissatisfaction with the currency issued by the Continental Congress.

One source of inflation

There is one source and one source only for inflation — an increase in the money supply. For a commodity-based currency, this occurs when significant increases in the commodity become available. This occurred for gold-backed currencies when gold was discovered in California and South Africa. These inflations were short-lived and were not repeated year after year. Fiat currencies inflate when the central bank issues more paper. For most currencies, this occurs year after year.

They all do it: Most currencies are regularly inflated

As just mentioned, almost all currencies are deliberately inflated. While the people involved in the minimal (if any) government of our country probably will be less inclined to inflation and other frauds than the average politician, we need to build a structure that will eliminate the temptation.

Some monetary standards

Many standards have been tried. Most have been found wanting. The best results have been achieved with a commodity-based system. Gold (and to a lesser degree, silver) has worked best. Central banks' issuing fiat currency has almost always led to significant inflation. There has been recent favorable mention of currency boards but these entail more governmental structure than we are envisioning. They may be a preferable alternative to central banks for na-

tions with a large government.

Best regulator a free market

Like most things, currency can best be provided by the free market. It will be self-regulating — no one will want to hold a currency that is not sound. It will eliminate the temptation for politicians to steal from us in a way that most people will not recognize.

Likely solution

If a new nation is starting small, it probably will use existing currencies at first and then begin to develop its own currency after it has grown. It could use U.S. dollars to facilitate international trade and for settling current accounts. It could use Swiss Francs for longer-term contracts and annuities. As the nation develops, the most likely solution is to allow banks to issue their own currency, backed by whatever they choose. Probably a variety of currencies backed in a variety of ways will be available. Market forces will select the solution that provides the best combination of safety and efficiency.

Bank panics

Throughout history there have been runs on banks. If the bank is practicing fractional-reserve banking, it can quickly turn into a problem as the reserves of the bank are depleted.

Some history

During the early history of the United States there were numerous bank panics. Because the banks were operating on fractional reserves, the usual cause was the depositors' losing confidence that the banks could redeem their deposits. These had a long and interesting history culminating in the Great Depression (which was a euphemism to avoid using the word panic). The panics were part of the excuse for establishing the Federal Reserve. But note that the last one occurred despite the Federal Reserve. One would hope that the bank examiners are well acquainted with this history.

Out of many, one: Multiple policies produce a stable whole

One of the reasons bank panics caused increasing problems in the U.S. was the increasing centralization of banking policy. Creation of the Federal Reserve with its centralized control of U.S. banks caused the Depression to be longer and worse than any previous panic. If we allow banks to set their own policy, the problems that arise will be restricted to the customers of that bank, rather than spread across the entire nation.

By allowing a variety of policies, we will have a more stable total economy. There may

be occasional panics as the public questions the integrity of individual banks. Since all banks will not be forced to follow the same policies, the public is not likely to question most of the banks at the same time. Δ

Bobby Yates Emory, of Raleigh, NC, has retired from a career as a programmer and systems analyst at IBM. A longtime libertarian activist, he has run for offices from County Commissioner to U.S. Senator, and held political party offices from Precinct Chairman to Regional Representative to the National Committee.

Religious Influence (from p. 12)

the movement's apparent authoritarian tendencies. But the membership of the more authoritarian and cultlike groups is small and fluid. If authoritarian leaders are being offered in the marketplace of ideas, there will always be some who are willing to buy; but most New Agers, as far as I can tell, regard their spiritual development as their own personal responsibility, and patronize "leaders" only so far as they find their insights helpful. Likewise, the New Age movement does not lack for sacred texts; it has plenty of competing texts — some new and some ancient (and some only allegedly ancient!). But New Agers tend to pick and choose what they find meaningful in these texts, without feeling bound to the "package deal" of a traditional sectarian allegiance.

If the natural political expression of the Catholic ethos was monarchism, and the natural political expression of the Protestant ethos was democracy, then the natural political expression of the New Age ethos is free-market anarchism.

This does not mean that today's New Agers are libertarians. Some are; but most, I suspect, are moderate statists of the eco-left variety. Yet likewise the first Protestants had few if any democratic inclinations. If the historical pattern repeats itself, however, then as the New Age movement continues to grow, its adherents will come to find its anarchic organizational structure more and more natural, and will gravitate toward manifestations of that same structure in the political realm. Hence, I suggest, we who hope to found a Free Nation should view the emerging religious climate as a reason for optimism. Δ

Roderick T. Long is Assistant Professor of Philosophy at the University of North Carolina at Chapel Hill. A frequent lecturer on libertarian topics, he is currently completing a book tentatively titled Aristotle on Fate and Freedom.

Review

For Good and Evil: The Impact of Taxes on the Course of Civilization

by Charles Adams
Madison Books UPA, 1994

reviewed by Robert Mihaly

Surely the spirit of libertarianism has existed since the moment of the first violent act between cavemen. I suspect it was the desire for defense from such threats that eventually created the state. However, since that time the primary threat to individual rights has been the very state charged with protecting them.

For Good and Evil: The Impact of Taxes on the Course of Civilization chronicles the avarice and arrogance that have led governments to deprive their citizens of life, liberty and property since the very beginnings of recorded history.

Perhaps out of fear that history might repeat itself, clay cones crafted 4,000 years before Christ warn future generations: "you can have a lord, you can have a king, but the man to fear is the tax collector."

Charles Adams' compendium is replete with evidence that confiscatory tax policies of ambitious governments destroy great nations... The empires of yesteryear collapsed after they became top-heavy with burdensome taxes. From the Assyrians to the Aztecs and the Prussians to the Russians, the story is always the same.

Even if you have never been a history buff, you cannot help feeling amused and sometimes inspired by our ancestors' relationships with their governments. Does it seem ridiculous that North Carolina operates ABC stores? Ancient Egyptians were also forced to purchase heavily-taxed alcohol from a state monopoly. How about phony religious impersonators, who claim tax exemptions? They are merely honoring a medieval tradition. English merchants traveling across northern Europe often disguised themselves as clerics or pilgrims on religious excursions to avoid paying bridge and road tolls.

The interactions between tax collectors and the religious over the millennia is actually quite fascinating. In 200 B.C. Egyptian documents were kept on papyrus scrolls. But not the Rosetta Stone — as a document of tax exemption it was considered a bit too important to be trusted to papyrus. You wouldn't mind if we got that in stone, guys, would ya? Maybe three languages while we're at it?

As the armies of Muhammad's followers swept

across what remained of the Roman Empire, their battle cry was not *exactly*, "Convert or die! Death to the infidel!" By the time the Moslem armies arrived the Roman Republic had long since become the (Christian) Byzantine Roman Empire. The Moslems actually offered vanquished people three options: Jews and Christians could convert and pay no taxes (Because of illiteracy most could not read the Bible or Koran anyway. Let me get this straight, guys, I get myself a Koran and pay *no* taxes to *anyone*?), they could keep their faith and pay a tax lower than they'd paid the Romans, or they could die. The Islamic invaders may have employed the greatest proselytizing tool in history. Only when they stopped offering tax breaks for conversion did the spread of Islam stall. Coincidence?

The epic struggle of mankind has been that of individuals yearning to breathe free, individuals fighting to exercise their free will and to throw off the yoke of greedy warlords and arrogant political leaders.

The Swiss people still pay homage to the legendary William Tell for more than his crossbow skills. Adams tells the true tale of Tell refusing to acknowledge the Austrian Habsburg family and their cadre of tax collectors. As the 13th century drew to a close, Tell ignited a successful revolt against the imperialistic Austrians.

To this day, the Swiss retain the same concept of liberty as their forefathers. Indeed, the idea that liberty is centered in one's pocketbook dominated the thinking of our own forefathers, the ancient Greeks, and the early Romans. If you don't want to hear it from Rush Limbaugh, pick up a copy of the early 10th-century encyclopedia called the *Suidas*. It's a simple fact that governments allowed too much power will necessarily become tyrannical.

The war between governments and individuals determined to engage in mutually-beneficial, voluntary relationships has had many ups and downs. Some checks on government power have been secured relatively smoothly with tax-limitation charters like the Edict of Paris in 614 A.D., the Magna Carta, and Proposition 13. Other checks on government power have required more proactive measures like 17th-century peasants slowly rending tax collectors limb from limb.

Folks seeking to control their own destinies have not always done so well. In the fifth century B.C., the Island of Melos tried to withhold tribute from the Athenian League. By then, unfortunately, the Greeks had grown a greedy and tyrannical central government.

All the men of the island were slaughtered and the women and children sold into slavery. The saddest thing is that the Greeks defeated the Persians at Marathon for the ideals of democracy, private property, and liberty. I could almost imagine such acts of inhumanity from a nation that had never known freedom, but not the Greeks. As a liberty-loving stone sculptor I love the Greeks, but dang it, they knew better!

Adams' survey of history has inspired me to offer two candidates for the Heroes of Liberty Hall of Fame: the Jewish people and the soldiers of the Confederacy.

The plunder of Jewish people by governments is nearly a historical constant. How they have managed to tough it out from the very beginning is truly inspiring. In 1700 B.C. the Egyptian Pharaoh decided they were a prosperous political minority that he could rob and then enslave. Moses led these children of Israel out of bondage to Palestine, but there they rebelled against the unbridled taxation of Assyrian despots one too many times. The indomitable Lost Tribes of Israel (who were not slaughtered) have been singled out by governments ever since. The Romans demanded a special tax from them called the "fiscus judaicus." All of Medieval Europe followed suit, and ditto for 19th- and 20th-century Germany. Historically, Jews have been the archetype of the overtaxed political minority.

And the poor Confederates — I was enthralled by Adams' account of the War of Northern Aggression. My public school teachers in Ohio never taught me that in Lincoln's 1860 presidential campaign he repeated time and time again that he would never interfere with slavery in the South. I also wasn't taught that in his inaugural address, Lincoln essentially told the South they could secede as long as they continued paying taxes to the North.

It seems Congress was even agreeable to constitutional amendments permanently protecting the institution of slavery, and of course the Supreme Court had given its blessing three years earlier in the Dred Scott case. The institution of slavery was possibly safer in 1860 than at any other time in our history.

The ultimatum from the beginning was "taxes or war." The Emancipation was just a lucky realpolitik break for the slaves. Ironically, even though the slaves found themselves taking an enormous *relative* step in the direction of freedom, half of America was purposely denied the fundamental human and

(continued on page 19)

Imagineering Freedom: A Constitution of Liberty Part III: Virtual Cantons

by Roderick T. Long

In the previous installments of this series, I have set out the reasoning behind those provisions in my Virtual-Canton Constitution that deal with the structure and powers of the Federal Administration, my hypothetical Free Nation's equivalent of national government. I now turn to the heart of my Constitution: the section on the Virtual Cantons themselves, the Free Nation's equivalent of local government.

The Virtual Cantons, which give my Constitution its name, are modeled on the *godhordh* of old Icelandic law. (See my "The Decline and Fall of Private Law in Iceland," in *Formulations*, Vol. I, No. 3 (Spring 1994).) In effect, the Virtual Cantons function as Swiss-style cantons (or states, or provinces, or districts) for purposes of representation in a federal system, except that they are defined solely by voluntary membership rather than by geographic territory.

I have made the case for Virtual Cantons elsewhere at some length; for present purposes, let me simply quote some of my main points:

"History and economics alike teach us that governments tend to seize any pretext to increase their power. Hence any libertarian constitution worthy of the name must hedge its government in with numerous restrictions piled upon further restrictions Unfortunately, all this creates the equivalent of an engineering problem: a structure that is excessively rigid will break under pressure, rather than bending. If the legal structure is too inflexible, it will simply be ignored and bypassed, and power will seek new channels. Yet relaxing constitutional restrictions opens the door to Leviathan. What is to be done? ...

The virtual-canton compromise ... helps to solve the ... rigidity problem. The severe constraints on Federal power, and the provisions designed to induce deadlock in the Legislature, create a necessarily, but dangerously, rigid structure that might well shatter under political pressure, if there were no natural vent through which to relieve this pressure. But under the Virtual-Canton Constitution, any excess pressure on the Federal Administration

will be channeled down into the more flexible competitive system, where power will then be restrained not by human artifice but by the natural laws of the market." ("The Rationale of a Virtual-Canton Constitution," in *Proceedings of a Forum on the Subject of Constitutions* (an FNF publication).)

"The effectiveness of competition among political jurisdictions is inversely proportional to the costs of changing one's jurisdiction. ... The high cost of switching results from the fact that political jurisdictions correspond to geographical regions, and geographical relocation is not always feasible. ... If people could switch political jurisdictions without switching location [c]ompetition would be higher, and the amount of state interference that people would tolerate without switching would be lower The threat of losing 'customers' would push taxes and wasteful spending far below their current monopoly levels. The presence of alternatives would also lower the incidence of government oppression by linking revenue with accountability. ...

A virtual-canton system is also more fair than a purely majoritarian system. ... the minority opposed to law X need not be subjected to it, but may instead join a virtual canton offering law Y. Those in the majority cannot conscript the minority into supporting their projects ... but must bear the full costs themselves. ... If the national government, rather than the cantons, becomes the chief locus of decision-making, then the competition among jurisdictions will become otiose Hence national powers must be *more* severely constrained ... than canton powers, in order to force most political disputes down to the canton level (and thus onto the competitive market)."

("Virtual Cantons: A New Path to Freedom?," *Formulations*, Vol. I, No. 1 (Autumn 1993).)

I envision the Virtual Cantons as serving two functions: representation and "local" government. In previous installments we've examined the first function; the current section focuses primarily on the second. (Text in bold is from the Constitution; normal text is my commentary.)

1.5 The Virtual Cantons

1.5.1 In becoming a Citizen of the Free Nation, one also chooses membership in a

Virtual Canton. The Virtual Cantons are not geographically or territorially defined entities, but free associations of Citizens. There shall be no fewer than one Virtual Canton for every m_7 citizens, and in any case no fewer than m_8 Virtual Cantons in total. Members of one Virtual Canton may change their membership at any time to that of another Canton, without change in residence.

The reason for a lower limit on the number of Virtual Cantons is to keep the Canton system competitive, and to prevent a small oligarchical elite of Cantons from taking control. I doubt that the Canton system would really face such a danger, but libertarians have learned from long experience that in such matters it can't hurt to be too careful.

1.5.2 The political constitution of each Virtual Canton shall initially be chosen by majority vote of its members; subsequent Canton laws shall be passed, and measures for enforcement determined, in accordance with the provisions of that constitution. The constitution of and laws of each Virtual Canton shall be binding on its members, subject to the provision that such constitution and laws may not conflict with the Constitution of the Free Nation, and that free exit and entry must always be permitted. No Virtual Canton shall have authority over persons who are not its members, unless by prior agreement with those persons or with their Virtual Canton, except insofar as is necessary to protect against aggression the rights of its members to their persons and property. The method of determining a Canton's vote on proposed Amendments to the Constitution of the Free Nation (see Section 2.1) shall be determined by the constitution or laws of that Canton.

Here I'm trying to keep Federal micromanaging of internal Canton affairs down to a minimum. Incidentally, since the authority of the Cantons over their members depends on voluntary membership, which the member can terminate at any time, such authority does not run afoul of anarchist scruples.

1.5.3 No Citizen shall be denied membership in a Virtual Canton, except on the grounds that he or she is already a member of another Canton. Plural Canton

(continued on page 18)

Back issues of formulations available — Collect them all!

Volume I

No. 1 (Autumn 1993)

"A Letter from the Founder," "Apocalypse Anytime," "Problem X," & "Serbia & Bosnia," by Richard Hammer • "The Articles of Confederation," by Bobby Emory • "Virtual Cantons: A New Path to Freedom?," by Roderick Long • (8 pp.)

No. 2 (Winter 1993-94)

Report on Forum on Constitutions • "Imagining a Free Society, I: Wealth & Immigration," by Mary Ruwart • "Let the Wookiee Win," "Social Programs: Whose Values Do They Serve?," & "A Libertarian View of Charity," by Richard Hammer • "Charity Without Force: The Bishop's Storehouse," by Bobby Emory • "Libertarians and Compassion," "Punishment vs. Restitution," & "How Government 'Solved' the Health Care Crisis," by Roderick Long • (16 pp.)

No. 3 (Spring 1994)

"Government Grows: True or False?" & "Law Can Be Private," by Richard Hammer • "Notes on the History of Legal Systems," by Bobby Emory • "Private Law in Iceland," "University Built by the Invisible Hand," & "Nature of Law, I: Law & Order Without Government," by Roderick Long • "Restitutive Justice & the Costs of Restraint," by Richard Hammer & Roderick Long • (12 pp.)

No. 4 (Summer 1994)

Report on Forum on Systems of Law • "A Limited-Government Framework for Courts," by Richard Hammer • "Agreed Ground, Version 0," by Bobby Emory • "Nature of Law, II: Three Functions of Law" & "Constitution of Liberty, I: Between Anarchy & Limited Government," by Roderick Long • Review of David Friedman's *The Machinery of Freedom*, by Wayne Dawson • (16 pp.)

Volume II

No. 1 (Autumn 1994)

"Plan of the Free Nation Foundation," "Comments upon Security, National and Domestic," & "Liberty Hitchhiking," by Richard Hammer • "Contra Insurance," "Devil's Advocate: No Defense Needed," & "A Service Provision Alternative," by Bobby Emory • "The English Experience With Private Protection," "Can We Escape the Ruling Class?," "Funding Public Goods," & "Nature of Law, III: Law vs. Legislation," by Roderick Long • Review of Richard Maybury's *Whatever Happened to Justice?*, by Chris Spruyt • (24 pp.)

No. 2 (Winter 1994-95)

Report on Forum on Security • "Protective Services in a Free Nation," by Scott McLaughlin • "Liberty and Taxes: How Compatible Are They?," by Charles Adams • "Stand Up" & "The Power of Ostracism," by Richard Hammer • "Defending a Free Nation," "Slavery Contracts & Inalienable Rights," & "Constitution of Liberty, II: Defining Federal Powers," by Roderick Long • Review of Steven Horwitz's *Monetary Evolution, Free Banking, & Economic Order*, by Eric-Charles Banfield • (24 pp.)

Back issues of Formulations:

Volume I, No. 1 (Autumn 1993)	_____	copies @ 1.00 each =	_____
Volume I, No. 2 (Winter 1993-94)	_____	copies @ 2.00 each =	_____
Volume I, No. 3 (Spring 1994)	_____	copies @ 2.00 each =	_____
Volume I, No. 4 (Summer 1994)	_____	copies @ 2.00 each =	_____
Volume II, No. 1 (Autumn 1994)	_____	copies @ 2.00 each =	_____
Volume II, No. 2 (Winter 1994-95)	_____	copies @ 2.00 each =	_____

Proceedings of Forums:

Constitutions	_____	copies @ 5.00 each =	_____
Systems of Law	_____	copies @ 10.00 each =	_____
Security in a Free Nation	_____	copies @ 5.00 each =	_____

Other publications:

Booklet: Toward a Free Nation	_____	copies @ 2.00 each =	_____
Working Paper: Win-Win Society is Possible	_____	copies @ 2.00 each =	_____

Handling = 1.00
Total enclosed = _____

Ship to: Name: _____
Address: _____

Clip this order form and return to: Free Nation Foundation, [outdated street address], Hillsborough, NC 27278

Virtual Cantons (from p. 16)

membership shall be permissible if authorized by the laws of the Cantons involved.

In this respect, the Virtual Cantons differ from the protective associations envisioned by advocates of market anarchism; for those associations are presumed to be free to reject prospective members for any reason they choose. As I've discussed before, my own preference is for precisely such a purely competitive system; but the Virtual-Canton Constitution is designed to be a compromise between anarchy and limited government—and as long as we have a government or even a quasi-government, it seems safer to guarantee a universal right of political participation.

1.5.4 Any association of m_9 or more Citizens may constitute themselves as a new Virtual Canton under the Constitution.

This provision serves as a guarantee of minority rights, as it guarantees minorities representation in the Federal Legislature. This also helps to keep the system competitive; for, as I argued in my article on Icelandic law (cited above), it was the lack of provision for creating

new *godhordh* that ultimately transformed the Icelandic Free Commonwealth from a polycentric system into a monopolistic one.

1.5.5 A Canton may dissolve itself in accordance with its own laws, unless such dissolution should bring the number of Cantons below the required number. In addition, any Canton whose membership falls below m_{10} shall be regarded as dissolved, subject to the same qualification.

The reason for a lower limit on Canton membership is to avoid a mass of one-member and two-member Cantons, all with full votes in Parliament. I may be wrong in thinking this is something that should be avoided; certainly modern communications technology would make it less unwieldy than it might initially sound. I would welcome input on this (as indeed on all provisions in this Constitution) from other libertarians.

1.5.6 Disputes among members of the same Canton, if adjudicated under this Constitution, are to be adjudicated in accordance with the laws of that Canton, allowing or not allowing for Federal appeal as those laws may determine. Disputes across Canton boundaries are to be adjudicated as detailed in the section on

the Federal Judiciary.

For the reasoning behind this provision, see my remarks on sections 1.4.6-8 in the previous installment (last issue).

1.5.7 The manner of holding elections and referenda, both Canton and national, shall be determined by the laws of each Canton, except that the Federal Legislature may by two-thirds vote of each house make or alter such regulations with regard to the national elections and national referenda; but national elections and referenda shall in any case be universal, free, and secret.

The Federal Legislature is allowed to interfere with national elections only, since local elections are none of its business.

In the case of national elections, a petition of not fewer than m_{11} Citizens shall be sufficient to place a candidate on the ballot; and in elections for Federal office each ballot shall contain the alternative "None of the above is acceptable." In the event that "None of the above is acceptable" receives a plurality of votes in any election, the elective office for that term shall remain unfilled and unfunded.

Clip this order form and return to:

Free Nation Foundation
[outdated address], Hillsborough, NC 27278

YES, sign me up for:

_____ Subscription to *Formulations*, \$10
four issues, published once per quarter

_____ One Year Membership, \$30
Members of the Free Nation Foundation receive: a subscription to *Formulations*, 20% discount on conference registration fees, invitation to attend regular meetings of the Board of Directors, use of the Library, and copies of the Bylaws and Annual Report.

Additional contribution: _____

Total enclosed: _____

Make checks payable to the Free Nation Foundation.
The Free Nation Foundation is a 501 (c)(3) tax-exempt organization.

Name: _____

Address: _____
(unless we already have it)

Phone: _____
(if you want us to have it)

Please send a free issue of *Formulations* to:

Name: _____

Address: _____

This provision is self-explanatory. The language concerning the "None of the above is acceptable" rule is borrowed from the Libertarian Party Platform.

1.5.8 No Virtual Canton shall, without the consent of the Federal Legislature, enter into any agreement or compact with a foreign power, or engage in war unless required by such imminent danger as will not admit of delay.

This language, on the other hand, comes from the U. S. Constitution, and is designed to secure the role of the Federal Administration as the foreign policy wing of the Free Nation — the "outward face" of the libertarian homeland. (Note, however, that this provision as such does not rule out the waging of war by voluntary associations other than Cantons.)

1.5.9 The average tax burden within a Canton shall rise no higher than m_{12} percent of the income of the average Citizen of that Canton, this figure to be determined or approximated by statistical methods involving no compulsory disclosure of information on the part of Citizens.

Although "taxation" in my system is voluntary, the political structure outlined in this Constitution is enough like a government to warrant some cap on taxes. This is particularly important at the Federal level, where the danger of monopoly seems highest; hence provision 1.2.10. The present provision, 1.5.9, concerns taxation at the Canton rather than the Federal level, and so perhaps is not really needed, since competition among Cantons should keep taxation low anyway. But it can't hurt to place a cap on it anyway, just in case.

Naming a precise dollar figure for the cap on taxation would not allow for inflation, deflation, changes in currency, and so on, so I made it a percentage of the average member's income instead. And lest this provision be taken to license compulsion in the gathering of census information or other intrusive procedures, I made it clear that the government in question must seek the information through peaceful means. In some cases the result will be a vague and not-very-accurate figure; but it will be up to the members of the Canton to decide whether they wish to sharpen the figure's accuracy by disclosing their private financial information to the tax collectors. Δ

Next time: The Bill of Rights

Glorious Revolution (from p. 8)

cation are contributing to formation of public opinion, the call-in talk show is absorbing the power of the legislature. Call-in talk shows have two advantages over other electric communication. First, they allow an intense two-way communication. Second, they allow the communication to occur while the citizens are going about everyday activities. Citizens can gather data through the other electronic media as well as through old-fashioned paper and face-to-face means. But only on the call-in shows can citizens randomly send their opinions back to the journalists in a way that other viewers or listeners can witness. Citizens are directly involved in proposing and endorsing policy, just as they would be at a public meeting. But unlike a public meeting, the audience can participate without traveling. Citizens can be brought together while at work, at home, or in vehicles.

The call-in show forum has a further advantage over elected politicians. Citizens can dismiss hosts at any time and transfer their allegiance to another. There is no need for term limits for a talk show host. As soon as the host loses the citizen's interest, the citizen switches to another broadcast. In addition, there is no limit to the number of shows and hosts. New hosts can offer themselves to the public at any time, without being certified by a party hierarchy or a ballot access requirement.

Yet despite their growing influence, talk show hosts cannot decide public policy. It is true that they can and do censor what gets on their programs. But they do so subject to instant competition by other programs. Ultimately, the power of the talk show host is the power to add to public debate rather than to limit debate. New ideas, new personalities, and new styles can all be offered to the public. Thus public consensus comes from the public's response to a true marketplace of ideas, which is how citizen-based social ethics should be forged.

The shift in legislative power has already begun

The shift of power will not be instantaneous, nor should it be. People are still getting used to participating in call-in talk shows, to shopping for hosts and for ideas. But a great deal of progress has been made, as evidenced by the Congressional elections of 1994. The Republican Party has had very significant success because of support from radio talk show hosts. Yet the success, as most Republicans concede, is due to a public resolve to remove the old politicians and due to a new public volatility, rather than any permanent shift in party loyalties. The economic agenda of the Republicans has considerable appeal, as the polls and the talk shows reflect.

But the "moral" agenda typically associated with the Republicans has no such public support. Had the Republicans felt that they'd been given an old-style mandate, they'd have put the agenda of their Christian Conservative wing on the table along with the economic conservative agenda of the Contract With America. Instead they've felt that the public has used a line-item veto to limit the new mandate to economic concerns. Where was that veto exercised? Certainly not inside traditional Republican Party machinery. It has come from an extensive and open dialogue with the American public, coordinated by the talk show hosts — entrepreneurs with neither governmental nor political party rank.

Meanwhile, the legislatures themselves remain in session. While they do not drive the process of public policy formation, they continue to pass laws. It is also still true that a law in Britain requires the signature of the British monarch even though it has been passed by Parliament. Yet it has been a great many years since a British monarch dared not to sign what was passed by Parliament. The monarchs have feared, quite reasonably, that they would be replaced if they did not rubber stamp the public will as expressed through Parliament. The Second American Revolution has not yet come that far. But I believe an American Glorious Revolution (quite bloodless) is in the works. And it seems probable that Congress will soon find it extremely unwise to thwart any solid formation of public will which is consistently reflected by the call-in talk shows.

Then we may proclaim
in our new liberation:

The legislature is dead!
Long live the legislature! Δ

Phil Jacobson has been an activist and student of liberty in North Carolina since the early 1970s. For a living he sells used books, used CDs and used video games.

Review of Adams (from p. 15)

social right of self-determination.

The FNF Library (available to FNF members) has a copy of this book, so even if your local bookstore is out, you have no excuse! Read it, get inspired, and remember — if at first you don't secede Δ

Robert Mihaly, a stone sculptor, lives in Durham, NC.

MARK YOUR CALENDAR

FNF happenings:

April 20 Deadline to register with a discount for April 29 Forum.

April 29 Forum: How Can Government Establish Self-Government?

May 11 Presentation and Debate: The Power of Ostracism.

May 15 Writers' deadline for Summer issue of *Formulations*.

Also:

October 16-20, Athens, Greece.

1995 convention of the International Society for Individual Liberty (ISIL).

For information call: 303-484-8184.

Free Nation Foundation
[outdated street address]
Hillsborough, NC 27278

ADDRESS CORRECTION REQUESTED

Bulk Rate
U. S. Postage
PAID
Chapel Hill, NC
Permit No. 487