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WHICH COUNTRIES ARE THE FREEST ON EARTH?, ARTICLE BY NON FACIES FURTUM

If you are interested in promoting the message of freedom, or even just interested in geography, you have likely contemplated which countries on Earth are currently the freest. I'm sure that if you're a voluntarist, you've also said to yourself, "Wow, there really are *zero* countries on Earth which are as free as I'd like them to be." Such is life in this age. Though there are many exciting endeavours to create small, independent, and free societies, such as seasteading, or even Liberland, this article will try and determine which countries are the freest today.

It is often said that there are both "civil" liberties and "economic" liberties, and although both of these concepts are both very much intertwined, it is possible to analyze them separately as well. Freedom of speech, essential to challenging the powers that be without violence, is one of these most important liberties that is primarily "civil" in nature. Though many nations at least nominally guarantee freedom of speech in their constitution, those who do not obscure it with myriad legislation are fewer. "Hate speech" is also illegal in many nations, which is often just an excuse to punish those who speak out against the status quo, as it is sufficiently nondescript a term as to justify calling almost anything "hate speech". Many nations also use the old fashioned way to silence speech, blasphemy laws.

Because of their combinations of explicit protections of freedom of speech, and relative lack of entangling anti-freedom legislation, I will argue that Hong Kong, New Zealand, and Finland have the freest speech in the world. Finland consistently is ranked highly in terms of press freedom, and demonstrations require no permission from police or authorities, though recently it has had problems with anti-islamic "hate speech" laws. New Zealand consistently protects freedom of the press, though they also have problems with "hate speech" laws. Hong Kong also guarantees strongly freedom of speech, though issues may arise through its relation to China.

Nowadays, freedom is also relevant with regards to internet use. In countries where personal freedom is already not highly valued, such as China, Saudi Arabia, or Ethiopia, we unsurprisingly find high levels of internet censorship. Namely this includes heavy

monitoring of which sites people visit, and censorship of both access to "harmful" ideas, and the dissemination of such itself. Perhaps unexpectedly, in some countries where traditionally freedom of speech has been highly valued, we also find high levels of censorship. In the USA, as everyone knows, agencies such as the NSA monitor immense amounts of online interactions, and more recently, censorship has come from private companies as well, especially Google. In the UK, the very real problem of online terrorist organizations is being used to try and justify "international agreements" to further regulate the internet.

Because of their relative lack of pervasive monitoring of internet activity and lack of NGOs cracking down on "harmful" ideas, I will argue that Norway, Japan, and Iceland have the freest internet access. Iceland has a strong tradition of freedom of speech, and only has potential threats to this freedom coming from their membership in the European Economic Area. Japan also has a free internet tradition, with the exception of censorship of pornography. Norway has a tradition similar to Iceland's, blocking some file-sharing websites and sites known to carry child-pornography.

Now, let us discuss economic freedom. As economic decisions underlie nearly every sort of civil or political decision, economic liberty is a necessary but not wholly sufficient component of a free society. If we consult the Economic Freedom Index produced by the Fraser Institute, we can get an idea of which countries we ought to be considering for "most free". As they put it, economic freedom consists of "personal choice rather than collective choice, voluntary exchange coordinated by markets rather than allocation via the political process, freedom to enter and compete in markets, protection of persons and their property from aggression by others."

Ranked highly here, we have Hong Kong, Singapore, New Zealand, Switzerland, and the UAE. All of these nations happen to be relatively small nations, and are very highly developed. Hong Kong and Singapore were essentially experiments in freedom in the Asian continent, and coupled with vast human capital and surrounding economic drudgery, they became miracle stories for economic freedom. New Zealand, with its Common Law tradition, has always been a land that values freedom. Although taxation is not particularly low, deregulation..

..in many sectors in the past decades has led to a business-friendly environment. Switzerland, having a very intelligent populace, has a similar story to New Zealand, although with a Reformed Protestant tradition of freedom and individualism rather than a Common Law tradition.

Of course, one of the most egregious ways in which states violently intervene in the lives of nearly everyone on Earth is through taxation. Taxes are destructive, provide funding for the evils states commit on a daily basis, and in many countries, the rates of taxation are amazingly burdensome. A country with low tax rates (relative to its standard of living) is an attractive place for anyone, especially those of us particularly concerned with freedom, and supporting those who also value liberty.

Of nations and territories for which data is readily available, several small island nations such as the Bahamas, and the territories of the Cayman Islands and Anguilla have a maximum personal tax rate of 0%. In fact, Cayman Islands and Anguilla implement only a few small taxes such as a property transfer tax, and import duties of various sorts. The UAE has only income taxes forced upon foreign banks and oil companies, though they plan to implement a VAT from 2018. Several other nations, such as Qatar, Kuwait, Bahrain, and the British territories of British Virgin Islands and Sark have also no personal or income taxes, though they often have other taxes, albeit light compared with most nations.

Other nations with personal and corporate tax rates of 10% or lower include Bosnia, Guatemala, Andorra, Paraguay, and Kazakhstan. Unfortunately, there is a strong trend that tax rates in a nation increase steadily as quality of life and average incomes increase. This is to be expected of course, as a state viciously expands itself at every opportunity it finds, but it is somewhat off-putting to see even the otherwise extremely economically free nations of Hong Kong and Macau have maximum personal tax rates as high as 15% and 12% respectively. Certainly, these tax rates are a far sight more palatable than even the minimum tax rates in Denmark, Sweden, and Canada (29.68%, 31%, and 19% respectively), but a 15% income tax means that one has to work nearly 56 days just in order to pay off the state.

As it stands, the nations least burdened by taxation in the world are the British territories

..of Anguilla, Cayman Islands, British Virgin Islands, and the nations of Bahrain and Kuwait. A lack of data on current “value-added” taxes in the UAE, and their plans to implement one in the near future somewhat dilute its otherwise impressive performance in regards to taxation.

One more measure that might be useful is looking at incarceration rates. Even in a free society, some evildoers would likely be imprisoned, (though the lack of laws punishing victimless crimes, and other more efficient and productive punishments for many crimes would make that number very low), but today in the world a staggeringly high and truly wasteful amount of people are imprisoned, often for wholly unjust reasons, such as extensive drug laws. In the USA, fully 693 out of every 100,000 Americans are imprisoned. Are these people murderers, rapists, and thieves? No, almost half of federal prisoners are guilty of drug crimes. Nations which have low incarceration rates, and are also not corrupt like poor, undeveloped nations, are generally more free in regards to foolish legal systems such as that which plagues the USA. The three nations with an HDI over .900 and with the lowest incarceration rates are Liechtenstein, Iceland, and Japan. These nations are inhabited by high quality people, and incarceration rates reflect that.

In general, it is difficult to find a place without an extensive welfare system, soul crushing taxation, and a myriad of laws and regulations which bar people from their personal freedoms and impede societal and economic growth. The world is freer than it has been in the past, by a substantial amount. Millions are no longer murdered by communists every year, though some of these horrible regimes still exist. Slavery is nonexistent in large parts of the world, and IQ's and wealth are rising, which will likely lead to even greater freedom. As of 2017, I will argue that the world's freest nations are New Zealand, Hong Kong, Singapore, Japan, and the British territories of the Cayman Islands, and Anguilla.

These societies are not only free, the folks who inhabit them are intelligent, and have built healthy, excellent societies. Things can improve in all of these locations, and must worldwide, but take heart that there are places in this day and age which can serve as testaments to the value that even a small degree of freedom brings. Keep spreading the word of liberty, and keep up hope.

DROPOUT RATES: INSTITUTIONALIZED GOLDBRICKING, BY TERRY MCINTYRE

Suppose an educational innovator discovered a method of instruction which was so attractive, so efficient, that in six or eight years, students learned as much as most others do in twelve.

Would this innovation be heralded as great progress? In every other field, innovation is rewarded. We like faster computers, faster cars, higher productivity. Education, however, is special. When politicians and pundits and educators talk about education, they spend endless hours worrying about "dropout rates" - about children who leave before serving the full twelve years.

Why is this? *Control and Money.* Government control of education rests on the idea that children's lives must be minutely controlled for the better part of their youth. They must be cloistered and managed and controlled and nudged and prodded for twelve years or more. This core assumption of politicians and educators led to compulsory attendance laws and a mess of other regulations.

The second factor is money. Schools get paid for keeping seats warm. Admit that a six-year program could do as well as today's twelve-year program, and roughly half of educators, administrators, and support staff would be out of business.

We tolerate graduates who still require remedial courses in math and English, provided that they stay the course and allow schools to collect per-diem fees for keeping the seats warm.

This is bass-ackwards, folks. It's time to put children first, and we can best do that by allowing children to decide how much school is enough. If we do not liberate our children, if we do not allow them to deal with responsibility, when will they learn "to adult?" Being an adult means making one's own decisions, not regurgitating information which has been selected and pre-processed by others.

In today's society, we don't even permit adults to adult. An endless web of regulations, including compulsory attendance, deprive parents of the ability to improve their own decision-making abilities. This is not freedom.

THE STATE AGAINST SELF-OWNING INDIVIDUALS, ARTICLE BY KERRY DAYTON

I recently saw a post on Facebook showing an image. The image was separated into two sections. The top section indicated the following Text: *Instead of teaching our children to honor the flag and the Nation* Then it shows the bottom image and said: *How about teaching our children to honor each other.*

You can imagine the pictures that were used. The top image was a black and white image of kids standing in rows, hands over their hearts. It was cold and uncaring: suggesting the nature of indoctrination. The bottom image was a kid, in color, with his hand out to someone on their knees. One was left to assume that the child was helping someone that had fallen on bad times.

Down in the comments someone asked: Why not teach both? I wasn't sure if that question was authentic or sarcasm. After all, Facebook is not known for fair treatment of ideas; it is no place for actual intellectual dialog. Facebook is masturbation, period. Where one person simply tries to impose their views on the views of others. It's verbal bukakki.

But, I would like to assume that the question was in fact an authentic question about why Nationalism and Humanism could not be taught equally.

First off, public schools are not a valid avenue for learning. They are in fact nothing but propaganda machines. Other papers have done an excellent job of explaining what purpose public schools actually serve. There are a couple of very good books on this subject as well. *This* paper assumes that the reader understands nothing of moral value comes from public schools. Hell, nothing of any value comes from public schools.

The question is not about teaching both, but is about the nature of ownership and moreover, who owns the authority over the moral concepts; including the ownership over the idea of ownership.

The question of asking if both can be taught is suggesting that there is an epistemology where the State is not the authority over the ownership of who and what should be honored and is suggesting that both the State and the individual can own this definition. (Cont. p. 5)

But such a method of making memories and thus teaching is not possible. If the State is any kind of authority, then it must by its nature also determine who and what is honorable. If the State is the authority it must own the right to define and thus create reality and the concepts inside reality.

For example. The State will require that its people hold a value called 'citizen' where they must comply with the opinions and values of the State. The State will want these individuals called citizens to believe that it should honor certain people and events over other objects of the same types: Police, Fireman, EMTs, Veteran's, School teachers, etc. But it will require that the individual also resist the temptation to honor other types of people: People in other nations, drug users, anarchists, poets, hippies, autodidacts, etc.

When the State requires the individual to not honor certain things it doesn't just say, "Well, you shouldn't like green beans" and walks away, instead it demands they be eaten and if the individual refuses he is labeled the same honorless type and eliminated from the State. The State removes those that disagree with it from circulation.

The State and the individual are incompatible. What if the individual says to the State, I was taught to Honor people as well as your flag, but your flag is requiring me to hurt people simply because they do not live in the entity you put a border around and called this thing a State? If such a conflict is created in the individual who then gets to arbitrate which of the two conflicting values has the moral authority to continue to exist? Of course the State will suggest, through its authority over violence, which of the two objects the individual should follow. Thus, proving that if you accept the idea that the State is the authority from which knowledge is disseminated, then only its most current view is a moral truth - because the State is not an individual, its morality is a flux that moves in the Hegelian abyss.

This is exactly what Orwell was talking about in 1984. The idea that if you accept the State as an object of reality, it by this acceptance, must own the authority over all forms of any type of reality. Be that reality the formation of money, be that reality the subjugation of people it defines as terrorists or people it defines as illegal, be that reality the construct of honor or compassion and who should be honored and who should be..

..honored and who should receive compassion. If the State exists and is an authority it is the only owner of the definition of things.

Can we teach State value and individual value on equal terms? The question of teaching both as equal ideals is not a possible request, because at some point conflict arises between the individual's ethics and the State's ethics and the real concern about the ownership of those ideas floats to the top again.

Thus, "who owns the individual?" is the real question. Actually, that is the only real question all the rest of this is simply semantics to cover the real question about ownership. If one says that the State is any kind of authority then there is no such thing called the individual, because after all, there is no method for the entity called State to make a valid definition for individual because such a thing cannot exist inside the State. But, if the individual suggest that it is actually the individual whom owns themselves and thus the authority of making the decision about what is honorable, then the State has no say in the concept of ownership and must resort to violence to impose its view. Of course, the imposition of violence means that the State itself is anti-moral, thus anti-ethical, because it violates its own mandates of honor for the objects it took the time to define as 'citizens'.

In the end the State and the individual are incompatible. Only one authentic method of epistemology can exist that leads to a valuable method of determining ethics. Big Brother's version or the individual.

The State is always anti-moral. Only the individual can even determine if something is worth honoring.

IMMEDIATE RELEASE RESILIENT COMMUNITIES DEVELOPMENT COMPANY LAUNCHES NEW

WEBSITE, UPDATE BY JIM DAVIDSON

"Resilient Ways" Resilient Communities Development Service Company is a for-profit real estate venture whose mission is to create liberty and free market focused planned living communities around the United States. The company and its parent organization, the Resilient Ways Foundation has launched ResilientWays.net for the purpose of informing people about the upcoming events and communities that are in progress.

Kansas City, Missouri The Resilient Ways Foundation is a nonprofit foundation that is..

..dedicated to the promotion of libertarian ideals and free markets. The foundation was founded by author, entrepreneur, real estate developer and financier Jim Davidson, software and crypto-currency developer Dan Sullivan and is chaired by author Wendy McElroy. The foundation has developed a strategy to build resilient, self-sufficient communities that promote free-thinking and free-market ideals through a real estate development company, Resilient Communities Development. In support of this, the company has launched their new website, ResilientWays. Jim Davidson, co-founder of Resilient Ways Foundation, said today, "The foundation is very excited about the work we're doing bringing open source strategies to community development. We've now identified several good parcels of land in our first project area, and we will be locating parcels in a second area several states away in late August. We're inviting artists, entrepreneurs, and free thinkers to get in touch about our work, either for joining one of our new communities, or forming one of their own, or telling us about a community they've been that already works really well." The initial target area for operation is in the vicinity of Athens County, Ohio where the work will include buying raw land and building a full scale community. The communities will private, rural, and carefully planned with the help of architect Sven Erik Allstrom who to assist in the city planning and building design work. The board believes in the location identified there are opportunities in agri-tourism and theme park operations that will provide the basis for growth and success. In support of the project, the group will be holding its very first livestream "telethon" on October 6th through their YouTube Channel. For more information on the project or event visit: www.resilientways.net

Is Voting Voluntary?, BY AMELIA MORRIS

"No action can be virtuous unless it is freely chosen" - Murray Rothbard.

The U.S. government is fantastic at tricking we, the people, into believing everything that connects us with them is a voluntary action, because technically, it is. You can choose to not pay your taxes and go to prison instead. You can choose not to join the armed forces and deal with the..

..possibility of being drafted at some point in your life. You can even choose to disconnect from the State completely and pay them hundreds of thousands of dollars to do so.

When I complain about the state of the government, one thing I hear quite a bit is "You don't vote so you don't have a right to complain." It is true that we may choose who to vote for, or whether or not to vote at all, but say I did vote for a presidential candidate and they were not elected. Would I still not have a right to complain, then, because I voted "wrong?" Every person who votes believes they are voting for the candidate who will do the most good for the country. The problem is, no two people think exactly alike. What one person believes is a government service, for the good of all, could be detrimental to all in another's mind. Therein, if a person votes "wrong," they still voted for who they believed to be the better, more capable, more competent candidate. Do they deserve every detrimental thing they have coming to them from the other side?

We are led to believe that voting is a virtuous action because we are supposedly taking an active role in the future of the country. We get to experience a scrap of what politicians experience every day, decision making on a grandeur scale. After casting our ballots, we then hand the country's "collective" issues off to someone else, and if you were unlucky enough to pick the candidate with the minority of votes, that's just too bad.

From what I understand, less people seem to vote as presidential elections continue. Theoretically, say less than half of the country's population votes in the next election, whether out of protest or disinterest, I assume the government would just take into account the votes that were cast. What if only a third of the country voted, or not one single person, even? Here is where the government would arrive at a crossroads. They could pass a mandate which would make voting mandatory, or the highest ranking officials could vote amongst themselves. Either one of these would utterly destroy any voluntary aspect of the system, regarding the people as a whole. In short, I do not view voting as a voluntary or virtuous action because whether or not I choose to vote, I am still denied the choice not to be ruled.

As I mentioned above how no two people think alike, this means that value is subjective, and such is necessarily a prime case against the idea of "public goods." If I may end with a Rothbard quote: "...if there exists but one anarchist in any society, the very existence of the State coercively supplying a collective good constitutes a great psychic harm to that anarchist. The anarchist, therefore, receives not a collective service but an individual harm from the operations of the State. It follows therefore that the good or service cannot be truly collective; its "service" is separable, and distinctly negative, to the anarchists. Hence, the good can neither be truly collective (indivisible, and positive) nor can it be voluntary."

WHAT IS VOLUNTARIYISM?

[Voluntaryism is a political philosophy which states that the initiation of violence against people or property, i.e. aggression, is never morally justified, and recognizes that such aggression is the very foundation of the State. We look to the philosophy's adherents to answer the question "What is Voluntaryism?" Accepting submissions]

Luke Newhouse says:

I am a Voluntaryist and that to me means everything should be based on voluntary associations and interactions or not at all. That means there should be a totally free market capitalist society in which all goods and services including those things like, fire, safety, security, police, justice, courts and safety would be provided by private companies, not states. All governments should be abolished, because they are a monopoly on the use of force and coercion. Voluntaryism is both the means and ends at achieving liberty by educating people on the evils of the State and about how we should get rid of it, which is to stop participating in

it and politics altogether. If one supplies the means, the non-aggression principle, then the rest shall follow; and the government can be peacefully abolished by people slowly withdrawing their support by every peaceful means necessary at achieving liberty. Goddess and God Bless. And keep up the work of not voting and abstaining from politics.

Rob Brown says:

For something to be *voluntary*, one must accept an individual right to *property*, i.e., the right to include or exclude others from scarce, rivalrous resources that they've acquired first, without dispute. Communism can never be voluntary, as so-called *voluntary communism* presupposes an individual this right. And in doing that, there's nothing about that presupposition that prevents people from pooling their *already* owned resources. The main tenet of communism is the abolition of this very right. It's not communism if it includes this right.

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**KIDNEY COLLECTIVISM, ARTICLE BY NOAH
LEED**

Every year, thousands of people die while waiting for kidney transplants. What could this fact possibly have to do with a debate over individualism and collectivism? Everything.

We hear the word "individualism" tossed around by some as if it means pursuing selfish interests without regard for anyone else. Of course, that's not at all what it means. When conceived correctly, it simply means that the rights and interests of each and every individual are of paramount importance and take precedence over group or government interests. So it's pretty easy to realize that if that's the case, we can't just go about pursuing interests without observing the fact that each person we encounter also has the right to pursue his own interests. By that reckoning, respecting his rights becomes my responsibility, just as respecting my rights becomes his responsibility.

So "individualism" does not mean every man for himself, come what may. It means every human life has intrinsic value (or in religious terms, that each life hold a spark of divinity). It means, in ideal form, that we act as individuals or as groups of individuals in ways that include the assumption of both individual responsibility and individual value for each. We have the right to act as self-interested individuals, but only so long as the action is "responsible" in the sense that our actions do not violate the rights of any other individuals. For one to pursue individual (or group) interests, ideals and happiness at the expense of others, without their willing participation, is not individualism; it is enslavement.

It is also nonsensical to refer to our own interests as merely "selfish." Certainly much of what we might pursue will be in the interest of furthering our own selves, since we need to eat and stay warm, and we desire to experience pleasure and to educate ourselves and realize our individual potentials. But where do we realize these potentials? Out in the world, a world crammed with other people, all trying to realize their own goals, too!

One of the things maturing children will (hopefully) learn about repeatedly getting what they need and want over the long term is that instead of demanding immediate one-time

gratification at the expense of others, it is to their ultimate advantage to cooperate with other people, to play fair and to cultivate trust. To achieve our own objectives we discover it can be quite beneficial to help others achieve theirs, or at least to not interfere with their attempts in ways that might come back to hinder our own attempts.

To so me degree, then, we all know that self-interest is best realized by allowing it to symbiotically coexist with the interests of others in mutual-interest. We also know that because we love, like and respect certain others (family, friends and community) that sometimes we go so far as to place what is in their best interests even above what seems to be in ours. We value our children more than we value ourselves. Self-interest almost always includes looking out for the interests of those close to us, and thus is not selfish at all.

So we might then realize that when we generously sacrifice for the benefit of others, such altruism and generosity might actually be considered just another form of self-interest, since we would feel we had betrayed our deepest values if we didn't act in such a manner. Self-interest can indeed be manifested in the form of what is commonly thought of as "selfless" behavior!

Another way of looking at this dynamic is that, since we each have a shared value system deeply rooted in our biological and cultural history, we are in a constant state of making exchanges on different levels: we are not only bargaining and negotiating with others, we are bargaining and negotiating with that person we might consider to be our "future self" to help ensure we maintain and develop our own moral standards and our continued well-being.

For example, I might willingly and happily sacrifice my last bite of ice cream now (a cost to me) to make you happy (a benefit to you) so that I will feel good about myself later (a benefit to future-me), and hopefully I will do it in a way that makes you feel more generous to others in the future (a benefit to future-you). In other words, the exchange really involves four people and not just two: there's you, me, future-you, and future-me. We see in this example that three people realized benefits at the cost of one person making a tiny sacrifice, yielding a net gain. Such a deal. The benefits, though, go well beyond what is immediately apparent. Consider the possibility mentioned above, when receiving something..

...shared makes you more generous and responsible in the future. If you manifest that generosity and responsibility with real action out in the real world, repeatedly, you then might also help other people to be more generous in the future (a benefit to them). And so the network of those who benefit from one small act expands much further than we could ever know.

We should also realize that the opposite is true: when we harm another, violate his rights or interfere with his pursuits, the negative outcomes of that transaction might be manifested in a series of corresponding negative outcomes that ripple outward. Violence begets violence. Rather than an extensive network of more and more people realizing benefits from a single action, we end up with untold numbers bearing the added weight of cumulative costs, perhaps degrading the morals and values that might have otherwise been reinforced.

As we act in the world, we might wonder: am I spreading virtue, or am I spreading pathology? This is why voluntary and un-coerced action, on the level of the individual, is so important. Someone could come along and force me to give you my last bite of ice cream, and in material terms the net outcome would be the same as if I had given it up voluntarily: a small benefit to you, and a small cost to me. But gone are the potential additional benefits created by outward ripples of good feelings and generosity and mutual benefit. In their place we might see an outward ripple of ill-feeling.

When coerced into the transaction, there is a good chance that future-you will have some guilt for eating my last bite of ice cream, and future-me will feel some anger, resentment, or even betrayal. (You could have at least spit the damn ice cream out!) Being human, we may very well pass these emotional costs onto others, not wanting to bear them ourselves, without even being remotely conscious of that fact.

In terms of spreading virtue rather than pathology, every act can be considered to have an impact on the greater world. The creation of a human chain on a beach, to save swimmers caught in a rip current, is an amazing example of using spontaneous voluntary organization to create order and purpose out of a chaotic situation. Saving lives is a wonderful outcome in

itself, but the value created in this act of determination and cooperation goes well beyond that. I have no doubt that the act was incredibly inspiring to all those dozens directly involved, but also no doubt inspiring to millions of others who read about it or watched it. The virtuous actions of a few rippled outward, conveying the spirit of heroic behavior to many others.

When individuals come together like this to perform heroic feats that can only be accomplished by group cooperation, it could be called collective action, but it is not an example of collectivism. Rather, it is an example of individualism. Those organizing and participating in the group activity recognized the value of the individual lives that were in danger and then acted accordingly, as voluntarily cooperating individuals. The same idea would apply, for example, if some within a group struggling through deep snow decided to carry an individual who was too weak to walk. The survival of the entire group is now at greater risk because its interests are subordinated to that of the weak individual.

Collectivism is really just the opposite. Participation becomes mandatory or coerced rather than voluntary. Here, it is the interests and values of the group that take precedence over the interests and values of any given individual within the group, and individuals may become expendable. To better ensure the group survives its journey through the snow, it might be decided that the weaker individual be left behind, and sacrificed for the "greater good." Sometimes this greater good is not actual survival, but is simply a value, concept or idea that is supposedly cherished by the collective. Today, for example, we collectively seem to cherish the idea that human organs are not to be bought and sold as mere commodities, and so we forbid such market activity under the law.

Now, without thinking too deeply about it, we might congratulate ourselves, as a culture, on the seeming nobility of deeming the human body as something sacred and not to be chopped into and pieced out for remuneration. In thinking that, however, we fail to acknowledge the annual death of those many thousands of individuals who cannot secure a kidney for transplant. Any individual who might wish to be compensated for the risk and hardship involved in donating a..

..kidney finds that forbidden by law, just as it is legally forbidden for the potential recipient to offer such compensation. So even with millions of potential donors, many of those needing kidneys end up dying.

One might wonder: how did the collective arrive at this decision to interfere with the desire of one individual to save his own life by compensating another, through a voluntary and mutually beneficial exchange? Strictly speaking, the members of the collective never made such a decision. It was made for them, pretty much without their knowledge or input, by their elected representatives some thirty years ago (in 1984, appropriately enough).

That's not to say there are not valid reasons to oppose a free market for organs, and that there is not a widely shared emotional sentiment against "selling a kidney." It's only to question why there has never been any real public discussion or debate of these issues, or any real exploration of alternatives to this total restriction of individual freedom. Such an exploration might give us a system that falls between the extremes of total freedom and total restriction, one that allows life to be saved wherever possible while still taking into account any possible objections and conflicts.

The first step in such an exploration would be to discard the pejorative of "selling a kidney." That's not really what happens. What one would like to be compensated for is the pain and risk involved in undergoing major surgery, and the redirection of one's time and energy from other ends that surgery might interfere with. Such hardship and risk, as with other difficult and risky endeavors, justifies a potential for payment; the kidney itself is free.

The second step would be to formulate a program for compensation that responded to whatever objections currently exist. For example, to avoid the potential for "exploitation" of donors who were desperate addicts or were deeply indebted, a market could have multiple mechanisms to screen out both desperate addicts and those deeply indebted. Even the (rather absurd) objection that one should not directly benefit from donating a kidney could be addressed by insisting that benefit be directed to a loved one instead.

These steps are not being taken, however, because the supposed will of the collective gets bogged down in the machinery of government and in the inertia of the status quo. On top of that, existing policy of all types is often deeply based in emotion, and a small minority can hinder or effect change by virtue of being either very vocal or very powerful. The majority of individuals just go along for the ride, even if the collective-qua-government ends up moving in distressing directions (like backwards, or more commonly, nowhere at all).

By being so willing to have our "collective" choices arrived at by so few actual members of the collective, we could have theoretically ended up with a drastically *worse* policy on organ transplants with only a slight shift of emphasis on values. After all, if we value life so much, why not make kidney donors subject to conscription, so that healthy kidneys are transplanted into needy patients by mandate? For the utilitarian benefit of the collective, our government could use a lottery system to facilitate enforced donation and could completely eliminate the waiting list for kidney transplant, saving thousands of lives a year. Uncle Sam Wants You.

Of course, the fact that most of us view that Orwellian extreme of collectivism as a nightmare seems to show that we really still do lean towards individualism, in that none of us can conceive of letting our government remove one of his kidneys against his will, by force. But wait: why do we so easily concede to government the power to forbid that same individual from *voluntarily* having a kidney removed and being compensated for the risk involved?

We seem perfectly content to embrace that lesser form of collectivism that restricts freedom to own our bodies (even as we reject an outright invasion of our bodies). We, the collective, dictate to the dying individual that he has no right to save himself. And to the individual offering a kidney, we the collective dictate the terms under which he will save the life of another; he must either do it for free, or not do it at all. Once those terms are set by law, we see that very few people indeed are willing to endure the risk and hardship of donating a kidney unless the recipient is a loved one. Why are we making it against the law to get compensated for saving lives?

That question could be hypothetically posed by an individual in desperate need of a kidney, as an inquiry to all of us: why did you, the collective, sentence me to death? Why is your legal concept of "the good" of greater value than my own peaceful pursuit of merely staying alive? Why am I, the individual, being made a human sacrifice by the collective, on a mere whim of emotion?

To the kidney patients who claims he should have the right to pursue staying alive by peaceful means, we as a society respond, "No, your life is in OUR hands." To the prospective organ donor who claims a right to his own body, we as a society respond, "No, your life is in OUR hands." That, dear comrades, is a collectivist society.

In considering the allowance of some sort of exchange for a kidney donation, we should consider the costs and benefits of the donor and recipient, and of future-donor and future-recipient, and consider the ripple-effect on others when such an exchange is either allowed or forbidden. I think perhaps we are afraid that the willing donor, even though he is not being coerced, is somehow being exploited and that he is violating his own body out of either desperation or greed. We fear that negativity will ripple through society, and diminish us.

Yet we seem to have no fear that just letting people die, at a rate approaching fifteen a day, has no ill effect. How is that possible? Because we simply ignore that it is happening. In our ignorance and neglect, by passively denying dying people an opportunity to save themselves, are we spreading virtue or spreading pathology?

Remember, the reason we sacrifice for the benefit of loved ones is that we would feel we had betrayed our deepest values if we didn't act in that manner. If we could make a difference yet did nothing, how could we live with ourselves? But to apply that same standard to *all* complete strangers in *all* situations is not only unusual, it borders on pathological. There is so much need in the world, we could spread ourselves too thin in an instant. We just can't do it, physically or emotionally.

So there naturally are limits to what we willingly give for free. To best serve our loved ones, we generally demand compensation from others for our labor, our hardship, our risk and our sacrifice, no matter what we pursue in life. This applies equally to those who labor heroically to save lives, like nurses and doctors and firefighters, and to those who risk their lives in the hidden heroism of

dangerously laboring to feed their families, like loggers and fishers and roofers. Heroes... get... paid.

Yet we refuse to apply the same (otherwise universal) standard to a life-saving exchange that might occur between kidney donor and recipient, even as we allow donors of blood, plasma, sperm, eggs, hair and bone marrow to be compensated for their time, effort or risk. Why the double standard?

To suppose ours is an individualistic society, where every single life is precious, is hard to reconcile with the mass death that we allow by restricting access to live kidney donation. Some 5,000 people continue to die every year because it is illegal to make the individual choice to offer or pursue compensation. A system of legal compensation could of course be regulated, and payments made only through third parties like charities, insures and governments (and in fact by doing so our federal government would save huge amounts of taxpayer money, since the Medicare costs of dialysis now run in the tens of billions of dollars annually).

Instead, we insist on letting patients die needlessly. Avoidable mass death is unfortunately a common result of giving in to collectivist tendencies, where individual lives become expendable in the service of some ideal.

The good news is that our own little version of collectivism is only sacrificing individual lives by the tens of thousands instead of by the tens of millions, as did the more virulent forms of collectivism practiced in twentieth century China and the USSR. The bad news is... our own little version of collectivism is sacrificing individual lives by the tens of thousands.

Maybe we can find a way to expand liberty such that people have more freedom to save themselves, and to save others. Perhaps we should explore ways to give individualism a chance when it comes to kidney transplant, since the waiting list (and the body count) continues to grow every year under the current system. We can do better. We have to, if we really wish more benefits of mutual-interest to ripple outward and to create a better world by heroic example. The rights of these dying patients are our responsibility, and we are ignoring that responsibility.

UNDERSTANDING TIME-PREFERENCE VS BEING HOMOPHOBIC: HANS-HERMANN HOPPE'S BATTLE WITH THE PC GATEKEEPERS, ARTICLE BY JAKOB HORNGREN

Trouble with the thought police

In 2004 during a lecture on money and banking, at the University of Nevada, Las Vegas, Prof. Hans-Hermann Hoppe provided an example of how the concept of time-preference plays a major role in the economy, local as well as global. The illustration given by Prof. Hoppe became a national controversy, and was used by the left-wing opinion molders in an attempt to hound the Austro-anarcho-capitalist academic out of polite society, and to consequently destroy his career. The case presented by Hoppe, and that caused the outcry, was hardly controversial at all. We will get to the actual case soon, but let us first clarify what the definition of time-preference is, and why it is such an important component as part of economic analysis.

Time-preference and the Austrian school

The level of time-preference an individual has, is measured by the degree to which that individual is willing to postpone present consumption in favor of the future, delayed gratification of greater benefits than what consumption right away would provide. A trivial, yet classic example of degree of time-preference, can be seen in the experiment of giving a child the following option: Either receiving one cookie right now, or waiting 30 minutes and receiving two cookies. The child's present desire to consume usually trumps the willingness to await delayed gratification, and hence we conclude through praxeological deduction that children on average have a higher degree of time-preference than more mentally mature persons. The price paid by giving up present consumption in exchange for future value of a good or service must mean that the expected future psychic revenue is greater than the present psychic revenue generated by consuming instantaneously. Nobody would

prefer to consume later should the act of consuming generate the same satisfaction today as it would a year from now.

The reason why the idea of time-preference is constantly stressed as crucial in the Austrian school of economics is because it drives the natural interest rate, which in turn coordinates investments and consumption over time. Since investments are an integral part of the structure of production, it is therefore essential to maintain a low degree of time-preference within the population. Lower time-preference will increase savings, lower the interest rates, and encourage investments as to increase future productivity; and finally yield a higher standard of living by sheer output capacity.

Understanding economics <> homophobia

When Prof. Hoppe was highlighting the concept of time-preference he made a comparative example between homosexuals (a group who on average have very few children), and heterosexuals (a group who on average have far more children). Hoppe's claim is that family oriented individuals tend to be more farsighted than individuals who father no children, and thus have lower time-preference. By the same token, the converse argument is that homosexuals are less likely to have children, *ceteris paribus*, and hence will on average possess a more elevated rate of time-preference. We all know that there are exceptions to this generalization, and therefore Hoppe has emphasized the statistic metric "*average*" in his argument. No, it simply does not follow as rational conclusion to say that, because Hoppe made reference to homosexuals for the purpose of clarifying the concept of time-preference, he must be a "homophobe".

Hoppe's comparison is nothing more controversial than saying that Germans on average drink more beer than the French. It is

furthermore relevant to point out that there must be some variation of time-preference within the population for peaceful cooperation and trade to advance between individuals. The segments of people with lower time-preference, who accumulate capital, will satisfy the needs of someone with a higher time-preference who will then be able to loan the accumulated capital in order to purchase a house or start a business. It is truly amazing how this case blew out of proportion based on misunderstandings from university administrators who obviously do not understand economics, let alone the concept of time-preference.

The deceitful strategy of the critics

Taking Hoppe's statements out of context and make accusations is nothing new, but it is nevertheless deceiving and dishonest. And some people from within the libertarian circles, who know better, have joined the bandwagon of Hoppe haters with the hope of getting approval from the left. The most common quotation used by the attackers is the following, taken from *Democracy – The God That Failed*:

"There can be no tolerance toward democrats and communists in a libertarian social order. They will have to be physically separated and removed from society."

We talked about this in the previous article about [physical removal](#), so we will not pay attention to the above quote in this article. Instead we are going to look at another quote from Hoppe, which is also frequently manipulated in such a way that it drives ordinary people crazy:

"....there can be no tolerance toward those habitually promoting lifestyles incompatible with this goal.for instance, individual hedonism, parasitism, nature-environment worship, homosexuality, or communism – will have to be physically removed from society, too, if one is to maintain a libertarian order."

Understanding the truth is a matter of terminology

It would be interesting to measure the blood-pressure on a Steve Horowitz and

Jeffrey Tucker as they read the above quote, and see the numbers go up on the blood pressure monitor. The statement is completely taken out of context, and it is a strategy that we are sadly familiar with these days in order to drag someone's name through the mud. The anti-Hoppe cult will post this quote and autistically screech, "Look, Hoppe is a homophobic fascist!" and then they will step away. Q.E.D. Discussion is over. Well, as it turns out, it is not game over, and we will find out when putting the quote in its entirety and its proper context where it belongs, it no longer bears any controversy. Here is the statement in its full context in which it deserves to be judged:

"Likewise, in a covenant founded for the purpose of protecting family and kin, there can be no tolerance toward those habitually promoting lifestyles incompatible with this goal. They – the advocates of alternative, non-family and kin-centered lifestyles such as, for instance, individual hedonism, parasitism, nature-environment worship, homosexuality, or communism – will have to be physically removed from society, too, if one is to maintain a libertarian order."

The bold parts of the quote are the parts that are usually omitted by those who have made it the goal to destroy Hoppe's reputation, and who have no interest in examining in a scholarly manner what Hoppe is actually saying. The aforementioned quote, read in its entirety, is no proof of alleged "homophobia" accusations thrown around for the sole sake of defaming. Hoppe is not insinuating that there can be no tolerance against homosexuals. What he is saying, is that there can be no tolerance against people who actively **promote** lifestyles that run contrary to the **covenant**. I am fairly sure that a gay-queer alliance group at a university campus expects the people who are in that alliance to be either gay or queer. Should such an alliance not be able to turn away heterosexual persons from infiltrating their established society? Of course they should. Likewise, should the Catholic Church not be

allowed to excommunicate Satanists from their religious order? Or how about a nudist community expelling anyone who refuses to be a nudist? Then why is it unacceptable for a **covenant**, established for the purpose of family, place, and kin ("blood and soil"), to remove those who actively promote life-styles contrary to the very covenant? In addition, it ought to be noted that Hoppe does not assert that those individuals should be expelled as long as they are not actively **promoting** and **advocating** the very life-styles they are living. That position alone makes Hoppe far more tolerant than anyone of his critics on the left.

Victory against the opinion molders

If one is to going to gain all their knowledge about Hans-Hermann Hoppe via his Wikipedia page, and then launch an attack on him, perhaps they should also read the Wikipedia page for the term "[Covenant](#)". The attackers will continue their mission, and they will be around. It is much easier to just pull out Wikipedia, or to read some blog post by some "schmoe" than it is to actually pick up a copy of one of Hoppe's books, or listen to his

extraordinary lectures and seminars. Prof. Hoppe's work is scholarly rigorous, and it will demand some degree of intellectual curiosity to go through his writings. And as for Hoppe's battle with the UNLV, he managed to get the ACLU of all organizations to defend him, and later on all charges against him for his suspected thought crimes, were dropped by the university administration.

[This is great, Jakob. Antifa accused me of being a fan of "homophobic economists", as if a homophobe, were it even true, couldn't possibly know any economics. This is only a means of trying to invalidate the rest of his ideas by slapping a negative label on them, as is a popular leftist tactic. Of course, they aren't rejecting his theories on money and banking, or property rights, but just wish to assert he's against homosexuals, and therefore shouldn't be listened to whatever. As you alluded to, if he used "white people" as his example, perhaps leftists would then be on board. Such is how the politically-correct left operate, anyway: Just shout "fascist" as your refutation. If only they read anything, say, A Theory of Socialism and Capitalism, they would see he clearly rejects the idea of a conservative-style socialism, i.e., fascism. ~Mike, FRV]

GREEN ROOFS: PROVE IT OR FORCE IT?,

ARTICLE BY NICK WEBER

A new initiative in Denver, CO has edged out the signature requirements and is set to go on the ballot to determine whether or not the government is to forcibly implement green roof criteria for certain building types.

The proposed initiative would require a certain percentage of the roof area of new construction buildings to contain green roof components. Additionally, there are upgrade triggers for existing buildings under certain circumstances. The amount of green roof required is to be based on the gross square footage of the building: twenty percent for buildings between 25,000 and 50,000 square feet and up to sixty percent for buildings 200,000 square feet and larger. As with all things building code related there are

numerous tradeoffs, exceptions, exemptions and varying requirements for different building types.

For instance, building owners could opt to install solar panels to offset part of the green roof requirements, multi-family residential buildings would be exempt if the building has four stories or less and there are different requirements for industrial buildings versus commercial buildings. The full text of the proposed initiative can be found [here](#). The initiative would trigger existing buildings to be brought up to code if an addition increases the size to 25,000 square feet or more and green roof requirements would also be required if a roof replacement project is undertaken.

Conceptually, there is nothing new about green roofs, they have been around for a long time and are prevalent in all parts of the world, but what is striking is the attempt to..

..impose a costly design decision upon an owner via government enforcement; a design decision that entails significant financial investment far and above the obvious raw costs of design and construction.

Let's look at a few of big picture items from the initiative that should immediately jump out to you as being problematic: residential exclusions, roof replacements/additions and solar panel tradeoffs.

First off, it is interesting that the initiative specifically excludes multi-family buildings of four stories or less. Investors could very likely only build four stories or less, which would inevitably drive up housing prices due to decreased availability, especially in a city that is seeing continual housing cost increases. The other alternative is that investors will vacate the city limit in search of property with less stringent requirements, leaving land underdeveloped and underutilized, presenting another lack of housing.

Secondly, the requirement regarding building additions and roof replacements are problematic on several fronts. There are many existing buildings that would meet the 25,000 square foot threshold in Denver proper, many of which are the older warehouse variety. Renovation of those buildings is a trendy and profitable endeavour for many new and existing companies. But these older structures would require significant upgrades to bring them up to code to accommodate a green roof. Growth of the "renovate-and-reuse" types of neighborhoods will be stifled as owners and investors seek out cheaper options in other jurisdictions. This green roof flight will lead to existing buildings that will never be upgraded and will ultimately lead to deteriorating buildings and neighborhoods.

Additionally, money spent on green roof upgrades is money not invested back into the company or other ventures. If the returns on investing in a green roof are readily...

achievable, which they very well could be, building owners and investors will be the first to jump on it, as the life-cycle savings on heating and cooling costs could free up additional capital for investing. These types of business decisions are best left in the hands of business owners, not government. The logical next step is for building owners to pursue buildings outside the city limit rather than deal with the cost-prohibitive upgrades necessary to bring the building up to code.

Finally, the option for installing solar panels as an offset to green roof requirements brings up some concerns. Similar to the arguments presented above, if the life cycle costs make sense, this would be a no-brainer for building owners. One item to consider is who actually owns the panels? Often times, the public-private agreements that are commonplace with solar panel installations present unfortunate problems. For instance, in the aftermath of hurricane Irma in Florida, numerous buildings had solar panels that remained intact and could have provided much needed electricity in times of crisis. Unfortunately, the State code required that the panels be connected to the local grid, and once the grid was damaged in the storm, they were left literally sitting in the dark. Of course, this is an extreme example, but this is indicative of the problems associated when one does not own the building improvements out-right. Additionally, if we are talking about being green, advocates need to address the reality of solar panels in a life-cycle analysis manner. What happens to the panels when they fail or are needing to be replaced? What is the true reality of the extraction process of the panel materials? Is there really a trade off with the claimed positive effects of green roof installation, when taken all in, in relation to the impacts of the extraction, creation, installation and disposal of solar panels?

The initiative writers claim that there will be routine inspections to ensure upkeep and..

...compliance (paid for by of you me, of course) through building department fees - don't call it a tax - which will be passed onto consumers. My guess is that a whole new department will need to be created and funded and an already understaffed and disgruntled corps of inspectors would love nothing more than to waltz onto your property, write up non-compliance forms and levy fines because, well, that's what the law says!

Now let's turn to two other relatively unseen aspects of implementing green roof requirements that need to be addressed: building maintenance and insurance.

Go find yourself any building that has been in operation for twenty years and have a sit down with the facilities manager and ask him what kind of light bulb goes in that fancy wall sconce behind the receptionist's desk? Ask him what kind of ceiling tile matches the damaged tile in the corner of the break room? If it is difficult to match a ceiling tile out light bulb, how are we expecting the green roof to be maintained? Ask him for a set of drawings for the facility. Odds are, there won't be any reliable documentation and any repairs are done in a rather patchwork manner. My point is, think about the reality of the green roof, if it requires specialists to design and install it, over the life of the building what is the reality of maintaining it on a day to day basis? This is not a knock on building managers as it is a huge undertaking and is certainly an unenviable task, but an absolutely necessary and often overlooked one, to keep any building up and running on a daily basis.

Lastly, and perhaps most importantly, the costs regarding insurance must be addressed, for they are potentially the most costly and least understood. First, there will be additional insurance costs for design and construction professionals. Second, litigation costs specific to the design and construction defects and the failure of the actual green roof

components themselves will increase insurance costs. Thirdly, there will be an increase in building insurance associated with the replacement of the green roof as a result of a fire, natural disaster or some other unforeseen circumstance.

Most insurance policies exclude landscaping, so additional provisions must be made to accommodate the green roof. Furthermore, the cost to replace the green roof is likely to cost more than the original installation. How do the terms of the replacement costs factor into the life cycle cost of the building? To continue on, yes, there is more: green roofs certainly can provide heating, cooling and stormwater management benefits. Should the worst happen, will your insurance cover the cost to pay the additional heating and cooling bills while the green roof is revegetated? And to go off into the deep end, courtesy the already existing building and energy codes, the building was permitted with certain criteria regarding stormwater mitigation procedures. These requirements are fulfilled by the green roof installation; now that the green roof is no longer functioning, you can expect to receive a noncompliance notice while the roof is being revegetated. Do you see the vortex of insanity that we have gone down?

The bottom line here is that if a building owner wants to voluntarily take this on, by all means, have at it. There certainly are advantages to green roofs and it could definitely attract people who value that as an addition to the building. Green roofs can help mitigate stormwater runoff, provide roof insulation, help offset heat-island effects, provide for filtering of pollutants, provide sound insulation, and can protect the membrane roof from harmful UV-rays. There is nothing currently stopping an owner from installing a green roof, so what could be the hold up? Of course, these types of "innovations" are always presented as settled science, it always works well and the..

..detailing and products have all been tested and certified. There is some truth to that, but we must take into consideration the impacts of the implementation holistically; all aspects seen and unseen, not just the feel good headline from the local news story.

Considering that we have had little more than four inches of rain over the last two months and we live in a city that averages around 250 days of sun per year, this hardly seems prudent as a mandatory measure. It is worth mentioning that green roofs can be designed for specific climates and can include drought tolerant species. It is also worth mentioning those pesky watering restrictions that are commonplace in this neck of the woods. In the long run, the costs associated with green roof requirements will be passed onto the consumer, there is no doubt about that. Your feel good green roof requirement is nothing more than a tax.

Looking out across my neighborhood, most can't even manage to keep their small patch of grass in the front yard green and weed free year-round (mine is perfect, right?). The front yard is about as simple as it gets: overwater it first thing in the morning and let it roast in the southern exposure sun all day long, right? 'Merica. But beyond the initiative bashing, let me present a possible voluntary solution: the best chance for this type of roof to gain popularity and acceptance is to have it come about through the residential world, where the benefits could be seen and experienced at a more human scale. The initiative advocates should take their ideas to new house developers, convince them of all the benefits of the installation, create a whole development, show the people how this could work, prove the idea, turn a profit, and show the heating/cooling savings. The biggest drawback to this idea is that we have all driven around our own neighborhoods and cities, decrepit buildings abound, commercial and residential. It's always a great idea when someone else is paying for..

..the installation and maintenance, what we fail to see is that we ultimately pay for it and using government to forcibly implement your idea onto an unassuming populace is disingenuous, to put it mildly. One last thing, kudos to the initiative sponsors for getting this onto the ballot in an off-year election cycle, with far lower than usual turnout expected, the odds of passage have certainly increased, hooray democracy?

[Nick Weber is a husband, father of two and loves architecture. You can follow him on Twitter: @DenLibertarian or at www.denverlibertarian.com]

PROGRESSIVE ERA HISTORY SHAPING MODERN-DAY IDEOLOGY, ARTICLE BY MIKE MORRIS

It starts in the schools

Since most of us are forcibly "educated" in the government-schools, the curriculum taught is predictably in favor of the government. From saluting flags to singing national anthems (and being punished for refusing), the public school system is essentially centered around the gloriousness of the state. Matter of fact, all of society is today, seen in the recent inability of even football players to escape condemnation by the president.

What pledging allegiance to a gang of criminals has to do with education is beyond any rational man. Thus from the thinking-man should be a resounding "no way" to the proposal that government run a school monopoly. But proof of their success is the near total sanction, without question, that government must be involved in schooling "our children." "I want my neighbors to be smart," is now the built-in quip of almost anyone who survived the system. As if this is what actually happens.

No one should expect the government to teach a correct economics or accurately depict history, including the interests behind public schooling, as this would refute the idea that they should be involved in education. Their schemes are successful by keeping the people ignorant to such ideas. As such, for only one example, any of the presidents that we're told are the best are quite frankly the *worst*.

Abraham Lincoln, the racist-statist who's heralded as the man who cared so much about the slaves, is one of the towering figures in political history. "Freedom Fest" on Fort Carson saw a man dressed head to toe as Lincoln. This is a man who believed in a centralization of government power, a sentiment government wishes

..to induce among the masses. He believed the U.S. government was a government for white people, and that blacks should be shipped back to Africa as an inferior pest.

Franklin D. Roosevelt, the man who justified detaining Japanese-Americans into internment camps, and prolonged the misery of the Great Depression by instituting unprecedented economic interventions, among other things such as taking the U.S. into wars and being Stalin's bitch, is the hero of online social media pages like *Occupy Democrats* or *Being Liberal* who hold him to the highest of standards.

With a lack of competition in schooling, which would exist in a market for private schooling, official statist narratives are substituted for independent thought. As such, few question the need for a government whatever. It has become the default position to praise it, rather than to deride it in any way. Anyone who does question it now, its old students will assert, "should go back to high school civics class" to be reminded of the wonders of government.

Obviously, their interest in monopolizing schooling has to do with the interests of government more so than the egalitarian idea that most hold it to be. It has more to do with imposing uniformity than in allowing intellectual diversity. What has come from all this is the youth are largely indoctrinated in varying degrees of democratic socialism, seeing the state as essential and a necessary evil at worst, but even more common is its standing among them as a necessary *good*. They believe in a mostly incorrect history where the victors had the official say, and this supports their modern day defense of statism.

To them, there would be a shortfall in benevolence, or something like that, unless government violently redistributes property (taxation) and monopolizes various goods and services. Aggression is the height of "society", or something like that, in their view. Participation in the state— by voting, calling "your" Congressman, protesting—is a duty and obligation of this mythical "social contract," or something like that.

Most Americans are of some of these notions, albeit to varying emotional extents. This was necessary to obtain. Since force is insufficient in order to subjugate a population, obtaining legitimacy as well as passive resignation among the bulk of the population is needed in order to continue to commit the crimes they do in the name of the people's own safety and wealth. And as for those who know it's all a great scheme, like me, posing a big enough violent threat to any potential dissenters as to have them passively resign (rather than be active resisters) works quite well to silence us.

How have we come to believe all this?

I think a lot of our bias stems from the view of the Progressive Era that has been an age where government came forward and bailed the people out of their misery. And therefore, we need them again, and forevermore, to raise taxes and pass legislation to keep the economy progressing. Otherwise, freedom means decline, and..

coercion is supposed to be the means of civilizing man, or, forcing him to pay his "fair share" for the "society" that has invested in him. Those pesky libertarians are a "threat" for standing ideologically in the way of maximum, total government, these "progressives" believe.

But once one realizes that the government is *not* this benevolent institution that is saving us from the capitalists who would run wild without them, but rather the *very means* these bankers and industrialists use to seize control of the markets and obtain their monopolies, by state-granted monopolies, via regulations, special privileges, or even taxes, minimum wage laws, and other regulations, then will "the people" stop viewing government in such light.

If I may begin by quoting Murray Rothbard from a fabulous devil's-advocate of anarchism interview by *Penthouse* in response to the typical "what about the poor," he explains how government policy, of course sold as helpful to the poor, is the opposite:

"..the poor are only helped by free enterprise. It is private-capital investment and private entrepreneurship that have raised the standard of living from what it was in pre-industrial times to what we have today. This has all been done through private investment, not by government. The government is a drag on the system; it is an impoverishing device and a parasitic burden on the productive system, not the opposite. Government doesn't help the poor; it hurts them."

Most of the public believe the opposite view, and this fact offends them. They often don't even realize that government is not a producer itself, but can only give by first taking; and that this taking is inevitably a tax on production while simultaneously lowering the cost of non-production, i.e., obtaining an income not by working and exchanging. This surely incentivizes non-work over increased production, i.e., punishing producers while subsidizing non-producers' consumption. Taxation is thus a recipe for relative impoverishment.

So the state isn't working for us?

The term is rent-seeking for when businesses go to government for protection, which to economists means that "rents" are being obtained not by voluntary payments, but by using the government to obtain these special handouts. The incentives of government have it that it *must* be this way, too. It isn't that it all went wrong, and could have worked better, but that this is the nature of states. The state is not in need of "reform", or better politicians, which is a never-ending half-measure. What is needed is to deny these people the political means of obtaining wealth, and that means abolishing the state itself.

One can apply this same scenario to any industry, from banking, agriculture, medicine, etc., as they have all come to gain a cozy relationship with the government over time. Most began this way, on behalf of those seeking power. And if any didn't, overtime they gained control over these agencies. This term is..

..called “regulatory capture”, where “the regulated” become the *regulators*. Those protected of course don’t want genuine capitalism, where the state doesn’t interfere in the market, as leftists think they desire. They took over, as you see, *because* of the government.

The bulk of the public are of the mindset that we need *more* regulations to reign in the bankers; or even that the banks are already unregulated. But there is no free market in banking, or anywhere else. So why are there big banks? The fact of the matter is that without the Federal Reserve System, and the Federal Reserve Act that created it, there is no banking cartel. That’s why the bankers needed the Act. We don’t have economic recessions because there’s a lack of government intervention, but precisely because they have intervened in epic proportions.

So while we do need “deregulation”, so to speak, this must be coupled with an abolishment of the central bank. Deregulation under a regime of central banking could indeed mean the bank cartel running wild with credit expansion, the cause of the boom-bust cycle. And equally here, what is needed is not a new and better Fed chair, but an ending to the idea of “monetary policy” all together.

What changed?

The Progressive Era, approximately between the 1890s and the 1920s, is the era that helped to usher in the centralized state, giving us the Fed and the income tax, and began to do away with America’s conviction that free-markets and liberty were the only way things should be.

So what did the big businesses have to do then to secure themselves a spot in the future? Murray N. Rothbard, the prolific economist and historian of the libertarian tradition, explains that,

“It...became clear to these big-business interests that the only way to establish a cartelized economy, an economy that would ensure their continued economic dominance and high profits, would be to use the powers of government to establish and maintain cartels by coercion. In other words, to transform the economy from roughly laissez-faire to centralized and coordinated statism.”

As Jim Cox says in his short and sweet *Concise Guide to Economics*, which also gives a real account of monopoly and antitrust law:

“In effect, regulation is a teaming of business and government to the detriment of potential competitors – which the established businesses prefer not to face – and to the detriment of the consuming public.”

It is not capitalism that isn’t for the masses, “the common good”, but crony statist economies that are for the few. So contrary to what the non-thinking public believe, regulations are not for “them.” This sort of thinking comes about only under the belief that “the state is us”, which they’ve worked into us, complimented by a lack of understanding of how markets work, which they never taught. If they knew the real history or theory, as Cox summarizes, “*The word regulation, properly understood, [would] evoke*

thoughts such as protection of businesses from competitors, special privileges for established firms, and government efforts to exploit consumers.”

It sounds ironic to the ears of these people to say something like “privatize the banks.” Because, to them, the banks are *already* private. But, at best, they’re “private” in name only. The central bank is not a market institution, but ultimately the system is propped up by the government, with various nonsensical economic rationale given for why it’s needed: from “stable prices”, “full employment”, and supposedly putting an end to the business cycle.

Those who decry the corporations who have taken over sometimes realize that the government is assisting them, but no less do they think “reform” is all that’s needed. Ending campaign donations is all that’s needed to fix it. Or, getting Bernie in there will do the trick. But “reform” just shows that government schemes didn’t work out the first time, and surely don’t by doubling up on them.

Free market economics

Previously in time, in the late 19th century, economists didn’t think of fierce competition as bad, but a great thing, and it was generally accepted that governments created monopolies. That some industries were capital-intensive, and might thus make natural barriers to entry, was not seen as an issue. Different capital combinations were seen as a good thing. Such thinking has changed greatly today, where many essentially assert that the free market economy cannot be allowed, and government must play a role, to whatever arbitrary extent their emotions say so.

Far from being needed to assure competition, however, the government is used to *stifle* it. As it is what’s taught, most people believe in the myth of a “free market monopoly.” The theory is that some business will buy up all the resources, cut production levels, and go on to raise prices and dominate the market.

But if you look into it you realize that the reasons given for breaking up a company are never even what’s cited in the act of doing so. For instance, Standard Oil, with many competitors, was *lowering* prices and offering better services as a way of obtaining market share, not hiking prices as it might be assumed. In fact, by the time the case was over for breaking up the company, they had already lost a great deal of market share from newer competition. Furthermore, as economist and historian Tom DiLorenzo points out, there is no historical precedent for their theory of monopoly, and the economic justifications for government intervention came *after* they were already establishing monopolies.

If any company were to unduly raise prices, i.e., not out of factors such as falling supply or rising demand, they would invite potential competitors into the market. In the market economy, market share is gained not by coercion, but by offering the best product. Businesses are not holding a gun to anyone’s head, as is the...

..government, in order to get them to buy products. The boycott means consumer supremacy.

Moreover, the reality is that the state is a monopoly itself, which goes on to secure protections and special privileges and favors for companies and industries that they otherwise wouldn't have in a market of free-entry. No one is free to opt-out of policing services; they are compulsory. There is no free-entry in the market of protection. The state runs a protection racket. This is this simple explanation for why police treat us as their subordinates instead of their customers, though the government does have the audacity to refer to us as their "customers" and their stolen tax-loot as "revenue," in a total slap in the face to honest businessmen. There must be a clear distinction between the voluntary market economy and the coercive state.

What most people believe, that a company would just raise prices if government didn't stand in the way, then, is precisely what they do *with* the government. If anyone excessively raised prices in a free-market, they wouldn't make any sales as consumers would go elsewhere. If a guitar manufacturer raised the price to \$100,000, prospective musicians might turn to other substitutes, like keyboard, or make guitars themselves. When they have no choice but to go through one company the government protects, as everyone else is legally excluded from producing X good, they're able to get away with this.

Indeed there *is* protectionism going on with the government: it's just for the special-interests and lobbyists and not for "the people." Those crony corporations agree with the public that the government should engage in protection: because they're the ones who benefit from it while the public at large are too stupid to realize it. Some companies, like those in the military-industry, are created wholly out of government contracts.

Leftists will often accuse those for liberty as "shilling for the rich," without realizing those protected (and enriched) by government do not want to give up such a cozy status. Those who earn an income via the state do not want an economy where the means of earning an income is by satisfying others, hence why none of these people are anarchists, but favor and fund the political duopoly.

When businesses survive, not by continuing to satisfy consumers, but by getting the protection of the government, there's necessarily a waste of resources occurring since they would otherwise suffer losses and go into other, more valued lines of production. The state makes it possible to produce that which otherwise wouldn't be profitable, and can only do so by taking away from what consumers would have otherwise preferred.

Politicians like Bernie Sanders are caught in this dilemma, though his supporters don't know it: they acknowledge at times how crony the system has become, yet their solution is more of the cause: *more government!* If Bernie whines that the banks are too big

and should be broken up, his solution definitely isn't to allow free-market competition, i.e., capitalism, but precisely more interventionism. Perhaps the Treasury, rather than the supposedly "private" and "independent" Fed, should operate the scheme. Even people that are more on the side of liberty, like Bill Still, advocate this failed fix: to have the government print "U.S. Notes" rather than have a free-market in banking and a return to sound money. These are the "Greenbackers" who come up quite short identifying the problem: fiat, paper money.

How do they do it?

As for an economic example, Rothbard describes the history of the impossibility of cartels in the free-market, and why this indeed wasn't the case as the public had made it out to be. While the U.S. economy had fewer restrictions in the way between the period of post-Civil War and the early 20th century than today, which was also a great boom period for the U.S.,

"...business became increasingly competitive during the late nineteenth century, and that various big-business interests, led by the powerful financial house of J.P. Morgan and Company, had tried desperately to establish successful cartels on the free market. The first wave of such cartels was in the first large-scale business, railroads, and in every case, the attempt to increase profits, by cutting sales with a quota system and thereby to raise prices or rates, collapsed quickly from internal competition within the cartel and from external competition by new competitors eager to undercut the cartel."

If a bank on the free market attempted to inflate its notes in excess of its gold deposits, i.e. engage in fractional reserve banking, the counterfeiting which has been legalized by the central bank, then this would be checked by natural forces. Competing banks and holders of the notes would go to redeem them for commodity money, and if they didn't have it, the bank would be seen as an irreputable fraud. Unlike today, where the whole banking system is insolvent yet propped up by the central bank, they would be left to fail. There would be no "bank bailouts" as we saw in the Great Recession, but profit and loss would apply to them too. Again, the bankers do not want capitalism.

If they tried to form a cartel, i.e., to inflate notes in concert as to be successful, then they would invite the potential competition of a yet-formed bank that was honest, or an existing cartelist that was more efficient would be naturally encouraged to cheat on the agreement rather than to be weighed down by less efficient banks in the cartel.

What we have now is a monopolist central bank (the Federal Reserve) that has a paper-money monopoly (paper currency that is irredeemable in gold) that engages in fractional reserve banking and credit expansion that causes the now-normalized business cycle and is used to finance the expansion of the government and the banking system to their own advantage. Inflation creates a fraudulent way to obtain..

..resources, not by production and exchange, but by exchanging real resources for nothing.

What anyone who wishes for prosperity must advocate for instead is a natural money (gold, silver), one-hundred percent reserve banking (all notes are redeemable for money deposited on demand), and free competition between banks (and to end the central bank).

How wealth comes about

Most people who conveniently ignore (or don't know) government's liabilities already exceed the ability to pay, or that they must first take in order to give, believe that it must have some magical, inexhaustible fund somewhere in which to tap for more programs. They couldn't begin to explain how wealth is created. For them, everything we have isn't in spite of government, but because of, and thanks to, them. Printing money is equivalent to creating new goods and services, rather than it being an illicit appropriation of existing resources.

Wealth necessarily comes about when people (entrepreneurs with ideas) of a lower time-preference abstain from consuming in the present, and use their savings to invest in capital goods which are used to produce more things in the future which are expected to be of value then. Capitalists perform this function of bearing risk and anticipating future prices and consumer demands, in the hopes of making a profit. Most any program against this (taxation, etc.) is to encourage the opposite process: capital consumption and a heightening of the social rate of time-preference.

Central banks help to undermine this too. In the primary way, they *cause* the business cycle by an artificial lowering of the rate of interest which makes it appear to investors that more savings exists than really does. There is a mismatch between true time-preferences and the distorted rate; the real savings to consumption ratio in the economy does not match what the central bank skews it to be. Eventually, this scheme goes bust when the economic system makes a correction, and the bad investments fall apart. People are thrown out of work, homeowners can't pay their mortgages, and life savings is wrecked.

In other incorrect views, Marxists accuse the market economy itself of being inherently cyclical, when there's no reason even on the surface a free and growing market would systematically experience bad business decisions and fall into recession.

Keynesians believe the economy is consumer demand-driven, and when the people aren't spending enough money a recession can develop, in which the government should step in and deficit-spend and inflate. The whole scheme is an excuse for an inflationist doctrine. They're right that if the Fed stopped inflating the economy would fall apart. But not for the reasons that they state, that the economy cannot be free. Rather, it would collapse simply because the ongoing scheme of kicking the can down the road would finally be revealed. What is needed nonetheless

is to have the recession and stop intervening in the future.

The mindset

Thus, when it's believed that legislation, inflation, minimum wage laws, unions, etc., are the source of raising wages, shortening the workweek, ending the need for children to labor, or furnishing all of the products we have today rather than the market economy being the source of that prosperity, people will increasingly engage in wealth-destroying actions like taxation, regulations, lowering the interest rate, and other barriers to competition, investment, and free exchange. The very things that are needed the most (more economic freedom) will come to be despised and feared by the voting public.

Anti-capitalists, then, which likely will admit to their disdain of consumption or the increased standards of living capital investment has brought about, will cause a reversal in the progress of mankind. Far from "progressive" they will be; economic activity will regress the less free any economy becomes.

Ideas of "anarcho-communists" for the abolition of property, money, exchange, prices, profits, the division of labor, etc., (Kropotkin) will absolutely return man to a more primitive state of affairs, and some probably wouldn't deny their desire for this. They're completely ignorant to the sound economic ideas that are necessary to maintain civilization itself, and thus we correspondingly witness social disintegration. Leftists like Antifa, who demonstrate this the most, oppose Western ideas part and parcel, and in their own words, are "committed to the complete destruction of the white supremacist, capitalist patriarchy."

But it's likely they only hate these things because the government has perverted them all. Otherwise, profits are proof of value creation, money is necessary as a medium of exchange, banks as a warehouse for money and intermediary between savers and investors, etc. When people hate money, they don't know it that what they really hate is *government's paper money*, or for banking, *government's banking cartel*. There are no problems with money and banking as such.

Will they learn?

A forthcoming and posthumous book by Murray N. Rothbard, *The Progressive Era*, will detail the times in his view, and as he was known for, will turn the tables completely upside down on the mainstream view. Rothbard saw historical revisionism as necessary since the state has dominated our thinking. As I've quoted, he's already said a lot in published works, notably *The Case Against the Fed* which describes how the bankers conspired for the legislation.

In other ways, while companies like Mylan have exclusive privileges granted to them by the FDA to sell drugs like the EpiPen, in which they subsequently jack up the price by many hundreds of percentage points, those out there calling for socialized health care believe that this is due to "capitalism" or the greedy guys in the pharmaceutical industry. The company Marathon is...

..another example, having received a monopoly on the sales of a muscular dystrophy drug from the government. They went on to hike the medication exorbitantly too.

It's believed that a company could endlessly raise prices while still attracting customers, when the opposite is the case: businesses compete with others for customers by increasing quality and lowering prices. Thus, this is how they obtain the selling prices they desire: by having government exclude competitors who could sell it for less. The cases are numerous, from Big Pharma to Big Banking, and yet somehow *Big Government* escapes the blame.

In the free market economy, any producer is subjected to the price system as much as the other. ABC Co. cannot simply raise prices drastically above the market rate as a means of earning more revenue or profit. Indeed, if they did, they would lose money and market share to XYZ Co. In the market, with competition, no company could sell \$800 pills; this would put them promptly out of business.

The assumption again is that what we have is a market free of state intervention. Social democrats still blame the "free market" which doesn't exist, while simultaneously thanking the government for making sure there isn't a free-market, though usually being quite upset with them too. Go figure. They absurdly call for *more* regulations, when "regulations" is what got us here in the first place. Since it's statist who give legitimacy to the state, the institution which corporatists work through to secure power, this means that social democrats are essentially the "crony capitalists" they despise. It sure isn't libertarians, who would do away with the whole system should we have it our way.

If there were free trade, and not a state to block trade across borders, then we could all buy generic drugs for much cheaper online, perhaps coming from Asia or other parts of the world. Prohibiting free international trade though protects domestic industries who can't otherwise compete while hurting the consumers who wished for more favorable prices. Tariffs, too, are a form of protectionism. And in this way, Trump has brought many conservatives to economic fallacies such as "border taxes" (tariffs) as he's draped them in nationalistic American exceptionalism. But again, protecting domestic companies via restrictions on trade may indeed help that company, who receives great benefits from the policy. But on the whole, though spread out, the consumers at large will pay in higher prices.

The monopolists for monopoly

Thus, we see a story of what the public is *sold* on that differs from what the true intentions that were behind the act. Since the state operates by obtaining legitimacy, it cannot just do anything to the public. It must get some mild or tacit form of approval in order to do things.

The way they achieved this, as Rothbard emphatically put it, was that, "*Monopoly could be put over in the name of opposition to monopoly!*" Everyone hates monopolies right? So make them believe the government is *not* a monopoly, and that they'd all take over *without* the government.

While the public is made to believe that the central bank (the Fed) is necessary to prevent deflation (which mainstream economists have turned into a phobia), to maintain "stable prices" and "full employment", etc., this was only the ostensible reasoning. In fact, it was bankers that were behind the act, as we've briefly mentioned. Specifically, it was Morgan and Rockefeller interests behind the push, as Rothbard details in what might be considered power elite analysis in his *The Case Against the Fed*. Rothbard states in this book, which is a who's who of early central banking interests, that,

"Until the 1960s, historians had established the myth that Progressivism was a virtual uprising of workers and farmers who, guided by a new generation of altruistic experts and intellectuals, surmounted fierce big business opposition in order to curb, regulate, and control what had been a system of accelerating monopoly in the late nineteenth century. A generation of research and scholarship, however, has now exploded that myth for all parts of the American polity, and it has become all too clear that the truth is the reverse of this well-worn fable."

I feel like once all this is realized, everything sort of comes together. You realize the state is not that entity of "the people" which protects us from evil that would exist without it, if it didn't come to our defense and keep us safe. But it is actually *the very means* cronyists use to circumvent the market and gain a special economic status above the rest of us who are subjected to natural economic forces of supply and demand, profit and loss, and the entrepreneurial need to keep gaining knowledge of the market and your customers to adapt to change.

The market is an ever-changing process of human actors whose preferences change. It is not in a static state. Because a newspaper company exists today does not mean it will tomorrow. Because XYZ Corp. was dominant a decade ago doesn't mean its power hasn't waned today. No one is qualified to say that market share is "too high" (or to define monopoly in terms of market share), and all such accusations are arbitrary.

How we've come so far

The modern, sprawling, abusively overreaching state we have today is the outcome of giving concessions to government over the decades and allowing their incremental encroachment into our private lives, beginning in large part with the progressive era and programs like the New Deal which are still thought of as a benefit for the masses. The Constitution which allegedly defined limitations to the state was an ineffective document not worth the paper it was written on.

(Cont. next)

No longer is government even talked about as essential in some minimalist form, either, but defenders of the idea of a state usually take it for whatever it is at the moment. Few defend it as a need to uphold a “common defense” and assure liberty, but do little else; the state is more often deemed essential on grounds of redistributing property and erecting evermore programs.

We might say this is why Ludwig von Mises said that there is no such thing as a “third way” or “middle-of-the-road policy” between capitalism and socialism. The true utopian idea, that giving the government a little power and expecting them to constrain themselves, of “limited government”, inevitably leads to the pervasive and sweeping statism we have today. The government, to correct its last failures, continues to implement more failed policies until the whole scheme is eventually found-out by the public that ultimately give their sanction to it.

Even some leftist anarchists (Antifa / Anarcho-communist types) appear to see the state not always as the entity which “protects capitalism” (as they wrongfully think), but as the institution which has sometimes won them concessions for the workers against the otherwise extremely exploitative capitalists who would run wild without being checked. You can hear many of them talk about labor laws as a positive for “the workers”, or even be supportive of state-ran health care and other property redistribution. Somehow they reconcile their anarchism with these views.

What are the real solutions?

Unemployment is not a problem of the market economy, which could readily absorb into its price system anyone who wanted to work, but this issue is precisely caused by government policies such as the minimum wage, unions, taxation, regulations, etc. It is said that we must force employers to pay for “unemployment insurance” as a “safety net” for “the workers” rather than to get rid of policies which cause unemployment. So we don’t need any of these “jobs bills” to “create jobs”, nor a central bank for “full employment” either; that’s what the free market for labor achieves. State policies, like minimum wage laws and endless regulations, cause unemployment. There is no involuntary unemployment in a market free of restrictions.

Rising prices, which means falling wages, is a problem of the central bank expanding the supply of money (inflating). Today, rather than look to the cause and call for an end of inflationism (which the whole Keynesian program is built around), the solution is provided that minimum wage laws ought to keep up with rising prices. These people ought to attack the source.

A stagnant economy is due to government initiating policies that plunder the existing capital stock. Government is not a producer, but is parasitic upon production, deriving its tax income by punishing productive people. If anyone wants the rising standard

of living that comes out competition, economic freedom is needed.

There exists a tendency over time for genuine capitalism (e.g. no state) to be equitable to all the consumers in the economy, unlike this protectionism which favors a class of people at our expense. The wealth inequalities we see today are the result of actions like that of the central bank, whose inflation benefits the primary recipients of the inflated money (banks, government contractors, asset holders, the government itself), who spend the money at present prices while diluting the value of money for, and stealing from, everyone else down the line. What is needed here is a return to sound money and banking.

Conclusion

Basically anywhere one looks in this economy, state intervention is the cause of our problems, and increased freedom, defined as the freedom from coercion, is what’s needed to restore the ability of those actors involved in the economy to provide goods and services to each other without anyone standing in the way.

In other words, the true progressivism should be considered the free market economy while what is *called* Progressivism must be considered regressive, stagnation, and decline. Only free markets can bring about the wealth these people claim to support; states work to destroy this process. The opposite—freedom—can only be seen as decline if the state is regarded as progress. And so this is what they have done: created senseless fears about what would happen in the market economy should government step out of the way.

I believe socialist ideas are so popular out of the desperation of humans to believe there is some shortcut to riches; and socialism promises essentially a get-rich quick scheme. When social democrats offer something for free, their supporters truly believe it will be ready to consume in abundance after passing a law. Keynes the man, for example, who is far from a capitalist in wanting to “socialize investment”, promised a post-scarcity in a generation via government and central bank policy.

Of course this is all not possible. There are no ways around what it takes to create wealth. The people who call themselves “government”, who pretend to scribble words on paper supposedly representing “the public’s” behalf, cannot legislate prosperity. Wages don’t rise because government said so, and printing money is not the equivalent of producing new goods and services. And the taker from this article, the market isn’t made more efficient by government, but monopolies and inefficiencies come about due to its existence.

[Mike Morris publishes the Front Range Voluntarist and tried to promote liberty in his life]

ECONOMIC HARMONIES CHAPTER 5 REVIEW: VALUE AND UTILITY, HOW AND WHY THEY DIFFER, AND THE DANGERS IN CONFLATING THEM.

BY SCOTT ALBRIGHT

[This is 5th in a series of breaking down chapters of Frederic Bastiat's Economic Harmonies]

When we think of how the word value is used, both as a noun and as a verb, it is very important to not conflate it (as a noun) with utility, to know the differences between the two, and always remember that value, as a verb, in describing economic principles through voluntary exchange does indeed imply an evaluation and a comparison of services in barter/direct exchange, or their equivalent of such with money in indirect exchange.

What has been thought to be the principal determining factors of value has gone through an evolution throughout the centuries but what remains today in various schools of thought does have fragmented pieces of older ideologies, especially from those classical economists who embraced value as being objective and determined by labor inputs in production, not by the level of output.

In chapter five of the Harmonies, I personally think Bastiat parsed, compared and contrasted the concepts of value and utility very cogently with solid logical consistency outside of his assumptions of labor spared being more influential than labor expended in his famous water/diamond paradox. More on this later but first, the early definitions that he gave to both value and utility lay sound groundwork for the whole chapter's exposition.

"And yet I must say: From the viewpoint of political economy society is exchange. The primary element of exchange is the notion of value, and consequently the connotations that we give to this word, whether true or erroneous, lead us to truth or error in all our social thinking. ...

...But, to succeed in my effort, I must explain two things, namely:

- 1) Utility-that is, the service a thing renders tends to cost less and less, to become more generally available, as it gradually passes outside the domain of individual ownership.*
- 2) Value, on the contrary, which alone can be claimed as a possession, which alone, in law and in fact, constitutes property, tends to decrease in proportion to the amount of utility it represents.*

Consequently, if I base my demonstration both on private ownership but exclusively on private ownership of value, and on public ownership, but exclusively on public ownership of utility, I should be able, provided my reasoning is valid, to satisfy and reconcile all schools, since I recognize that all have had a glimmering of the truth, but only of a part of the truth seen from different points of view."

This excerpt highlights the main points of the chapter:

- the primary element of exchange is the notion of value.
- the differences between value and utility, and why they are important.
- where some of the past economists went wrong in their understanding of value, and where they were right.
- why and how some of the classical economists errors gave dangerous fuel to the fire of the communists and socialists.

Bastiat's Water/Diamond Paradox sheds some profound light on political economy, exchange, value and utility (and their differences), but the intrinsic assumptions in it that Bastiat espouses, specifically that labor spared the consumer is always more important than labor expended by the producer, while at the individual level is largely accurate and observable, arguably led him astray, as Dean Russell pointed out in the introduction to the Harmonies.

The extent to which labor is desirable or undesirable, in and of itself regardless of its productivity, varies, as does the psychic disutility of forgone leisure. The desired level of labor expended and leisure enjoyed does have an influence that is cultural, not just solely dependent on the economic freedoms that come with private property rights, rule of law and free markets.

People don't care solely about monetary benefits or labor spared through exchange, as the Amish would be one example. They desire to have a sort of seceded community, while employing more primitive forms of labor, so as to keep all hands busy and no hands idle with enough work for everyone to go around. Many labor union policies are designed to fight the effects of machinery and enhancements in innovation and advanced methods of production. Protectionist and Nationalist economic policies aimed at keeping certain lines of production in one's domestic country are designed to promote domestic expenditure of labor even if it is more cost effective and yields better choices for consumers, producers and investors to offshore investments in certain lines of industry.

The Water/Diamond paradox is great just for brain exercise, following chains of logic and deductive reasoning, regardless of whether you agree with Bastiat or not. Bastiat expounds here on his principle of labor spared the consumer having more weight than what labor was expended by the producer. It's what I call the savings theory of value (STV).

"I take a stroll along the seashore. A stroke of good luck puts a superb diamond into my hand. I have come into possession of a considerable amount of value. Why? Am I going to contribute something great to humanity? Have I toiled long and arduously? Neither the one nor the other. Why, then, does the diamond have such value? Because the person to whom I give it believes that I am rendering him a great service, all the greater because many rich people would like to have it, and I alone can render it. Their judgment is open to question, granted. It is based on vanity and love of display, granted again. But the judgment exists in the mind of a man ready to act in accordance with it, and that is enough.

We could say that this judgment is far from being based on a reasonable evaluation of the diamond's utility; indeed, it is quite the contrary. But making great sacrifices for the useless is the very nature and purpose of ostentation.

Value, far from having any necessary relation to the labor performed by the person rendering the service, is more likely to be proportionate, we may say, to the amount of labor spared the person receiving the service; and this is the law of values. It is a general law and universally accepted in practice, although, as far as I know, not taken into account by the theorists. We shall describe later the admirable mechanism that tends to keep value and labor in balance when the latter is free; but it is nonetheless true that value is determined less by the effort expended by the person serving than by the effort spared the person served."

The comparing and contrasting of value and utility by Bastiat was very cogent because it clears up the legitimacy of property rights being in services exchanged, not in the utility, or generally speaking, satisfaction derived from goods and services due to their ability to serve consumers needs, and satisfy their wants. He also clarifies that valuations of reciprocal services are implied in the concept of value. An example of this would be how a homeowner attempting to sale his or her house believes it to be of a certain value but potential buyers either confirm their

judgment or render it too high (or possibly too low, if many are willing to pay more in order to secure it, in the event that available homes for sale is possibly limited or the opportunity is not believed to be present again going forward). The provider of a good or service can legitimately say to the customer, "The value is mine, the utility is yours." The clear descriptions in Bastiat's explanation exposes the errors of the classicals who ascribed value to materials/natural resources, apart from and independent of the services applied to them.

"This transmission of effort, this exchange of services, forms the subject matter of political economy; and since, on the other hand, political economy can be summed up in the word value, which is the thing it seeks to explain in all its detail, it follows that our notion of value will be an imperfect one, an erroneous one, if, neglecting the mean, we base it on the extremes, which are phenomena of our sensations-wants and satisfactions, which are intimate, nontransferable, not subject to measurement from one individual to another-instead of founding it on our activity, our effort, our exchange of reciprocal services, since these are capable of comparison, appraisal, evaluation, and can indeed be evaluated for the very reason that they are exchanged.

In the same chapter we arrived at these conclusions:

Utility (the ability of certain acts or things to serve us), is composite, one part of it being due to the action of Nature, the other part to the action of man. The more Nature has done to effect a given result, the less there is for human labor to do. Nature's contribution is essentially gratuitous; man's contribution, whether intellectual or physical, exchanged or not exchanged, collective or individual, is essentially onerous, as is implied by the very word "effort."

And since what is gratuitous cannot have value, the notion of value implying acquisition through effort, it follows that value too will be misunderstood if we extend its meaning to include, in whole or in part, those things that are received as gifts from Nature, instead of restricting its meaning to the human contribution only.

Thus, from two points of view, from two different approaches, we reach the conclusion that value must have reference to the efforts made by men in order to secure the satisfaction of their wants. ...

...Thus, the definition of the word "value," to be accurate, must have reference not only to human efforts, but also to efforts that are exchanged or exchangeable. Exchange does more than take note of values or measure them; it creates them. I do not mean that it creates the acts or the things that are exchanged, but it imparts the idea of value to them.

So, when two men exchange their present effort, or the fruits of their past effort, they are serving each other; they are rendering each other mutual service.

I therefore say: Value is the relationship existing between two services that have been exchanged."

I must admit that after reading this chapter the second time around, it gives you a much clearer understanding of political economy, value, utility, legitimacy of services, and how free and voluntary exchange is necessary to keep the just balance of services rendered and services received aligned properly. Bastiat's corroboration and critiques of the classical economists in their conceptions of how value is determined gives you a more complete and dynamic understanding of what factors can influence it.

Many of us have heard about the labor theory of value (LTV), which states that all value comes from labor, and therefore that prices should be determined by this. While many ascribe Marx to coining this, it was Marx who was more influenced by the likes of Ricardo and Smith for their at least semi embrace of it. The dangers here are clearly exposed by Bastiat and it is worth noting what these five classical economists had to say about value in general.

Adam Smith and the Durability of Value

"There is one kind of labor," he says, "that increases the value of the object on which it is expended. There is another kind that does not have this effect."

"The labor that goes into manufactured goods," Smith adds, "is fixed and takes concrete form in some salable article of merchandise, which lasts at least for some time after the work is completed. The work of servants, on the contrary [and the author lists soldiers, magistrates, musicians, teachers, etc., under this heading] is not fixed in any salable merchandise. The services disappear as rapidly as they are performed and leave no trace of value behind them."

We see that it is implied here that value refers to the modification of things rather than to men's satisfactions.

This idea that Smith had regarding materiality and durability is what is clear in the protectionist and nationalists sentiments behind the love for domestically produced products. Those who decry and bemoan outsourcing of production, trading with other nations and us becoming more of a service oriented economy believe that that is somehow or another inherently worse than being a manufacturing powerhouse like we were post Great Depression and WW 2.

They are obviously dismissing the degree of services and utilities that are consumed by their own people. It's like in their mind, if it is not produced domestically, it must be a bad thing. While this is short-sighted, it's clear to see the ideological similarities of Smith and protectionists. I know many will point to Smith bailing himself out with logical inconsistencies later revealed in his magnum opus, *The Wealth of Nations*, but just from these excerpts, what would we say of the services rendered by babysitters, taxi cab drivers, and health care workers, just to name a few, if we all thought like Smith in this regard. It doesn't take much to see how this flawed logic leads one astray in studying political economy.

Smith was also wrong in assuming that manufacturing labor costs were fixed. As methods of enhanced production and capital investments accumulate in the economy, the amount of labor required to bring any level of output of a product to market tends to decrease, so that labor becomes more free and mobile to pursue other lines and talents.

Adam Smith, David Ricardo and Labor

"Adam Smith and his disciples have ascribed value to labor under the condition of materiality. This is contradictory to their other theory that the forces of Nature have some share in the production of value. ...

..There are, then, strictly speaking, two flaws in Smith's definition. The first is that it does not take exchange into account, without which value can neither be created nor conceived of; the second, that it uses a word, "labor," which is too narrow in its meaning, unless that meaning is extended beyond its normal limits to include not only the degree of intensity and the length of time expended, but also the skill and sagacity of the worker, and even the good or bad fortune he happens to encounter. ...

... Here is where the English economists' definition fails most seriously. To say that value resides in labor is to suggest that the two are in a reciprocal relation, that there is a direct proportion between them. In this respect, the definition is contrary to the facts, and a definition contrary to the facts is a faulty one. ...

... My definition eliminates the difficulty. ... value resides in service rather than in labor, since it exists in direct proportion to the former and not to the latter. ...

... I go further. I maintain that value is appraised at least as much in consideration of the labor it can spare the user as of the labor it has cost the producer. ...

... I agree with Ricardo that labor is the basis of value, provided first that we take the word "labor" in its most general sense, and, second, that we do not give it a ratio to value out of keeping with all the facts; in other words, provided we substitute the word "service" for the word "labor."

Here, it is reiterated that Smith disregards the essence of exchange and almost sees value as independent of said evaluations of reciprocal services. What the consumer gets out of exchanging his/her services in order to obtain the good/service desired, is ultimately, in a free market with free prices, what determines the value of said good. The imputation of value goes from the consumer backwards throughout the production process towards the producer, not vice versa. You can also apply this to labor services, and see how David Ricardo was wrong if he is assuming labor in the abstract is the source of value, regardless of its results or productivity, making it more or less desirable.

It seems that Smith and Ricardo were flirting with the concepts of the labor theory of value here, when they say that these labor costs in manufacturing are fixed (Smith) or that labor is the basis of value (Ricardo), providing one is not careful to be detailed in their explanations of whether they mean labor in and of itself or the degree and desirability of the services rendered from labor, the results, so to speak, of the labor.

As I said earlier regarding the Amish employing primitive production methods to keep more hands employed, these methods can work for feeding a small community, but to extend your consumer base, generate more revenue and earn profits in the process, you must employ much more efficient methods of production. Your consumers are competing for a vast availability of goods to choose from at competitive prices so, that being said, farmers need not have in mind how to employ the most hands, but rather, how to feed the most mouths or feed the ones they currently feed better, at lower prices.

This is the essence of value vs. utility, as Say elaborates upon but does go astray unfortunately. This makes it easier to describe why entrepreneurs seek to maximize their returns on their input factors of labor, land, capital, raw materials, etc. It's the output that counts, not the input. This makes it easier to understand the concept of reciprocal services.

Jean Baptiste-Say and Utility

For those who've heard the axiom that utility is the basis of value, they've probably known that because of the French economist Jean-Baptiste Say, or J.B. Say.

"Say's axiom was this: The basis of value is utility.

If it were a question here of utility as related to human services, I should have no argument with him. At the very most I could say that the axiom is so self-evident as to be superfluous. It is quite clear that no one consents to pay for a service unless, rightly or wrongly, he considers it useful. The word service is so completely included in the idea of utility that it is simply the translation, and even the literal carrying over, of the Latin word uti, to serve.

But, unfortunately, this is not the way Say meant it. He found the principle of value not only in human services rendered through the medium of things, but also in the useful qualities that Nature imparts to things. By so doing, he again placed upon his neck the yoke of materiality, and, we must add, he did nothing to tear away the harmful veil that the English economists had thrown over the question of private property. ...

... This being the case, since Nature creates utility, it also creates value—a most harmful confusion of ideas that the enemies of private property have forged into a terrible weapon."

How Say embraced the correct view of value residing in services that are exchanged in the market but then erroneously embraced value in materiality is beyond my pay grade but since Say did believe that there is value in *both* human services rendered and in natural resources, such as in land, minerals, air, water, etc., then the communists do have some legitimate beef when they claim that property is theft, providing that they mean ownership of resources apart from any services applied to them. Bastiat goes on to show how theoretically, when embracing materiality of value, you necessarily give rise to this notion.

"You tell me to pay you, in other words, to render you a service, says Proudhon, for receiving utility produced by natural resources, without assistance from man, who has already been paid separately.

But I insist on asking: Who will profit from my payment, that is, my services?

Will it be the producer of the utility, that is, the land? That is absurd, and I can bide my time quite easily until the land sends the bailiff after me.

Will it be a man? On what grounds? If it is for having rendered me a service, well and good. But in that case you share my point of view. Human service is the thing that has value, not Nature's; that is the conclusion to which I wished to lead you.

However, that is contrary to your own hypothesis. You say that the human services are paid fourteen francs, and that the two francs that complete the payment for the wheat correspond to the value created by Nature. In that case, I repeat my question: By what right can any man lay claim to them? And is it not unfortunately only too clear that, if you apply specifically the name of landowner to the man who claims the two francs, you are justifying that too-famous maxim: Property is theft?"

Very profound indeed to say the least! This is where the classicals who espoused the theory of value being inherent in material went astray and gave too much fuel for the communists fire. Also, might this give rise to price controls enforced by the state on various commodities or mineral rights being under attack?? I do not believe that most people realize the inherent danger in these logical inconsistencies and what they can give intellectual assent to.

Senior and Scarcity

Nassau Senior, the first professor of political economy at Oxford, believed that *"of all the circumstances that influence value, scarcity is the most decisive. ...*

...Other things being equal, a service has greater value according to the difficulty we should experience in performing it for ourselves, and consequently, according to the more exacting terms we encounter when we ask someone else to do it for us."

I would contend that scarcity is a prime factor in the matter, but not necessarily the most important. We can see with deductive reasoning that because, for example, in order to become a neurosurgeon, it takes 15 plus years of schooling beyond high school, including very difficult classes such as microbiology and organic chemistry, to name just a few, very strict competition for med school entry, a high score on the M-CAT, clinical rotations, residency, and being shadowed by a surgeon before you are set free, and probably 250,000 dollars of student loan debt, most people both don't have the intellectual capacity to become one. Because of this, it only stands to reason why these natural checks on entry into the field will ultimately result in highly paid professionals, because they are much more scarce in number than the amount of people who can work at a fast food restaurant.

You can also apply this to the scarcity of obtaining water post natural disasters, such as Hurricanes Harvey and Irma, just in this past month. All of the outcry and memes against price gouging on water will never change the fact of the matter that water is scarce in these situations, transportation of it has to come from areas further outside its normal distribution centers, and the time elapsed to get to market for these suffering people is only longer due to submerged routes of travel, necessitating more aerial deliveries, delays, and so on. Say what you will about enabling the poor to have lower prices on water with price controls, but empty shelves speak much louder than your feelings on the matter.

As scarce as any good or service can be, it still must be subjectively valued high enough to fetch a given price in the market. That's where our final economists view on what determines value comes in.

Storch and Subjective Judgment

When we say that value is subjective, we mean that the valuations of goods and services that are voluntarily exchanged in the free market are determined by comparing what one gives up as compared to what he or she gets out of an exchange. This means that we can't have interpersonal comparisons of utility, as no two people will value all goods and services equally, our value scales are all ranked differently.

Heinrich Friedrich von Storch, was an economist who believed that subjective judgments are what determined value.

"Our judgment enables us to discern the relation that exists between our wants and the utility of things. The verdict that our judgment pronounces of the utility of things constitutes their value." ...

..."In order to create value, three circumstances must coincide:

(1) Man experiences, or conceives, a want. (2) Something exists that is capable of satisfying the want, (3) His judgment pronounces a favorable verdict on the utility of the thing. Hence, the value of things is their relative utility."

Bastiat then goes on to describe that this alone cannot account for the relation between services since, during the daylight, we enjoy what sunlight provides as gratuitous utility, since we don't have to pay for the service but at night, since lighting a candle is required (in the days of 1840s in France before modern technology) to see, then seeing during the day is more free but at night more costly, because we must pay candle makers the services that went into producing the candles. Therefore, the relation between the two services is more determining of their value in exchange than is the relationship between their intrinsic utility.

"Many outside circumstances influence value without becoming value themselves. The word "service" takes all these circumstances into account in their proper measure."

My previous example of how water is more scarce during and after a hurricane is another corroboration of why all of these factors are determined in the word service, regardless of the intrinsic utility of a good/service.

I want to give a few more examples of the differences in value and utility, and how the just balance of services rendered against services received is distorted with various statist policies and monopolistic privileges.

Two years ago, I got my alternator replaced in my old 2006 Ford Escape. What the mechanic told me was that the 2005 and older models only required two hours of labor but the 2006 and newer models required six hours of labor. When you consider the design of automobiles, and their evolution, it only stands to reason that different parts will be placed in different locations for various models, and this will mean that certain replacements can cost more (and others less) with newer models as compared to older models. However, when we consider the concept of reciprocal services, because of this new design, I had to give up more of my own labor hours to get a replaced alternator. The observable utility here is an automobile that runs well due to a new alternator, the value, on the other hand, is higher, not because of a better trained mechanic or a higher quality part, but because of the extra labor that went into replacing the alternator.

We should not be quick to assume however, that the mechanic won and I lost this one. There is a higher opportunity cost for the mechanic as well, not just on my end. For he had to give up four extra hours just to replace an alternator that used to cost him two hours of his time and skill. That is four hours he could have been serving another customer who needed a new transmission, a few customers who needed oil changes and were delayed by the design of my vehicle! Because the alternator is placed much deeper behind the guts of the engine, transmission, and a host of other parts needing removed to get to it, there is a higher value in the service rendered, but as far as the service received or the observable utility, a replaced alternator is still what I get out of it.

Another example of distortions in the relationship between value and utility, or service rendered and service received, would be in the cluster classes necessary to complete a four year bachelor's degree. I received my B.A. in Economics in 2005. In order to obtain this degree, 60 credit hours (roughly 15 classes) had to be in clusters and electives that were not related to my degree in any way, shape or form. Most of these classes were history, biology, communications, philosophy, and some electives.

Now, do these classes require a professor, who has been trained in a given discipline for so many years before they can teach, and for so many hours a week, semester, year, etc. that they could be teaching another class in place of...yes, without a doubt, and there are valuations that go into that, I don't dispute that. However, to say that I get utility, or satisfaction in general, out of these classes, or that it renders me a service that is necessary to know, for my field of study, professional development, etc., is a dubious claim. They are dubious precisely because they are

not at all necessary in learning economics, and are in my humble opinion, revenue boosters and job security for the faculties and bureaucracies in higher learning. But, when the state is so heavily entrenched in setting standards for accreditation in higher learning, subsidizing student loans, and determining what textbooks can and can't be used for teaching, it only stands to reason that they want to extract as much revenue as they can in the process. It is far from a meritocracy.

These gross inefficiencies and distortions in the imbalances between service rendered and service received are precisely what give rise to more innovative learning methods like online universities and an innovative company, whose aim is to condense all of the learning for their applicants into a nine month program so that they are on the job market ASAP with little or often no debt. That's my kind of model! These leaders of tomorrow's workforce understand the difference between value and utility very well and because their own resources are on the line with no life line bailout from the state, they stand to lose more. It only benefits them if their customers are benefited well. Incentives matter, it's that simple.

The next chapter review will highlight some more of these principles of value and utility, but more specifically in regards to the relationship between consumer and producer.

