



# formulations

Autumn 1999 A Publication of the Free Nation Foundation Vol. VII, No. 1

## Forum Announcement

### “How Do We Get There from Here?”

16 October 1999

## Observations upon the Limón REAL Proposal, Costa Rica

*[Editor's Introduction: In May of this year Rigoberto Stewart solicited feedback upon his forthcoming book, Limón REAL, from a number of libertarian friends, including FNF President Richard Hammer. Hammer responded with a six-page letter, which is reproduced below. Stewart then sent a brief reply, an edited version of which appears at the end of this article.]*

*Rigoberto Stewart proposes to have the Limón province of Costa Rica declare itself autonomous from the central Costa Rican government, and thus to launch a new regime of limited government, freedom, and prosperity. He visited FNF in February 1998 (as reported in Formulations, Vol. V, No. 4, Summer 1998). You can find his proposal “The REAL Limón Project” online in FNF’s archive (this also appeared in the Summer ’98 issue). Dr. Stewart is a native of Limón, founder of the Institute for Liberty and Policy Analysis, Alajuela, Costa Rica, and Representative of the International Society for Individual Liberty in Costa Rica.*

*Limón REAL is the title of the Spanish version of the book, which will be available in time for the ISIL World Conference, meeting in San José, Costa Rica, in August of this year. “REAL” is an acronym for free and autonomous region. An English version will appear later, possibly under the title Limón, A Libertarian’s Paradise.]*

*(Continued on page 3)*

Come to our next Forum. This will meet on Saturday, 16 October 1999, from 3 p.m. till 7 p.m., at the Regal University Inn in Durham, North Carolina. The topic is “How Do We Get There from Here?” Three speakers will present their papers, and we will discuss suggestions made by two other contributors.

“How Do We Get There from Here?” is perhaps the most frequently asked question by FNF Members and subscribers. Because we don’t believe this question can be sufficiently answered in a half day Forum, we are considering making this Forum the first in a series dedicated to this difficult question.

Forum attendees and guests are also invited to a hospitality suite immediately following the Forum. As sometimes occurs, many still want to discuss the topic after the Forum has ended, and we hope this hospitality suite will give attendees the opportunity to eat, drink and continue the discussion in a more relaxed social atmosphere.

You can find all five papers which we will cover in this issue of *Formulations*. Three papers will be presented by their authors: “Forms for a Free Nation, Alternate Visions” by Philip Jacobson, “Selecting a Site for a Free Nation in an Unfree World” by Roy Halliday, and “Get a Free Nation by Running a Professional Think Tank” by Richard Hammer. Two more papers will be discussed: “Bridge to a Free Nation” by Robert Klassen, and “Planning a New Nation” by Michael van Notten. After these have been covered, at the end of our session, Phil Jacobson will lead a discussion on what topics FNF might address in future Forums.

You may pay (\$15 general admission or \$12 for FNF Members) at the door.

But if you plan to attend you might let Candi Copas know ahead of time, and we will reward you with a computer-printed name tag. You could let her know by: sending a check to pre-register; calling 919-960-9477; or emailing <copas@freenation.org>.

**Directions:** The Regal University Inn is located at 2800 Campus Walk in Durham. Their phone number is 919-383-8575.

From points east, take I-40 to Highway 147 (the Durham Freeway). Next, take Highway 15-501 South to-

*(Concluded on page 8)*

## Inside

<b>Planning a New Nation</b> by Michael van Notten.....	6
<b>Selecting a Site in an Unfree World</b> by Roy Halliday.....	7
<b>Alternate Visions for a Free Nation</b> by Phil Jacobson.....	9
<b>Get There By Running a Think Tank</b> by Richard Hammer .....	12
<b>Bridge to a Free Nation</b> by Robert Klassen.....	15
<b>Dialog on Basis of Law between Richard Hammer and Roy Halliday.....</b>	16
<b>Review: Spencer Heath’s Citadel, Market and Altar</b> by Roy Halliday.....	18

# *formulations*

a publication of the  
Free Nation Foundation  
[outdated street address]  
Hillsborough NC 27278  
<http://www.freenation.org>

## **Statement of Purpose**

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

## **Board of Directors**

Richard O. Hammer, President  
Roderick T. Long, Founding Scholar  
Bobby Yates Emory, Secretary  
G. Wayne Dawson  
Candice I. Copas  
Roy G. Halliday  
Philip E. Jacobson  
Christopher H. Spruyt

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

Send correspondence to the postal address above. Or email to: [roh@freenation.org](mailto:roh@freenation.org).

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

## **Subscription or Membership**

Subscriptions to *Formulations* may be purchased for \$15 for four issues (one year). Membership in the Free Nation Foundation may be purchased for \$30 per year. (Members receive: a subscription to *Formulations*, invitation to attend regular meetings of the Board of Directors, copies of the Annual Report and Bylaws, more inclusion in the process.)

Send orders to the postal address above. Checks should be made payable to the Free Nation Foundation. Additional contributions are welcome.

## **Information for Authors**

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

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

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

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

Submissions will be considered for publication if received by the first of the month preceding the month of publication. So our deadlines are: February 1, May 1, August 1, and November 1. All submissions are subject to editing.

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

# Observations upon the Limón REAL Proposal, Costa Rica

(Continued from page 1)

LETTER BY RICHARD HAMMER

31 May 1999

Dear Rigoberto,

I write to communicate several thoughts about your Limón REAL proposal. These thoughts have been stimulated both by the Chapters, numbered 12-15 which you sent earlier this month, and by what I learned from you last year, around the time we met.

## Disclaimers

As I write I realize that my thoughts are jumbled and inconclusive. I have the impression that your plan overlooks some important issues. But, as I try to explain, I get going on some long tangents. I say things which you might already understand, and I say things which might not be useful to you. Furthermore:

- I am ignorant of many circumstances in Costa Rica and Limón.
- I am biased. As you know I have been advocating a different way to establish a free zone. Through the Free Nation Foundation I have been hoping to get wealthy businesses to use the muscle of their wealth to secure a free zone. I habitually think that way. This may keep me from seeing the strength in your way.
- As I think we may have discussed, the libertarian movement has almost no scholars who have anything helpful to say about how to constitute a new zone of freedom. I have read many books which I hoped would teach me. But still I am left guessing.

You might take my comments in this light: Imagine that we are sitting somewhere, drinking beer. After I get a few beers in my belly I start talking. These words pour out of me. Some of it might be worthwhile. You be the judge.

## What Does "Private" Mean?

I noticed a combination of ideas in your Chapters which seemed inconsistent to me. You say (Chapter 14, Section V,

Article 1) that "Police forces will be strictly private." Then you say (Article 6) "Nobody shall be detained...by the police without...clear evidence [of] an offense...." I agree with the spirit of these clauses.

But can private police forces be regulated by statutes and still remain "private"? I think the nature of private property is that the owners of that property can manage it as they see fit. To the extent that government controls any choices, then those choices are no longer private. Regulated businesses tend to become extensions of the state, and I believe this would happen to government-regulated police forces.

Of course it may be natural to have a period of transition, during which citizens would rely upon government-regulated police forces, until completely private police forces got going. But ultimately, to the extent that I understand the theory of private law, and to the extent that you want law in Limón to be totally private, I believe we can trust market forces to limit the police—to protect just those rights which we libertarians cherish, without any regulation by the state. [I have argued this in a few of my articles, starting with "The Power of Ostracism," *Formulations* Vol. II, No. 2 (Winter 1994-95) <<http://www.freenation.org/fnf/a/f22h2.html>>].

## Constitutions Need Mechanisms, More Than Declarations of Rights

I have been forming an opinion about constitutions: Constitutions will not preserve liberty unless they specify the ways that victims of governmental abuse of power can strike back. Bills of Rights do not preserve liberty. Institutions can, however, preserve liberty.

My thoughts in this area are sketchy. But I think some people would agree. Recently, for instance, I saw the following sentence in Hayek's *The Constitution of Liberty* (Chapter 12).

"The main lesson of the period of the [American Articles of] Confederation was that the mere writing-down on paper of a constitution changed little unless explicit machinery was provided to enforce it."

As I grope to clarify my own thinking, let me use this example. Suppose we are writing specifications for pencil sharpeners rather than for political structures. And suppose there are two schools of thought on how we should write specifications for pencil sharpeners.

First school: We should specify the result of the operation of the pencil sharpener. For example:

"This Pencil Sharpener will sharpen pencils precisely, to a fine point."

Second school: We should specify the mechanical design of the pencil sharpener. For example:

"This machine will be built in accord with the attached drawings." (The drawings would show the handle attached to the shaft, the rotor blades mounted on bearings around the shaft, etc. Additionally, the drawings would specify the dimensions and materials of all the parts.)

As you might surmise, here I argue for merits of the second school. You could say "This machine will sharpen pencils." But if you neglect to specify how the parts will be shaped and how the parts will interconnect, then you might not get a pencil sharpener. Instead you might get a mouse trap, or something else that you did not want.

Notice that we could specify a pencil sharpener, according to the second school, without ever using the words "pencil" or "sharp".

To a certain extent, human organizations are like machines. Within limits, we can predict what human organizations will do when we see how those organizations are structured. So, if we want to specify the results that will be produced by the operation of a human organization, we had better specify what the parts of the organization are, and how those parts will interact. This specification will be better than a Declarations of Rights which contains only statements about how we *hope* the organization will behave.

Suppose, for example, that we want to protect the right of free speech. I

would suggest that we put a clause such as this in the constitution:

"Any statute which has been judged by a panel of five arbiters to violate the right of free speech shall be void." (Arbiters would need to be certified somehow, in a way I have not specified.)

Such language creates a process, an institution, at the disposal of a citizen. A citizen who feels that his right has been violated sees what he can do: assemble a panel of five arbiters and then argue his case before that panel.

So, you can see that I am trying to formulate a constitution which formally establishes a set of institutions (processes through which people will act and interact). When people operate these institutions the result will be, I hope, that rights are preserved. I am trying to describe the machine, made of human parts, which will act to preserve rights—without having to rely upon wishful language such as we usually see in Bills of Rights.

But I must admit that I am far from satisfied with my formulation as it now stands. It seems easier to write Bills of Rights, in which we say what we hope will happen, than to design institutions in which people will preserve their own rights.

### **Do the People of Limón Really Want Limited Government? Or Do They Just Want Change Which Promises Them Greater Prosperity?**

If I recall the things that you have said, the people of Limón are fed up with the government of Costa Rica. Many of them will say, if asked, that they want a new regime with no taxes and no meddlesome government regulations.

But I suspect that they are like most of the people that I know here in the US. Most people here will say they want government to get off their backs. But they will also accept any handout or special privilege which government offers to them. They will vote for politicians who promise "free" handouts.

If most people in Limón are the same as most people in the US, then I fear that your proposal may lack deep popular support. I worry that populists could beat your candidates in elections, by promising handouts.

To change my mind on this point, I would want to see evidence which suggests that most individuals in Limón will say "no" to each promise of a "free" government service or handout. If the people of Limón actually say "no" to handouts, then they are, in my opinion, the best-educated people on Earth.

### **History of Gangs and States, and How It Affects Our Plans for New Free Nations**

As I understand history, the nation states which now cover most of the surface of the Earth are only the current culmination of a long struggle for power. Originally all people lived in tribes or clans. These communities had elders or judges, but not kings. There was no organized coercive power. Political power came into existence only when and where the populace obtained enough wealth to make organized theft a viable occupation. (I accept the explanation of the birth of the state told by Franz Oppenheimer in *The State*, 1908.)

At the dawn of "civilization," around 4000 years ago, states existed in only a few lush spots on Earth. Everywhere else the tribes were stateless. Later on states grew almost everywhere, because there was enough wealth almost everywhere to support this style of parasitism. But initially these states were small. In Europe around 1000 A.D., for example, there were hundreds of little kingdoms or fiefdoms.

Evidently there is a tendency for states to coalesce or conquer one another, as history unfolds, with the result that the number of states declines while the size of each individual state increases, on average. So the history of states seems to be affected by economy of scale. I believe that this observation, if it is true, tells us something important about our ambition to constitute a free zone.

I used to believe that all coercive government was bad, and that it would always be bad for a population to be conquered by an invading army. But in Thomas Sowell's recent book, *Conquests and Cultures*, there was a chapter on the history of Britain which made me think. What was eye-opening to me was the evidence that Britain had a higher standard of living—during the time it was occupied by Rome—than it had ei-

ther before that time or after that time for the next thousand years.

After the Romans withdrew, in the early fifth century A.D.:

"The use of coins declined. Pottery ceased to be mass produced. Roads and waterways fell into disrepair. Central heating and hot baths disappeared for many centuries. So did bricks, which the Romans used, but which did not reappear in Britain until the fourteenth century, when they were imported from the continent. Glass bottles, which had been produced in Roman times, disappeared from England and did not reappear until Elizabethan times, when bottles began to be imported from Venice, and it was the seventeenth century before glass-blowing was re-established in the British Isles." (page 27)

I did not like this evidence because it contradicts my libertarian belief that big government is bad, that big government impoverishes people. But I believe Sowell. The British people were conquered—then they lived better. So I had to reformulate my understanding of the relationship between government and economic productivity.

What happened, I now suppose, is that the Romans imposed a single, uniform, and efficient rule of law, across their whole empire. During the Roman occupation trading took place in markets which extended over long geographical distances. While surely the Romans collected tariffs on trade, the Roman tariffs may have been less burdensome and more predictable than the tariffs which were charged by local feudal chieftains both before and after the Roman occupation. When Britain was ruled by local chieftains, a traveling trader might have been required to pay a new tariff every ten miles or so, every time he passed into the territory of a new chief. As such, trade across long distances may have ceased.

The Roman empire worked economically because the one gang in charge of the whole area (the Roman government) imposed less restrictions upon trade than the alternative mode of government (which was hundreds of small and local gangs). The whole system worked, and lasted as long as it did, because tax rates

were low enough that the inhabitants lived better. The Roman government fed itself from the increase in productivity. Anyhow, that is the way I now understand it.

We know that a free nation should prosper for the same reason that the Roman empire prospered, and it should prosper even more because we would have less (or no) tariffs. But notice that the Romans did have to beat the competing forms of government. *The Romans had to overpower the alternatives. And so will we.*

I suspect that power structures will always grow among humans. I suspect that local gangs grow, and tax or extort, wherever there is enough wealth to feed this kind of parasitism, and wherever the gangs are not beaten by another force which is either stronger or smarter.

Unless I have reason to believe otherwise, I would guess that the communities in Limón are like communities everywhere. In these communities I bet there is a tendency for some thugs to establish local power structures, and to tax or extort as much as they can get away with. If this is true, freedom, of the sort that we desire, could be secured in Limón only if some organization confronts, and consistently beats down, these local would-be kings.

I doubt that your proposed constitution for Limón, as I understand it, will establish an organization which has power to act as I would think necessary, power to strike down all the mini-states which will tend to start growing there.

One concern I have is that the people of Limón have lived all their lives with the present, corrupt, state. They have become accustomed to paying taxes and bribes when demanded. Even worse, many of them have learned how to demand taxes or bribes for themselves, as a way to make a living.

Indeed, in my simplistic model, the present condition of Limón may equate to the condition of Britain either before or after the Roman occupation. Even though Costa Rica exists under a central government, I surmise that the central government is weak and ineffectual. It does not enforce protection of rights, but rather only creates a structure which gives an appearance of legitimacy to an army of local thug/officials, who extort as much as possible from the inhabitants.

So, to the extent that I might be correct, the present sociological structure in Limón (as well as in most other poor countries) consists of many small fiefdoms, in which gang leaders or government officials extort, and subjects comply.

Now, as I said, the central Costa Rican government gives an appearance of legitimacy to many local beneficiaries (local extortionists). But I would not assume that the structure of many small fiefdoms would collapse as soon as the central government is gone—because fiefdom can exist without any larger government. When the Costa Rican government withdraws from Limón, I would expect to see some rearrangements of local power structures. But I worry that the basic structure of many small fiefdoms would survive—unless somehow you replace it or overpower it.

#### **Is It Possible to Establish a Regime with No Taxes?**

You propose that the new government in the autonomous region will have no taxes, that it will pay all its expenses by raising money in an honest way, by selling services. The government would be, in effect, a business. It could survive only to the extent that it received voluntary payments for the services it sold. Certainly this conforms with libertarian ideals.

But I am concerned that I cannot think of any example in history of such a business actually existing, in a place where there is no coercive government, and actually providing protection for the rights which we libertarians want protected. It is true, of course, that we in FNF say that such a businesses could exist. In theory I believe this. But I have never seen it. I think it could grow only in favorable circumstances. I have not been persuaded that those circumstances exist in Limón.

#### **Why Not Consider a Limited Government, with Minimal Power to Tax, During a Period of Transition?**

On the other hand, we can see examples of governments, in first-world nations, which are coercive but nonetheless limited. These succeed, better than the governments in most poor countries, in preserving many important rights of their citizens. Because of these examples, it is

easy for me to imagine the successful constitution of a limited government in Limón. Such a government would tax, but in a very limited way.

It would provide tax-financed enforcement of basic rights, at some skeletal level. But it would not give itself a monopoly in policing or in administering justice. Then private security agencies could be expected to grow to fill local needs. The limited government could actually shrink away after it became clear that private security agencies were capable of providing all necessary services (as I proposed in my article, "A State Can Be Designed to Shrink," *Formulations* Vol. 3, No. 3; <[www.freenation.org/fnf/a/f33h1.html](http://www.freenation.org/fnf/a/f33h1.html)>).

I imagine that the law, which this limited government would enforce, would be an ultimate law, or law of last resort. Citizens could call upon this law to strike down the worst cases, which are bound to happen, of local thugs trying to establish fiefdoms, trying to extort unlawful payments from citizens. This ultimate law may be needed, I think, until some sizeable and reputable private enforcement agencies grow.

#### **Much Can Be Accomplished by Strong Leadership**

In spite of the questions which I have raised about your plan as I understand it, I must admit that good leadership might be more important than a good plan. A strong leader, or group of leaders, might successfully guide the people of Limón, one step at a time, to embrace a constitution of the sort you describe—even if there was never a perfect plan. It does seem possible, based upon my limited knowledge, that you and/or others might provide such leadership during the transitional time when there will be much uncertainty.

That is all Rigoberto. I wish you the best of luck as you advance with this project.

*(Rigoberto Stewart replies on page 6)*

## RIGOBERTO STEWART REPLIES

8 June 1999

Dear Rich,

Thanks for such a nice letter and for taking the time to make those comments and give illustrations. I really appreciate it and will give serious thought to your points. I will not do anything lengthy right now (We will do that over some "Imperial" beers here in Costa Rica in a few weeks), but let me touch on a few points.

I. Police. I really do not propose a government-regulated police; but private police who must abide by the rules based on individual rights. I think there is a difference; you might disagree.

2. Pencil Sharpener Example. I totally agree with you. It is even more valid in a place like Costa Rica where most, if not all, have no clue as to how most of it would work. What I did, Rich, was build up the "how's" and the "why's" in the previous chapters. That has been the whole point of the previous 11 chapters. So, I am sure now that you are going to enjoy the book.

3. Popular Support. Yes, I would say the natives of Limón are like most other people. Yet, I am counting on a number of special circumstances that make them different now. A lot hinges on our being able to "sell" them the project. I must do a heck of a selling job. And I plan to.

This is not too different from your case. You must sell your idea [FNF] to a bunch of rich people; we must sell our idea to a bigger bunch of poor people.

4. Local Kings and Fiefdoms. I have many answers, but let me only say for now that by having free immigration, strong people will come from elsewhere and provide a balance.

Thanks again, and I look forward to seeing you in August.△

---

## Planning a New Nation

### Email from Michael van Notten

*[Editor's note: This responds to the questions which we posted concerning our Forum topic, "How Do We Get There From Here?"]*

You cannot plan a nation, really. What you can plan is a freeport or a freetown and hope that it will eventually grow into a free nation. Such planning would include the following:

The type of site one wishes to acquire, such as a swath of largely uninhabited land in a temperate climate with an easy supply of water and electricity and ample opportunities to engage in well-known business activities such as commerce, manufacturing, etc. Underdeveloped countries that host a freeport will probably develop as fast as the freeport itself. There are already nine countries that developed themselves in a timespan of only three decades simply because they adopted freeport policies: Puerto Rico, Hong Kong, Taiwan, Korea, Singapore, Ireland, Curacao, Dubai and Mauritius. Three dozen other developing countries are in the process of doing the same thing.

How to acquire a swath of land and the withdrawal of jurisdiction from those who claim to have such. There are several options here. You can choose to deal with a state, a secessionist movement, or a sovereign tribe, or you venture into no man's land, wherever that may be.

How to lay down the rules that will protect life, liberty and property for settlers on that land.

How to form the company that will own and develop the land. This company should assure that there will be the necessary infrastructure, including security, and attract prospective settlers. Initially the owner will try to attract those settlers who need almost no infrastructure, and those who need lots of it and are willing to supply it themselves.

Resources. It should not be too difficult to raise the capital required for business ventures that promise a quick payout and good returns. Problematic will be investments for so-called infrastructures (roads, airports, seaports, health care, education, recreating, water, electricity, communications, banking, insurance, etc.) and funds for promoting the project

among prospective settlers. As a rule, these investments start paying dividends only after ten or twenty years after all the initial income has been invested into additional infrastructure.

Number of free nations. The more freeports and freetowns the better. There are at present more than 850 economic freezones in the world, competing fiercely with each other. Some of these come pretty close to the free nation formula that is favored by the Free Nation Foundation.△

# Selecting a Site for a Free Nation in an Unfree World

by Roy Halliday

*"Libertarians have often dreamed of escaping the tyranny of the State; some have sought to do so by seeking refuge in distant and uninhabited lands where they could live in solitary hermitage or in small communities held together by the principle of voluntary association and mutual aid. But historians know that such experiments seldom survive in peace for long; sooner or later the State finds and confronts them with its instinctive will to violence, its mania for coercion rather than persuasion, for compulsion rather than voluntarism. Such has been the fate of the Mormons and Mennonites, the Jehovah's Witnesses and the Amish people, among others."*<sup>1</sup>

The places that have historically had the least government and the most political freedom have generally been hidden or hard to reach or not worth reaching. By a "hidden" place I mean a place that was unknown to any of the world's empires. North America, for example, was unknown to and "hidden" from the European empires prior to the 1500s. Some of the native tribes in North America such as the Cherokees lived in peace without a state in those days. They did not develop a state until Europeans settled nearby and created a need for the Cherokees to have a unified foreign policy and an agency to express it to the colonial authorities.<sup>2</sup>

The Inuit (Eskimos) in the North American arctic region are an example of a people who lived free from government because they were hidden in a place that was hard to reach and had no wealth worth stealing. In Africa before the colonial period, anarchy was the order of the day among hunter-gatherers such as the Bushmen and Pygmies, and among gardeners such as the Lugbara, Konkomba, and Ibo, and among herders such as the Nuer. Eventually the European powers subjected them to colonial government and then they were gobbled up by third-world nations.<sup>3</sup>

In the past, people who lived at high latitudes or high altitudes were relatively safe from the empires of the world.<sup>4</sup> Even the Roman Legions gave up trying to conquer the Picts in the Scottish Highlands.



Roy Halliday

People in medieval Iceland and Celtic Ireland enjoyed political freedom for many years because they were relatively remote from predator states and they lived in cold climates that did not allow them to produce much of a surplus given the technology of the time. Eventually, Norway took an interest in Iceland and recognized one of the competing chiefs as the official head of Iceland. He became the dominant chief and made Iceland a Norwegian dependency. Ireland, of course, was invaded and conquered by the English.<sup>5</sup>

For a while the pioneers in the American West outpaced the ability of the U.S. government to control them. Even after the state established its monopoly of law and order in the West, it still had a hard time extending its discipline to the people who lived in the deserts and wastelands. For years outlaws were able to escape to the Badlands of North and South Dakota.

But now it seems that every place is known and kept under control by one state or another, and there are no free places left.

## Galt's Gulch

In her novel, *Atlas Shrugged*, Ayn Rand portrayed a libertarian paradise called Galt's Gulch, which was hidden somewhere in the Rocky Mountains. Its location and even its existence were kept secret. It was only accessible by small aircraft, and it was disguised by a new technology that made it look like a mountain to pilots who happened to fly near it. The founders recruited settlers individually in private, after pre-screening them for qualities such as creative genius and devotion to libertarian principles. Because it was unknown to the outside world, Galt's Gulch needed no state to conduct foreign policy and no military forces to provide national defense.

A society of libertarians living in freedom from government with no need for military forces, yet safe from attack sounds very attractive to me. But Galt's Gulch has some unattractive qualities. The need to keep the place secret would prevent the residents from getting the benefits of world trade and the worldwide division of labor. Galt's Gulch would have to be practically self-sufficient. It couldn't access the capital markets of the world to attract investment. This would slow its economic growth, limit the productivity of its residents, and hold down their prosperity.

Freedom is valuable to me, but it is not my only concern. I also value other things such as physical comfort and civilization. A place like Galt's Gulch could satisfy my desire for freedom, but it would not satisfy some of my other desires as much as the USA does. So, even if Galt's Gulch existed and were kept secret through a conspiracy of silence

<sup>1</sup> Joseph R. Peden "Stateless Societies: Ancient Ireland" in *The Libertarian Forum* April 1971 p. 3.

<sup>2</sup> Elman R. Service, *Origins of the State and Civilization*, pp. 140-148.

<sup>3</sup> Harold Barclay, *People without Government: An Anthropology of Anarchy*, Inuit pp. 42-45, Bushmen pp. 45-47, Pygmies pp. 47-49, Lugbara pp. 58-61, Konkomba pp. 61-63, Ibo pp. 71-72, Nuer pp. 85-88, gobbled up p. 145.

<sup>4</sup> Spencer Heath, *Citadel, Market and Altar*, p. 74

<sup>5</sup> On Iceland see Barclay op. cit. pp. 93-96. On Ireland see Peden op. cit. pp. 3-4,

and hidden from view by a cloaking device, I would not be tempted to move there.

#### All the Good Places Have Been Taken

The other problem with Galt's Gulch is that it doesn't exist. We know of no good sites that the governments of the world don't already control. So FNF needs to select a site from among the places that are too remote, too uncomfortable, or too poor for any of the existing states to care about.

But the Free Nation Foundation is interested in creating a free and *prosperous* nation, not a free but poor nation. We don't want to live like Bushmen or Eskimos. So the fact that all the places with nice climates and abundant natural resources are already in the hands of statisticians who will not relinquish them is a big problem for us.

We need to look for a place that is undeveloped because of government mismanagement rather than because it is remote, frozen, parched, or without natural resources.

#### We Need Good Neighbors

Another factor to consider in selecting a site for a free nation is the aggressiveness of the nearby countries. A new free nation will be militarily weak and could easily be conquered by an invading army. So we need to select a site in a region that has relatively non-aggressive states.

R. J. Rummel has assembled data on violence committed by governments in the 20th century. He includes among his findings the following facts that we should take into consideration when selecting a site for a free nation:

- Democracies do not fight each other.
- The more two nations are democracies, the less likely is war or lesser violence between them.
- The more a nation is democratic, the less severe its overall foreign violence.<sup>6</sup>

From 1816 to 1991 the wars in which 1000 or more people were killed involved 353 pairs of nations fighting each other. None of these pairs consisted of two democracies. Of these pairs, 155 were democracies fighting non-democracies and 198 involved two non-democracies fighting each other.<sup>7</sup>

R. J. Rummel includes Costa Rica among the current liberal democracies.<sup>8</sup> So maybe FNF's friend Rigoberto Stewart, who is trying to carve a free nation out of Costa Rica by encouraging the people in the province of Limón to secede, has chosen a good location. Limón is poor, but it has plenty of natural resources, a warm climate, enough rainfall, and a port on the Caribbean Sea. It is not remote from civilization. It can be reached by settlers from the USA by land, sea, or air. Its neighbors, Nicaragua and Panama, are democratic and non-imperialistic.

If Limón secedes from Costa Rica and adopts the type of government proposed by Rigoberto Stewart, with its democratic form and libertarian substance, it could become the kind of free and prosperous nation that we are seeking.△

---

<sup>6</sup> R. J. Rummel, *Power Kills: Democracy as a Method of Nonviolence*, pp. 4-6.

<sup>7</sup> Ibid p. 13.

<sup>8</sup> Ibid p. 11.

*Roy Halliday has two grown-up sons, Matthew (28) and Jesse (26), who are both libertarians. Matthew lives in Ft. Lauderdale, Florida. Jesse and his wife Paula (who is also a libertarian) live in Raleigh, North Carolina, as does Roy.*

---

## Directions to Forum

*(Continued from page 1)*

ward Chapel Hill. Take the Morreene Road exit off 15-501, and turn left at the end of the exit ramp. Turn left at the stop light at Campus Walk, and left into the parking lot.

From points west, take I-85 North to Highway 147 (the Durham Freeway). Take Highway 15-501 South toward Chapel Hill. Take the Morreene Road exit off 15-501, and turn left at the end of the exit ramp. Turn left at the stop light at Campus Walk, and left into the parking lot.

# Forms for a Free Nation, Alternate Visions

By Philip Jacobson

## Introduction

Given the desirability of a free nation, it is appropriate to discuss how to bring one into reality. Such a discussion presupposes the desirability of mapping out a path and deliberately following it. But is there one best path? Might several paths be taken at once? As with other libertarian concerns, there will probably be many ideas to choose from. I submit, however, that an examination of possible paths to a free nation will require a clearer view about the possible forms for the free nation itself than has yet been achieved at the Free Nation Foundation.



Philip Jacobson

Many articles have been written for *Formulations* about what a free nation could look like. Most authors have described specific institutions of a free nation rather than providing an overview—myself included. Often, an author has provided institutional guidelines that might be appropriate to a wide variety of "free nation" models—that has certainly been my own intention. But in some cases, distinct models seem to have been in the authors' minds. Upon reviewing some of the articles in *Formulations*, trying to get an idea about how to build a path from here to there, I realized that the

various authors have some distinctly different visions of where "there" is. These distinctions impact heavily on any thoughts about a path.

FNF's Statement of Purpose gives plenty of latitude for a wide variety of images. It merely refers to: "voluntary institutions of civil mutual consent". Rich Hammer's prospectus for FNF, *Toward a Free Nation*, offers considerable latitude as well, saying,

"I will tell one scenario. A movement comes together and, over time, builds credibility. It gathers a long list of supporters. It collects options on assets to invest in the new country. Then it watches and waits for the right opportunity. The government of some poor, third-world country, struggling to stay in control, indicates willingness to deal: to lease an underpopulated, but habitable, corner of itself..."

but also,

"While this scenario seems to me as likely as any, we can envision other scenarios if we take a broader view."

Before committing serious resources to the project of building a free nation, it would be useful to reflect on the several visions we have used in our thinking up to now—sorting them out, comparing and contrasting them. Paths for each vision can then be discussed. The paths themselves can be compared. Decisions by individual libertarians to support specific visions may be influenced as much by the nature of the paths offered, as by the characteristics of the societies offered as goals.

## Models

The following images of a free nation represent some distinct points of view about how to implement a libertarian society. Where applicable, references to articles from past issues of *Formulations* are noted (e.g. F3.1 = *Formulations* Vol. 3, No.1). This list may not be exhaustive, but it does reflect some of the variety of views which are held about a free nation.

### Ideological Colony: A community created for true believers only

A number of individuals associate with one another on the basis of their

common beliefs. They may or may not have a common background or common residence prior to this association. They decide to establish an ideologically pure community where they can all live together. They may decide that little or no contact with other people will be sought.

Examples: Ayn Rand's "Galt's Gulch" model; L. Neil Smith's notion of a libertarian haven in Colorado.

### Seed Planted: An economic colony with working libertarian traditions

A community is founded around one entrepreneur or a group of entrepreneurs who organize and fund local enterprises, which provide economic viability to the community. The political foundation of such an enterprise is usually less clear, being some variant of the traditional classical liberal concept of a "republic".

Example: Rich Hammer's description in "A 'Nation' Is Born" (F5.1).

### Weeds Cultivated: An international entrepreneurial haven

Emphasis on providing a free market environment, which is attractive to a wide variety of local and international entrepreneurs. Political factors are incidental, so long as they support the legal foundation of a free market.

Example: Hong Kong. While Hong Kong was not deliberately or overtly libertarian, many libertarians talk of a "New Hong Kong". Rich Hammer picks up where this talk leaves off in "Why Not a New Hong Kong?" (F6.4—to be fair, it must be noted that Rich himself would rather the new one be planned).

### Social Machine: A well crafted contract

In the tradition of the American "Founding Fathers", many libertarians believe that a well-written constitution, if honestly implemented, would produce a libertarian society. Essential elements which must be agreed upon are calculated and written down. Then an effort is made to put the constitution in practice. A certain ideological commitment from the citizens of the society is expected, but total ideological uniformity is not.

Examples: The constitutions of Roderrick Long (F1.4) and Michael Darby

(F6.1). Similar thinking seems to exist in the long-range plan outlined by Rich Hammer in his "Letter of Resignation" (F6.3).

#### Feudal Domain: A proprietary community

Emphasis is on the ownership of land by a single individual or an organization (partnership or corporation) with clear title to a tract, typically no larger than a large "estate". The land is governed as the proprietor sees fit. It is assumed that proprietors with correctly perceived self-interest will use libertarian principles in governing the community so as to maximize a stable source of profit. It is also assumed that non-proprietors will respect the property code which supports the proprietors claim to ownership.

Example: Spencer Heath's "proprietary community" as advocated by Spencer MacCallum today (F3.4).

#### Cultural Engineering: Cultivating tendencies of an indigenous population

An "indigenous" culture is found which already has libertarian tendencies. Negotiations are conducted with the local peoples for non-local libertarians (usually meaning individuals from Western Civilization) to take up residence. It may be assumed that the outsiders will have international diplomatic or economic connections which would be useful to the locals. The outsiders would likely live according to Western ideals and culture, and might serve as a "modernizing" influence on the locals—or at least a bridge between the locals and more technological parts of the world.

Example: Michael van Notten's discussion of possibilities in Somalia (F6.2). (It should also be noted that, in principle, this technique has important similarities to that used by formal "Libertarian Parties" to cultivate a libertarian society within modern Western regimes.)

#### Virtual Free Nation: A local manifestation of a multigeographic alliance

Individuals living in separate geographic areas associate politically, form a "nation" without a large contiguous land monopoly. Through various libertarian institutions, individual citizens en-

joy the benefits of libertarian society simply as members of these institutions, or as residents of very small pieces of real estate which are territories of the virtual nation.

Examples: The system of the Law Merchant in the middle ages; to some extent the Hanseatic League; modern virtual models based on electronic networking (this is my own favorite, though it's not a pre-requisite to anything I've proposed within FNF).

#### Anarcho-Syndicalism: Collectivist libertarianism

Communities of voluntary association based on occupation. Essentially labor-union-based societies where each union owns an "estate" sized piece of land where it is the government. Unions from various occupations which had close geographic proximity would be expected to maintain cordial relations, somewhat like those of states within a confederacy. Individuals would be free to join, leave, or form unions based entirely on voluntary relations.

Example: The system advocated by Prof. Noam Chomsky. For a brief time this was tried with some success in parts of Spain during the Spanish Civil War, but was destroyed when the Fascists won that conflict.

#### **Design Variables**

##### Isolation

How much isolation does the community have from other communities, from other individuals? Is this isolation primarily physical or social? At one extreme, the community tries to avoid contact with outsiders, as with the Galt's Gulch model. At the other extreme, anyone who behaves properly is welcome inside the community and citizens frequently travel beyond it, as with the New Hong Kong model.

Impact: A highly isolated community needs to be more self-sufficient, and might have higher start-up costs, in order to achieve this. An open community might share resources with neighbors more readily and be less prone to suspicion from outside communities, and thus be able to get its economy going sooner.

#### Geographic Integrity

Does the community occupy a distinct piece of real estate? How independent is its real estate from the influence of other communities? At one extreme, the nation has a highly "fragmented geography", with many small, separate pieces, as with the Virtual Free Nation model. A similar effect might be achieved by a confederation of proprietary communities or anarcho-syndicalist communities. Most other models assume the other extreme: a contiguous chunk of land, usually much larger than an "estate" with various rights of way allowing passage to other lands.

Impact: If a free nation is thought to need little geographic integrity, efforts to find a "home" for it are of less concern and may not play much part in designing a path. A network of citizens might be established in a wide variety of locations, possibly allowing for more personal preferences regarding climate or cultural surroundings.

If the free nation requires a fairly large piece of real estate all in one place, this burden becomes an early limitation on the establishment of the free nation. Significant financial resources would probably be required before beginning the new nation, both for land acquisition and for the building of infrastructure. New citizens would have to accept local physical and cultural conditions.

##### Source of Legitimacy

Why does anyone have authority within the community? At one extreme is an "unwritten" constitution, composed of generally understood traditions combined with contracts between specific parties, possibly backed by a traditional arbitration system. At the other extreme would be a legal structure which affects the whole community, with a system allowing for formally changing its rules.

Impact: If it is assumed that a common tradition is held by all, the project is held up until a critical mass of people is found who adhere to the tradition and who want to participate. When formal systems are used for legitimacy, they may be spelled out for newcomers who can simply agree to them.

Problems will exist to the extent that different subcultures are found within any nation. The power to enforce ethical standards is a scarce resource. Different subcultures will allocate it with different priorities. Interactions between individuals from differing subcultures within a nation can present significant problems. Though this experience can also be a source of strength as the free nation's diplomatic tradition shifts from internal focuses to "foreign relations". Experience with formal contracts via diplomacy between subcultures might be planned as an early priority for the free nation.

#### Ideological Purity

This problem is related to the "sources of legitimacy" issue above. How much conformity to an ideological standard is expected of those who participate in the community? How is it to be enforced? A free nation might in theory be formed where citizens do not need to pass a litmus test for libertarian beliefs. But at the least, citizens and resident aliens would need to be respectful of one another in practice. Most models demand no more than this intrinsically. While any model might impose severe standards on citizens, only the "Ideological Colony" models tend to do so as proposed.

Impact: Requiring a high level of ideological purity from citizens, regardless of the details of the "pure" philosophy being enforced, would limit the appeal of the free nation considerably. High "purity" requirements would mean that a critical population size would be harder to obtain. So an early design concern would be the recruiting of citizens, no matter how well financed the project was.

Requiring lower levels of "purity" would allow for easier citizen recruitment. A nation might be founded which had only a small number of citizens with high ideological commitment. But in such a case, alternative motives for non-disruptive behavior on the part of citizens would need to exist.

#### Designer or Owner Control

How much control is exercised by the designers and/or founders of the community over the institutions of the community? At one extreme the designers set up a system of control for owners (who may be the designers themselves), who have an ultimate say in any changes. Citizens could then take or leave the whole community and its rules. At the other extreme is a system where individual citizens have a part in the creation or dismantling of specific rules that affect them.

Impact: To the extent that the free nation is proprietary, it may need a more careful design than would a more broadly conceived and held community. While ideological conformity may not be in the mind of the proprietor, many other features will be important, and will often require careful thought. By contrast, a relatively loose plan would probably be more useful where the ownership of the community is decentralized.

#### Openness

How public is the effort to form a free nation? How much publicity should the free nation seek once formed? At one extreme the nation, or at least a realistic and detailed description of it, is not open to view by non-citizens. At the other extreme, nothing is deliberately hidden about what the nation per se does and/or allows, though individuals may choose to conceal their private lives—and a public relations campaign actively advertises the community.

Impact: Finding new citizens and supporters in the "outer" world will be easier if nothing is hidden. However there may be a significant risk that established regimes of ideologies might want to thwart the formation or the success of the free nation. Then some camouflage may be appropriate, as Spencer MacCallum advises in "New Countries and the Case for Keeping One's Cards Close to One's Chest" (F5.1).

#### Grand Design

While I personally like the Virtual Free Nation model the best, I do not advocate it as an ideal for all libertarians. Indeed, I do not advocate any of the

above models for anyone else. Instead I advocate all of the above. More specifically, I think that the ideal situation for a free nation would occur as an ecology composed of many individual free nations, probably involving examples of most if not all of the above models—and more.

Each of the free nations would grant each of the others the right to exist (as long as they remained libertarian in character). I think it would be advisable for this to be done formally, to the extent that formal institutions exist. In many cases two or more free nations would cooperate in various ways. Perhaps some free nations would form one or more confederacies, where selected "governing" functions were given extraterritorial recognition. Murderer suspects might, for instance, be regularly and smoothly extradited between the nations within such a confederacy.

But I would expect the strongest social ties within this future libertarian ecology to be other transnational institutions. A citizen of one free nation might, for instance, find it more useful to hold a widely accepted credit card than a widely recognized passport. Other associations might also serve the citizen who engaged in international travel or business, such as an insurance policy, employment with a transnational firm, a religious affiliation, or family ties. Even such "trivial" things as frequent flier miles might give the traveler's life more security and/or flexibility than a passport.

The multiple free nation ecology is likely to contain a great deal more cultural diversity than would any one of the above models. "Cultural exchange" programs would be useful to enhance appreciation of the varied fruits of freedom within the general free ecology. These programs would not require formal support by everyone to be effective. And the isolationist communities might refuse to participate. But misunderstandings might weaken the freedom of those in the ecology, so efforts to educate varying communities about one another should qualify as a valuable form of informal diplomacy.

There may be no ideal, easily planned path from here to there, however. A lot of assumptions involved in "planning" might be arbitrary. For in-

*(Concluded on page 14)*

# Get a Free Nation by Running a Professional Think Tank

by Richard O. Hammer

For my contribution to our Forum topic, "How Do We Get There From Here?", I will express again what I have called the FNF work plan. But, before starting on that, I had better repeat what I mean by "There," since it seems to me that those of us who participate in FNF are working to achieve different ends.

## What Is the Goal? What Does "There" Mean?

I want to see the creation of a new free nation on Earth. By "nation" I mean what is most commonly meant: a piece of real estate with borders separating it from other nations, borders which will be drawn in atlases. This nation will have a population of at least several thousand people.

When I say "nation" I do not mean a nation in cyberspace. And I do not mean a people who form a nation by virtue of the fact that they share libertarian values—even though they live dispersed as a minority among a large population of statist within a country such as the US.

When I say "new free nation" I do not mean the US or any other first- or second-world nation. All strategies of which I am aware to free any of these nations follow the standard popular-persuasion paradigm. Now I grant that popular persuasion might work one day. If popular persuasion is your thing, go for it. But I founded FNF because I see another path open before us. Unless I delude myself it should be possible for a sufficiently strong organization to establish a new Hong Kong, on land rented or purchased from some other nation.

I want a feeling of community where I live. Because the inhabitants of the free nation will live within one geographical space, they will form one national community. And, within this national community, smaller communities, including families, will form and grow as guided by natural forces, and not as dictated by some government.

I want to live in a nation where people can live openly. Suppose I have

three wives, or punish my children when they err, or smoke dope, or make my living by selling treatments without a medical license from the government. I want to live where I can be open about



*Richard Hammer*

this, where my neighbors and any strangers who might be passing through can know this about me. I want to live without fear that my candor will provoke a raid from the police.

## A Think Tank Is the Stepping Stone Which We Need

So my goal is the establishment of something like a new Hong Kong. But I must think of this goal in abstract terms because it is too grandiose for me. I can imagine the end, in which a corporation of wealthy libertarians pays a half billion dollars to purchase an underpopulated corner of a poor, third-world nation. But I must recognize that I am not in any position to start shopping for real estate. Furthermore, I think that any non-billionaire who shops for real estate on this scale is simply wasting his time; he would be smarter to spend his resources on building a stepping stone.

Neither am I in a position to try to start such a corporation, which would eventually purchase real estate. The founding of such a corporation would require more wealth and respectability than I can bring to it. I think a committee of people such as Bill Gates, Thomas Sowell, Margaret Thatcher, Charles

Koch, and Ron Paul could launch such a corporation, with reasonable hope of success. But I cannot. Furthermore, I think that anyone who starts now to form such a corporation, who does not have the wealth or respectability of one of the people I named, is simply wasting her time; she would be smarter to spend her resources on building a stepping stone.

So, unless you happen to be a billionaire or a famous leader, I think that the goal of a New Hong Kong requires more resources than you and I have. If we hope to see the goal achieved we need to find a way to catch the respectful attention of people who have more resources.

I believe that a New Hong Kong could work. But I must admit that I am more starry-eyed than most. I suppose that the reason why some wealthy corporation has not already undertaken this is because the idea sounds too farfetched. I can see why levelheaded businesspersons stay away from this.

Given the reasoning thus far, the idea occurs to me to run a think tank which focuses upon issues concerning the establishment of a new free nation. In founding the Free Nation Foundation I made this assumption:

If a think tank, with the professionalism of the Cato Institute, regularly held meetings and published documents in which various solutions, to the numerous problems which can be foreseen concerning establishment of a New Hong Kong, were proposed and debated, this would raise the credibility of the idea of establishing a New Hong Kong. If such a think tank operated then it would not be long before billionaires and famous leaders could be recruited to the cause of establishing a New Hong Kong.

Do you agree with my assumption?

Note that a think tank can be started with comparatively modest resources. In FNF we have done it already, in the formal sense. Of course FNF has not approached the size of the Cato Institute; this would require much more funding. But still a think tank on that scale, with a staff of 10-30 professionals, can be started with modest funding—when compared with the financing which I suppose would be necessary to shop for real estate.

But, a word of caution, notice that I may be biased toward the idea of think tank. Perhaps it occurred to me because I like this sort of thing anyhow. I like to read, write, and work on making a professional presentation. So my suggestion needs to be evaluated by others.

### More Professionalism: A Step Which We Can Take

Thus far FNF has not found financial support to hire professional staff. We have only volunteers. And while we often turn out good work, we have a long way to go to match the Cato Institute in professionalism.

I believe that you, who now volunteer in FNF, are capable. Even though you have other commitments, you could do a better job of making an appearance that FNF is staffed by professionals, if you work at it.

If FNF appeared more professional I think it would be easy to raise larger sums of money, and it would entice new professionals to join in our process. We could take a step down our path toward "there from here." We should do such things as:

- For our writers, take initiative. Do not wait before writing about any of the critical institutions in a free nation (constitutions, systems of law, treaties, and leases) for FNF to dedicate a Forum to that subject. Study, write, and extend FNF's coverage in any critical subject—at any time.
- For our writers, pay attention to the relevant works of other writers. Present and justify your work in the context of their work. Cite their contributions in your papers.
- For our Forum attendees, read all the papers before the Forum. Arrive with notes on each paper. Be prepared to criticize, question, or compliment.
- For our Forum speakers, similarly read and make notes upon the other papers being presented. But make an extra effort. Part of your job—as a professional—is to evaluate what others are saying.
- For any of us who publish or mail documents in the name of FNF, whether paper or electronic, be sure to proofread, spell check, and pay

attention to elementary editorial standards such as italicizing the titles of books or magazines and following a consistent scheme of indentation.

- For any of us who appear publicly on behalf of FNF, dress as a professional.
- For all of us, arrive at meetings on time.

### FNF's Formulations of Critical Institutions Will Never Be Perfect, And Do Not Need to Be Perfect

I sometimes hear libertarians speak as though they believe that the plans for a new free nation must be perfect before the nation is launched. These people might say, for instance, that the constitution must be airtight, to eliminate any chance that government might grow. But I think that plans are never perfect.

The United States was founded, and provided a home to many liberties for a long time, even though there was never a perfect plan at the outset. People work on improving their plans until they are confident that they can proceed. Then they do proceed—without wasting more time on planning. So, as I see the future of the free-nation movement, entrepreneurial corporations will start new-country projects when they are willing to bet that the pieces will fall together.

Our role, in running a professional think tank, is to raise the level from which these risk takers jump toward the goal. As the quality of our work eases the doubts of more people, we should expect to see more and better attempts to launch free nations.

But we should not necessarily expect to see a direct correlation between the plans which we publish and the plans which nation-forming corporations employ. Indeed, the leaders of these corporations may be unknown to us until we learn of their projects in the news.

### Appendix

With the announcement of this topic, "How Do We Get There From Here?," we published a list of questions suggested by Phil Jacobson. Here I respond to those questions.

*How much planning is needed? How much organization is needed?*

FNF, as I describe it, will deal with planning and organization of free-nation projects—but only in an abstract way. As a non-profit think tank it will not become directly involved in any projects. Rather, I assume that most of the detailed planning and organization will be carried out by the for-profit corporations which undertake those projects.

Of course FNF will have to plan and organize its own functions. But FNF is only a think tank, with expenditures on meetings, publications, and (hopefully) staff.

*What activity should be done before a site is occupied? What activity after a site is picked and occupation begins?*

Again, FNF might publish formulations about how a for-profit corporation could address these questions—with the purpose being to convince investors to take such questions seriously. But we in FNF would not become directly involved.

*Must there be one path? Is there even a "best path"?*

Of course there are many paths to freedom. But in my opinion some paths are more promising than others. A person trying to escape from jail will judge a path which leads through an open door to be more sensible than a path which must be chipped through two feet of concrete. I think I see a path, the FNF work plan, which is like an open door when compared with the path of popular persuasion, at which most libertarians spend their lives chipping away. Until FNF, this path of building the credibility of the free-nation movement has been entirely overlooked.

*Could several free nations emerge simultaneously? Is this a wasteful diversion of resources?*

I think several free nations could emerge simultaneously. Since investors will decide for themselves how to invest, I do not suppose it is my place to judge whether their resources are wasted. But I might be disappointed if a dispersion of resources among numerous projects delayed the first success, because I want to live there.

*Are there key resources which will be required for a free nation project? If so, what are the best sources for these? Should any of these be lined up before a specific free nation project begins?*

Yes, one major resource is lacking. It is credibility. If credibility can be built people and capital will gravitate to a free-nation project. There will be no shortage of either people or capital (as I argued in the FNF's founding prospects, *Toward A Free Nation*, 1993).

Most libertarians view the free-nation movement with skepticism—for good reason. Almost all free-nation reports tell of attempts which are superficially irresponsible and flamboyant. We can change that. By running a think tank in a professional way, we can supply more credibility to the movement.

*Is it better to seek a site for a free nation in an economically "underdeveloped" part of the world or a "developed" territory?*

Of course "developed" sounds better to me than "underdeveloped." But we must also consider the price.

In the scenario which I imagine a deal will be struck between a corporation and the rulers in a government; the corporation will pay money in exchange for autonomy. But I cannot imagine something like this happening in the US, or in another nation which is as wealthy and proud as the US, because the rulers will be giving up more than just their authority over the real estate—they will be giving up their pretense that their government is above deals such as this one.

In the US the price of this pretense would be astronomical. I doubt that our nation-building corporation could pay it. But in a poor third-world nation, with a teetering regime which few natives respect anyhow, I imagine that payments which our corporation could afford would open the necessary doors.

*Is it better to seek a site for a free nation in an uninhabited space?"*

Of course it would be simpler to take uninhabited space. But, because almost all land has at least a sparse population, I think FNF should formulate strategies for dealing with indigenous populations. I believe this is manageable, although not simple.△

*Richard O. Hammer, who was born in 1948, has been active in the libertarian movement since 1987. He founded FNF in 1993 and became editor of Formulations in 1997. Now he is withdrawing, as the principal driving force in FNF, and will complete this process before Y2K.*

---

## Alternate Visions

*(Continued from page 11)*

stance, which of the free nation models should come first? My answer is simple—the one which first gets adequate resources to get started. This might be the model which is most popular with libertarians worldwide, the model which attracts the most dynamic entrepreneurs, or simply the model which gets the most lucky breaks.

My advice to those who want to support the free nation concept is: support the model you like the best (for whatever reason) but be prepared to praise, perhaps even to embrace, any model which succeeds in the real world. And then, once a single free nation exists, somehow, somewhere, do not rest content until there are others. While you, as an individual, might indeed choose to move from one vision of liberty to another at various times in your life, you will gain more than this option.

The environment that will be the most supportive to the survival of a free nation will be formed when the most choice is available for individual libertar-

ians. By choice I mean far more than simply freedom from coercion—the minimum requirement for a libertarian society. I also mean real, practical options. Traditionally, libertarian theorists have emphasized the desirability of freedoms like free trade or freedom of lifestyle. This is good and proper. But we also need freedom to choose between visions of freedom. This is valuable to each libertarian in a way that totally transcends consumer considerations. For as long as there are various visions of liberty enacted in reality, there will be a larger mass of satisfied consumers with a vested interest in the notion of a free nation. And there will be more experimentation with how the visions might work. There will be a market for free nationhood. And as it is with any other industry, a market is always preferable to a monopoly.

### FNF's Role

While it is appropriate for FNF to actively plan for the model Rich Hammer described in *Toward a Free Nation*, it is also appropriate, as Rich also said, to "envision other scenarios" and "take a

broader view". Indeed I will state outright that it is in the best interests of FNF to take that broader view. We should seek to find and encourage any and all free-nation efforts in the real world (except perhaps those which wish to remain hidden from our view). We should evaluate them using tools like Rich Hammer's report card (F4.3). And we should feel free to invest the prestige of FNF in an endorsement of one or more of them, while refraining from endorsing any but the most credible of efforts.

But one thing I feel that FNF should not do is to endorse one vision to the exclusion of the others. In my opinion this adds an unnecessary limitation to the concept expressed in the Statement of Purpose. More significantly, it would remove FNF's support from the concept of an ecology of free nations, and the more fruitful opportunities that a true market for free nations could provide.△

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

## Bridge to a Free Nation

by Robert Klassen

A free nation is an ideal that has been on my mind since 1965, when I attended meetings of a group who intended to create one. The results were disappointing. During the 1970s I studied under Andrew J. Galambos at his Free Enterprise Institute and there learned some of the mechanisms for providing security and justice without a coercive state, but the free nation in which these might be applied eluded all of us. Perhaps out of frustration with the improbability of this dream, I spent many years writing a novel about it. Today, thanks to the Internet, I believe we may be closer than ever before to creating a free nation and I believe it may be much closer to home than we imagine. Let me explain.

The model of government which I most admire was described by Spencer MacCallum in *Formulations* ("A Scenario for Founding a Free Nation on an Imaginary Island in the Caribbean Sea," Vol. VI, No. 3); it is a fine extrapolation of the multiple-tenant income property from shopping malls and cruise ships to a mercantile city in which native citizens are economic partners in the venture. This makes sense to me. His proposed method of supplying security and justice within the community via the initial lease contract, insurance, and private arbitration ("A Model Lease for Orbis," *Formulations*, Vol. III, No. 3) also makes sense to me. I wonder if these concepts might have a broader, more general application in our world today in existing cities and other political jurisdictions? I think it may be possible.

Based on what I learned from Galambos, I put together a simple model which I called economic government (*Formulations*, Vol. VI, No. 1), which consists of intermeshed businesses of insurance, banking, and innovation. Without going into the primary functions of these businesses, a coincidental function could be to provide security and justice within a population, similar to what Mr. MacCallum proposed. The question before us is, how do we get from here to there, how do we make the models work?

This article copyright 1999 by Robert Klassen.

One elemental problem which faces every taxpayer on Earth is, how can I keep more of my own money? One answer is to turn it into gold and then hide it, but hidden gold cannot grow, so



Robert Klassen

that's a poor answer. Another answer is to hide it in a numbered account in an offshore investment bank where they know who you are—but that takes a lot of money and a lot of faith in the political jurisdiction where the bank is located. What if we could hide our after-tax disposable income in small increments in an investment bank in cyberspace where all transactions are encrypted and anonymous and guaranteed? Over time there might be a vast repository of growing wealth owned by ordinary people and hidden from all political governments. Soon all of our financial business could be conducted in cyberspace using anonymous digital cash.

Another elemental problem which faces all of us is the protection of our property, I mean our lives, our physical property, and our intellectual property; it is abundantly clear that the state is intent on stealing our property, not protecting it. One method of protection is insurance, although insurance as we know it today is just another strong arm of the state. But what if we could go on-line and buy insurance cheaply for any risk we can imagine? What if that insurance company had a proprietary interest in reducing its losses by reducing our risk?

Freed from the fetters of the state, insurance in cyberspace could become a friendly partner in planning the protection of our property.

What keeps banking and insurance honest? Competition, reputation, and a plain money-back-guarantee to do what they say they will do. How long would a business survive a bad reputation in cyberspace? Maybe one day, maybe two. A company that can't live up to its guarantees will also vanish in a short time. The free-market in cyberspace will ensure that we have dependable, trustworthy, guaranteed banking, investment, and insurance available to all of us.

I think the bridge to a free nation exists in cyberspace and I think we are already on it. Anonymous digital cash is urgently needed by the international business community and that demand will soon be filled. Investment banking in cyberspace is a reality and only a little nudging will convince them to sever their bonds with the state. Strong encryption exists, free to any person. If the state tries to throttle the Internet via the service providers, which is happening in Britain and Australia, they can move their servers outside of the throttling jurisdiction; an ISP can serve the world as well from a Pacific atoll as it can from London or Sydney. But if the bridge exists in cyberspace, where does it go?

I was discussing these prospects with a friend the other day and I happened to quip, "The next time San Francisco goes bankrupt, let's buy it." And the models began to fall into place.

The collapse of political governments is well documented in history, the uncertain questions for us are when and how fast. Being an optimist by nature, I will assume a best case situation where the failure begins on a municipal level and gradually spreads. Operating in the safety of cyberspace, a corporation might be formed along the lines envisioned by Mr. MacCallum to buy the land in the afflicted region in partnership with the citizens and restore the region to its former prosperity as a multiple-tenant income property. Taking into account the investment potential of unfettered wealth in cyberspace, we might discover that the free nation we seek may not be too far from home after all.△

## Markets Can Furnish Law

a Reply to Roy Halliday

by Richard O. Hammer

I thank Roy Halliday for his appeal “Let’s Discuss the Amount of Coercion Needed in a Free Nation,” in the previous issue.<sup>1</sup> Roy did what I wish more FNF participants would do, in that he recognized the views of other participants and solicited discussion on our differences. Here I respond, telling three differences between Roy’s stance and my own.

First, I do not agree that a decision needs to be made concerning the circumstances in which free-nation law will use force.

Suppose, for example, that a free nation gets established and that Roy and I both live there—but we live in different communities within the free nation. Then, if a crime happens in Roy’s community, the way Roy and his community handle it is their business, not mine.

The response to a crime concerns me only if I am somehow involved, if I am: accused of the crime, the victim of the crime, or if I am networked to either the accused or the victim, perhaps through family ties or mutual insurance. Otherwise it is none of my business. The industry of law enforcement in a free nation might provide a full spectrum of responses. Roy can buy what he wants. I can buy what I want.

I contend that a new free nation could start and run successfully even if the system of law were never completely specified ahead of time. Consider the US system of law. Notice that it runs along, century after century, providing better protection than most systems of law—even though it was never perfectly specified at the outset. It was patched together by committees who did the best they could. We can do the same, striving not for perfection, but for a system that we bet will run better.

Second, I disagree on a deeper level. Roy invites debate, on the circumstances in which enforcement of law is justified, as though he thinks such a debate is appropriate. But I believe a debate on this topic is no more appropriate for free-nation libertarians than a debate on the topic of which drugs the citizens of a free nation should be allowed to consume. The very notion that the citizens of a nation need to get involved in deciding some issue suggests a majority-rule frame of thinking. I believe there is no point in debating the character of any goods or services, including law, which we expect to be delivered by markets.

Third, Roy almost completely overlooks the power of ostracism. I believe ostracism could be used to punish criminals or to compensate victims, whereas Roy seems to believe violence must be used to accomplish these ends.<sup>2</sup>

Roy does give ostracism a few passing nods. He says that “anyone who is deciding whether to commit a crime should ... consider...the effects upon his reputation” and “the possibility that he might be ostracized or boycotted...”<sup>3</sup> Further, a victim who wants to “get some satisfaction without violating anyone’s rights” could make the offenders “feel ashamed by publicizing their crimes”, or could “try to persuade others to isolate a criminal from society.”<sup>4</sup>

Roy’s picture of ostracism seems lame, although typical for an American. To show how I believe the state has crippled Roy’s confidence that markets can supply law, I offer an analogy with a person who grew up in the Soviet Union, who has no confidence that markets can supply pencils. If you ask this person to imagine how he could get a pencil in a free nation, he might reply that he could “try to persuade others” to work in the occupations which collaborate to produce pencils. But, we who grew up where markets have long been free to produce pencils know it is simpler than that. Pencils are available almost everywhere, in large variety, for a trifle. The same would be true for ostracism in a free nation.

It seems to me that Roy must build his idea of a free nation this way: He starts with a society modeled upon the

American society in which we were raised, in which the state both gives itself a monopoly in enforcing law and cripples the power of ostracism. Then he removes the state as an enforcer of law—but he leaves in place all the acts of state which cripple ostracism. Now that is a sure way to create a picture of lawlessness.

To be fair, Roy has lots of company. I believe most libertarians, including those whom he cites, join him in failing to notice the ways that the state eases crime by crippling ostracism. I have listed those ways, enough times I hope.<sup>5</sup> Ostracism in a free nation would be potent. It could be lethal.

<sup>1</sup> *Formulations* Vol. VI, No. 4 (Summer 1999).

<sup>2</sup> “Law and Violence,” *Formulations* Vol. VI, No. 1 (Autumn 1998).

<sup>3</sup> *Ibid.*, p. 39.

<sup>4</sup> *Ibid.*, p. 40.

<sup>5</sup> “The Power of Ostracism,” *Formulations* Vol. II, No. 2 (Winter 1994-95); “Locks in Layers: Security Through Win-Win Connections,” Vol. III, No. 4 (Summer 1996); “Gateway to an Altered Landscape: Law in a Free Nation,” Vol. VI, No. 1 (Autumn 1998), pp. 18-19.

## What Is a Market Transaction?

a Reply to Richard Hammer

by Roy Halliday

Richard Hammer has a lot of confidence in the ability of the market to solve problems and to provide goods and services—including the services of law creation and law enforcement. Consequently, he contends that “a new free nation could start and run successfully even if the system of law were never completely specified ahead of time.”

I share his confidence in the market, and I agree that the system of law for a free nation does not have to be completely specified at the outset. But I believe that certain principles need to be agreed upon if there is to be one single

system of law and one market for law in the nation. In particular, I believe we need to agree on what is a market transaction and what isn't.

We need to agree on the basic legal principles of a free nation because these principles define the scope of the market. Is the buying and selling of slaves a market function or not? Is the mafia practice of putting contracts out on the lives of their rivals a market practice or not? Is the corporal punishment of individuals a market function or is it something that hampers the market? Is private ownership of land consistent with the market or does it hamper the market?

In general, libertarians believe that acts which initiate aggression are not market transactions. But we don't agree on whether corporal punishment and imprisonment of criminals or compulsory restitution and extraction of debt repayments are such acts. So we don't agree on what is a market transaction with regard to punishment and restitution. It is not logical to pass the buck to the market to solve these legal problems until we agree on which overall market we are referring to. Are we referring to an overall market that includes a slave market a la Randy Barnett who advocates enslaving debtors? Are we referring to an overall market that includes a market for administering corporal punishment of criminals a la Murray Rothbard? Are we referring to an overall market that includes both of these markets? Or are we referring to an overall market that excludes both of these markets a la the self-defense paradigm that I advocate?

Richard Hammer has more confidence in the power of ostracism than I do. Maybe his confidence is justified. I don't know. I am more concerned with the overall market and the effects that it would have on the use of ostracism. If the overall market includes markets for corporal punishment and imprisonment of criminals and a slave market for debtors, there would be less need for voluntary acts of ostracism than there would be if the overall market excluded these markets.△

## www.freenation.org

If you haven't visited the Free Nation Foundation's web page, you need to check it out. Most FNF publications are posted in our online archive. This contains most articles from *Formulations*, through the last three issues.

Our web activity report for July shows a continuing, steady increase in the number of user sessions. In mid May there was an exceptional burst of activity, when Slashdot.org referenced Roderick Long's paper on intellectual property.

January .....	691	May .....	8239
February ..	1013	June .....	2031
March.....	1402	July.....	2139
April.....	1951		

### Announcement

## Two Board Seats Up for Election

The terms for current FNF Directors Phil Jacobson and Candi Copas will expire on 1 December 1999. If anyone would like to be nominated for one of these seats, they should inform FNF President Rich Hammer of this interest <roh@freenation.org>.

The election of Directors to fill these two seats will take place at a meeting of the Board on 13 November 1999, in Chapel Hill, NC. This will be a "regular" meeting of the Board, which means that Members of the Foundation are invited to attend. Contact Candi Copas at <copas@freenation.org> or 919-933-3031 if you would like to attend.

The Board of Directors is responsible for oversight of all operations and affairs of the Foundation. The Board, which is required to hold at least one regular meeting each year, has met three times so far during 1999. There is no paid compensation for Board service.

Terms of Directors are three years long and are arranged so that, as nearly as practicable, one-third of the terms expire in each year, on the first of December. Currently there are eight directors. Next year, in 2000, three seats will be up for election.

Both Phil Jacobson and Candi Copas are seeking re-election.△

# Review of Spencer Heath's *Citadel, Market and Altar*

by Roy Halliday

This book, written by the grandfather of Spencer Heath MacCallum, one of FNF's most admired contributors, reminds me of Isabel Patterson's *God of the Machine*. Both books provide sweeping interpretations of history from a libertarian perspective, and both books use terminology from the physical sciences to describe human society "scientifically."

By combining libertarianism, economics, and religion, this book also reminds me of Frederick Nymeyer's *Minimal Religion*, which tries to prove that Ludwig von Mises' economic principles are inherent in the Ten Commandments.

If you start reading *Citadel, Market and Altar* from the beginning, you are likely to give up quickly and do something else. I suspect that many readers quit this book before they get past the pages numbered with roman numerals. If my suspicion is correct, it is a shame, because they miss all the good parts.

The reason why you might give up on this book is that it begins with a very questionable theory of energy that is supposed to span across all sciences.

If you struggled with science in high school or never learned how to distinguish between scientific knowledge and philosophical speculation, you might be impressed with Spencer Heath's attempt to develop a unified theory of energy. But if you have some appreciation for what constitutes a scientific approach to a subject, whether by the empirical method of observation, hypothesis, and experiment, or by the logical method of definitions, axioms, and deductions, you will not regard Spencer Heath's theory of energy as scientific. Although I am not a scientist, I do have a degree in mathematics, and I have an appreciation for what constitutes a rigorous mathematical proof. To me Spencer Heath's theory of energy is about as scientific as one of Plato's dialogues with a couple of simple algebraic equations thrown in as window dressing.

If an editor stripped the pseudo-science from *Citadel, Market and Altar*, it would be about twenty percent smaller and one-hundred percent better. It is par-

ticularly unfortunate that so much of this dubious material occurs at the beginning of the book.

Fortunately, most of what Spencer Heath has to say about economics and proprietary communities does not depend on his theory of energy or even on his definition of the scientific method. From the fifth chapter on, his theory of energy rarely comes up. He also abandons the quantitative approach to social science. Instead he adopts a logical methodology by reasoning deductively from his axioms and definitions. He is like a Chicago-School economist who calls himself an empiricist even though his conclusions are based on deduction rather than induction and experiment.

## Trinity upon Trinity

Occasionally throughout the book Spencer Heath revives the idea that all science is empirical and quantitative. He tries to link the sound economic principles that he derives logically to physics and biology. He does this mainly by expressing what he regards as the basic reality in each field as a simple algebraic equation in the form  $A = B \times C \times D$ , as though nature always manifests herself in a Trinity of measurable variables whose product is the key to the universe. This excess baggage only makes his economic insights seem dubious and obscure. He writes as though his audience consists of amateur biologists, astronomers, or physicists who have spiritual aspirations.

Spencer Heath's penchant for dividing everything into groups of three strikes me as more mystical than scientific. In physics, he divides reality into mass, motion, and time. In biology, he divides the structure of animals into physical, nutritional, and neurological components, and he divides the structure of individual man into mechanical, chemical, and volitional components. In sociology, he divides human society into Citadel, Market, and Altar. In theology, the Absolute Trinity is the product of Substance, Power, and Eternity.

He explains the Trinity in the title of this book as follows:

"A society has three basic needs. ... These three needs, security, property, and spirituality, are supplied through the institutions of politics and government, of commerce and trade, and of religion and the arts. These institutions evolve successively as *Citadel, Market and Altar*, the Citadel to maintain freedom from violence, to guard alike against the aggressor from without and the unruly from within, the Market to provide abundance in the necessities of life and the Altar to practice the non-necessitous, the spontaneous and inspirational, the spiritual and esthetic recreations and arts. The first is necessary to the second, the second to the third; but the third, the Altar, is the end-in-itself, the life of creative freedom, above all necessity—the spiritual realm. Upon the free development, differentiation and interaction of these primary institutions, all social advancement depends." (53-54)

"The Citadel repels assault from without, subversion from within. The Market is an outgrowth of the Citadel; the Altar arises from the interaction of Citadel and Market. In point of function, the Market supplies all service energy to the Citadel. By its ministrations to basic necessities and needs, it releases free and spontaneous energies of men to the practice of the intellectual, the esthetic and creative arts—all those sports and recreations of body and mind towards which they freely incline and aspire." (56-57)

## The Effects of Latitude and Altitude on Freedom

Spencer Heath observes that in the early history of mankind it was so difficult to survive in northern latitudes and at high altitudes that states could not form. The environment was so harsh that people had to cooperate to survive. They could not afford the luxury of a parasitic class.

Free societies degraded into state-ridden societies first in the regions where

the struggle against nature was relatively easy and slaves could produce enough to support themselves and their masters.

"The early deterioration of free communities by their transformation into political sovereignties took place chiefly in those lush regions where slavery and taxation could be practiced and the inhabitants yet live, and where the marching and marshalling of armies, the recapture of slaves and the rigors of government could be easily applied. But in lands of high latitude or high altitude and of rugged terrain, the sparseness of natural subsistence forbade the inefficiencies of a servile state. Nor would such terrain favor military operations, other than defense, or the capture and recapture of slaves. In such lands, men must practice the free relationships of mutual service in order to survive. They alone have limited their sovereignties. Their kings and councils have been heroes and leaders, the lords (Anglo-Saxon: *givers*) and exemplars, and not the drivers and rulers of men. Through the ages, and from such sparse origins, came the great warriors who conquered the political slave states of the lush lands, adopted their enervating ways and were in their turn by virile conquerors deposed." (75)

"Lacking the structure for effective or sustained defense, the primitive village fell easy prey to the depredations of those tribal groups who continued their nomadic ways. In easy-living lands, where the rigors of a political administration over the primitive productivity can best be survived, aggression by raiding became conquest and the permanent subjugation of populations. The predatory slave state was born. Authority tended to center in war leaders who became conquerors and kings. These were neither patriarchs nor were they proprietors; they were predators. Their administration was political, maintained by force, not sanctioned by native custom, contract or consent. They were the first progenitors of the ancient predatory slave states and of all the political sovereignties, whether autocratic or popular, of the modern world." (88-89)

### Barbarism and Freedom

Spencer Heath characterizes the barbarian tribes of northern Europe as free people compared to the more civilized regimes in the south.

"The political history of all ancient times is but little else than the clashing and consolidation of rival slave states and their encroachments on barbarian freedom to extend their domains and build mighty empires until barbarian conquerors from freer lands brought their insolvent glory low." (89)

"The Western world has been so long indoctrinated with the Norman and the Classical traditions of political rulership over servile-minded and tribute-burdened populations that any suggestion of moulding public institutions to the basic pattern of the proprietary or free feudal communities is almost sure to be decried as a return to slavery and to barbarism itself." (80)

If the barbarians were free, why were they so poor and uncivilized? Part of the answer is that they lived in harsh environments where the struggle to survive was more difficult than it was in the Mediterranean region. Another reason offered by Spencer Heath is that the barbarian tribes were seldom united. When they engaged in cooperative enterprises beyond the tribal level, they had more success.

"Of all tribal peoples, those having the background experience of successful migration by sea are thought to have been thereby best prepared and most free—since ships' crews are recruited across kinship lines—to effect community organization on the societal basis of a rational cooperation by property and contract in lieu of total dependence on kinship and emotional or biological bonds. Hence their basically free, proprietary communities—in high contrast with the tax- and tribute-bonded city sovereignties and slave-bound nationalistic states of ancient times." (79)

Another explanation that Spencer Heath offers is that the Anglo-Saxon barbarians did eventually achieve some measure of social progress.

"But in the remoteness of ancient Britain, after the Roman prestige and power was gone, the Anglo-Saxon invaders emerged out of mere tribal solidarity into proprietary communities untouched by the traditions and politics of Rome. In this remoteness, the Anglo-Saxon system of proprietary administration by land lords for free men evolved, and through almost five centuries became the rude but free society that flowered in the "Golden Age of Alfred" until it was destroyed by the Norman power and its liberties submerged under a political and essentially totalitarian rule." (76)

"Once the land was possessed [by Anglo-Saxon invaders], there was no more offensive war, for there was no public revenue; taxation, like slavery, as an institution, was unknown. After Alfred, the Danish invaders laid taxes for eleven years which were continued until the English Edward, coming to the throne, denounced and abolished them as contrary to Anglo-Saxon custom and law." (80)

In *Conquests and Cultures*, Thomas Sowell denies that the Anglo-Saxon Age produced a higher standard of living in Britain than they had under Roman occupation. After the Romans withdrew, in the early fifth century A.D.:

"The use of coins declined. Pottery ceased to be mass produced. Roads and waterways fell into disrepair. Central heating and hot baths disappeared for many centuries. So did bricks, which the Romans used, but which did not reappear in Britain until the fourteenth century, when they were imported from the continent. Glass bottles, which had been produced in Roman times, disappeared from England and did not reappear until Elizabethan times, when bottles began to be imported from Venice, and it was the seventeenth century before glass-blowing was re-established in the British Isles." (page 27)

So what are we to make of this history? Does civilization require the state? If we want freedom do we have to live like Eskimos in the frozen north?

## Can Landlords Replace the State?

Spencer Heath sees that the state method of compulsion is the source of all systemic problems in society.

"All general distress, all world-wide wrongs and wars are fruits of the persistence of men in trying blindly and vainly to conduct their public and general affairs on the basis of compulsion, deceit and default instead of by contract, consent and exchange, as men have learned to conduct almost all of their individual and lesser affairs." (52)

"The supposed services of government, though often praised, are seldom weighed against their tragic cost." (68)

He adopts the libertarian view that compulsion is only justified when it is used against aggressors.

"The legitimate and constructive use of compulsion or restraints is upon those individuals or groups who attempt other than the exchange relationship by which society lives—upon those who abandon that relationship temporarily or permanently and adopt the reverse. By such conduct they dissolve their membership and become, for the time at least, outlaw to the social body, and must be restrained until they can redeem themselves into the freedom that membership in the social body alone affords" (51)

The bulk of this book consists of arguments for private property, voluntary associations, contracts, and free markets. It is hard-core libertarian—even anarcho-capitalist. Spencer Heath's main practical purpose is to encourage landlords to provide services to their tenants in place of state-provided services—so that the state will become obsolete. The

most important service that landlords should unite to provide is protection from coercion, in particular they should provide protection from crime and taxation—protection from both anarchy and statism.

"Thus government is destined to be assimilated into the voluntary exchange system for the performing of community services, limiting the restraints and compulsions of the Citadel to guardianship and protection of the society against violations of its members or its processes, and to the social rehabilitation of any who may alienate themselves and thus become outcasts, for the time, by their antisocial perpetrations." (59)

"The contractual association of men is *the basic free community pattern*, impersonal and thereby capable of becoming universal, transcending the narrow bonds of common kinship or descent." (88)

## The Contradiction of the Proprietary Citadel

One of the principle advantages of replacing the state Citadel with a proprietary Citadel is supposed to be the greater efficiency of the latter. The greater efficiency is due to the incentive for profit and the rigors of competition in the market. But when all the landlords unite, there is no competition, and the alleged reason for efficiency vanishes and its place is taken over by monopoly. It then becomes unclear whether the proprietary Citadel would be any better than the state Citadel or even whether it could be distinguished from a state.

I wish Spencer Heath had written more about how a proprietary Citadel would maintain the benefits of market competition. Perhaps his grandson will clarify this point. I think Spencer Heath

was onto something worthwhile here. I'd like to be convinced that a proprietary community could provide protection from the state and other criminals without itself becoming a state.

## Evolution

Evolution is another theme that runs through this book. Spencer Heath reverses the direction of Platonic idealism by combining it with a universalized version of Darwin's theory. He postulates that evolution is working its way through higher and higher stages from inanimate matter to single-celled life forms to multi-celled organisms to plants, animals, humans, human societies in which individual humans are the cells, and ultimately to a super-spiritual being or God. Instead of God being the creator of evolution, God is the end product of the process. In Spencer Heath's theory, true society introduces a new element into the evolutionary process because society can survive the death of its individual members indefinitely and it can transform the natural environment through its accumulated intelligence, knowledge, and technology. Human society is the first and only creation of evolution that can change its physical environment instead of merely reacting blindly to it. When the state Citadel is finally replaced by the proprietary Citadel, society will be transformed into the mystic's perfect dream.

It's an appealing vision. I'd like to believe it is true.△

*Citadel, Market and Altar* was published in 1957 by The Science of Society Foundation, Inc., Elkridge, Maryland. Although it is out of print, copies may be found for sale at <[www.bookfinder.com](http://www.bookfinder.com)>.