

Gustave de Molinari and the Anti-statist Liberal Tradition* Part III

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The Influence of Molinari's Ideas

As a corollary to the proposition that *all institutions must be subordinated to the law of equal freedom, we cannot choose but admit the right of the citizen to adopt a condition of voluntary outlawry.* If every man has freedom to do all that he wills, provided he infringes not the equal freedom of any other man, then he is *free to drop connection with the state—to relinquish its protection and to refuse paying towards its support.* It is self-evident that in so behaving he in no way trenches upon the liberty of others, for his position is a passive one, and while passive he cannot become an aggressor. It is equally self-evident that he cannot be compelled to continue one of a political corporation without a breach of the moral law, seeing that citizenship involves payment of taxes; and the taking away of a man's property against his will is an infringement of his rights. . . . Government being simply an agent employed in common by a number of individuals to secure to them certain advantages, *the very nature of the connection implies that it is for each to say whether he will employ such an agent or not.* If any one of them determines to ignore this *mutual-safety confederation*, nothing can be said except that he loses all claim to its good offices and exposes himself to the danger of maltreatment—a thing he is quite at liberty to do if he likes. He cannot be coerced into political combination without a breach of the law of equal freedom; he can withdraw from it without committing any such breach; and he has therefore a right so to withdraw.

Herbert Spencer¹

1. *The Coincidence of Liberal Anti-statism: Herbert Spencer and Auberon Herbert*

Two years after Molinari had first proposed his theory of the "production of security," the English political philosopher, Herbert Spencer, inde-

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pendently pushed free-market liberalism to its anarchist limits in his book *Social Statics*. Spencer argued that the state was not an "essential" institution and that it would not necessarily last forever.² As society progressed, government would inevitably become smaller and "decay" as voluntary market organizations replaced the coercive political institutions of the state. Using arguments that Molinari was to borrow for his later works (especially his double work on the evolution of societies; *L'Évolution politique et la révolution* [1884] and *L'Évolution économique du XIX^e siècle* [1880]), Spencer asserted that this evolution "always [tended] towards perfection. . . towards a complete development and a more unmixed good, subordinating in its universality all petty irregularities and fallings back, as the curvature of the earth subordinates mountains and valleys."³

Spencer deduced from the principle of equal liberty the individual's "right to ignore the state." In a chapter with the same name, which was deleted in later editions of *Social Statics* as Spencer drifted away from his radical anti-statism, he advocated the right of the individual to refuse to pay taxes to the state for the protection of his life and property. Spencer compared this right with the right claimed by the Dissenters to refuse to pay dues to the church and argued that if religious separation and independence was just, then this, "if consistently maintained, implies a right to ignore the state entirely."⁴ By exercising their natural rights to property and uncoerced activity, the political protestant who refused to pay taxes to the state became a "voluntary outlaw" who merely had exercised his right to "drop connection with the state—to relinquish its protection and to refuse paying towards its support."⁵ If the state refused to recognize this right to peacefully withdraw from the state, then "its acts must be essentially criminal."⁶

Spencer's alternative to the coercive monopoly of the state was to convert it into a "mutual-safety confederation"⁷ which would provide protection to all who paid its "taxes." Those who decided to secede would be free to make their own arrangements for defense, but Spencer did not go as far as Molinari in arguing that "competing governments" would spring up to provide the security of those who withdrew. He did, however, hint that this would be the case with the statement that

if, as was shown, every man has a right to secede from the state, and if, as a consequence, the state must be regarded as a body of men voluntarily associated, there remains nothing to distinguish it in the abstract from any other incorporated body.⁸

Spencer also hinted that this voluntary defense organization would be run on business principles. On several occasions he described it as a "mutual assurance," "insurance" or "joint-stock protection society confin[e]d. . . to guaranteeing the rights of its members."⁹ From Spencer's position it would be only a small step to the full free-market competing defense agencies as

described by Molinari.

There is no evidence to connect the very similar views of the young Molinari and the young Spencer on the right of the individual to either compete with or withdraw from the monopoly of the state. In the absence of such evidence, it must be assumed that the two thinkers arrived at their positions independently of one another, suggesting that anti-statism is inherent in the logic of the free market. Both men were prepared to push their liberal ideas to their furthest logical extent, so long as they were consistent with the natural right of the individual to act freely and to enjoy the uncoerced use of his property.

Another "liberty philosopher" who was struck with the internal logic of liberty was a disciple of Herbert Spencer. Auberon Herbert was drawn to a similar anti-statist position. As he argued in 1885,

They are . . . the necessary deductions from the great principle—that a man has inalienable rights over himself, over his own faculties and possessions—and those, who having once accepted this principle, who having once offered their allegiance to liberty, are prepared to follow her frankly and faithfully wherever she leads, will find, unless I am mistaken, that they are irresistibly drawn step by step to the same or to very similar conclusions.¹⁰

He was aware that there were few men who were prepared to "loyally submit themselves to a great principle" and accept the conclusion that "if the great principle justifies itself anywhere, it justifies itself everywhere."¹¹ Herbert, however, was such a man and he was prepared to go even further than Spencer in defending the right of the individual to refuse to pay taxes to a coercive government.

Like Molinari, Herbert believed that, if the market were given a chance to operate free from the restrictions of the state, "every want that we have will be satisfied by means of a voluntary combination."¹² He extended Spencer's idea of the joint-stock protection society and argued that a "system of insurance" would develop on the free market whereby "voluntary protective associations of every kind and form" would replace the monopoly of the state.¹³ These protective associations would be financed by "voluntary taxes"—insurance premiums in Molinari's system—paid by those individuals who voluntarily placed themselves under the jurisdiction of each association. In this "deofficialized" fully voluntary society¹⁴

the state should compel no services and exact no payments by force, but should depend entirely upon voluntary services and voluntary payments. . . it should be free to conduct many useful undertakings. . . but that it should do so in competition with all voluntary agencies, without employment of force, in dependence on voluntary payments, and acting with the consent of those concerned, simply as their friend and their adviser.¹⁵

The similarity of Herbert's ideas to those of Molinari is quite striking and, again, there is no evidence suggesting that he had ever read or even heard of Molinari. Neither Spencer nor Herbert went as far as Molinari's suggestion that these voluntary defense agencies would be fully professional business organizations whose prices would be determined on the market by competition. They merely limited themselves to criticizing the monopoly of the state and arguing that the individual had the right to organize freely.

Herbert faced the same problem that Molinari had with labelling his philosophy. Like Molinari, he rejected the term "anarchism," which he associated with the socialism of Proudhon and the terrorism of the "detestable bomb," even though he was quite tolerant of Tolstoy's and Benjamin Tucker's "*most peaceful and reasonable forms.*"¹⁶ Herbert argued that the "sane, peaceful and reasonable section of anarchists," Tucker for example, were mistaken in their rejection of "government." He argued, like Molinari, that even in a fully free society there would exist a need for protection from aggression. Any organization which provided this service was called a "government," even if it did not have monopoly; thus the protective associations of the anarchists merely provided a government decentralized "to the furthest point, [split] up into minute fragments of all sizes and shapes."¹⁷ In Herbert's mind, a true "anarchist" wished to do away with all organized forms of protection and, since this was impossible given human nature, "anarchy, or 'no government,' is founded on a fatal mistake." Thus

by the necessity of things, we are obliged to choose between regularly constituted government, generally accepted by all citizens for the protection of the individual, and irregularly constituted government, irregularly accepted, and taking its shape just according to the pattern of each group. Neither in the one case nor in the other case is government got rid of.¹⁸

However, unlike Molinari and Herbert, it has been argued in this paper that the second form of "government," the "irregularly constituted government" of Herbert and the "competitive governments" of Molinari, is in fact a new form of anarchism, since the most important aspect of the modern state, the monopoly of the use of force in a given area, is rejected in no uncertain terms by both men.

2. *The Influence of Molinari on Benjamin Tucker*

An (admittedly minor) figure who was probably influenced by Molinari was P. E. De Puydt. De Puydt wrote an essay in 1860 extolling the virtues of "Panarchy", a system very similar to Molinari's, where "governmental competition" would permit "as many regularly competing governments as have ever been conceived and will ever be invented" to exist simultaneously.¹⁹ Governments would become political churches, only having jurisdiction over their congregations who had elected to become members of that partic-

ular denomination. Disputes between "governments" would be settled by "international" courts and an individual could change from one government to another, without leaving his home, by registering his decision, for a small fee, with a "Bureau of Political Membership."²⁰ De Puydt described his "panacea" as

simply free competition in the business of government. Everyone has the right to look after his own welfare as he sees it, and to obtain security under his own conditions. On the other hand, this means progress through contest between governments forced to compete for followers. True, worldwide liberty is that which is not forced on anyone, being to each just what he wants for it; it neither suppresses nor deceives, and is always subject to a right of appeal. To bring about such a liberty, there would be no need to give up either national traditions or family ties, no need to learn to think in a new language, no need at all to cross rivers or seas, carrying the bones of one's ancestors. It is simply a matter of declaring before one's local political commission, for one to move from republic to monarchy, from representative government to autocracy, from oligarchy to democracy, or even to Mr. Proudhon's anarchy, without so much as removing one's dressing gown and slippers.²¹

Given the similarity of De Puydt's ideas to those of Molinari's and given the fact that De Puydt was familiar with the writings of the political economists,²² it would be reasonable to conclude that De Puydt was influenced by Molinari's anti-statism, although giving it a new twist with his concept of "panarchy".

Benjamin Tucker, the American individualist anarchist, was not reluctant to call his own *laissez faire* liberalism a variant of anarchism. In fact, Tucker argued that "the only true believers in *laissez faire* are the Anarchists"²³ and hailed Auberon Herbert as "a true anarchist in everything but name."²⁴ Tucker was definitely aware of Molinari's work and at least one of Molinari's books was reviewed in Tucker's magazine.²⁵ He shared Molinari's view that the production of security was an economic commodity which could be better supplied by the free and unhampered market, thus going beyond the criticism of Herbert and Spencer and, arguing with Molinari, that the market could offer a positive and practical alternative to state monopoly defense. These "political abolitionists"²⁶ argued that

defense is a service like any other service; that it is labor both useful and desired, and therefore an economic commodity subject to the law of supply and demand; that in a free market this commodity would be furnished at the cost of production; that, competition prevailing, patronage would go to those who furnished the best article at the lowest price; that the production and sale of this commodity are now monopolized by the State; and that the State, like almost all monopolists, charges exorbitant prices; . . . and, finally, that the State exceeds all its fellow-monopolists in the extent of its villainy because it enjoys the unique privilege of compelling all people to buy its product whether they want it or not.²⁷

3. *The Modern Libertarian Movement*

After the death of Molinari in 1912 and the political retirement of Tucker in 1908 when a fire destroyed his bookshop and publication office,²⁸ liberal anti-statism virtually disappeared until it was rediscovered by the economist Murray Rothbard in the late 1950's. As a political philosophy, it had led a precarious existence, emerging in seventeenth century England, mixing with Smithian economic ideas in France in the early nineteenth century, and coming to an unsteady maturity simultaneously in mid-century England and France. Molinari was its most radical and original expositor and, for nearly fifty years, he defended and elaborated these ideas without assistance or support. Liberal anti-statism died out in both France and England during the twentieth century, but it was revived in the United States by a group of *laissez faire* economists, Rothbard in particular,²⁹ who have combined a natural-law defense of property and the liberty of the individual with economic theory drawn from the Austrian rather than the classical school of economics.³⁰ A leading member of the Austrian school, Friedrich Hayek, who won the Nobel Prize for economics in 1974, has stated as recently as October 1976, in terms reminiscent of Molinari, that

regional and local governments, limited by the same uniform laws with regard to the manner in which they could make their individual inhabitants contribute to their revenue, would develop into business-like corporations. They would compete with each other for citizens, who could "vote with their feet" for that corporation which offered the highest benefits compared with the price charged.³¹

Thus liberal anti-statism, seemingly an aberration in the development of *laissez faire* and liberal ideas, has in fact been an adjunct of mainstream liberalism from its origin in the seventeenth century to the present. It is a tradition of thought which many adherents have claimed to be a logical extension of the classical liberal notions of the right to property and the freedom to exchange on the market. The importance of Molinari's contribution to this tradition was to put forward, for the first time, a theory of how the market could replace the state's monopoly of police, law courts and defense. He therefore deserves attention from scholars interested in the development of classical liberal as well as anarchist thought in order to explain, firstly, the inter-connection between these two streams of thought and the rise of the modern nation-state, and, secondly, the continued interest expressed in these ideas in the present.

Appendix

Les Soirées de la rue Saint-Lazare¹

"Eleventh Lecture"

SUMMARY: On government and its function.² Monopoly governments and communist governments — On freedom of government. — On divine right. — The divine

right is identical to the right to work. — Vices of monopoly government. — War is the inevitable consequence of this system. — On the sovereignty of the people. — How sovereignty is lost. — How it is recovered. — Liberal solution. — Communist solution. — Communist governments. — Their vices. — Centralization and decentralization. — On the administration of justice. — Its ancient organization. — Its present organization. — Deficiency of the jury system. — Advantages of free government. — What is meant by nationality.

Conservative (C): In your system of absolute property and full economic liberty, what is the function of government?

Economist (E): The function of government consists solely in assuring to each the preservation of his property.

Socialist (S): Good, it is the “night watchman’s state” of J. B. Say. Now, I have a question to put to you: Today there are two kinds of governments in the world; one traces its origin back to a fictitious divine right.

C.: Fictitious! Fictitious! It is debatable!

S.: The others arise from the sovereignty of the people. What do you prefer?

E.: I wish neither one nor the other. The first are monopoly governments, the second are communist governments. I demand *free governments* in the name of the principle of property and in the name of the right that I possess to provide security myself or to buy it from whomever I please.

C.: What do you mean?

E.: I mean governments whose services I can accept or refuse according to my free will.

C.: Are you serious?

E.: You are going to see how serious. Isn’t it true that you favor divine right?

C.: I admit I am somewhat inclined to it since we have lived in a republic.

E.: And so you imagine yourself to be an adversary of the *right to work*?

C.: If I imagine it? But I am sure of it. I swear . . .

E.: Don’t swear because you are an avowed supporter of the right to work.

C.: Just one moment, I . . .

E.: You are a supporter of divine right. Now the principle of divine right is absolutely identical to the principle of the right to work. What is divine right? It is the right that certain families possess to *govern the people*. Who gives them this right? God himself. Just read the *Considérations sur la France*, and the pamphlet on the *Principe générateur des Constitutions politiques* of Joseph de Maistre.

“Man cannot make himself sovereign,” says M. de Maistre. “At most he can serve as an instrument to dispossess a sovereign and to hand over his dominions to another sovereign who is already a prince. However, there has never existed a sovereign family to which one can assign a plebeian origin. If this phenomenon occurred, it would herald a new era.

“. . . It is said that: *It is I who make sovereigns*. This is not a saying of the Church, a metaphor of the preacher; it is the literal truth, pure and simple. It is a law of the political world. God *makes* kings, literally. He prepared the royal lines, he fosters them behind a cloud which obscures their origin. They then

appear crowned with glory and honor, they then take their seats."³

This means that God has invested certain families with the right to govern men, and that no one can deprive them of the exercise of this right.

Now, if you recognize certain families as having the exclusive right to exercise this particular kind of industry called government, and if, moreover, you believe, along with the majority of divine right theorists, that the people have to give themselves up, as they have for centuries, as subjects or as a source of income, like unemployment benefits paid to the members of these families, haven't you good grounds for rejecting the right to work? Between the improper claim of compelling society to provide workers with work which suits them or with sufficient compensation, and this other improper claim of compelling society to provide the workers of the royal families either with work appropriate to their power and dignity, namely the work of governing, or with a minimum income, what is the difference?

S.: In truth, there is none.

C.: Doesn't it matter if the recognition of divine right is indispensable for the preservation of society?

E.: Couldn't the socialists reply that the recognition of the right to work is no less necessary to the preservation of society? If you admit the right to work for some, shouldn't you admit it for all? Isn't the right to work nothing more than an extension of divine right?

You say that the recognition of divine right is indispensable for the preservation of society. Then why do the people want to rid themselves of divine right monarchies? Why is it that the old monopoly governments are the ones ruined, the others on the verge of being ruined?

C.: The people are stricken with madness.

E.: That's a very widespread madness! But believe me, the people have good reasons for ridding themselves of their old rulers. The monopoly of government is no better than any other. One does not govern well and, especially not cheaply, when one has no competition to fear, when the ruled are deprived of the right of freely choosing their rulers. Grant a grocer the exclusive right to supply a neighborhood, prevent the inhabitants of this neighborhood from buying any goods from other grocers in the vicinity, or even from supplying their own groceries, and you will see what detestable rubbish the privileged grocer will end up selling and at what prices! You will see how he will grow rich at the expense of the unfortunate consumers, what royal pomp he will display for the greater glory of the neighborhood. Well! What is true for the lowliest services is no less true for the loftiest. The monopoly of government is worth no more than that of a grocer's shop. The *production of security* inevitably becomes costly and bad when it is organized as a monopoly.

It is in the monopoly of security that lies the principal cause of wars which have laid waste humanity.

C.: How is that?

E.: What is the tendency of all producers, privileged or not? It is to increase the number of their clients in order to increase their profit. Now, under a monopoly regime, what means can the producers of security use to increase their clientele? The people are not considered under this regime and they form the legitimate domain of the Seigneur's⁴ anointed. No one can invoke their will to acquire the right of governing them! The sovereigns are thus obliged to resort

to the following processes to increase the number of their *subjects*: 1) to purchase kingdoms or provinces; 2) to marry heiresses who bring with them dominions as dowry or who are certain to inherit them later; 3) to conquer by force the domains of their neighbors. This is the first cause of war!

On the other hand, sometimes when the people are revolting against their legitimate sovereigns, as recently happened in Italy and Hungary,⁵ the Seigneur's anointed are forced to make these insubordinate cattle obey them once again. To achieve this end, they form a *holy alliance* and they inflict great carnage on their revolutionary subjects until they have pacified their rebellion. But if the rebels are in communication with other people, the latter join in the struggle and the conflagration becomes widespread. This is the second cause of war!

I have no need to add that the consumers of security, the object of the war, also pay the expenses.

Such are the advantages of monopoly governments.

S.: So you prefer governments which spring from the sovereignty of the people. You place democratic republics above monarchies and aristocracies. Well done!

E.: Let us make a distinction, I beg of you. I prefer governments which have arisen from the sovereignty of the people. But the republics that you call democratic are not the least in the world the true expression of the people's sovereignty. These governments are extended monopolies, communism. Now, the sovereignty of the people is incompatible with monopoly and communism.

S.: What then, in your eyes, is the sovereignty of the people?

E.: It is the right that all men possess to freely dispose of their person and goods and to govern themselves. If, like a master sovereign, man has the right to dispose of his person and goods, he also naturally has the right to defend them. He possesses the right to free defense.

But can each person exercise this right separately? Can each person be his own gendarme and soldier?

No! No more than the same man can be his own laborer, his own barber, his own tailor, his own grocer, his own doctor, his own priest.

It is an economic law that man cannot profitably engage in several professions at the same time. Also one sees, from the beginning of societies, that all industries become specialized and different members of society turn to occupations suited to their natural aptitudes. They live by exchanging the products of their business for the many objects necessary for the satisfaction of their needs.

Isolated man indisputably enjoys all his sovereignty. Only this sovereign, being forced to engage by himself in all the industries which provide the necessities of his life, finds himself in quite a miserable condition.

When man lives in society, he can preserve his sovereignty or he can lose it.

How can he lose his sovereignty?

He loses it either totally or partially, directly or indirectly when he ceases to be able to dispose of his person and his goods.

Man remains completely sovereign only under a regime of full liberty. All monopoly, all privilege, is an attack on his sovereignty.

Under the *ancien régime*, where no one had the right to freely dispose of his person and goods, where no one had the right to freely engage in all industry, sovereignty is narrowly limited.

Under the present regime, the attack on the free activity of individuals by a

multitude of monopolies, privileges and restrictions has not ceased. Man has not yet fully recovered his sovereignty.

How can he recover it?

Two schools of thought exist, which give completely opposite solutions to this problem: the liberal school and the communist school.

The liberal school says: Destroy monopolies and privilege, give man back his natural right to freely engage in all industry and he will fully enjoy his sovereignty.

The communist school says, on the contrary: Beware of giving each person the right of freely producing everything. This would be oppression and anarchy! Give the right to the community, *to the exclusion* of individuals. Everyone shall be united to organize all industry in common. The state shall be the sole producer and the sole distributor of wealth.

What is the basis of this doctrine? It is often said to be slavery, to be the absorption and annulment of the individual will in the general will, to be the destruction of individual sovereignty.

In the first rank of industries organized *en commun* appear those which have as their object the production and defense of the property of persons and things from all aggression.

How are the communities which engage in this industry, the nation and the commune, organized?

The majority of nations have been successively put together by alliances of the owners of slaves or serfs and by their conquests. France, for example, is a product of alliances and conquests. By marriages, by force or deceit, the sovereigns of the *Île de France* successively extended their authority over the different parts of ancient Gaul. A single monopoly government succeeded twenty monopoly governments which occupied the present surface of France. The kings of Provence, the dukes of Aquitaine, Brittany, Burgundy, Lorraine, the counts of Flanders, etc., gave way to the king of France.

The king of France was entrusted with looking after the internal and external defense of the State. However, he did not manage defense or internal police alone.

Each Lord of the Manor originally policed his domain; each commune, freed from the force or the money payments of the Seigneur's onerous tutelage, policed its recognized region.

Communes and Seigneurs contributed to the common defense to a certain degree.

One could say that the King of France had the monopoly of general defense and that the lords of the manors and the bourgeoisie of the communes had that of local defense.

In certain communes, the police were under the direction of an administration elected by the city bourgeoisie, in the principal communes in Flanders, for example. Elsewhere, the police were formed into corporations like the bakers, butchers, cobblers, in other words, like all other industries.

In England, this latter form of the production of security continued until our time. In the city of London, the police were, until recently, in the hands of a privileged corporation. And strangely, this corporation refused to cooperate with police of other areas, so much so that the City had become a veritable refuge for malefactors. This anomaly disappeared only in the period of Robert Peel's reform.⁶

What did the French Revolution do? It divested the king of France of the monopoly of general defense, but it did not destroy this monopoly; it handed it back to the nation, organized hereafter as an immense commune.

The small communes, into which the territory of the ancient Kingdom of France was divided, continued to exist: The number even increased considerably. The government of the large commune had the monopoly of general defense, the government of the small communes exercised, under the surveillance of the central power, the monopoly of local defense.

But, it did not stop there. Other industries, notably education, religion, transportation, etc., were also organized by the general commune and by the individual communes, and many taxes were imposed on the citizens in order to cover the costs of those industries organized in common in this way.

Later, the socialists, poor observers if ever they were, did not notice that these industries which were organized by the general commune or by the individual communes, were operated more dearly and not as well as those industries left free. They demanded the organization in common of all branches of production. They wanted the general commune and the individual communes not to restrict themselves to providing police, building schools and roads, paying for religion, opening libraries, subsidizing theaters, undertaking stud breeding, making tobacco, carpets, porcelain, etc., but to set about producing *all things*.

The good sense of the public revolted against the false utopia, but it did not go any further. It well understood that it would be ruinous to produce everything in common. It did not understand that it was ruinous to produce certain things in common. So it continued to practice *partial communism*, while spurning the socialists who loudly called for *complete communism*.

However, the conservatives, supporters of partial communism and adversaries of complete communism, are today divided on an important point.

Some wish that partial communism continue to be practiced in the general communes; they defend *centralization*.

The others demand, on the contrary, a larger share of powers for the small communes. They wish that the latter could engage in many industries, found schools, construct roads, build churches, subsidize theaters, etc., without needing the authorization of the central government. They demand *decentralization*.

Experience has shown the vices of centralization. Experience has proven that industries engaged in by the large communes, by the State, supply products which are more expensive and worse than those of free industry.

But is this to say that decentralization is better? Is it to say that it is more useful to emancipate the communes or, which comes to the same thing, to allow them to freely establish schools and welfare institutions, build theaters, subsidize religion, or even to freely engage in other industries?

What do the communes need in order to cover the costs of the services which they undertake? They need capital. Where can they get this capital? From the pockets of individuals, nowhere else. They are compelled, therefore, to levy different taxes on the inhabitants of the commune.

These taxes today generally consist in additional amounts added to the taxes paid to the State. However, certain communes have also obtained authorization to establish a small customs duty around their borders, under the name of town dues (*octroi*). This customs duty, which injures the majority of the remaining free industries, naturally considerably increases the resources of the

commune. Also the authorizations to establish a town duty are often asked of the central government. The latter does not agree to them and, in doing that, it acts wisely; in return, it quite often allows the communes to impose extraordinary taxes, in other words, it allows the majority of commune administrators to establish an extraordinary tax that *all* who are governed are forced to pay.

Let the communes be emancipated, let the *majority* of inhabitants in each locality have the right to establish as many industries as it wishes and *force* the minority to contribute to the expenses of these industries which are organized in common, let the majority be authorized to freely establish all kinds of local taxes and you will very quickly see established in France as many different and separate States as there are communes. Successively, you will see spring up 44,000 [i.e., innumerable] internal customs under the name of town duties, in order to meet local taxes; you will see, when all is said and done, the reconstruction of the middle ages.

Under this regime, the freedom to work and exchange will be harmed by the monopolies that the communes will confer on certain branches of production and, by the taxes that they will levy on other branches, to support the industries carried on in common. The property of all will be at the mercy of the majorities.

In the communes where socialist opinion predominates, I ask you, what will become of property? The majority will not only levy taxes to cover the expenses of the police, public roads, religion, welfare institutions, schools, etc., but it will also levy them to establish common workshops, common shops, common banks, etc. Will the non-socialist minority be forced to pay these local taxes?

Under such a regime, what then becomes of the sovereignty of the people? Doesn't it disappear under the tyranny of the greatest number?

More directly still than centralization, decentralization leads to complete communism, that is to say, to the complete destruction of sovereignty.

What then is necessary to restore this sovereignty that monopoly has stolen from mankind in the past; and that communism, this extended monopoly, threatens to take away from them in the future?

Quite simply, it is necessary to make free the different industries which have hitherto been monopolized, and presently exercised in common. It is necessary to leave to the free activity of individuals the industries which are still performed or regulated by the State or by the commune.

When man possesses the right to freely apply his talents in all kinds of work, as he did before the establishment of societies, without any fetter or tax, then he will again fully enjoy his sovereignty.

- C.: You have surveyed the different industries which are still monopolized, privileged or regulated, and you have proved to us, more or less successfully, that the industries ought to be left free for the common good. So be it! I do not wish to return to an exhausted topic. But is it possible to take away from the State and the communes the responsibility of general and local defense?
- S.: And therefore the administration of justice?
- C.: Yes, and the administration of justice. Is it possible that these industries, to use your own word, could be supplied other than in common, by the nation and the commune?
- E.: I would perhaps make little of these two communisms if you would quite freely consent to give up all the others; if you would force the State to be from now

on only a gendarme, a soldier and a judge. However, no! . . . because the communism of security is the keystone of the old edifice of servitude. Besides, I see no reason to grant you that one rather than the others.

In fact, there are two choices:

Either communism is better than liberty and, in this case, all industries should be organized in common, by the State or by the commune.

Or liberty is preferable to communism and, in this case, all industry still organized in common should be made free, and indeed justice, police, as well as education, religion, transportation, the making of tobacco, etc.

S.: That is logical.

C.: But is it possible?

E.: Let's see! What about justice? Under the *ancien régime*, the administration of justice was not organized and paid for in common, it was organized as a monopoly and paid for by those who made use of it.

For several centuries, there was no industry more independent. It formed a privileged corporation, like all the other branches of tangible or intangible production. The members of this corporation could bequeath their office or mastership to their children or even sell it. Enjoying these offices in *perpetuity*, the judges became known for their independence and integrity.

Unfortunately, this regime had, on the other hand, all the vices inherent in monopoly. Monopolized justice is dearly paid for.

S.: And God knows how many complaints and objections the judges' fees stirred up. Witness these small verses which were scrawled on the door of the Palais de Justice after a fire:

One fine day Lady Justice
put the Palais completely to the flames
for having eaten too many spices.⁷

Shouldn't justice be essentially free? Now, wouldn't gratuitous fees lead to organization in common?

E.: They complained that justice ate too many spices. They did not complain that it ate them. If justice had not been monopolized; if consequently, the judges had been able to demand only the legitimate remuneration of their industry, they would not have complained of the judges' fees. In certain countries, where those under the jurisdiction of a court had the right to choose their judges, the vices of monopoly were particularly weakened. Competition, which was then established among the different courts, improved justice and made it cheaper. Adam Smith attributes the progress in the administration of justice in England to this cause. The passage is rather interesting and I hope that it will remove your doubts:

The fees of court seem originally to have been the principal support of the different courts of justice in England. Each court endeavoured to draw to itself as much business as it could, and was, upon that account, willing to take cognisance of many suits which were not originally intended to fall under its jurisdiction. The court of king's bench, instituted for the trial of criminal causes only, took cognisance of civil suits; the plaintiff pretending that the defendant, in not doing him justice, had been guilty of some trespass or misdemeanour. The court of exchequer, instituted for

the levying of the king's revenue, and for enforcing the payment of such debts only as were due to the king, took cognisance of all other contract debts; the plaintiff alleging that he could not pay the king because the defendant would not pay him. In consequence of such fictions it came, in many cases, to depend altogether upon the parties before what court they would choose to have their cause tried; and each court endeavoured, by superior dispatch and impartiality, to draw to itself as many cases as it could. The present admirable constitution of the courts of justice in England was, perhaps, originally in a great measure formed by this emulation which anciently took place between their respective judges; each judge endeavouring to give, in his own court, the speediest and most effectual remedy which the law would admit for every sort of injustice.

- S.: But, once again, aren't gratuitous fees preferable?
- E.: Don't tell me that you have returned again to the illusion of gratuitous fees. Do I have to prove to you that free justice is more expensive than the other kind of justice, in order to subsidize the free courts and pay the salaries of the free judges out of the sum total of taxes levied? Do I need to show you again that free justice is necessarily iniquitous, because everybody does not *equally* make use of justice, everyone does not equally have a litigious spirit? As for the rest, justice is far from being free under the present regime, don't forget.
- C.: Law suits are ruinous. However, can we complain of the present administration of justice? Isn't the organization of our courts irreproachable?
- S.: Oh! Oh! Irreproachable? An Englishman whom I accompanied one day to the jury court, left the hearing quite indignant. He could not conceive how a civilized people could permit an agent of the king or of the republic indulge in rhetoric while giving a death sentence. This eloquence, supplier to the hangman, horrified him. In England, one is satisfied to expose the prosecution; one does not prejudice it.
- E.: Add to that the proverbial slowness of our courts of justice, the suffering of the unfortunates who await their judgment for months and sometimes for years, while the preliminary proceedings could be completed in a few days; the costs and enormous delays cause, and you will be convinced that the administration of justice has not progressed at all in France.
- S.: However, let us not exaggerate anything. Today, thank God, we possess the jury system.
- E.: Indeed, we are not satisfied in forcing taxpayers to pay the costs of justice, we also force them to perform the functions of judges. This is pure communism: *ab uno disce omnes*.⁸ As far as I am concerned, I don't think that the jury is better at judging than the national guard (another communist system!) in order to make war.
- S.: Why not?
- E.: Because one can do well only one's profession, one's specialty, and the profession, the specialty of a jury is not that of a judge.
- C.: Also it merely has to state the offense and to assess the circumstances in which the offense was committed.
- E.: That is to perform the most difficult, the most troublesome function of the judge. It is this very delicate function that requires a judgment so sound, so trained, a spirit so calm, so cool, so impartial, that is left to the hazards of the

lottery. It is just as if one drew lots for the names of the citizens who would be entrusted each year, to make boots or to write tragedies for the community.

C.: The comparison is forced.

E.: It is more difficult, in my opinion, to make a good judgment than to make a good pair of boots or to properly write a few lines of Alexandrines.⁹ A perfectly judicious and impartial judge is rarer than a clever cobbler or a poet capable of writing for the *Théâtre-Français*.

In criminal trials, the unfitness of the jury is shown up every day. But one, alas, only gives indifferent attention to the errors committed in the jury courts. What can I say? One almost regards it as an offense to criticize a judgment which has been delivered. In political trials, isn't the jury accustomed to pronouncing according to the color of its opinion, white or red, rather than according to justice? Any man who is condemned by a white jury wouldn't he be absolved by a red jury, and *vice versa*?

S.: Alas!

E.: Already minorities are very tired of being judged by juries belonging to the majority. You can guess what happens. . . .

What about industry which provides internal and external defense? Do you think that it would be much better than that of justice? Don't our police and especially our army cost us very dearly for the actual service they give us?

Finally, is there any disadvantage to this public defense industry being in the hands of a majority?

Let us examine it.

In a system where the majority establishes the assessment of taxes and directs the use of public funds, mustn't the tax weigh more or less heavily on certain sections of society, according to the predominant influences? Under monarchy, when the majority was purely imaginary, when the upper class assumed the right of governing the country to the exclusion of the rest of the nation, didn't the tax weigh principally on the consumption of the lower classes, on salt, wines, meat, etc.? Without doubt, the bourgeoisie paid its share of taxes, but the sphere of its consumption being infinitely larger than that of the lower class, much less of its revenue was seized. As the lower class becomes aware of this, it will acquire more influence in the State and you will see an opposite tendency produced. You will see progressive taxes, which are today turned against the lower class, turned against the upper class. The latter will without doubt resist this new tendency with all its might; it will cry out against spoliation and theft; but if the communal institution of universal suffrage is maintained, if the vicissitudes of violence do not return, once again, the government of society into the hands of the rich classes to the exclusion of the poor classes, the will of the majority will prevail and progressive taxes will be established. A part of the property of the rich will then be confiscated to lighten the burden of the poor, just as a part of the property of the poor has, for a long time, been confiscated to lighten the burden of the rich.

But there is still worse to come.

Not only can the majority of a communal government establish, as it wishes, the assessment of taxes, but it can, in addition, put this tax to whatever use it judges suitable, without taking the will of the minority into account.

In certain countries, the government of the majority uses part of public

funds to protect property which is essentially illegitimate and immoral. In the United States, for example, the government guarantees Southern planters their property in slaves. However, there are, in the United States, *abolitionists* who rightly consider slavery as theft. No matter! the communal mechanism forces them to contribute their money to the maintenance of this kind of theft. If one day the slaves attempt to free themselves from this iniquitous yoke, the *abolitionists* will be forced to go to the defense of the planters, arms in hand. This is the law of majorities!

Elsewhere, it happens that the majority, driven by political intrigues or by religious fanaticism, declares war on a foreign people. Although the minority is horrified at this war and curses it, it is forced to contribute its own blood and money. Again, this is the law of the majorities!

So what happens? The majority and the minority are perpetually at war and that war sometimes descends to the parliamentary arena in the street.

Today, it is the red minority which is rising up in rebellion. If this minority becomes the majority, and if, by using its rights as a majority, it altered the constitution as it saw fit, if it decreed progressive taxes, compulsory loans, and paper money, what assurance do you have that the white minority would not rise up in rebellion tomorrow?

There is no lasting security in this system. And do you know why? Because it threatens property directly; because it puts at the mercy of a minority, blind or enlightened, moral or immoral, the person and goods of everyone.

If the communal regime, instead of being adapted to a multitude of aims, as in France, was narrowly restricted as in the United States, the causes for dissent being less numerous, the disadvantages of this system would be less. However, they would not disappear entirely. In certain circumstances, the acknowledged right of the greatest number of tyrannize the will of the smallest number would still generate a civil war.

- C: But, once again, it is inconceivable how the industry that provides the security of person and property could be organized if it were made free. Your logic leads you to dreams worthy of Charenton.¹⁰
- E.: Let's see! don't get angry. I suppose that after having just found out that the partial communism of the State and commune is positively wrong, you would leave free all branches of production except for justice and public defense. So far, there is no objection. But a *radical economist*, a dreamer, comes and says: Why then, after having freed the different uses of property, won't you also free that which insures the preservation of property? Won't these industries, like the others, be exercised more equitably and more usefully if they are made free? You claim that this is impracticable. Why? On the one hand, aren't there, in the heart of society, men who are specially qualified to judge the disputes which arise among property owners, and to assess the crimes against property, and others who can defend the property of persons and things from the aggression of violence and deceit? Aren't there men whose natural aptitudes make them specially suited to be judges, gendarmes and soldiers? On the other hand, don't all property owners without exception have need of security and justice? Aren't they all prepared, therefore, to impose sacrifices on themselves in order to satisfy this urgent need, especially if they are unable to satisfy it themselves or if they can't do it without a greater expenditure of time and money?

Now, if there are, on the one hand, men able to provide a need of society, and on the other hand, men prepared to suffer sacrifices in order to satisfy this need, isn't it enough to leave each one of them alone so that the goods demanded, tangible or intangible, are produced and that the need is satisfied?

Doesn't this economic phenomenon happen irresistibly, fatally, like the physical phenomenon of the fall of bodies?

Am I then not justified in saying that, if a society gives up the provision of public security, then this particular industry would nevertheless be provided? Am I not justified in adding that it would be better under the regime of liberty that it was under the regime of the community?

C.: In what way?

E.: That is of no concern to economists. Political economy can say: *if such a need exists*, it will be satisfied, and it will be better under a regime of total liberty than under all others. This rule has no exception! but how this industry will be organized, is a technical matter about which political economy cannot speak.

Thus I can maintain that if the need to be fed is manifest in the heart of society, this need will be satisfied, and that the freer each person is to produce food or buy it from whoever he wishes, the better it will be.

I can maintain further that things would happen in exactly the same way if, instead of food, it was a matter of security.

Therefore, I claim that if a community gave notice that after a certain interval, a year for example, it would cease the payment of judges, soldiers and gendarmes, at the end of the year this community would not have fewer courts and governments ready to function. And I add that if, under this new regime, each person retained the right to freely engage in these two industries and to freely buy these services, security would be produced most economically and would be the best possible.

C.: I always reply that it is inconceivable.

E.: In the period when the established regime held industry prisoner in the confines of the communes, and when each corporation was the exclusive ruler of the communal market, it was said that society was threatened each time an audacious innovator tried to challenge this monopoly. If someone had come and said then that instead of the weak and wretched industries of the corporations, liberty would one day set up immense factories supplying products less dearly and more perfectly, this dreamer would have been treated in *la belle manière*. The conservatives of the time would have sworn by the gods that this was inconceivable.

S.: But let's see! How can one imagine that each individual has the right to govern himself or to choose his government, or even to not choose it. . . . What would happen in France if, after having made all other industries free, French citizens announced with one voice that they would cease supporting the government of the community at the end of a year?

E.: In this respect, I can only conjecture. However, this is pretty nearly how things would happen. Since the need for security is still very strong in our society, it would be profitable to found government enterprises. One would be assured of covering costs. How would these enterprises be founded? Separate individuals would not be able to do it any more than they can construct railroads, docks, etc. Vast companies would thus be established to *produce security*; they would

procure the material and the workers that they would need. As soon as they were ready to function, these *property insurance companies* would call for clients. Each person would contract with the company which inspired in him the greatest confidence and whose conditions appeared the most favorable.

- C.: We would line up to subscribe. We would surely line up!
- E.: Since this industry is free, one would see established as many companies as could be *usefully* formed. If there were too few, if, consequently, the price of security was raised, it would be profitable to form new ones; if there were too many, the excessive companies would not be long in being dissolved. In this way, the price of security would always be reduced to the level of the costs of production.
- C.: How would these free companies cooperate to provide general security?
- E.: They would cooperate just as the monopoly and communist governments cooperate today, because it would be in their interest to cooperate. Indeed, the more they established common facilities for the capture of thieves and assassins, the more they would lower their costs.

By the very nature of their industry, the property insurance companies would not be able to overstep certain limits: they would make a loss supplying police in places where they would only have a small clientele. Nevertheless, within their limits they could neither oppress or exploit their clients, on pain of seeing competitors instantly spring up.

- S.: And if the existing company wanted to prevent competition from being established?
- E.: In short, if it attacked the *property* of its competitors and the sovereignty of everyone. . . Well then, all those whose property and independence would be threatened by the monopolists, would rise up and punish them.
- S.: And if all the companies cooperated in establishing monopolies. If they formed a *holy alliance* to force themselves upon the people, and so strengthened by this coalition, they exploited the unfortunate consumers of security without mercy, if, by heavy taxes, they took for themselves the better part of the fruits of the people's labor?
- E.: If, when all is said and done, they began to do what the old aristocracies have done until the present. . . well then, the people would follow the advice of Béranger:

"People, form a Holy Alliance and help each other."

This time, they would be united, and since they have the means of communication that their ancestors did not have, and since they are a hundred times more numerous than their old rulers, the holy alliance of the aristocracies would soon be destroyed. I swear that no one would be tempted to establish a monopoly any longer.

- C.: Under this regime, how would a foreign invasion be repelled?
- E.:¹¹ What would the companies' interest be? It would be to drive back the invaders because they would be the first victims of invasion. They would therefore cooperate in repelling them and would ask their clients for a supplementary premium to protect them from this new danger. If those insured preferred to run the risks of invasion, they would refuse to pay this supplementary premium; otherwise they would pay it, and thus they would enable the companies to ward off the danger of the invasion.

But just as war is inevitable under a regime of monopoly, peace is inevitable under a regime of free government.

Under this regime, governments can win nothing by war, they can, on the contrary, lose everything. What interest would they have in undertaking a war? Would it be to increase the number of their clientele? But since the consumers of security are free to govern themselves as they wish, they would get away from the conquerors. If the latter wanted to impose their rule on them, after having destroyed the existing government, the oppressed would immediately call for the help of all people. . . .

The wars of company against company, moreover, would occur only as long as the shareholders wished to advance the costs. As war is now no longer able to bring anyone an increase in clientele since the consumers would no longer allow themselves to be conquered, the costs of war would obviously no longer be covered. Then who would want to advance them?

- C.: What conditions would a property insurance company impose on its clients?
E.: These conditions would be of several kinds.

In order to be in a position to guarantee full security of person and property to those insured, it would be necessary:

- 1) That the insurance companies establish certain penalties against offenders of person and property; that those insured agree to submit to these penalties in the event that they themselves commit crimes against person or property.
- 2) That they impose on those insured certain restrictions with the aim of facilitating the detection of the perpetrators of the crime.
- 3) That, in order to cover their costs, they regularly charge a certain premium which will vary according to the situation of those insured, their particular occupation, the extent, nature and value of the property to be protected.

If these stipulated conditions were agreeable to the consumers of security, the contract would be concluded; otherwise the consumers would turn to other companies or provide their own security.

Follow this hypothesis in all its details and you will be convinced, I think, of the possibility of transforming monopoly or communist governments into free governments.

- C.: I still see a great many difficulties. Who would pay the debt?
E.: Don't you think that by selling all property which is today held in common, roads, canals, rivers, forests, buildings used by all the commune administrations, equipment from all the public services, we could easily manage to repay the capital of the debt? This capital does not exceed six billion. The value of common property in France surely is much more than that.
S.: Wouldn't this system mean the destruction of all nationality? If several property insurance companies were established in a country, wouldn't National Unity be destroyed?
E.: In the first place, National Unity would have to exist before it could be destroyed. Now, I cannot see a national unity in these shapeless agglomerations of people that violence has shaped and that most frequently violence alone maintains.

It is wrong then to confuse these two things which are naturally quite distinct: the nation and the government. A nation is *one* when the individuals which comprise it have the same mores, the same language, the same civilization; when they form a distinct and original variety of the human race.

Whether this nation has two governments or whether it has only one does not matter very much. Unless each government surrounds the areas under its domination with an artificial barrier and engages in incessant hostilities with its neighbors. In this latter eventuality, the instinct of nationality will react against this barbaric dismembering and this artificial antagonism imposed on the same people, and the disunited parts of this people will be immediately drawn back together.

Until the present time, governments have divided the people in order to more easily keep them obedient; *divide in order to rule*, this has been the fundamental maxim of their policy in all ages. Men of the same race, to whom the community of language gives an easy means of communication, have energetically reacted against the practice of this maxim; in all ages, they have tried to destroy the artificial barriers which separate them. Finally, when they have succeeded, they have wanted a single government so that they will not be disunited again. But note well that they have never asked this government to separate them from other people. . . . The instinct of nationalities is thus not selfish, as has so often been claimed; on the contrary, it is essentially sympathetic. If the diversity of governments stops causing the separation, the dismembering of peoples, you will see the same nationality willingly accept several of them. A single government is no more necessary to establish the unity of a people than a single bank, a single educational institution, a single religion, a single grocer's store, etc.

- S.: Truly, that is quite a strange solution to the problem of government.
E.: It is the only solution which conforms to the nature of things.

NOTES

1. Herbert Spencer, *Social Statics* (1851; New York: Robert Schalkenbach Foundation, 1970), p. 185.
2. *Ibid.*, p. 13.
3. *Ibid.*, p. 263.
4. *Ibid.*, p. 191.
5. *Ibid.*, p. 185.
6. *Ibid.*, p. 189.
7. *Ibid.*, p. 185.
8. *Ibid.*, p. 224.
9. *Ibid.*, pp. 241, 247.
10. Auberon Herbert, "The Right and Wrong of Compulsion by the State," in *The Right and Wrong of Compulsion of the State, and Other Essays*, ed. Eric Mack (Indianapolis, Ind.: Liberty Classics, 1978), pp. 176-77. Molinari did become aware of Auberon Herbert's views well after he had developed his free-market anarchism. Herbert's book, *A Politician in Trouble about His Soul*, was reviewed by Yves Guyot in the *Journal des Économistes*, 4th ser. 30 (1885):246. In addition, many of Spencer's books were translated into French and reviewed in the *Journal des Économistes*, but, surprisingly, not *Social Statics*.
11. Herbert, "The Right and Wrong," pp. 177, 178.
12. *Ibid.*, p. 185. Herbert argues for "Friendly voluntary cooperation, as free men and women, for all public wants and services" ("Mr. Spencer and the Great Machine," in *The Right and Wrong*, p. 303).
13. Herbert, "The Right and Wrong," pp. 186-88.
14. Herbert, "The Principles of Voluntaryism and Free Life," in *The Right and Wrong*, p. 378.
15. *Ibid.*, p. 390.
16. Herbert, "Mr. Spencer," p. 311.
17. Herbert, "The Principles of Voluntaryism," p. 383.
18. *Ibid.*

19. P. E. De Puydt, "Panarchy," trans. Adrian Falk, in *An A.B.C. Against Nuclear War*, ed. John Zube (Berrima, N.S.W.: Peace Plans, 1975), p. 229; reprinted from *Revue Trimestrielle* (Brussels, July 1860).
20. "If a disagreement came about between subjects of different government, or between one government and a subject of another, it would simply be a matter of observing the principles heretofore observed between neighboring peaceful states. . . . Anything else would be the business of common courts of justice" (*ibid.*, p. 227).
21. *Ibid.*
22. "It is from the works of the economists that I have derived the principle whereof I propose a new application, still farther reaching and no less logical than all others" (*ibid.*, p. 223). It is most likely that De Puydt was aware of Molinari because Molinari was at that time living and teaching in Belgium and De Puydt quotes from a work of Charles de Brouckere, who had arranged for Molinari to teach at the *Musée royal*, the *Principes généraux d'économie politique* (1851). See also the obituary of de Brouckere, *Journal des Économistes*, 2nd ser. 26 (April-June 1860):265.
23. Benjamin R. Tucker, *Instead of a Book by a Man Too Busy to Write One: A Fragmentary Exposition of Philosophical Anarchism* (1897; New York: Haskell House, 1969), p. 371.
24. *Liberty* 15 (December 1906):16; quoted in Mack, *The Right and Wrong*, p. 20.
25. Review of *The Society of Tomorrow* (1904), the English translation of Molinari's *Esquisse de l'organisation politique et économique de société future* (1899), in *Liberty* 14 (September 1904):2. Albert Schatz, the French historian of individualism, was struck by the similarity of Tucker's and Molinari's rejection of the state's monopoly of security. See his *L'Individualisme économique et social: Ses origines, son évolution, ses formes contemporaines* (Paris: Librairie Armand Colin, 1907), p. 514.
26. Tucker, *Instead of a Book*, p. 54.
27. *Ibid.*, pp. 32-33, 14.
28. James J. Martin, *Men Against the State: The Expositors of Individualist Anarchism in America, 1827-1846* (Colorado Springs, Colo.: Ralph Myles, 1970), p. 273.
29. Murray N. Rothbard, *Man, Economy and State: A Treatise on Economic Principles* (Los Angeles: Nash Publishing, 1970), 2:884; *idem*, *Power and Market: Government and the Economy* (Menlo Park, Calif.: Institute for Humane Studies, 1970), esp. chap. 1, "Defense Services on the Free Market," pp. 1-7; and *idem*, *For a New Liberty: The Libertarian Manifesto* (rev. ed., New York: Collier Macmillan, 1978), esp. chap. 12, "The Public Sector, III: Police, Law and the Courts," pp. 215-41.
30. See also Jarrett B. Wollstein, *Society without Coercion: A New Concept of Social Organization* (Society for Rational Individualism, 1969); reprinted in *Society without Government, The Right Wing Individualist Tradition in America*, ed. Murray N. Rothbard and Jerome Tuccille (New York: Arno Press and the New York Times, 1972); Morris and Linda Tannehill, *The Market for Liberty* (Lansing, Mich.: n.p., 1970); and Richard and Ernestine Perkins, *Precondition for Peace and Prosperity: Rational Anarchy* (Ontario: Phibbs, 1871). For a non-Austrian, neo-classical approach to the same concept, see David Friedman, *The Machinery of Freedom: Guide to a Radical Capitalism* (New York: Harper Colophon, 1973). For a discussion of market orders, economic and legal, see F. A. Hayek's magnum opus, *Law, Legislation and Liberty*, vol. 1, *Rules and Order* (Chicago: University of Chicago Press, 1973); Bruno Leoni, *Freedom and the Law* (Los Angeles: Nash Publishing, 1972); and Lon Fuller, *The Morality of the Law* (New Haven: Yale University Press, 1964).
31. Hayek, "Whither Democracy," lecture given before the Institute of Public Affairs, Sydney, October 8, 1976, in *Social Justice, Socialism and Democracy: Three Australian Lectures* (Sydney: Centre for Independent Studies, 1979).

NOTES TO THE APPENDIX

Notes 2, 3, and 6 are from the original Molinari. The remainder of the notes are added by the present author and translator, D. M. Hart.

1. Gustave de Molinari, *Les Soirées de la rue Saint-Lazare; entretiens sur les lois économiques et défense de la propriété* (Paris: Guillaumin, 1849), "Onzième Soirée," pp. 303-37.

2. For a long time economists have refused to deal not only with government but also with all purely intangible functions. J. B. Say was the first to introduce these kinds of services into the domain of political economy, giving them the general name of "intangible goods." By doing this, he has rendered a greater service to science than is generally recognized. "The industry of a doctor," he says, "and, if one wishes to multiply examples, *of an administrator of the Commonwealth, of a lawyer, of a judge*, which are of the same kind, satisfy needs so necessary that without their labor no society could exist. Isn't the fruit of their labors real? They are so real that they are procured for the price of another material good and, by these repeated exchanges, the producers of intangible goods acquire wealth. Thus the Comte de Verri is wrong in claiming that the employment of Princes, magistrates, soldiers, priests, does not immediately fall into the group of objects with which political economy is concerned" (J. B. Say, *Traité d'économie politique*, bk. 1, chap. 8). [Emphasis added]
3. Joseph de Maistre, *Du principe générateur des constitutions politiques*, Preface.
4. I.e., the lord of the manor.
5. The 1848 Revolution.
6. Léon Faucher, *Etudes sur l'Angleterre*.
7. This is a pun on *épices*, which means both "spices" and "judges' fees".
8. From one, learn everything.
9. Rhyming verse of twelve syllables so called from its use in old French poems on Alexander the Great.
10. French equivalent of "bedlam," a mad house.
11. In *Les Soirées* this passage is attributed to the Socialist, but it is obviously the Economist who is speaking, and it continues the debate between the Economist and Conservative.