



"LIBERTY MATTERS"

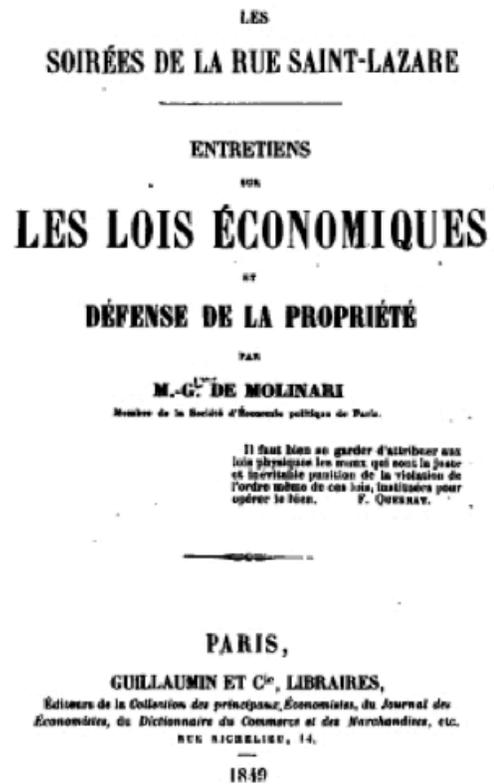


A FORUM FOR THE DISCUSSION OF MATTERS PERTAINING TO LIBERTY

"GUSTAVE DE MOLINARI'S LEGACY FOR LIBERTY" (May, 2013)



Gustave de Molinari (1819–1912)



Title Page of the original 1849 edition

Liberty Matters <<http://oll.libertyfund.org/title/2516>>
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LIBERTY MATTERS

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LIBERTY MATTERS: “GUSTAVE DE MOLINARI’S LEGACY FOR LIBERTY” (MAY, 2013)

This was an online discussion which appeared in “Liberty Matters: A Forum for the Discussion of Matters pertaining to Liberty” on Liberty Fund’s Online Library of Liberty website during the month of May, 2013. Please visit <oll.libertyfund.org> for further details.

THE DEBATE

SUMMARY

This discussion had its beginnings in a Liberty Fund conference on Molinari which was held in late 2012, the centennial year of his death. The discussants here were also at that conference and showed considerable interest in continuing that conversation online. Some of the topics which were raised at the conference were the following: Molinari between conservatism and socialism, eminent domain and the rights of labor, the competitive provision of security, religion and ethics, the evanescence of war, and the rise of autonomous communities. In his Lead Essay Roderick Long assesses Molinari’s legacy, giving him a “hit” for his work on the competitive provision of security, his proposal for a system of labor exchanges, and his opposition to war and empire; and a “miss” for the weakness of the moral foundation of his philosophy, his hedonistic assumptions about human psychology, the historical inadequacy of his theory of political and economic evolution, and his theory of “tutelage” for those groups he believed were not yet ready for liberty. Long concludes that “for all his shortcomings, Molinari remains not only an interesting historical thinker, but also a vital lodestar for the liberty movement today.”

The online discussion consists of the following parts:

1. Lead Essay

Roderick T. Long, “Gustave de Molinari’s Legacy for Liberty” [Posted: May 1, 2013]

2. Responses and Critiques

1. Response by Gary Chartier: “If Not Labor Exchanges, Then What?” [Posted: May 6, 2013]
2. Response by David D. Friedman: “Comment on Roderick T. Long on Gustave de Molinari”
3. Response by David M. Hart: “Historical Reflections on Molinari’s Legacy”
4. Response by Matt Zwolinski: “Two Cheers for Pessimism”

3. The Conversation

1. David D. Friedman’s Comment: “A Problem for Radicals” [Posted: 14 May]
2. David D. Friedman’s Response to Gary Chartier: “Wishful Thinking” [Posted: 14 May]
3. Gary Chartier’s reply to David Friedman [Posted: 14 May]
4. David M. Hart’s Comment on Gary Chartier [Posted: 14 May]
5. David D. Friedman’s Comment on Matt Zwolinski: “Anarchy and Violence” [Posted: 16 May]
6. Roderick T. Long’s Reply to Matt Zwolinski: “Molinari, Rationalism, and Anarchy” [Posted: 16 May]
7. David M. Hart’s Comment on Matt Zwolinski: “On Molinari and Spencer” [Posted: 16 May]
8. David M. Hart’s Comments on David Friedman and Historical Examples [Posted: 20 May]
9. Matt Zwolinski on “Anarchist Theory, Examples, and Counterexamples” [Posted: 20 May]
10. Roderick T. Long on “Anarchy Here and Now” [Posted: 20 May]
11. David M. Hart on Zwolinski “On Hayek’s Notion of True and False Individualism” [Posted: 24 May]
12. Roderick T. Long “The Gallic Menace” [Posted: 24 May]
13. Matt Zwolinski on “Anarchism and Rationalism” [Posted: 24 May]
14. Roderick T. Long on “Molinari, Socialist Anarchism, and the Dissolution of the State” [Posted 28 May]
15. Roderick T. Long on “Molinari’s Influence” [Posted 28 May]
16. David M. Hart Reply to Matt Zwolinski “On Molinari, Hayek, and Rationalism” [Posted: 28 May]

17. Matt Zwolinski, "Why Aren't More Anarchist Societies Market Anarchist Societies?" [Posted: 29 May]
18. Roderick T. Long on "Inflationary Rationalism" [Posted: 28 May]
19. David Friedman, "Market Anarchy in the Real World" [Posted: 29 May]
20. David Hart, "A Question for My Colleagues: Who Wrote the First One-volume Synthesis of Classical Liberal Thought?" [Posted: 29 May]
21. David M. Hart, "Molinari in His Final Years: Cranky Old Man or Realist?" [Posted: 30 May]
22. Gary Chartier, "On the Absence of Anarchy" [Posted: 31 May]
23. David M. Hart, "Molinari, Soirées, and Arguing about Liberty" [Posted: 31 May]
24. Roderick T. Long, "Ultima Verba" [Posted: 31 May]

ABOUT THE AUTHORS

Roderick T. Long is Professor of Philosophy at Auburn University, President of the Molinari Institute and Molinari Society, and a Senior Scholar of the Ludwig von Mises Institute. He received his philosophical training at Harvard (A.B. 1985) and Cornell (Ph.D. 1992) and has taught at the University of North Carolina at Chapel Hill and the University of Michigan. Among his books are, *Reason and Value: Aristotle versus Rand* (2000) and *Wittgenstein, Austrian Economics, and the Logic of Action* (forthcoming from Routledge); he is the editor of *The Industrial Radical*, co-editor of the *Journal of Ayn Rand Studies*, and *Anarchism/Minarchism: Is a Government Part of a Free Country?*. Roderick describes himself as an Aristotelean/Wittgensteinian in philosophy and a left-libertarian market anarchist in social theory. He blogs at Austro-Athenian Empire <<http://aeblog.com/>> and Bleeding Heart Libertarians <<http://bleedingheartlibertarians.com/>> amongst others.

Gary Chartier is professor of law and business ethics and associate dean of the Tom and Vi Zapara School of Business at La Sierra University in Riverside, California. Among other works, he is the author of *Economic Justice and Natural Law* (Cambridge University Press, 2009), *The Conscience of an Anarchist* (Cobden

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David Friedman is an academic economist with a doctorate in physics whose current specialty is the application of economics to law. He has written books and articles dealing with economics, political philosophy, future technology, and law, as well as two novels. His academic interests include price theory, Public Choice theory, the history of economic thought, historical legal systems, stateless societies past and future, and the implications of radical technological change for law and society. His nonacademic interests include fantasy, science fiction, and medieval cooking.

David M. Hart received a B.A. in history from Macquarie University, Sydney, writing a thesis on the thought of Gustave de Molinari. He received a Ph.D. in history from King's College, Cambridge on the work of two French classical liberals of the early 19th century, Charles Comte and Charles Dunoyer. He then taught for 15 years in the Department of History at the University of Adelaide in South Australia. Since 2001 he has been the Director of the Online Library of Liberty Project at Liberty Fund <<http://oll.libertyfund.org>>. His research interests include the history of classical liberal thought, war and culture, and film and history. He is currently the Academic Editor of Liberty Fund's translation project of the *Collected Works of Frédéric Bastiat* (in 6 vols.) and is also editing for Liberty Fund a translation of Molinari's *Conversations on Saint Lazarus Street: Discussions on Economic Laws and the Defence of Property* (1849). David is also the co-editor of two collections of 19th century French classical liberal thought (with Robert Leroux of the University of Ottawa), one in English published by Routledge (May 2012) and another in French called *The Golden Age of French Liberalism* (forthcoming 2013). On his personal website <<http://davidmhart.com/liberty>> David has his lectures and a considerable number of resources on 19th century classical liberal thought, including a large section on Molinari, Bastiat, and other French classical liberal political economists (mostly in French).

Matt Zwolinski an associate professor of philosophy at the University of San Diego, a co-director of USD's Institute for Law and Philosophy, and the founder of and frequent contributor to the Bleeding Heart

1. LEAD ESSAY: RODERICK T. LONG, “GUSTAVE DE MOLINARI’S LEGACY FOR LIBERTY”

GUSTAVE DE WHO?

Today the Belgian-born economist Gustave de Molinari (1819-1912) is little known outside of libertarian circles, and most of his work remains untranslated. Molinari’s fame was once much greater; in his own day his works were discussed by such internationally prominent intellectual figures as Lord Acton, Henry James, Karl Marx, Thorstein Veblen, and Frédéric Passy (first recipient, with Jean Henry Dunant, of the Nobel Peace Prize), and he was an important influence on Vilfredo Pareto.

Born in Liège, Molinari made his way to Paris at around age 21 and fell in with the classical liberal movement centered on the Société d’Économie Politique and working in the tradition of Jean-Baptiste Say; Frédéric Bastiat in particular became an important colleague and mentor. Writing in a clear, engaging, and witty style modeled on Bastiat’s, Molinari penned dozens of works in economics, sociology, and political theory and advocacy, on topics ranging from the economic analysis of history to the future of warfare and the role of religion in society, as well as memoirs of his travels in Russia, North America, and elsewhere; his contemporaries described him as “the law of supply and demand made into man.” He eventually served as editor of the prestigious *Journal des Économistes*, chief organ of French liberalism, from 1881 to 1909. He is buried in Père Lachaise cemetery, in a grave adjoining that of fellow radical liberal Benjamin Constant.

But Molinari’s chief claim to fame today, among those who have heard of him at all, is his status as the first thinker to describe (most notably in his article “The Production of Security” and book *Soirées on the Rue Saint-Lazare*, both published in 1849) how the traditional “governmental” functions of security could be provided by market mechanisms rather than by a monopoly state – the “free-market anarchist” position later developed and popularized by such thinkers as Lysander Spooner, Benjamin Tucker, John Henry

Mackay, and Francis Dashwood Tandy in the nineteenth century, and Murray Rothbard, David Friedman, Bruce Benson, and Randy Barnett in the twentieth.[1]

THE ROAD TO MARKET ANARCHISM

To understand the importance of Molinari’s contribution, some historical context is useful. The extent of the state’s proper sphere had long been a vexed question among classical liberals. That it should be small, most agreed; but how small? Even if liberals were generally more optimistic concerning the prospects for peaceful cooperation in a stateless social order than Thomas Hobbes had been in his 1651 *Leviathan*, they still tended, along the lines laid out in John Locke’s *Second Treatise of Government*, to regard a governmental monopoly – albeit a sharply limited one – as an essential bulwark of liberty.

One of the first liberal thinkers to question this consensus was Thomas Paine. In his 1776 *Common Sense*, Paine had described government as a “necessary evil”; but sixteen years later – probably under the influence of the spontaneous-order analyses of thinkers like Adam Smith, whose work Paine praises – he seems to have become less certain of the “necessary” part. In *The Rights of Man*, Paine writes:

Great part of that order which reigns among mankind is not the effect of government. It has its origin in the principles of society and the natural constitution of man. It existed prior to government, and would exist if the formality of government was abolished. The mutual dependence and reciprocal interest which man has upon man, and all the parts of civilized community upon each other, create that great chain of connection which holds it together. The landholder, the farmer, the manufacturer, the merchant, the tradesman, and every occupation, prospers by the aid which each receives from the other, and from the whole. Common interest regulates their concerns, and forms their law; and the laws which common usage ordains, have a greater influence than the laws of government. In fine, society performs for itself almost everything which is ascribed to government. ... It is to the great and fundamental principles of society and civilization – to the common usage universally consented to,

and mutually and reciprocally maintained – to the unceasing circulation of interest, which, passing through its million channels, invigorates the whole mass of civilized man – it is to these things, infinitely more than to anything which even the best instituted government can perform, that the safety and prosperity of the individual and of the whole depends.

Moreover, unlike the primitivist, propertyless anarchist utopia that Jean-Jacques Rousseau had envisioned in his *Discourse on the Origin of Inequality*, the stateless society that Paine envisioned was clearly a commercial society where order was maintained by industry, trade, and economic self-interest.

Paine did not himself draw from his analysis the moral that *all* state functions should be turned over to private enterprise; but he opened the door to such a conclusion, and other thinkers would soon be walking through it. William Godwin explicitly credited this passage from Paine with inspiring his own anarchist manifesto the following year, and other market-friendly advocates of a stateless society soon followed, including Thomas Hodgskin in England, Pierre-Joseph Proudhon in France, Johann Gottlieb Fichte in Germany, and Josiah Warren and Stephen Pearl Andrews in the United States.[2] Within Molinari's own French liberal tradition, such pioneers as Jean-Baptiste Say, Charles Dunoyer, and Augustin Thierry had flirted, at least for a time, with the notion of a stateless society as a potentially viable ideal.

But while these thinkers tended to speak of turning governmental services over to the realm of economic enterprise rather than to that of political compulsion, they offered no real details as to how such functions as security might be provided in the absence of the state. And here we see the significance of Molinari's contribution. Molinari's account may not have been as sophisticated as those of some of his successors; he may not have addressed all the objections with which those successors have had to grapple; and he may have said disappointingly little about the market provision of *legal norms*, a topic that looms large in more recent market anarchist thought. But Molinari was the first thinker to identify and describe the *economic mechanisms* by which the nonstate provision of security might be effected; and this arguably entitles him – despite his not using the term “anarchist” himself[3] – to be considered the originator of market anarchism.

THE COMPETITIVE PROVISION OF SECURITY

Molinari's approach to the topic of security provision involves treating the state as a firm, whose managers are subject to the same economic incentives as those of other firms; in this respect he may be seen as a pioneer of public choice analysis. Molinari points out that there are three ways in which any good or service, security included, may be provided. First, the market for the good or service may be compulsorily restricted to a single provider or privileged group of providers; this is *monopoly*, which in the case of security corresponds to *monarchy*, wherein the royal family in effect owns the entire security industry. Second, the market may be managed by or on behalf of society as a whole; this is *communism* or *collectivization*, which in the case of security corresponds to *democracy*, wherein the security industry is in effect publicly owned. Third, the market may be thrown open to free competition, or *laissez-faire*, a situation which in the case of security Molinari calls *freedom of government*, and which his successors would call *anarchy*.

Now in the case of goods and services other than security, the incentival and informational perversities that beset both monopolistic and collective provision are well known, as is the superiority of free competition in respect of both efficiency and inherent justice; why, Molinari asks, should security be treated any differently? On the contrary, Molinari argues, the absence of market competition is even *more* dangerous in the field of security than elsewhere, since it not only serves as the enabling cause of monopolies in other fields, but also leads to warfare – both externally, as states strive to extend their territory, and internally, as interest groups struggle to direct the state's energies to their own purposes.[4]

France's own recent experience with democracy, in the wake of the 1848 revolution, played a role in weakening liberal enthusiasm for democracy generally; that Molinari's proposal comes the immediately following year is probably no coincidence. But unlike some of his liberal colleagues (including Dunoyer), Molinari did not look to a restoration of monarchy, either Bourbon or Orleanist (let alone Bonapartist), as an attractive solution to democracy's failings, instead upholding

market anarchism as an alternative to autocratic and collective rule alike.

In place of the state provision of security, then, Molinari proposes a system of competing security firms on the model of insurance companies, with clients free to switch providers without switching locations; the need to retain clients, he argues, would keep prices low and services efficient.[5] In terms reminiscent of Proudhon's call for "the dissolution of the state in the economic organism," Molinari explains that he calls for neither "the absorption of society by the state, as the communists and collectivists suppose," nor "the suppression of the state, as the [non-market] anarchists and nihilists dream," but instead for "the diffusion of the state within society." [6]

Inasmuch as Molinari was unfamiliar with the recent research on historical examples of stateless or quasi-stateless legal systems to which more recent proponents of market anarchism are able to appeal, his arguments are necessarily more theoretical than historical; but he does cite Adam Smith's argument that the "present admirable constitution of the law courts in England" is due to "that emulation which animated these various judges, each striving competitively..." And when military defense is needed, Molinari maintains, security firms would find it in their interest to pool resources to fend off the invader; as for military offense, firms would find it difficult to engage in this without a captive tax base.

"One day," Molinari predicted in 1849, "societies will be established to agitate for the freedom of government, as they have already been established on behalf of the freedom of commerce." His words have proven prophetic. Molinari's personal fame may have fallen over the course of the past century, but the popularity of his most distinctive idea has had the opposite trajectory, as today's profusion of market anarchist websites attests. Molinari, by contrast, stood virtually alone; his classical liberal colleagues, even those like Dunoyer who had veered close to anarchism in their own writings, were largely unconvinced by his arguments, objecting that competition presupposes, and so cannot provide, a stable framework of property rights, and that competition in security was a recipe for civil war.[7] Molinari himself came, in later writings, to moderate his own position in the face of public-goods objections, arguing that pure competition was appro-

priate only for goods and services of "naturally individual consumption," while for those of "naturally collective consumption" the only role for competition was in bidding for government contracts.[8] Replies to these sorts of objections are easy to come by nowadays, but were not so in Molinari's own day and milieu.[9]

It is unclear how much influence, if any, Molinari's proposal for competing security firms had. Similar ideas would later be popular in Benjamin Tucker's circle, but may have been developed independently – though Tucker did read widely in French, and Molinari was hailed (albeit at a fairly late date) as an anarchist in the pages of Tucker's journal.[10] Some passages in Anselme Bellegarrigue's 1850 *Anarchy: A Journal of Order* and Proudhon's 1851 *General Idea of the Revolution* show possible traces of the influence of Molinari's 1849 arguments as well. Another thinker likely [11] influenced by Molinari was a fellow Belgian, Paul Emile de Puydt, whose 1860 article "Panarchy" called for competing systems of government within the same geographical territory, though unlike Molinari he seems to have envisioned a single provider for the different systems.[12] But Molinari's status as originator of market anarchism is more chronological than causal.

THE ORGANIZATION OF LABOR

The other contribution that most clearly differentiates Molinari from his liberal colleagues is his proposal for a system of labor-exchanges.

Concerns about unequal bargaining power between labor and capital are often regarded as a concern exclusive to the anti-market left; but Molinari, to his credit, recognizes the problem and seeks to address it. Molinari quotes favorably Adam Smith's observation that there is "everywhere a tacit but perpetual conspiracy among the employers, to stop the present price of labor from rising," and that with "employers being fewer in number, it is much easier for them to collude," and "the employers can hold out very much longer." But Molinari's diagnosis of the problem is the partial insulation of employers from market discipline. Such insulation, Molinari holds, is partly the result of laws favoring employers over laborers, and thus can be addressed in part by repealing such laws; Molinari, like Bastiat, is a stern critic of anti-union legislation.[13]

But apart from such laws, he tells us, labor is also hampered by its lack of mobility in comparison with capital. Happily, modern transportation technology makes it possible for workers to relocate swiftly from low-wage to high-wage areas; Molinari's solution, then, is to create a private network of labor-exchanges whereby employers could bid on the services of workers near and far. Labor unions and mutual credit societies would "provide their collective guarantee to enterprises of transportation and job placement" and thus secure "to the mutualized laborers the funds necessary to pay the cost of transporting them to the most advantageous market." [14]

The idea is an ingenious one, but it is reasonable to worry that Molinari has exaggerated the extent to which labor's mobility can be increased. The economist H. C. Emery plausibly attributes labor's comparative immobility "not so much to the lack of adequate machinery of exchange or to ignorance of the foreign (non-local) demand" as to the fact that a "laborer is after all a man" who "has a wife and children, and desires a fixed habitat for them," and consequently "refuses to have his household moved hither and thither at every fluctuation of demand." [15] Admittedly, telephone and internet have since made instant mobility a reality for those tasks that can be done via telecommuting, but there are still many jobs that require a physical presence.

Moreover, unlike many of his liberal and libertarian contemporaries such as John Stuart Mill, Herbert Spencer, Pierre-Joseph Proudhon, Lysander Spooner, Benjamin Tucker, and to a certain degree Wordsworth Donisthorpe, Molinari never questioned the necessity of the wage system itself, *i.e.*, the separation of labor from ownership. Obviously one solution to unequal bargaining power between capital and labor would be worker control of industry – not in the collectivized version favored by state socialists, but in the form of individual workers' cooperatives and independent contractorships competing on a free market. Eliminating legal barriers to worker control would force traditional hierarchical firms, unlovely in their work environments and blinded by the informational chaos that hierarchy brings, to compete on a level playing field with worker-controlled ones, to the likely advantage of the latter. Molinari never seriously addresses this pro-market but anti-capitalist alternative; his references to Proudhon, for example, are invariably dismissive, lumping him in

with communists and state socialists, with little apparent recognition of his pro-market views. [16]

MOLINARI'S HITS AND MISSES

But while labor-exchanges and market anarchism – both schemes for weakening the power of elites by extending the range of competition – may be Molinari's two most distinctive contributions, he is a fascinating, wide-ranging thinker whose ideas on a variety of topics deserve study and consideration, both for their strengths and for their potential weaknesses.

In his moral foundations Molinari combines consequentialist and deontological considerations. This seems like a good idea: purely consequentialist approaches to liberty tend to compromise moral principle and undervalue human dignity, while purely deontological approaches tend to make the normative force of moral principles mysterious, while leaving the beneficial consequences of liberty a fantastic coincidence. But Molinari never makes clear exactly how the consequentialist and deontological dimensions of ethics are supposed to be related.

Molinari also describes private property as an extension of the self, a defensible neo-Lockean position, yet fails to explain how such a conception is compatible with his support for "intellectual property" laws. How can ideas, inventions, and artistic compositions still be an extension of their creators when the objects in which they are realized are the minds, bodies, and property of other people?

Molinari's analyses are often marred, moreover, by narrowly egoistic and hedonistic assumptions about human psychology that a couple of simple thought-experiments should easily dispel. [17] And while remaining coy about his own religious commitments if any, he holds that for the masses, at least, a commitment to justice will be unstable without the motivations provided by religion. This seems hard to believe; the percentage of religious believers is high in Poland and low in the Czech Republic, for example, yet we do not see the kind of divergence between the two countries that Molinari would predict.

Molinari's historical accounts of the evolution of social institutions are fascinating, and bear signs of Spencer's influence; but unlike Spencer, Molinari offers

virtually no evidence for them, and it is often unclear whether these are supposed to be literally accurate narratives or hypothetical constructs. The accounts also arguably suffer from excessive economic imperialism; have we really accounted for the spread of Christianity in Europe by noting that “Paganism was an expensive religion, Christianity a cheap one”?[18]

Molinari’s opposition to warfare and militarism is also commendable (his very name is cosmopolitan, combining three languages in one); yet his proposed remedy – international arrangements for collective security – seems problematic. Would such arrangements indeed make war less likely, by deterring aggression, or might they instead pose a risk of *extending* warfare by drawing allies in, while simultaneously threatening the political decentralization that he favors? And his contention that warfare and the state were necessary and justified in early historical periods – a historicist thesis widely shared by radicals in his day[19] – also seems inconsistent with his emphasis on the absolute, timeless, and immutable character of economic and moral principles.

Perhaps the least appealing of Molinari’s positions (unfortunately not an unusual one in his era, but again in seeming tension with his aforementioned absolutism) is his view that the vast majority of the human race – including women, nonwhite races, and a large percentage of the working class – are not yet ready for the liberty he advocates, and need to submit to a condition of at least temporary “tutelage,” while waiting for scientists to improve the human race through (admittedly voluntary) programs of “viriculture” (i.e., eugenics).

Nothing to Gain But Their Chains

Yet for all his shortcomings, Molinari remains not only an interesting historical thinker, but also a vital lodestar for the liberty movement today. He understood that the solution to abuse of power is not to elect better people into power, or to persuade current holders of power to play nice, or to rein them in with paper constitutions whose interpretation the powerful themselves will ultimately control, but rather to dissolve that power by extending the range of competitive markets.

All over the world, ordinary people long to be free of the tyranny of bosses and rulers; Molinari’s labor-exchange proposal, however flawed, plausibly identifies lack of competition as the linchpin of employer privi-

lege and abuse, while his market anarchism, however incomplete, likewise plausibly identifies lack of competition as the linchpin of state privilege and abuse. Both proposals embody the same essential insight: the way to break the power of plutocrats and statocrats[20] alike is to subject both to the rule of competition – the adamant chains of *laissez-faire*.

Endnotes

[1] This position has also been described both as “voluntary socialism” and as “anarcho-capitalism,” largely according to which relations between labor and capital its various proponents have thought would or should emerge in a market entirely freed from state interference. More on this below.

[2] The interpretation of Godwin and Proudhon as market-friendly thinkers may be more controversial than in the case of the other theorists mentioned, but is defensible. Godwin held that property should be shared rather than held privately – but also that this should be a free moral choice, and that all forcible interference with private property and trade should be rejected. Proudhon (to simplify a rather complex story) attacked a form of private ownership he called “property,” but defended another form of private ownership he called “possession”; hence he was by no means an enemy of private ownership as such.

[3] As few early anarchists did in any case; the term was originally associated specifically with the Proudhonian tradition.

[4] Here Molinari is drawing on the liberal theory of class conflict developed by such predecessors as Dunoyer, Thierry, and Charles Comte.

[5] For criticism of the assumption that market provision of security must always take the form of competing for-profit firms, see Philip E. Jacobson, “Three Voluntary Economies,” *Formulations* 2, no. 4 (Summer 1995); also available at <<http://www.freenation.org/a/f24j1.html>>.

[6] Molinari, *L’Évolution Politique et la Révolution* (1888), pp. 393-94.

[7] For French liberal reaction to Molinari’s proposals, see “Question des limites de l’action de l’État et de l’action individuelle débattue à la Société d’écono-

mie politique” (*Journal des Économistes*, t. 24, no. 103 [15 Oct. 1849], pp. 314-316), also available at <<http://praxeology.net/JDE-LSA.htm>>, and Charles Coquelin’s review of *Les Soirées de la Rue Saint-Lazare* (*Journal des Économistes*, t. 24, no. 104 [15 Nov. 1849], pp. 364-372, also available at <<http://praxeology.net/CC-GM-RSL.htm>> . De Puydt’s “Panarchy” (see above) may possibly have been motivated by just these criticisms, as a way of retaining as much Molinarian competition as possible within a monopoly framework.

[8] Molinari, *Esquisse de l’organisation politique et économique de la Société future*, 1899.

[9] For contemporary discussion pro and con concerning such objections to market anarchism, see Edward P. Stringham, ed., *Anarchy and the Law: The Political Economy of Choice* (Transaction, 2007) and *Anarchy, State and Public Choice* (Edward Elgar, 2005); Roderick T. Long and Tibor R. Machan, eds., *Anarchism/Minarchism: Is a Government Part of a Free Country?* (Ashgate 2008); and on the broader question of public goods, Tyler Cowen, ed., *Public Goods and Market Failures: A Critical Examination* (Transaction, 1992).

[10] S. R. [possibly S. H. Randall], “An Economist on the Future Society,” *Liberty* 14, no. 23, whole number 385 (September 1904), p. 2.

[11] Two Belgian economists independently defending competing-government schemes within a single eleven-year-old period would at any rate be a surprising coincidence, especially when the more prominent of the two is the one who wrote first.

[12] De Puydt, “Panarchie,” *Revue Trimestrielle* (July 1860); also available at <<http://www.panarchy.org/depuydt/1860.eng.html>> . Curiously, de Puydt explicitly lists “the an-archy of M. Proudhon” as one of the options to be made available to the provider’s clients; how a monopolistic firm is to offer absence of monopoly as one of its possible services is unclear.

[13] For Bastiat’s defense of unions see “Speech on the Suppression of Industrial Combinations,” available at <<http://www.econlib.org/library/Bastiat/basEss11.html>>.

[14] Molinari, *Les Bourses du Travail* (1893), ch. 8.

[15] Henry Crosby Emery, review of *Les Bourses du Travail*, in *Political Science Quarterly* 9, no. 2 (June 1894), pp. 306-308; also available at <<http://praxeology.net/HCE-GM-LE.htm>>.

[16] An article – simultaneously sympathetic and condescending in tone – on the free-market anticapitalist position of Benjamin Tucker and his circle did appear in the *Journal des Économistes* under Molinari’s editorship; see Sophie Raffalovich, “Les Anarchistes de Boston,” *Journal des Économistes* 41, 4th series (15 March 1888), pp. 375-88. For Tucker’s reply, see Benjamin R. Tucker, “A French View of Boston Anarchists,” *Liberty* 6 (4), whole no. 134 (29 September 1888), p. 4. For more recent defenses of an anticapitalist version of free-market anarchism, see Gary Chartier and Charles W. Johnson, eds., *Markets Not Capitalism: Individualist Anarchism Against Bosses, Inequality, Corporate Power, and Structural Poverty* (Minor Compositions, 2011), also available at <<http://radgeek.com/gt/2011/10/Markets-Not-Capitalism-2011-Chartier-and-Johnson.pdf>> ; Kevin A. Carson, 2007, *Studies in Mutualist Political Economy*, (BookSurge, 2007), also available at <<http://www.mutualist.org/sitebuildercontent/sitebuilderfiles/MPE.pdf>>, and *Organization Theory: A Libertarian Perspective* (BookSurge, 2008), also available at <<http://www.mutualist.org/sitebuildercontent/sitebuilderfiles/otk11.pdf>>; Gary Chartier, *Anarchy and Legal Order: Law and Politics for a Stateless Society* (Cambridge, 2013); and Samuel Edward Konkin III, *New Libertarian Manifesto* (Koman, 1983), also available at: <<http://agorism.info/NewLibertarianManifesto.pdf>>.

[17] See Christopher Grau, “Matrix Philosophy: The Value of Reality. Cypher and the Experience Machine,” available at <<http://www.dvara.net/hk/matrixessay3.asp>>.

[18] Molinari, *Religion* (1892), I.6.

[19] For example, Proudhon, Spencer, and Marx all agree on this as well – though Bastiat, interestingly, does not.

[20] I owe the term “statocrat” to Bertrand de Jouvenel, *On Power: The Natural History of Its Growth*, trans J. F. Huntington (Liberty Fund, 1993), p. 174n.

2. RESPONSES AND CRITIQUES

1. RESPONSE BY GARY CHARTIER: “IF NOT LABOR EXCHANGES, THEN WHAT?”

Gustave de Molinari’s proposals to expand the reach of markets deserve our unqualified praise, even if we might be inclined to proceed in ways different from those he suggested. In particular, Molinari’s entrepreneurial attempt to conceive of institutions that might help to better the competitive position of labor in the market reflects his concern with an issue of crucial importance.

The labor exchanges Molinari envisioned might well not have been practical. But his goal in proposing them—to help foster a seller’s market in labor—was important. Achieving it could help significantly to improve the well-being of workers within a genuinely freed market. While ensuring workers’ access to the kind of information about job opportunities that Molinari’s labor exchanges would have offered might make a difference, more radical free-market reforms could help to do so more effectively.

Many workers in our society may conclude, not unreasonably, that while their material standards of living are higher than their peers’ were in previous generations, they still lack freedom and dignity in the workplace. Their capacity for independent judgment may be ignored; they may be dismissed capriciously; and they may be treated with disrespect.

People like being treated well. And they can thus be expected to gravitate toward jobs featuring attractive working conditions. They may, of course, opt for pay over dignity, as they should be free to do. But workers will likely choose greater freedom and dignity when they can. Thus, *in a competitive labor market*, firms that want to attract workers will be incentivized to offer greater freedom and dignity as means of securing the best employees. By contrast, of course, in a not-so-competitive labor market, like the one we in fact have now, firms will have little incentive to institute policies that safeguard workers’ freedom and dignity as a means of recruiting effectively.

Attracting desired employees isn’t the only reason to treat workers well, obviously. A fair, morally decent

employer will regard respecting workers’ freedom and dignity as worthwhile for its own sake. And even less morally sensitive employers may recognize that one way of respecting workers’ dignity—empowering them to make as many decisions as possible—can substantially enhance productivity.

Large hierarchical firms seem likely to be beset by the incentive and knowledge problems that complicate the lives of state central planners. As economists have known for much of the 20th century, top-down control over an economy is certain to lead to poor performance. Hierarchical firms can be expected to encounter the same problems.

The larger an organization, the more likely it is that managers will lack crucial information. This is both because there will be multiple layers separating various actors with relevant information (with institutional pressures impeding accuracy) and because there will be no system of prices encoding the information and usable for calculation.

In addition, the principal-agent problem besets large firms at multiple levels, fostering inefficiencies as workers—whether senior managers or front-line employees—seek their own goals rather than firm profitability.

Thus, it seems fairly clear that, all other things being equal, the smaller and flatter a firm is, the better the information available to participants will be. The more production decisions are based on actual market prices rather than on simulated intra-firm transfer prices, the more efficient and responsive to reality they’re likely to be. And the more a worker has skin in the economic game, the more likely she will be to make prudent, profit-maximizing decisions.

This means, then, that discernible economic pressures might be expected to lead existing firms to adopt flatter structures in which front-line workers were better able to use the knowledge available of them to make important decisions, and to make newly established firms more likely to feature flat organizational structures. Thus, firms that treat workers better by offering them more opportunities to make decisions and subjecting them less frequently to arbitrary managerial authority should do better in the marketplace than their hierarchical competitors. Market forces might be expected to lead to the emergence of firm structures in

which workers could use their knowledge and skills effectively and in which they were treated with respect: Smaller, flatter firms could be expected to outcompete larger, more hierarchical ones.

But we don't see lots of smaller, flatter firms in the marketplace. Does this mean that, contrary to expectations, larger firms really are more efficient?

Whether this is so will depend in significant part on empirical questions that can't be sorted out *a priori*. But it does seem as if several factors in our economy might tend to help large firms ignore the diseconomies of scale that would otherwise render them unsustainably inefficient. Tax rules and regulations tend to encourage capital concentration and thus increased firm size. Subsidies reduce the costs inefficiently large firms might otherwise confront—and large firms can more readily mobilize the resources needed enable them to extract wealth from the political process than small firms. Eliminating these factors seems likely to make alternatives to the large corporate firm significantly more viable.

In addition, workers often lack access to the resources needed to start firms precisely because of state-sanctioned theft and state-secured privilege. Massive, ongoing robbery and asset engrossment by states and their cronies has played a crucial role in creating a class of economically vulnerable workers. Reversing this process can help to enrich workers and give them the economic leverage they need both to create new firms and to opt for self-employment as an alternative to work in hierarchical businesses.

To the extent that such alternatives are more viable, they can be expected to be more common. Freedom from arbitrary authority is a consumer good. Given the disgust and frustration with which many people view the petty tyrannies of the contemporary workplace, I suspect it's a consumer good many people would like to purchase. At present, the price is high; there are very few opportunities to work in partnerships or cooperatives or to choose self-employment. So the question is: what might reduce the price?

The price is partly affected by the relative frequency of hierarchical versus nonhierarchical workplaces. So eliminating props for hierarchy ought to put more alternatives on the table. At the same time, people often don't choose such alternatives because of the

risks associated with doing so. Saying goodbye to corporate employment means taking responsibility for one's own medical care and retirement (if, of course, you're a worker who even has these options in the first place, as many purportedly part-time workers don't), requires one to front the capital required to make startup operations possible, and forces one to confront the spectre of unemployment if one's startup business fails. But medical care and retirement are associated with corporate employment primarily because of the current tax system; and medical care, in particular, would be more affordable by far in the absence of state regulation and state-driven cartelization. So the challenge of caring for one's health in connection with a mutual-aid network, say, would be much less daunting than at present. Startup capital would be more available if state-confiscated resources were marketized and state-engrossed land available for homesteading, and less necessary, in any case, if state regulations didn't drive up capitalization requirements. And unemployment would be more affordable if state regulations didn't raise the minimum cost of living, and could be manageable by means of the support offered by mutual aid.

Furthermore, it's not clear that it would be impossible to raise money in equity markets and from investment banks for partnerships, cooperatives, and solo ventures. There are ways to secure investments that don't involve participation in governance—and of course significant quantities of stock for sale today doesn't necessarily come with voting rights.

Thus, people who wanted to opt for boss-free workplaces would find it easy to do so in the absence of state-driven props for hierarchy and state-driven barriers to self-employment and employment in partnerships and cooperatives. And the fact that they did so, making boss-free options increasingly visible and numerous, would have consequences for boss-dominated workplaces, too. The availability of alternatives that offered people more dignity, more predictability, more security, and more opportunities for participation in decision-making would exert market pressure on conventional corporate firms, encouraging them to make theoretically boss-dominated workplaces more like those at other kinds of firms. The differences wouldn't disappear, but they might be meaningfully reduced.

In addition, boss-dominated firms might experience greater pressure to democratize in virtue of unionization. To the extent that the state's bargain with unions has been, all things considered, bad for collective action in the workplace, eliminating state labor regulation could open up opportunities for Wobbly-style direct action that could increase unionization and offer workers resultingly more extensive workplace protection. Again, even in nonunionized firms, there would be market pressure to mimic at least some features of unionized firms, both to avoid losing workers to those firms and to forestall union organizing efforts.

Moral suasion typically shouldn't be seen as the primary driver of social change. But active advocacy on behalf of workplace dignity and fairness could obviously lead to changes in social norms and expectations that would further reduce the perceived legitimacy of bossism and encourage the flourishing of alternatives.

A free society wouldn't and couldn't eliminate investor-owned or boss-dominated firms—nor should it, not only because violent interference with these patterns of ownership and control would be unjust but also because workers might often benefit from the ability to shift risk onto employers and investors. But structural changes could create significantly greater opportunities for self-employment and work in partnerships and cooperatives.

Molinari rightly sought to increase the competitiveness of the labor market in the interests of workers. Sharing information, as his labor exchanges would do, could be very useful. Eliminating state-secured privilege and remedying state-sanctioned and state-perpetrated injustice could be even more useful.[1]

Endnotes

[1] I happily acknowledge my dependence throughout on the work of Kevin Carson; see Kevin A. Carson, *Organization Theory: A Libertarian Perspective* (Charleston, SC: BookSurge 2008); Kevin A. Carson, "Left-Libertarianism: No Masters, No Bosses," *Center for a Stateless Society* (Molinari Institute, Nov. 16, 2012) <<http://c4ss.org/content/14459>> (April 5, 2013).

2. RESPONSE BY DAVID D. FRIEDMAN: "COMMENT ON RODERICK T. LONG ON GUSTAVE DE MOLINARI"

Molinari's 19th century defense of anarcho-capitalism deals with some, but not all, of the objections familiar to its modern defenders. He considers the risk of a cartel of protection agencies and argues that the customers would respond by revolting against them, as the French revolted against the *Ancien Regime*.^[1] It is not an entirely persuasive response—there have been lots of tyrannies that were not overthrown—but it is a response. He considers the problem of national defense and argues that the agencies would cooperate to provide it in their mutual interest—ignoring the free-rider problem due to the public-good nature of defense.

He does not, however, consider one problem routinely raised by critics of anarchy, from Rand on down—conflicts between agencies. If I think the customer of another agency has violated my rights and he denies it, how, other than by violent conflict between the agencies, is the dispute to be settled?

The response that some modern anarcho-capitalists would offer is that all agencies would agree on a common legal system, deducible by reason, and accept the verdicts of private courts judging according to that system. Molinari, however, writes that "The sense of justice seems to be the perquisite of only a few eminent and exceptional temperaments,"^[2] and later, discussing the alternative of monopoly provision of justice in a democracy, appears skeptical of the view that "human reason has the power to discover the best laws ...,"^[3] so it does not look as though that answer is available to him. An alternative, and in my view more plausible, response is that each pair of agencies, in order to avoid the costs and uncertainty of violent conflict, will agree on a private court to settle their disputes, bargaining on the basis of what legal rules they believe will make the product they produce most attractive to their customers. The agreement will then be enforced by the discipline of repeat dealing, each agency knowing that if it refuses to accept verdicts that go against its customers, the other will do the same.^[4] That solution does not seem to have occurred to Molinari, possibly because the problem did not occur to him.

A more serious weakness in his defense of replacing monopoly government with competition is that much of it depends on arguments that appear logical only if you do not think very hard about them. Thus, for instance, he writes:

Either communism is better than freedom, and in that case all industries should be organized in common, in the State or in the commune.
Or freedom is preferable to communism, and in that case all industries still organized in common should be made free, including justice and police.... [5]

Which sounds fine as rhetoric, but makes very little sense. One could as easily argue that either all metal is heavier than all wood or all wood is heavier than all metal—neither of which happens to be the case. Part of the problem is Molinari’s understandable ignorance of economic ideas not yet invented when he was writing, ideas that help explain why some activities are or are not better suited to market production than others. He is left making the best arguments he can, but they are not always very good ones.

In summary, most of what anarcho-capitalists have learned in the century and a half since Molinari wrote is what economists more generally have learned. We are better able to distinguish good arguments against our position—national defense really is a public good, and so presents problems for a pure market society—from bad ones, and better able to offer good arguments, largely from Public Choice theory, against the alternative.

A feature of Molinari’s thinking that I found intriguing because of the parallel with modern libertarian thought is the idea that increased mobility could provide a solution to the faults of existing institutions. In his case that meant labor exchanges taking advantage of new technology—the railroad to move people and the telegraph to move information. For us it means the Internet, usually seen as a solution to problems not of employers, Molinari’s concern, but of governments. It is true, as Roderick points out, that even if information is mobile, individual workers often are not—while telecommuting has made one part of Molinari’s solution more practical than he imagined, geographical ties are still a constraint for those with real-space jobs. But even the real-space employee can use the Internet to reduce the geographical specificity of the rest of his life; if most of your social life occurs online, you can

move to any job without abandoning your network of friends and acquaintances. That makes Molinari’s solution to his problem more viable for us than for him, as well as increasing the degree to which governments must compete for citizens.

The part of Roderick’s piece that I found least convincing was his criticism of Molinari for failing to consider worker control of industry as a solution to the problem of unequal power between employer and employee. Roderick refers to legal barriers to worker control but does not, at least in this essay, actually mention any. As best I can tell, in modern capitalist societies, there is nothing to prevent workers from starting their own firms or buying out the stock of the firms they currently work for—as I pointed out some 40 years ago, income is sufficiently large relative to capital to make either, in many cases, a practical alternative.[6] Worker-owned firms exist but are uncommon, save in industries such as law where the ordinary corporate form is legally forbidden[7] — the opposite of the pattern one would expect if they were really a superior form of economic organization.

One explanation is risk aversion—in a worker-owned firm both the physical capital and the human capital of the owners are linked to a particular firm in a particular industry, making changes in the value of both highly correlated. Other explanations involve problems of organization and incentives; worker democracy within a firm has many of the same problems as political democracy. Arguably the ideal form of government is competitive dictatorship, the way in which restaurants are currently governed—I have no vote on what is on the menu, an absolute vote on what restaurant I choose to eat at. It is also the way in which traditional employment is organized, competing for workers rather than customers.

I end by offering some evidence for Roderick’s description of Molinari’s writing as “clear, engaging, and witty. Here is one of my favorite passages, from the *Soirées*, an imaginary exchange between a socialist, a conservative, and an economist—the latter obviously Molinari. The subject is eminent domain:

THE ECONOMIST

... An owner can have his property confiscated under the law of expropriation for reasons of public utility.

THE CONSERVATIVE

What? Do you wish to abolish that tutelary law without which no undertaking on the grounds of public utility would be possible?...

THE ECONOMIST

Oh, and is not a farm which produces food for everybody not an undertaking also useful to all? Is not the need to eat at the very least as universal and necessary as the need to travel?...

THE CONSERVATIVE

... The development of a railway is subject to certain natural exigencies; the slightest deviation in the route, for example, can entail a large increase in costs. Who will pay for this increase? The public. Well, I ask you, must the interest of the public, the interest of society be sacrificed to the stubbornness and greed of some landowner.

THE SOCIALIST

Ah, Mr. Conservative. These are words which reconcile me to you. You are a fine fellow. Let us shake on it.

THE ECONOMIST

There are in the Sologne vast stretches of extremely poor land. The poverty stricken peasants who farm there receive only a meager return for the most laborious efforts. Yet close to their wretched hovels rise magnificent chateaux with immense lawns where wheat would grow in abundance. If the peasants of the Sologne demanded that these good lands be expropriated and transformed into fields of wheat, would not the public interest require that this be granted them?

THE CONSERVATIVE

You go too far. If the law of expropriation were used in the cause of public utility to transform lawns and pleasure gardens into fields of wheat, what would happen to the security of property? Who would want to manure a lawn, lay out a park, decorate a chateau?

THE SOCIALIST

Expropriation always entails an indemnity.

THE CONSERVATIVE

... There are things for which no indemnity could compensate. Can you pay for the roof which has sheltered generations, the hearth around which they have lived, the great trees which witnessed their births and their deaths? Is there not something of the sacred in these centuries old abodes, in which the traditions of the ancestors live on, in

which so to speak the very soul of the family breathes? Is not the expulsion of a family forever from its ancient patrimony, the commission of a deeply immoral assault?

THE ECONOMIST

Except, of course, when it is a question of building a railway.[8]

Endnotes

[1] "And if all the companies agreed to establish themselves as monopolies, what then?" Readings p. 145, *Soirees* p. 332, translation p. 298. [The draft translation used for the *Conference Readings* can be found at http://oll.libertyfund.org/index.php?option=com_content&task=view&id=1658&Itemid=371].

[2] *Readings* p. 111, from "The Production of Security."

[3] *Readings* p. 117.

[4] That approach is sketched in part III of D. Friedman, *The Machinery of Freedom*, available for download at www.daviddfriedman.com/The_Machinery_of_Freedom.pdf.

[5] *Readings* p. 134, translation p. 287, *Soirees* pp. 318-19.

[6] *Machinery of Freedom*, chapter 24.

[7] Large law firms are owned by the partners, a subset of the workers.

[8] *Readings* pp. 59-62, *Soirees* pp. 70-73, translation pp. 68-71.

3. RESPONSE BY DAVID M. HART: “HISTORICAL REFLECTIONS ON MOLINARI’S LEGACY”

Unfortunately, 101 years after his death at the ripe old age of 93, we still lack a good intellectual and political biography of Gustave de Molinari. Gérard Minart has made a good start with his French-language biography published in 2012 to coincide with the centennial of Molinari’s death,[1] but there are still enormous gaps in our knowledge of his very long life and his many and varied activities in the cause of individual liberty. This response to Roderick Long is designed to add a few paragraphs to what Roderick has usefully provided for us.

Let me begin by summarizing a few aspects of his life and thought which are probably not well known and to discuss one or two of them in a bit more depth in order to begin assessing Molinari’s legacy:

1. He was one of “the Four Musketeers” (Minart’s term) who were young men from the provinces who came to Paris in the 1830s and 1840s and changed French classical liberalism in fundamental ways.
2. For most of his long life he was an ideologically committed journalist and editor who opposed protectionism, socialism, colonialism, and militarism.
3. He was an academic economist for only a relatively short time during the 1850s and 1860s after he moved from Paris to Brussels.
4. He published the first one-volume synthesis of classical-liberal thought in 1849.
5. He was the “founding father” of anarcho-capitalism with a series of articles and chapters written between 1846 and 1863.
6. In his 60s Molinari turned to writing lengthy books on historical sociology, in which he explored the evolution of states and the ruling elites that controlled them, and the emergence of free markets and free political institutions, which these elites exploited for their own benefit.
7. There is a question concerning whether Molinari “sold out” his anarcho-capitalist beliefs towards the end of his life by accepting the idea that security was a public good that could only be provided collectively and not competitively.
8. There is another question concerning whether Molinari was becoming a cranky old man later in his life with his theory of “tutelage” for those groups

that were unable to exercise “self-government” (the poor, uneducated, women, ex-slaves and those who had been colonized), his view of religion as being necessary as a kind of “tutor” for the masses, and his strange theory of “viriculture,” which bordered on being a theory of eugenics. One might ask if this tendency was linked to his growing pessimism about the prospects for liberty in the late 19th and early 20th centuries or whether it had been an integral part of his social theory all along and only became more apparent at this time.

9. In spite of the evidence cited above for his growing crankiness and illiberalism, Molinari was still capable of very clear-sighted analysis of the prospects for liberty in the coming 20th century. In a series of articles written at the turn of the century and in his last couple of books, Molinari showed his skill as a prophet with his predictions about future war, government indebtedness, the rise of socialism, economic breakdown and, some 50 years after these catastrophes, the renaissance of classical liberalism. He thus died very pessimistic about the present but still optimistic about the prospects for liberty in the future.

1849 -- The *Annus Mirabilis* of Anarcho-Capitalism

In 1849, Molinari’s *annus mirabilis*, Molinari published his revolutionary insights into how “the production of security” could be undertaken by private and competing insurance companies. He did this in an article on “The Production of Security” in the *Journal des Économistes* in February and in chapter 11 of his *Soirées*.^[2] He lacked the theoretical insights and sophistication to take these ideas very far but he was the first to have them, which is certainly worthy of some kind of intellectual prize. His revolutionary insight lay in two things: that security could be viewed as being like any other service or “industry” provided in the free market, and that the institutions which the market was already evolving could supply this new “industry” as profit-seeking entrepreneurs sought to satisfy the needs of consumers using scarce resources.

The actual details of how this would happen he left unexplored perhaps in his haste to get his thoughts on paper while the intellectual tornado of the revolution was still swirling about with its mix of socialist, conser-

vative, Bonapartist, as well as liberal ideas. Perhaps he also thought that the specific way in which the market would supply these goods and services was not the job of the economist to answer, only that it could and would, since the “economic problem” was a universal one. For example, in a socialist society in which all groceries were supplied by government-run depots, one might well ask a free-market advocate of private provision of groceries how a free market would do this exactly? What grocery suppliers would emerge? On what streets would they be located? What would they charge for staples like bread (and wine). What would happen if the farmers refused to supply Paris with the food it needed? Wouldn't rival grocery stores do battle on the streets to secure prime locations for their stores? Wouldn't they offer low prices at first to win market share only later to jack up prices for the unfortunate customers? Perhaps, somewhat naively, Molinari thought that just as it would be foolish and impossible for an economist to give detailed answers to these questions to the defender of a government monopoly provision of groceries, so too would it be foolish to try to do the same for security services.

It should also be kept in mind that the chapter 11 in which these ideas were presented in *Les Soirées* was just one of several in which Molinari presented private alternatives to “public goods” such as water supply and roads. Thus he thought that security was part of a spectrum of similar industries to which competitive market solutions might be applied.

Molinari extended his analysis of the private and competitive provision of security services in his treatise on economics, the *Cours d'économie politique*, which came out of the lectures he gave at the Musée royal de l'industrie belge in Brussels in 1855 and which he revised and expanded in a second edition that appeared in 1863.[3] This was to be the last occasion Molinari dealt with these issues for some time because he left academia to pursue a career in journalism.

Did Molinari sell out the anarcho-capitalist cause towards the end of his life?

I think one could argue that Molinari did indeed retreat from the radical defense of anarcho-capitalism he had developed between 1845 and 1865 when he

was relatively young (26-46 years old). This is not surprising for a couple of reasons. Firstly, he was abandoned by his free-market colleagues who thought, along the lines argued by Charles Dunoyer in a meeting of the Political Economy Society in Paris in 1849, that Molinari had been “swept away by illusions of logic”; none of them were prepared to follow him down this route.[4] Secondly, in 1867 Molinari made a career change that took him out of academia and into full-time journalism where he had less time to devote to such theoretical matters as anarcho-capitalism. In fact, you might say he became quite distracted with the directions his new career took him in. And thirdly, from the mid-1880s, with the return of protectionism and the rise of socialist groups across Europe, he became increasingly pessimistic about the prospects for liberty - and justifiably so I would add. As a consequence he no longer believed that people were ready for such a radical transition to a freer society as anarcho-capitalism would require. When all three factors are considered it is not surprising perhaps that his radicalism weakened as the years went by.

I also think his transition from academia to journalism merits further study if we wish to understand how and why Molinari changed gears in his thinking about society. In October 1867 Molinari decided to make a career change, which took him out of academia and out of Brussels and back into journalism in Paris (one should also note that his wife died in 1868 which also deeply affected him personally). This meant that Molinari was no longer willing or able to work as an academic economist grappling with theoretical issues such as public goods. He dramatically shifted his attention to travel writing and political commentary about the new Third Republic. His new position was with the influential *Journal des Débats*, published by Edouard Bertin and after 1871 by Léon Say (the grandson of Jean-Baptiste Say), who served three times as minister of finance during the Third Republic. Molinari served as editor-in-chief from 1871 to 1876. His interest in foreign travel began with a lecture tour of the Russian Empire at the time of the abolition of serfdom (1861) and went on to include an impressive range of countries about which he wrote for the *JDD*, including the United States and Canada (1876), South Carolina (1878?), Ireland, Canada, Jersey (1881), the Rocky Mountains, Russia, Corsica (1886), Panama, Martinique, Haiti (1887). When not traveling he was occupied in writing

political analysis about a very tumultuous time in French history, such as the defeat of France in the Franco-Prussian War, the collapse of Napoleon III's Second Empire, the rise of socialism during the Paris Commune, and the formation of the Third Republic. When he did return to more economic concerns it was as editor of the *Journal des Économistes* to which he was appointed in 1881 on the death of Joseph Garnier who had been editor from 1866-81. The books which flowed from his pen during the early and mid-1880s were what I would call historical sociology rather than economic theory, a subject which he had not touched for nearly 15 years.

We can say definitely that by the time *Esquisse de l'organisation politique et économique de la société future* [English version] was published in 1899,[5] Molinari had definitely “retreated” to a non-anarcho-capitalist position, accepting that there were “natural monopolies” which only governments could supply and that protection services were such a natural monopoly. Exactly when this transition occurred between 1865 and 1899 needs to be determined by further study, but an analysis of some key phrases that he used can be instructive in pinning this down more precisely. One such phrase is “la liberté de gouvernement,” which he used in the sense of competitive “governments” (or suppliers of protective services), a parallel concept to that of “la liberté du commerce” (free trade). When he believed that competing privately owned insurance companies could supply security services, then “la liberté de gouvernement” had an anarcho-capitalist meaning in the Rothbardian sense.

As late as 1887 in *Les Lois naturelles de l'économie politique*[6] Molinari is still defending this idea of “la liberté de government,” but he now draws an important distinction between “la liberté du commerce” (free trade), which had a vigorous organization lobbying for its introduction, especially in England with Richard Cobden's Anti-Corn Law League, and which could therefore prepare the English people for the idea of free trade, and “la liberté de gouvernement” (free government), which had no organization to prepare the people to accept it. That being the case, the idea would require “tutelage” as an intermediate measure before it could be fully implemented. By 1899 Molinari believed this intermediate measure had to be made permanent, thus fully abandoning an anarcho-capitalist meaning of “la liberté de gouvernement.” And so he stopped using

this phrase entirely.

But this was a strange kind of “sell out,” as he continued to quote passages from “The Production of Security,” such as the quote from Adam Smith on courts charging fees for their services. Whereas then he believed in fully competitive protection companies without any geographic monopoly, now he thought security is a “naturally collective” good that should be provided by the government with a geographic monopoly, but with a number of radical twists. He believed that these monopolies should be very small, such as municipalities or proprietary communities, and that they should outsource the provision of security to private firms in order to have some kind of market in security and thus keep costs down. If this is a sell-out then it is a strange kind of sell-out since it is still much more radically anti-state and pro-free market than anything his colleagues were advocating at that time.

Interestingly, his contemporary Herbert Spencer was having similar reservations as the prospects for liberty receded in the late 19th century. In 1851 when *Social Statics* appeared with the chapter “The Right to Ignore the State,” Spencer believed that Britain was in a “transition state,” where the preconditions for people to live in a fully free and deregulated society were on the verge of being established.[7] If they wished to do so, they had or would soon have the moral framework to live as free and responsible individuals and could “ignore the state” without violating the rights of others. When he republished *Social Statics* in 1892, he no longer believed this to be the case. Instead he thought the people had become corrupted by the growth of government, militarism, and socialism, and so he withdrew the chapter on “The Right to Ignore the State.” The similarities with Molinari on this matter are striking.

Endnotes

[1] Gérard Minart, *Gustave de Molinari (1819-1912)* (Institut Charles Coquelin, 2012).

[2] Gustave de Molinari, "De la production de la sécurité," *Journal des Économistes*, 15 February 1849, pp. 277-90
P D F version
<<http://library.mises.org/books/Gustave%20de%20Molinari/The%20Production%20of%20Security.pdf>>

and HTML version <davidmhart.com/liberty/FrenchClassicalLiberals/Molinari/Articles/ProductionSecurity1.html>; and *Les Soirées de la rue Saint-Lazare; entretiens sur les lois économiques et défense de la propriété*. (Guillaumin, 1849). Onzième Soirée, pp. 303-37. Draft translation <http://oll.libertyfund.org/index.php?option=com_content&task=view&id=1658&Itemid=371>.

[3] Gustave de Molinari, *Cours d'économie politique, professé au Musée royal de l'industrie belge*, 2 vols. (Bruxelles: Librairie polytechnique d'Aug. Decq, 1855). 2nd revised and enlarged edition (Bruxelles et Leipzig: A Lacroix, Verbreeckoven; Paris: Guillaumin, 1863). Tome I: La production et la distribution des richesses. Tome II: La circulation et la consommations des richesses. The final 12th lesson covers "Public consumption" in which Molinari continues his discussion of what he calls "political competition". "Douzième leçon. Les consommations publiques", pp. 480-534.

[4] The discussion of *Les Soirées* by the Société d'économie politique took place in October 1849. Present at the discussion were Horace Say (chairman), Gustave de Molinari, Charles Coquelin, Frédéric Bastiat, M. de Parieu, Louis Wolowski, Charles Dunoyer, M. Sainte-Beuve (MP for L'Oise), M. Lopès-Dubec (MP for La Gironde), M. Rodet, and M. Raudot (MP for Saône-et-Loire). See *Journal des Economistes*, Vol. XXIV, no. 103, 15 October, 1849, pp. 314-16. In the same month Charles Coquelin wrote a hostile review of *Les Soirées* which appeared in *JDE*, Vol. XXIV, no. 103, 15 October, 1849, pp. 364-372.

[5] Translated into English in 1904: G. de Molinari, *The Society of to-Morrow A Forecast of Its Political and Economic Organisation*, trans. P. H. Lee-Warner (New York: G.P. Putnam's Sons, 1904).

[6] *Les Lois naturelles de l'économie politique* (Paris: Guillaumin, 1887). A more detailed analysis of Molinari's gradual retreat from his early anarcho-capitalist position can be found in the discussion which accompanies this virtual anthology of Molinari's writings on the state between 1846 and 1912 <<http://davidmhart.com/liberty/FrenchClassicalLiberals/Molinari/anarcho-capitalism.html>>.

[7] Herbert Spencer, *Social Statics: or, The Conditions essential to Happiness specified, and the First of them Developed*, (London: John Chapman, 1851). Chapter: XIX. The

Right to ignore the State. <<http://oll.libertyfund.org/title/273/6325>>.

4. RESPONSE BY MATT ZWOLINSKI: "TWO CHEERS FOR PESSIMISM"

Roderick Long has, unsurprisingly, produced a terrific little essay on the life and thought of Gustave de Molinari. From it, readers can get a rich sense of the breadth, sophistication, and *audacity* of Molinari's thought. To be an anarchist of any stripe in the mid-19th century was a sign of tremendous intellectual independence and political courage. But what set Molinari apart from other anarchists, and secured for him a permanent position of honor in the history of libertarian thought, was his willingness and ability to go beyond a merely negative criticism of the state, and to provide real positive detail about the likely functioning of a stateless society. It was an ingenious insight, all the more so for being the kind of genius that appears obvious and inevitable in hindsight. If market competition is the most effective means for providing commodities like corn and linen, then why shouldn't the same commonly accepted economic logic be applied to the traditional security-providing functions of the state?

In 1849, Molinari saw no reason why it shouldn't. Fifty years later, however, he had changed his mind, reverting to the position that a single agency (the state) ought to have a monopoly on defensive services within a geographical area and that competition ought to be restricted to operating *between* states, not within them.[1] Long attributes Molinari's apostasy to his falling sway (improperly, in Long's view) to the influence of public-good type objections. David Hart, on the other hand, attributes it to a pessimistic spirit that Molinari seemed to develop in his later years.[2]

Interestingly, this same "pessimism" has also been suggested as the explanation for another well-known 19th-century libertarian's retreat from anarchism. In 1851, Herbert Spencer's *Social Statics* put forth a vision of a stateless society as a moral ideal. In this ideal, "states," or something like them, might continue to exist, but individuals would have the "right to ignore" them for any reason they chose, meaning that states

would simply be one among many possible forms of voluntary organization.[3]

Spencer never exactly repudiated this anarchistic ideal. He did pull the chapter on the right to ignore the state from the 1892 revised edition of *Social Statics*, along with some other material, including a defense of women's suffrage and a provocative argument against the legitimacy of private property in land. But, as George Smith correctly argues,[4] this change is best explained by a shift in Spencer's belief about the likely timing of a stateless society, not its desirability as an ultimate goal. Even in the original edition of *Social Statics*, Spencer was careful to note that the practicability of his moral principles "varies directly as social morality" and that attempting to apply it in a society of men whose moral character was not yet sufficiently developed would be productive of "anarchy" – a term he used, presumably, in a pejorative sense.

What changed for Spencer was his belief that human character would be ready for anarchism any time in the foreseeably near future. By 1899, when he wrote his *Autobiography*,[5] Spencer had come to doubt that men would be ready any time soon for the kind of freedom he had advocated as a young man. Human beings, he now believed, were governed primarily by their emotions and desires and were rational only "in a very limited sense." [6] Social and political institutions were even more dependent on character than he had previously thought. And the character of human beings wasn't progressively evolving, as he had once hoped and thought it would, in a way that would allow for peaceful and rational social cooperation among all human beings. Rather, he wrote in one of the 1896 concluding chapters of his *Principles of Sociology*, "The baser instincts, which dominated during the long ages of savage warfare, are being invigorated by revived militancy." [7] The consequences of this development were hard to predict with any accuracy, but Spencer's outlook at the dawn of the 20th century was decidedly (and prophetically) grim.

I think an examination of Spencer's pessimism sheds important light on Molinari's own move away from anarchism, and puts into sharp relief hard questions with which any contemporary advocate of market anarchism must deal. Molinari embraced a theory of human social and moral evolution not unlike Spencer's, including the important idea that human societies were

evolving out of a stage in which militancy and hierarchy were appropriate, to one in which peaceful commercial relations would dominate.[8] And though he doesn't say so explicitly, it seems reasonable to infer that Molinari shared Spencer's belief that a stateless society was not a *timeless* ideal, but one appropriate only to a particularly advanced stage of human moral evolution.

Once that stage had been reached and the state had been abolished, Molinari, like his contemporary market-anarchist followers, believed that violent conflict among producers of security would be rare.

Under the rule of free competition, war between the producers of security entirely loses its justification.... Just as war is the natural consequence of monopoly, peace is the natural consequence of liberty.[9]

Contemporary market anarchists generally make the same point by noting that violence is expensive.[10] If your security firm is frequently getting into violent conflicts with other firms, then you're going to have to pay for more guns, more funerals, and higher wages to compensate your employees for their increased risk. Because violence is expensive, rational firms will have a strong incentive to avoid these costs by resolving their disputes peacefully, probably through some form of prearranged binding arbitration. Firms that must bear the costs of violence themselves are less likely to resort to it than governments that can coercively impose those costs on their citizens, and so we have good reason to believe that an anarchist society will generally be a more peaceful one than a society governed by a state.

In general, I think there is a lot to be said for this *form* of argument. Rational customers will not buy cars that blow up when they are involved in minor fender-benders, and so rational, profit-maximizing firms will tend not to produce such cars. Usually.[11] But is there something special about the market for security? The argument that market anarchism will not produce excessive violence, like the argument that automobile markets will not produce exploding cars, depends on an assumption that consumers and producers will generally act *rationally*. When it comes to automobiles, that assumption is probably close enough to correct to generate the right outcome, most of the time. But is there something special about *violence*?

In what follows, I want to argue that there *is* something different about violence – actually that there are three important differences -- and that this fact significantly weakens the case for the young Molinari's claim that an anarchist society will be a peaceful one. The young Molinari's belief, I will argue, depends on an overly optimistic view of human nature that the later Molinari and the later Spencer were correct to reject. When it comes to violence, we have good reason to expect bad things from human beings. A certain amount of pessimism is thus a perfectly rational response to the limited potential of humanity's crooked timber.

The first point I offer in support of this claim has to do with the alleged costliness of violence. It is true enough that most people, most of the time, regard engaging in violence as a costly and undesirable activity. But there are at least some circumstances where people seem to regard violence as a positive *benefit* – a kind of consumption good, as it were. Consider, to take only two very recent historical examples, the kind of brutal ethnic conflict that took place in Central Africa between roughly 1960 and 1994, or between the Serbs and the Croats in Bosnia and Herzegovina in the 1990s. Did the Hutus who hacked their Tutsi neighbors to death with machetes really consider those violent acts a *cost*? A burden to be borne, grudgingly, for the sake of some offsetting hedonic benefit? On the contrary, it seems much more plausible to say that, for them, the violence was a constitutive *part* of the hedonic benefit -- not an obstacle standing between them and their goal but *part of the goal itself*. And I suspect that the same is true of much of the violence involved in primitive tribal conflict, the Christian Crusades, and contemporary street-level gang violence. It is no doubt true that *some* of this violence served an instrumental purpose. But there's nothing incoherent about violence being both instrumentally and intrinsically gratifying, and I suspect that this is the best way of understanding the motivation of at least many of the perpetrators of these types of violence.

Second, even when violence is regarded as a cost, it is not always one that we can count on individuals to rationally weigh against expected benefits in determining their best course of action. Whatever one might think about the rational-actor model of humanity in general, it is a model into which much real-world violence can be fit only by pushing very, very hard. Take,

for example, any episode of the once popular reality show *Cops*. Is the husband who gets drunk and beats up his wife for the third time this year rationally weighing the costs and benefits of his behavior? Is the meth-head who – *while in handcuffs* – tries to pick a fight with his arresting officer? These examples are cheeky, I admit. But the lesson is real. We know from our study of the brain that aggressive impulses are correlated with a very different and much more primitive region than that responsible for rational calculation. So when we see on *Cops* that people often make strikingly irrational decisions about violence, or for that matter when we see on *Teen Mom* that people often make strikingly irrational decisions about sex, we should not be surprised.

The third and final point has to do with the *effects* of people's decision to use violence. By way of contrast, suppose that people make irrational decisions about what car to buy, and so end up purchasing vehicles that they later come to regret (because they break down, get poor gas mileage, or whatever). For the most part, the negative effects of their bad decision are internalized, and any external effects are relatively trivial. By contrast, the negative effects of decisions about the use of violence are largely *externalized* and can be devastating. Adam Lanza is only the most recent and tragic case in point. As a result, society has a much greater interest in preventing people from making bad decisions about violence than we do in preventing them from making bad decisions about cars.

These brief considerations do not, of course, settle the issue of whether some form of state is preferable to anarchy, all things considered. If the arguments I have presented are sound, then what they show is that an anarchist society will not be as peaceful, and hence will not be *as* desirable, as Molinari predicts. But it is possible, of course, that state-based societies might be even worse. If, after all, people are irrational and prone to violence, then this will be true of those who hold the reins of state power as well, and allowing such individuals access to the *concentrated* and *monopolistic* power of the state might very well magnify the damage they can do.

It is natural for the state-produced horrors of the 20th century to dominate our thinking about such matters. But we should resist the temptation of historical myopia. Stephen Pinker has argued persuasively[12] that even taking the hemoclysms of the first half of the

20th century into account, the world today is a much safer, much more peaceful place than it has ever been before. And a substantial portion of the credit for that fact, on his analysis, goes to the development of the modern state. In *absolute* terms, to be sure, more people die violent deaths in state-based societies than in stateless ones. But that's largely because there are more people around to be killed today than there were in our anarchistic past. In *relative* terms, one's chances of dying a violent death in a state-based society are significantly lower than in a stateless one – somewhere between 6-25 percent as low, to be precise.[13] Anarchist societies may not have had nuclear bombs or concentration camps, but the constant raids, skirmishes, and low-level conflicts took a heavy cumulative toll.

Of course, the emergence of states isn't the only reason for the decline of violence over time. The development of commerce no doubt played a major role as well, by transforming human interaction from a largely zero-sum game into a largely positive-sum one. And one can, if one looks hard enough, come up with a few examples[14] of anarchist societies that were not so violent after all. But I suspect that most thinkers attracted to anarchism as a normative political ideal are not actually driven by a careful examination of the relevant empirical data. For most, the argument is an almost entirely *a priori* one. The theory comes first, and the search for supporting factual data comes only afterwards, if at all. For some, like Rothbard, anarchism is a conclusion that one can logically derive from the “axiomatic” moral principle of nonaggression. For others, like Molinari, the fundamental premises are *economic*, rather than moral, but the derivation is once again purely logical, and the conclusion is held with the same apodictic resistance to potentially falsifying evidence.

Anarchism of this sort thus demands from us an enormous confidence in the power of human reason to radically redesign and improve evolved social institutions. And it is precisely this sort of confidence that classical liberals have long warned us to be wary of. That kind of confidence is an example of the “unconstrained vision” that Thomas Sowell[15] found displayed so prominently in the work of the 18th-century anarchist William Godwin.[16] It is an example of the “false individualism” that Friedrich Hayek[17] saw manifesting itself in so much French social thought and that led him to dismiss anarchism as “but another

product of the rationalistic pseudo-individualism to which [true individualism] is opposed.” And it is what Molinari's classical-liberal contemporaries Charles Dunoyer, Charles Coquelin, and Frédéric Bastiat[18] described as the “illusions of logic” that had led their friend and colleague so astray.

Perhaps, then, the later Molinari's apostasy from the gospel of anarchism was not so much a product of pessimism as it was the product of a life full of experience – experience that undermined the tidy certainty of his earlier syllogistic reasoning. The Molinari of 1899 was not ignorant of the many virtues of market arrangements. Nor were the Hayek of 1945, the Sowell of 1987, or the Dunoyer, Coquelin, and Bastiat of 1849. But they were wise enough to doubt that one could demonstrate the moral or economic imperative of “smashing the state” from the armchair. They would be more impressed, I suspect, with what Peter Boettke[19] has described as the “positive political economy of anarchism.” But even here, the best case for anarchism that can likely be made will be an incremental one, not a revolutionary one. If Pinker is right and the modern state is responsible for much of the peace and security that we enjoy today, then we ought to be very, very cautious about dismantling it.

Endnotes

[1] Gustave de Molinari, *Esquisse de l'organisation politique et économique de la Société future* (Paris: Guillaumin, 1899). English translation: *The Society of Tomorrow: A Forecast of its Political and Economic Organization*, ed. Hodgson Pratt and Frederic Passy, trans. P.H. Lee Warner (New York: G.P. Putnam's Sons, 1904). <<http://oll.libertyfund.org/title/228>>.

[2] David Hart, “Gustave de Molinari and the Anti-Statist Liberal Tradition, Part 1,” *Journal of Libertarian Studies*, vol. 5, no. 3 (Summer, 1981), pp. 273, 282, 283.

[3] Herbert Spencer, chapter 19, “The Right to Ignore the State” in *Social Statics: or, The Conditions essential to Happiness specified, and the First of them Developed*, (London: John Chapman, 1851). <<http://oll.libertyfund.org/title/273>>.

[4] George Smith, "From Optimism to Pessimism: The Case of Herbert Spencer, Part 4", July 31, 2012,

L i b e r t a r i a n i s m . o r g
<<http://www.libertarianism.org/publications/essays/excursions/optimism-pessimism-case-herbert-spencer-p-art-4>>.

[5] Herbert Spencer, *An Autobiography by Herbert Spencer*. Illustrated in Two Volumes. (New York: D. Appleton and Company 1904). 2 vols. 1st ed. 1899. <<http://oll.libertyfund.org/title/2322>>.

[6] Herbert Spencer, *An Autobiography*, vol. 2, Chapter L V. <<http://oll.libertyfund.org/title/2323/219861/3522845>>.

[7] Herbert Spencer, *The Principles of Sociology*, vol. 3, 1874-96.

[8] Molinari, *Esquisse de l'organisation politique et économique de la Société future*, 1899.

[9] Molinari, "The Production of Security."

[10] See, for instance, David Friedman's *The Machinery of Freedom*, especially chapter 29.

[11] Mark Dowie, "Pinto Madness," *Mother Jones*, September / October 1977 <<http://www.motherjones.com/politics/1977/09/pinto-madness>>.

[12] Stephen Pinker, *The Better Angels of Our Nature: Why Violence Has Declined* (New York: Viking, 2011).

[13] This fact should not be especially surprising, especially to libertarians attracted to an Oppenheimerian "conquest theory" of the state. If states originated in order to allow their rulers to more effectively extract rent from their subjects, then it follows that rulers will have a strong incentive to suppress violence within their population. Every dead subject is, after all, a subject who can no longer be exploited. See Franz Oppenheimer, *The State: Its History and Development viewed Sociologically*, authorized translation by John M. Gitterman (New York: B.W. Huebsch, 1922). <<http://oll.libertyfund.org/title/1662>>.

[14] David Friedman, "Private Creation and Enforcement of Law: A Historical Case" (1979). <<http://www.davidfriedman.com/Academic/Iceland/Iceland.html>>.

[15] Thomas Sowell, *A Conflict of Visions: Ideological Origins of Political Struggles* (Basic Books; Revised edition 2007).

[16] William Godwin, *An Enquiry Concerning Political Justice, and its Influence on General Virtue and Happiness* (London: G.G.J. and J. Robinson, 1793). In 2 vols. <<http://oll.libertyfund.org/title/169>>.

[17] Friedrich Hayek, "Individualism: True and False" in *Individualism and Economic Order* (Chicago: Henry Regnery, 1972. 1st ed. 1948). Available online at <<http://mises.org/books/individualismandeconomicorder.pdf>>.

[18] [Possible author: Joseph Garnier, editor of the *Journal des Économistes*], "Question of the Limits of State Action and Individual Action." Discussed at the Society of Political Economy (1849). *Journal des Économistes*, vol. 24, no. 103 (15 October 1849), pp. 314-316. <<http://praxeology.net/JDE-LSA.htm>>.

[19] "11. Peter Boettke's Comment on Buchanan et al." [March 26, 2013] <http://oll.libertyfund.org/index.php?option=com_content&task=view&id=1669&Itemid=366#conversation11>.

3. THE CONVERSATION

1. DAVID D. FRIEDMAN'S COMMENT: "A PROBLEM FOR RADICALS"

Many years ago I gave a talk on Robert Nozick's *Anarchy, State and Utopia* with Nozick in the audience. In the conversation that followed, he offered a different, and I think better, argument against anarchy than the one in the book: If market anarchy is a workable and attractive system under modern conditions, one would expect to see examples, and one does not. That is a problem not only for market anarchists but for radicals more generally: If your system works, why do we see no examples of it?

One possible answer is the one that Matt Zwolinski attributes to Molinari and Spencer—that their system would work if only people were better than they are, and will work when they become better. It reminds of an exchange somewhat earlier between Malthus and his critics. He had argued that if, as Godwin and Condorcet had predicted, the standard of living of the mass of the population became much higher than in the past, that would sharply reduce the cost of having children and hence the cost of sex, that humans enjoyed sex and so would have more of it if its cost were much lower, and that the resulting population increase would eventually drive real wages back down. Their response was that although present day humans might greatly value sex, the taste for such base pleasures would decrease with future human progress, eliminating the problem.

Malthus's response was first to point out that the world had already existed for over five thousand years and no such trend was yet observable, and second to ask what was base about the pleasure of sex, adding that connubial pleasure was inferior to intellectual pleasure only in its duration. I realize it doesn't have much to do with Molinari, but it's one of my favorite quotes and I can resist anything but temptation.

There are two other responses to Nozick's challenge that do not depend on an optimistic view of the moral progress of mankind. One is what modern economists call "path dependency." There might be multiple stable equilibria possible for human societies. Once stuck in

one, getting to another is difficult, but if one somehow got to the alternative set of institutions they also would be stable. There is no obvious mechanism to guarantee that, among the possible equilibria, real societies have to end up in the most attractive.

The other is that how institutions work depends on the surrounding technology, broadly defined. If economies of scale in rights enforcement run up to a firm size representing a large fraction of the market, you end up with a small number of firms and a serious risk that they will decide robbery is more profitable than selling services and combine to recreate government. If everything important happens online and the technology of public key encryption gives the defense in cyberspace an overwhelming advantage over the offense, on the other hand, market anarchy might turn out to be the natural equilibrium without anyone planning it. Other assumptions about other relevant technologies might prevent anarchy, guarantee anarchy, or leave both anarchy and the alternative as viable options.

My response to Nozick and to others who have made the same argument since is to imagine myself back in 1800, with a different radical political system to propose—a mass franchise democracy with equal rights for men and women and a government controlling nearly half of all income. My critics could point out, correctly, that such a society had never existed in the history of the world.

If market anarchy requires some substantial improvement in human morality, we may have a very long wait before we see it. If it depends on changing technology, in a world in which technologies are changing with dizzying speed, we might get it next decade. Or next century. Or never.

2. DAVID D. FRIEDMAN'S RESPONSE TO GARY CHARTIER: "WISHFUL THINKING"

Gary writes:

"Thus, *in a competitive labor market*, firms that want to attract workers will be incentivized to offer greater freedom and dignity as means of securing the best employees. By contrast, of course, in a

not-so-competitive labor market, like the one we in fact have now, firms will have little incentive to institute policies that safeguard workers' freedom and dignity as a means of recruiting effectively."

Consider the simplest example of a noncompetitive labor market—an industry with only a single employer. As long as he is paying wages above subsistence, as essentially all employers in a modern developed economy are, he faces a tradeoff between the working conditions he provides and wages he pays. If he changes the working conditions in a way that is valuable to potential employees, he can get them at a lower wage. If he changes them in a way they disvalue, he will have to pay a higher wage. It is the net advantage as evaluated by potential employees, the combined attraction of wage and working conditions, that determines whether or not they will accept his offer. Hence Gary's claim is as true of a monopsony as of a perfectly competitive industry. His implication that this is one of the advantages of a competitive labor market is false.

He goes on to summarize the familiar diseconomies of scale that give organizational advantages to smaller firms—fewer layers of administration between the CEO and the factory floor. The obvious conclusion is that the size of firms reflects the balance between such diseconomies of scale and economies of scale. For readers interested in the subject, I recommend Oliver Williamson's old book *Market and Hierarchy* (1975), which goes into some detail, with historical evidence, on the tradeoffs.

It is possible that, as Gary suggests, big government results in making firms bigger, but one can tell an equally convincing story in the other direction. The larger a firm is, the more it requires a flow of information up and down the hierarchy, information that can be used by a government to control it and its participants via taxation and regulation; that is probably one reason why criminal firms tend to be small. Hiding income from taxation by misrepresenting costs of consumption as costs of production—classifying your private vehicle as a company car, for instance, and its costs as a business expense—is easier in a small firm than a large one, so high levels of taxation may well push down the equilibrium size of firms.

The rest of Gary's argument has the same ad hoc character. Getting rid of government might make all of us richer. But there is no good reason to believe that it

would make firms smaller or employers more responsive to the desires of their employees.

3. GARY CHARTIER'S REPLY TO DAVID FRIEDMAN

In *The Machinery of Freedom*, David Friedman offers some observations about the possible shape of productive activity in a stateless society.

Goods might be produced by giant, hierarchical corporations, like those that now exist. I hope not; it does not strike me as either an attractive way for people to live or an efficient way of producing goods. But other people might disagree; if so, in a free society they would be free to organize themselves into such corporations.

Goods might be produced by communes, group families, inside which property was held in common. That also does not seem to me to be a very attractive form of life. I would not join one, but I would have no right to prevent others from doing so.

My own preference is for the sort of economic institutions which have been named, I think by Robert LeFevre, agoric. Under agoric institutions almost everyone is self-employed. Instead of corporations there are large groups of entrepreneurs related by trade, not by authority. Each sells, not his time, but what his time produces. . . .

The actual arrangements by which the market provides an economic good, be it food or police protection, are the product of the ingenuity of all the entrepreneurs producing that good. It would be foolish for me to predict with any confidence what will turn out to be the cheapest and most satisfactory ways of producing the services now produced by government. . . .[1]

Sharing Friedman's view that a production model dominated by large corporations features neither "an attractive way for people to live [n]or an efficient way of producing goods," I find Friedman's analysis quite congenial. I also share his view that one cannot be dogmatic about what a society liberated from state-secured privilege might look like. But I am at least a little less inclined than he is, in his contribution to this *Liberty Matters* symposium on Molinari, to think I'm

engaged simply in wishful thinking when I suggest that the concerns that prompt Molinari to propose labor exchanges could be addressed simply by eliminating state-secured privileges.

Perhaps the large hierarchical corporation will persist in the state's absence. Friedman is right that I hope it won't, and no doubt confirmation bias is a factor in my evaluation of the relevant evidence. But I still think there's reason to be optimistic.

My case for a future in which a much greater percentage of people could be expected to work in sole proprietorships, partnerships, and cooperatives includes several elements:

Being treated well at work is a consumer good, one for which people might be expected to pay something. The more affordable it is, the more people will be inclined to buy it. Several things might make it more affordable:

If self-employment is less risky than at present, people might find it easier to choose to work for themselves. Reduced health-care costs, reduced costs associated with working at home (created by an end to zoning rules, licensing requirements, and building codes), and similar factors could be expected to make it safer to work for oneself.

The realistic availability of self-employment would increase competitive pressure on employers to recruiting workers, and providing greater opportunities for participation and greater dignity at work would be one way of attracting them. Obviously, some workers might prefer higher salaries, but the market could presumably meet both sets of needs.

Removing state-driven burdens on economic activity would presumably boost productivity generally and raise average incomes. Compare changes in working conditions—e.g., the emergence of the 40-hour week, increased workplace safety, etc. As prosperity increased, things people might have thought of as luxuries became increasingly affordable, and therefore more widely available.

Remedying past instances of state-perpetrated and state-tolerated injustice and making state-engrossed and similar assets available for homesteading might be expected to boost the wealth of some workers and thus, again, to increase their ability to secure more attractive working conditions.

Large hierarchical organizations face persistent informational and incentival problems similar to those confronted by state bureaucracies. Thus, other things being equal, smaller, more flexible alternatives might be expected to out-compete them in virtue of diseconomies of scale—a point Friedman seems to acknowledge when observing that corporate production doesn't seem to be “an efficient way of producing goods.” If it's not efficient, why does it persist? One possibility is that features of business culture dispose most people, including (perhaps especially) major investors, to see existing hierarchical business models as inevitable or desirable. Another is that the full force of the informational and incentival problems isn't being felt in today's economy. I sought to explore the latter possibility in my initial contribution to the symposium, suggesting that the state rigs the game in favor of hierarchy.

Friedman is unconvinced. He offers several reasons for his skepticism:

- He notes that employers always face the choice between offering higher wages and offering various nonwage incentives to workers, so that if workers in today's economy (say) really wanted more participatory workplaces badly enough to accept lower wages in exchange for them, the market would provide such workplaces. That they do not suggests, he seems to imply, that there is little market demand on the part of workers for greater participation.
- He proposes that we might reasonably conclude that the economies of scale yielded by the contemporary hierarchical corporation outweigh the associated diseconomies of scale.
- He notes that state action may in fact encourage reductions as well as increases in firm size.

If workers don't care very much about participatory workplaces or opportunities for self-employment, I have no burden to force them to create such workplaces. Let a thousand flowers bloom! But it seems perfectly sensible to think, given that workers do report some interest in such workplaces,[2] that if the affordability of noncorporate employment increased, more workers would choose it. State action makes such alternatives less affordable both by increasing the costs of and the risks associated with self-employment and by decreasing workers' incomes by decreasing overall wealth levels.

I don't doubt that state action can be seen as pressuring firms to reduce as well as increase in size. And, ignoring cultural-cum-psychic factors, no doubt the balance between economies and diseconomies of scale achieved by corporations in today's economy is efficient in that economy. But the question, of course, is why we ought to think that a similar balance would obtain were the state absent. I am prepared to wager that it wouldn't, that the factors I note in my original contribution to the symposium, addressed in much greater detail in Kevin Carson's *Organization Theory*,^[3] would make for a significantly different pattern of worklife in a free society. But, like Friedman, I don't propose to be dogmatic. I think it is also reasonable, though, for me to note, as he does, both that corporate hierarchies don't seem to be efficient or appealing, and to hope and work for their replacement by more flat and flexible arrangements for organizing work.

Endnotes

[1] David D. Friedman, *The Machinery of Freedom*, 2d ed. (Chicago: Open Court 1989). The quoted passage is from the chapter, "In Which Prediction is Reduced to Speculation"; I draw here on the on-line version, available at http://daviddfriedman.com/The_Machinery_of_Freedom_.pdf.

[2] See, e.g., Richard B. Freeman and Joel Rogers, *What Workers Want* (Ithaca, ILR 2006).

[3] Kevin A. Carson, *Organization Theory: A Libertarian Perspective* (Charleston, S.C.: BookSurge, 2008), online at <http://www.scribd.com/doc/53649743/Organization-Theory-A-Libertarian-Perspective-by-Kevin-a-Carson>.

4. DAVID M. HART'S COMMENT ON GARY CHARTIER

It is good that Gary Chartier focuses on Molinari's concern for the problems of the average worker in France in the 1840s, because this is one very important component of his unusual form of liberalism. Unlike the "top down" concerns of liberal conservatives like

Edmund Burke and Alexis de Tocqueville, who were most worried about the continuity of institutions of dubious legitimacy and "law and order" (or rather "ordered liberty" whatever that might mean), Molinari and his fellow liberals like Frédéric Bastiat were very much concerned with what you might call "bottom up" liberty -- the rights and liberties of, and the injustices faced by, ordinary working people. As a young journalist trying to make ends meet in Paris in the early 1840s, Molinari was attracted by three things: the agitation for free trade (in order to get cheaper and more reliable food supplies to the people), slavery and serfdom (the worst forms of exploitation of the weakest members of society), and the right of workers to form associations in order to better themselves. These issues were the first things he wrote on.

Regarding workers, he and Bastiat were very concerned about the legal restrictions the state placed on workers to prevent them forming all kinds of voluntary associations. The most obvious restriction was the ban on forming unions and collectively bargaining for wages and conditions with employers. Technically the law also applied to business owners, but it was selectively applied, thus shutting out workers from the benefits of forming associations. Bastiat, Molinari's close friend and colleague, protested this in the Chamber in 1848 and vigorously defended the right of all individuals to associate and speak their minds, whether they were workers or employers. Molinari got a start in journalism by covering a notorious court case involving carpenters and writing articles about the perversity of the application of the anti-association law. This began his life-long interest in labor exchanges as one way of overcoming this form of legal discrimination.

A second worker-related matter was the nonwage aspect of worker associations, namely, the right to form self-help or friendly societies in order to provide mutual assistance for things like unemployment insurance and medical help, or even just recreational activities. Molinari and Bastiat were aware that such groups were then forming in England and that, as in so many things, France was late to the party because of excessive regulation and bureaucracy. In one of his witty chapters in *Economic Sophisms* ("The Lower Council of Labor," ES2 IV [1847?])[1] Bastiat mocks the official government-supported Superior Councils of Industry, which allowed manufacturers and landowners to get together to discuss their mutual concerns and lobby the govern-

ment for benefits, but which deliberately excluded what Bastiat calls the “proper workers, serious workers” like joiners, carpenters, masons, tailors, shoemakers, dyers, blacksmiths, innkeepers, and grocers. Since they were prevented from forming their own “Council” (in the story Bastiat has them form a sarcastically named “Lower Council of Labour”) they therefore founded a mutual-aid society in their local village. Unfortunately Bastiat does not provide us with any more details about its activities.

A third worker-related interest was the restrictions on forming limited-liability companies and partnerships under French law, which were not loosened until 1867. It was expensive and time-consuming to form a business, often requiring special government legislation to do so. Molinari, being brought up in the Say school of political economy, was fascinated by the possibilities of entrepreneurship. He believed that, if given a legal chance, legions of French entrepreneurs would spring up to organize themselves into profit-making activities. In the *Soirées*, for example, he mentions at least 11 different types of entrepreneurial activity. Most of these referred to fairly traditional, large-scale entrepreneurs engaged in manufacturing, heavy industry, and textiles, but there were also a number of entrepreneurial activities for opportunistic members of the middle or working class, or what he called the “working class entrepreneur,” some of which are quite surprising and revealing of his thinking. These included “entrepreneurs de prostitution” (entrepreneurs in the prostitution business), “entrepreneurs d’éducation” (entrepreneurs in the education business), “entrepreneurs de roulage” (entrepreneurs in the haulage business), “entrepreneurs d’industrie agricole” (entrepreneurs in the agriculture industry), “entrepreneurs de diligences” (entrepreneurs in the coach business), “entrepreneur de pompes funèbres” (entrepreneurs in the funeral business), and most intriguingly “le laborieux entrepreneur, naguère ouvrier” (entrepreneurs who have emerged from the working class).

I know of no other 19th-century political economist who envisaged such a broad spectrum of economic activities in which members of the middle and working classes could succeed as entrepreneurs if only the clutter of legal privileges and restrictions could be removed. What is of most interest to the poorest members of society were his ideas for turning every French farmer into an “agricultural entrepreneur” by scrap-

ping the compulsory division of property under the inheritance laws. This would allow successful farmers to buy and sell land as they saw fit in order to create profitable enterprises, as well as having international free trade in order to sell their produce to whomever they pleased. The reform would also allow any teacher to set up his or her own school and seek business from among local families; allow any owner of a horse and cart to compete in offering services in the haulage and transport industry; and allow business-minded women to own and operate their own brothels as profit-making enterprises (prostitution was legal but heavily regulated by the state and women were banned from running brothels, forcing many of them to set up “dummy businesses” run by a male front man in order to stay in business).

Of course Molinari imagined that many successful entrepreneurs would emerge from the working class, as his final category strongly suggested -- “le laborieux entrepreneur, naguère ouvrier” (entrepreneurs who have emerged from the working class, in other words “working class entrepreneurs”). I think that, as in so many areas, Molinari realized that the opportunities for freely forming businesses and associations of all kinds were much greater in England and the United States especially, and these remained the ideal for the time being as far as he was concerned.

Endnotes

[1] Frédéric Bastiat, *Economic Sophisms*, trans. Arthur Goddard, introduction by Henry Hazlitt (Irvington-on-Hudson: Foundation for Economic Education, 1996). Second Series, Chapter 4: Subordinate Labor Council. <<http://oll.libertyfund.org/title/276/23382>>.

5. DAVID D. FRIEDMAN’S COMMENT ON MATT ZWOLINSKI: “ANARCHY AND VIOLENCE”

Matt Zwolinski offers three arguments in support of Molinari’s pessimism, late in his life, about going all the way to market anarchy. The first is that violence is sometimes a pleasurable consumption activity, the sec-

ond that individuals are particularly irrational with regard to violence, the third that violence imposes external costs.

My response to the first is that the argument for why rights-enforcement firms would be unlikely to use violence against each other does not depend on there being no goons available for hire who enjoy shooting people, only on there being few goons who enjoy being shot. Unless one agency has a large advantage over another, each should be able to make conflict costly for its opponent. That corresponds to my standard example of private property in the animal kingdom—territorial behavior. The reason why a trespassing bird or fish usually backs off when confronted by the “owner” of the territory is that, unless the inequality of strength is large, a fight to the death is a loss for both participants.

It is possible that individuals are less rational about violence than about other things, although what looks like irrational behavior may be a result of the sort of hardwired commitment strategies that, in my previous example, allow the claimant to retain his property, usually without fighting for it—irrational *ex post*, rational *ex ante*. But the violence at issue here is between firms, not individuals. If I am correct in believing that inter-agency violence is an unprofitable business strategy, we would expect over time that firms that failed to control such irrationality by their employees would lose out to those that succeeded.

Violence imposes external costs. That implies that individual rationality will not automatically produce the optimal level of violence—and, under current institutions, it doesn't. But, as Ronald Coase pointed out quite a long time ago, the existence of externalities does not lead to inefficient outcomes if transaction costs are sufficiently low. The violence relevant to Matt's argument is violence between rights-enforcement agencies, pairs of firms engaged in long-term repeat dealings with each other. That is a context in which we would expect transaction costs to be low, making it possible for the parties to bargain to something close to the optimal outcome, which in this case means little or no violence.

Finally, Matt writes:

“Anarchism of this sort thus demands from us an enormous confidence in the power of human reason to radically redesign and improve evolved

social institutions.”

That might be true of the version of anarchism encapsulated in Rothbard's line about ending the state by pushing a button, but it is not true of either my version or Molinari's, since neither of us is proposing to instantly instantiate our vision. My view is, and I think Molinari's pretty clearly was, that the way to get to a stateless society is by a process of gradual evolution within the structure of existing institutions. Ideally, as in Stephenson's *Snow Crash*, when the state finally ceases to be relevant nobody notices.

6. RODERICK T. LONG'S REPLY TO MATT ZWOLINSKI: “MOLINARI, RATIONALISM, AND ANARCHY”

Thanks to Matt, David F., David H., and Gary for their excellent and thoughtful contributions. Since Gary's and David H.'s comments leave me nothing to disagree with, and David F.'s with very little – and the only real disagreement with me that David F. raises (about the reasons for the dominance of large hierarchical firms) is already preemptively addressed in Gary's piece – I'll focus my remarks on Matt's response. I don't feel too guilty about this, since I expect that Gary and the Davids will have plenty to take issue with, both in Matt's piece and in one another's.

Matt speculates that Molinari retreated from an anarchist position not so much because of public goods worries as because of a pessimism inculcated by life experience that undercut the confident rationalism of his youth; and Matt further suggests that Molinari may have been right so to retreat.

But Matt's picture of the Molinari of 1849 as possessing an unrealistically rosy view of human motivations, and as having excessive confidence in the power of reason to remake society – a utopian idealism to be tempered by the sadder and wiser Molinari of 1899 – seem hard to square with what we actually find in Molinari's early writing. After all, it is in 1849, not 1899, that Molinari describes the “sense of justice” as “the perquisite of only a few eminent and exceptional temperaments,” and ridicules the assumption that “human reason has the power to discover the best laws” – both

passages helpfully quoted in David F.'s contribution.[1] (Hayek's indictment of French liberalism as being a hotbed of constructive rationalism is notoriously difficult to substantiate with reference to actual French liberal thinkers; see, e.g., Ralph Raico's *Classical Liberalism and the Austrian School*, especially chapter 6.)[2]

I also think the parallel that Matt draws between Molinari and Spencer is misleading. Both, to be sure, were pessimistic about the coming 20th century, which they expected to be dominated by state socialism and war. (For their predictions, see David H.'s discussions here[3] and here.[4] But Spencer believed that a prerequisite for the achievement of an anarchist society was a transformation of human nature, a transformation that was slowly but surely being wrought by the evolutionary process; so any evidence of inadequate moral development in human society would therefore be a reason to think anarchism unviable for the near future. But Molinari's model of anarchism was based on the application of economic incentives to human beings as they already are; and his account of historical development, though bearing the clear impress of Spencer's influence, differs from Spencer's in stressing economic over moral evolution; hence Molinari lacks Spencer's reasons for doubting anarchism's short-term viability.

Nor does *The Society of Tomorrow*[5] – the 1899 work in which Molinari repudiates his earlier anarchism -- show the *kind* of pessimism needed to support Matt's hypothesis. After all, one of the chief themes of the work is that the factors that have been driving war are finally disappearing.

I don't see why we shouldn't take Molinari's own word as to why he turns toward monopoly provision in 1899 – namely the public-goods problem:

The first duty of government is to ensure internal and external security to nation and citizen alike. Services proper to it differ essentially from those of the private association for they are naturally *collective*. Armies secure an entire nation from external aggression, and a police force exists for the equal benefit of all who inhabit the district which it serves. It is therefore no less necessary than just that all consumers of these naturally *collective* services should contribute to their cost in proportion to the service rendered and the benefit received. The failure of one consumer to bear his quota of the costs of such production reacts on

the entire community, who are compelled to bear a proportion of his defalcations over and above their own contribution. [*Society of Tomorrow*, part II, ch. 3.]

Molinari was writing at a time when – by contrast with today – little work, either theoretical or historical, had been done on nonstate provision of public goods, so his doubts are hardly mysterious.

The charge of excessive rationalism is one that Matt brings against Molinari's contemporary anarchist successors as well. Matt attributes to anarchists “an enormous confidence in the power of human reason to radically redesign and improve evolved social institutions.” But what anarchists seek is to withdraw support from the state – i.e., from an ongoing project of massive constructivist intervention into and reshaping of evolved social institutions – and turn social order over instead to spontaneous evolution (at least in the consensual and polycentric senses, and to a considerable extent in the emergent sense as well; for these three senses see Part IV of this piece).[6] If seeking a radical decrease in constructive rationalism and a radical increase in spontaneous order counts as constructive rationalism and a distrust in spontaneous order, it is at least constructive rationalism of a nonstandard sort.

Matt further argues that violence is a “consumption good” for many people; and even when it is not, its costs are ones that people often fail to “rationally weigh against expected benefits in determining their best course of action.” Well, sure. And it's true enough that when the demand for violence is inelastic enough, anarchy will not prevent it. *But neither will the state*. Indeed, when there are hierarchical states, people with an appetite for violence manage to find their way into positions of power within them, from abusive cops and prison guards to presidents who rain death down on children while quipping about WMDs[7] and predator drone strikes.[8] Surely increasing the costs of violence is a better bet than decreasing them; to the extent that the demand for violence is elastic, we'll be better off, and to the extent that the demand for violence is inelastic, we'll at least be no worse off. Matt points out the externalities that violence imposes on others; but the anarchist point is that states make it easier for those who choose violent to externalize onto others costs of violence that would otherwise fall upon the agent.

In any case, economic incentives to choose arbitration over violence are often effective even when the prospects for optimism look most bleak. Consider medieval societies like Iceland and Anglo-Saxon England, in which the system of blood feud, initially pervasive, was gradually eroded by a polycentric, restitution-oriented legal system – showing that economic incentives can manage to tame even societies of quarrelsome Vikings who glorified revenge as a matter of honor. Or consider Somalia, riven by civil war, that has nevertheless achieved, under statelessness a more peaceful and prosperous condition than either its state-ridden neighbors or its own state-ridden past (see here[9] and here.[10] The advantage of anarchic competition is that it tends to do better with any given level of economic and cultural development (and of bloodthirstiness) than monopoly states would do with that same level, because by increasing the costs of violence and the benefits of cooperation, it exploits to a greater degree whatever cooperative potential exists in the society.

As for Matt’s appeal to Steven Pinker’s thesis that states make for less violence, I find Pinker’s reliance on percentages problematic (does one murder in a population of a hundred really constitute a level of violence equal to ten thousand murders in a population of one million?), and there are reasonable concerns that he whitewashes recent state action.[11]

Matt speculates that “most thinkers attracted to anarchism as a normative political ideal are not actually driven by a careful examination of the relevant empirical data.” Perhaps so; but examining the data we offer and psychologizing about our motivations for offering it are two different things, and the latter is no substitute for the former.

Endnotes

[1] *Readings* p. 111, from “The Production of Security.”

[2] Ralph Raico, *Classical Liberalism and the Austrian School*, Forward by Jörg Guido Hülsmann, Prefce by David Gordon (Auburn, Alabama: Ludwig von Mises Institute, 2012). Chapter 6 "The Centrality of French Liberalism", pp. 219 - 53. <<http://library.mises.org/books/Ralph%20Raico/Classical%20Liberalism%20and%20the%20Austrian%20>

[School.pdf](#)>.

[3] David M. Hart, "The Future of Individual Liberty: Classical liberals confront the New Century (1900 and 2000)" [5 July, 2000]. A Paper presented at the Australian Historical Association 2000 Conference "Futures in the Past" at the University of Adelaide, Adelaide, South Australia, 5-9 July, 2000. <<http://www.davidmhart.com/liberty/Papers/FutureOfLiberty1900.pdf>>.

[4] David M. Hart, "Gustave de Molinari and the Future of Liberty: "Fin de siècle, fin de la liberté?" (This is the draft of a paper written in April 2001). <<http://www.davidmhart.com/Papers/MolinariFutureOfLiberty2001.pdf>>.

[5] Gustave de Molinari, *The Society of Tomorrow: A Forecast of its Political and Economic Organization*, ed. Hodgson Pratt and Frederic Passy, trans. P.H. Lee Warner (New York: G.P. Putnam’s Sons, 1904). <<http://oll.libertyfund.org/title/228>>.

[6] Charles Johnson, "Women and the Invisible Fist. How Violence Against Women Enforces the Unwritten Law of Patriarchy," Molinari Institute (Auburn, Alabama, Version 2012.1019). <<http://charleswjohanson.name/essays/women-and-the-invisible-fist/women-and-the-invisible-fist-2012-1019-max.pdf>>.

[7] "Bush jokes about Weapons of Mass Destruction", youtube.com, Uploaded on Jan 3, 2009 <http://www.youtube.com/watch?v=mdDp_jlgC9M>

[8] "Obama Jokes About Killing Jonas Brothers With Predator Drones", youtube.com, Uploaded on May 2, 2010 <<http://www.youtube.com/watch?v=WWKG6ZmgAX4>>.

[9] Benjamin Powell, Ryan Ford, Alex Nowrasteh, "Somalia after state collapse: Chaos or Improvement?" *Journal of Economic Behavior and Organization*, 67 (2008) 657 - 670. <<http://www.benjaminwpowell.com/scholarly-publications/journal-articles/somalia-after-state-collapse.pdf>>.

[10] Peter T. Leeson, "Better off stateless: Somalia before and after government collapse," *Journal of Comparative Economics*, 35 (2007) 689-710.

<<http://usu.kochscholars.usu.edu/files/2012/11/Better-Off-Stateless.pdf>>.

[11] Edward S Herman and David Peterson, "Reality Denial: Steven Pinker's Apologetics for Western-Imperial Violence" *ZNet*, Wednesday, July 25, 2012 <<http://www.zcommunications.org/reality-denial-steven-pinkers-apologetics-for-western-imperial-violence-by-edward-s-herman-and-david-peterson-1>>.

7. DAVID M. HART'S COMMENT ON MATT ZWOLINSKI: "ON MOLINARI AND SPENCER"

Like Matt Zwolinski, I too was struck by the similarities between Molinari and Spencer because they appeared to jettison their youthful radicalism and embrace a more bitter and pessimistic view of the prospects for liberty as they aged. They were close contemporaries: Spencer (1820-1903) and Molinari (1819-1912) lived into their 80s and 90s. Perhaps that will be the fate of us all if we live that long!

I think there are a number of reasons for this pessimism. The first is the obvious failure of the prospect that a free society would be achieved by converting everybody to a pro-liberty, pro-property position. This was perhaps plausible in the 1840s with the success of Richard Cobden's Anti-Corn Law League in abolishing protectionism in England. It then seemed that the further progress of the liberty agenda was unstoppable. These hopes were dashed when the Anti-Corn Law League abolished itself and the momentum for further reform was lost. In France the rise of socialism in the 1848 Revolution and then the coming to power of yet another Napoleonic dictator soon put paid to the hopes of the French classical liberals. Such was his disillusion that Molinari left the country in disgust and set up shop in Belgium for nearly 20 years.

An initial fallback position that Molinari and Spencer both adopted was to postulate an evolutionary inevitabilism, where the gradual evolution of free institutions would come about as a result of a deeper underlying evolution of societies from war, conquest, and plunder towards free-market industrialism (in the case of Molinari) or from simpler militant societies to complex industrial societies (in the case of Spencer). By the

mid-1880s, for both men this initial fallback position was also shown to be too optimistic, as the reappearance of protectionism and the rise of labor and socialist parties domestically, and the rise of militarism and imperialism in foreign affairs clearly indicated. What had originally seemed inevitable and unstoppable proved to be neither. It is thus not surprising that both men began to express in increasingly strident tones their pessimism and fear for the future -- Molinari in some deeply pessimistic remarks in a new edition of a book about protection and democracy, *Conversations sur le commerce des grains et la protection de l'agriculture* (1886), [1] and Spencer in *The Man versus the State* (1885), containing "The New Toryism," "The Coming Slavery," "The Sins of Legislators," and "The Great Political Superstition".[2]

What both men did not grasp is that a society does not need unanimity of belief in order to function. What is needed is a critical mass of liberty-loving people and institutions that have incentives which reward peaceful and productive behavior and which penalize violent and nonproductive behavior. What this critical mass of liberty-loving people is we still do not know, but today we know a lot more about how incentives operate (especially at the margin).

However, what they both fully grasped, and what is still the bane of the struggle for liberty in the present day, is that the rise of mass democracy completely changed the nature of the game. It was no longer a struggle between two easily identifiable classes, the small ruling elite of exploiters and the tax-paying mass of ordinary people, but a democratic society with multiple groups of vested interests that compete for the spoils of office, while the professional politicians act as brokers in the dispensation of the spoils. Bastiat called this situation as early as 1848 "the great fiction," meaning that everybody thought they could now live at the expense of everybody else. (See his essay "The State" (1848).)[3] We are now living through an important historical moment when the truth of this statement is finally being actualized -- as the welfare states of Europe and America go through their paroxysms of sovereign-debt crisis and economic stagnation.

Another thing that both Molinari and Spencer realized was that they were living through a period when a very dangerous new coalition of vested interests was being forged, one that would have cataclysmic conse-

quences in the 20th century. This was a new coalition of the traditional ruling elites from the military and wealthy elites in agriculture and industry, which benefited from tariffs and government contracts, and working-class groups represented by labor and socialist parties in Parliament. Whether it was Victorian England, Third Republic France, Bismarck's Second Empire in Germany, or post-World War II America, the results would be very similar -- imperialism and militarism abroad and the welfare state at home. Molinari and Spencer were prescient enough to see this coalition on the historical horizon and were worried by what they could see of the future.

Endnotes

[1] Gustave de Molinari, *Conversations sur le commerce des grains et la protection de l'agriculture* (Nouvelle édition) (Paris: Guillaumin, 1886).

[2] Herbert Spencer, *The Man versus the State, with Six Essays on Government, Society and Freedom*, ed. Eric Mack, introduction by Albert Jay Nock (Indianapolis: Liberty Classics, 1981). <http://oll.libertyfund.org/title/330>. "The New T o r r y i s m " <http://oll.libertyfund.org/title/330/119742>, "The C o m i n g S l a v e r y " <http://oll.libertyfund.org/title/330/119743>, "The S i n s o f t h e L e g i s l a t o r s " <http://oll.libertyfund.org/title/330/119744>, and "The Great Political Superstition" <http://oll.libertyfund.org/title/330/119745>.

[3] *The Collected Works of Frédéric Bastiat. Vol. 2: The Law, The State, and Other Political Writings, 1843-1850*, Jacques de Guenin, General Editor. Translated from the French by Jane Willems and Michel Willems, with an introduction by Pascal Salin. Annotations and Glossaries by Jacques de Guenin, Jean-Claude Paul-Dejean, and David M. Hart. Translation Editor Dennis O'Keeffe. Academic Editor, David M. Hart (Indianapolis: Liberty Fund, 2012). Chapter 7: The State <http://oll.libertyfund.org/title/2450/231335>.

8. DAVID M. HART'S COMMENTS ON DAVID FRIEDMAN AND SOME HISTORICAL EXAMPLES

It is a great pity that Molinari never had a chance to read the work of James Buchanan, Murray Rothbard, or David Friedman. I for one would be most intrigued to see what he would have done with their ideas. Nevertheless, given the state of economic knowledge in the mid-19th century, it is amazing that he even had the glimmer of a premonition of an anarcho-capitalist society. Admittedly it was based on little more than his moral absolutism (that it is morally wrong to force people to pay for "services" provided by the state) and an economic hunch that the institutions which would provide protective services would be very similar to other enterprises that had already emerged to satisfy consumer demand in the free market. The actual mechanism of how this would operate he left opaque. David Friedman is quite correct to point out that Molinari lacked the historical knowledge we now have of how nonstate groups had solved these problems in the past and how the law might evolve to meet the more complex needs of a commercial, property-owning society where a centralized state was very weak or nonexistent. I wonder what he would make of Peter Leeson's work on the social and legal institutions created by pirate bands.[1] Somehow I don't think he would have been very surprised.

However, I would like to point out that Molinari did have access to some historical examples that gave him some confidence to make his assertions about what an anarcho-capitalist society would look like and how it might function. For example, in *Soirée no. 3* he discusses the private supply of a number of public goods such as water and gas in London, the charging of tolls on privately owned turnpikes in England and the United States, local or community control of rivers and waterways, and so on. I see this as an essential chipping away of the notion that only the state can provide public goods, and if these can be privatized, why not (in theory) other public goods like police and national defense as well?

A second historical example can also be found in *Soirée no. 3*, where he discusses land ownership in California during the gold rush. At that time California had not yet been fully incorporated into the United State

and Mexican legal habits still prevailed. It was during this period of legal limbo that Molinari observed that mining land law continued to operate and evolve without the state in order to satisfy the pressing needs of the ever-growing number of miners in that territory.

A third historical example he would have been aware of was the history, pioneered by Augustin Thierry, of the free medieval cities. Thierry had been active in liberal circles during the Restoration, when he worked for Charles Comte and Charles Dunoyer's magazine *Le Censeur européen* and had absorbed their ideas about liberal class analysis. Thierry went on to become an historian and archivist during the July Monarchy and edited a large collection of documents published as the *Recueil des monuments inédits de l'histoire du Tiers état* (1850-1870). His writings such as *Dix ans d'études historiques* (1834), *Lettres sur l'histoire de France* (1827), and *Essai sur l'histoire de la formation et des progrès du Tiers état* (1850) would have been well known to the liberals of Molinari's time. One of Thierry's interests was the legal and constitutional foundations of the medieval free cities, especially the charters which formed the legal basis for their operation and which he discovered in the archives and republished. Although Molinari does not make any specific reference to Thierry's work I'm sure he would have been aware of his writing on the new cities' practice of "shopping around" for a suitable charter from the many that already existed (that of the city of Magdeburg was popular and adopted by many other cities) in a process that suggests a form of competition among legal systems.

A final point I would like to make is that Molinari might have been the first political economist to have suggested how institutions like insurance companies operating in a competitive free market might provide security services, but he was not the first classical liberal to argue that much broader economic and social forces, broadly known as "industrialism," were at work and would eventually so corrode and undermine the large political entities that had controlled the world for hundreds of years that they would collapse and fragment into much smaller units. While Thierry was busy exploring the legal history of the free medieval cities, his mentor Dunoyer wrote two books during the 1820s[2] in which he showed how America provided the model for how liberty and industrialism would "municipaliser le monde" (municipalize the world). By this he meant that as industrial societies advanced, they would reach

a point where all large political structures would break down into smaller municipalities of self-governing cities and their hinterlands. As he put it:

There are absolutely no forces at work in the industrial system which require such vast associations of people. There are no enterprises which require the union of ten, twenty or thirty million people. It is the spirit of domination which has created these monstrous aggregations or which has made them necessary. It is the spirit of industry which will dissolve them -- one of its last, greatest and most salutary effects will be the "municipalisation of the world." Under the influence of industry people will begin to govern themselves more naturally. One will no longer see twenty different groups, foreign to each other, sometimes scattered to the four corners of the globe, often separated more by language and customs than by distance, united under the same political domination. People will draw closer together, will form associations among themselves according to what they really have in common and according to their true interests. Thus these people, once formed out of more homogeneous elements, will be infinitely less antagonistic towards each other. No longer having to fear each other, no longer tending to isolate themselves, they will no longer be drawn so strongly towards their political centres and be so violently repelled from their borderlands. Their frontiers will cease to be dotted with fortresses. They will no longer be bordered by a double or triple line of customs officials and soldiers. Some interests will continue still to unite the members of the same association of people -- a community of an especially similar language or closely shared customs, or regions which are habituated to drawing their ideas, laws, fashion, and behaviour from the adjacent capital cities. But the shared interests of these groups will continue to distinguish them from other groups without being a source of enmity. One day, in each country, the time will arrive when the inhabitants closest to the frontiers will have more communication with their foreign neighbours than with their further removed compatriots. Thus there will occur a continual fusion of the inhabitants of one country with those of other countries. Each individual will employ their capital and labour wherever they might see the best means of increasing it. In this way, the same economic practices will be adopted with equal success among all people; the same ideas will circulate in all countries; differences in

customs and language will tend in the long run to disappear. At the same time, a multitude of localities will acquire greater importance and will feel much less need to be closely tied to their capital cities. They will become in their turn administrative centres. Centres of activity will be multiplied. Finally, even the largest countries will reach a point where they will be able to present to the world a single people, composed of an infinite number of uniform associations, among which will be established without confusion and without violence the most complicated relations. At the same time, these relations will be the easiest, the most peaceful and the most profitable imaginable. [Dunoyer, *L'Industrie et la morale* (1825), p. 366-7, fn 1.]

What is interesting to note here is that this radically decentralist position of Dunoyer's from 1825 is very similar to the "sell out" position Molinari retreated to in the late 1890s. Molinari may have sold out his anarcho-capitalist beliefs of the 1840s and 1850s, but his vision of "proprietary communities" and decentralized government entities of the 1890s remained faithful to the core radical anti-centralism and anti-statism of Say's, Dunoyer's, Bastiat's, Thierry's, and of course his own classical liberalism.

Endnotes

[1] Peter T. Leeson, *The Invisible Hook: The Hidden Economics of Pirates* (Princeton, N.J.: Princeton University Press, 2009).

[2] Charles Dunoyer, *L'Industrie et la morale considérées dans leurs rapports avec la liberté* (Paris: A. Sautélet et Cie, 1825); Charles Dunoyer, *Nouveau traité d'économie sociale, ou simple exposition des causes sous l'influence desquelles les hommes parviennent à user de leurs forces avec le plus de LIBERTÉ, c'est-à-dire avec le plus FACILITÉ et de PUISSANCE* (Paris: Sautélet et Mesnier, 1830), 2 vols.

9. MATT ZWOLINSKI ON "ANARCHIST THEORY, EXAMPLES, AND COUNTEREXAMPLES"

When it comes to market anarchism, we have an abundance of provocative theory and an almost com-

plete absence of persuasive empirical evidence. There are no state-sized societies organized along market anarchist lines in existence today. And, for that matter, there are no examples in all of recorded history either. The closest we have is a handful of examples of societies like Medieval Iceland that seem to both a) possess *some of the features* of a market anarchist society, and b) be reasonably tolerable societies in which to live, at least compared to the feasible alternatives.

On the other hand, we have a large number of historical examples of societies without a state, and a much smaller number of contemporary ones. So if we want to know what life in a stateless society has been like for most people who have actually lived in one, we need to look at all of the examples, not just the ones where things have turned out the way our theory has predicted they would.

And when we do this, things do not look very good for the anarchist, at least if we take Steven Pinker's data at face value. It's true that far more people have died violent deaths in societies with states than in societies without them. But that's mostly because there are *far more people alive* in societies with states than ever existed in societies without them. (And perhaps this itself is something that ought to be considered a point in states' favor?) When we look at *rates* of death in societies governed by states and compare these with the rates of death in stateless societies, anarchist societies appear to be far more violent -- even taking into account the genocides, World Wars, and various bloodlettings of the 20th century. Taking all forms of organized violence over the 20th century into account, the average annual rate of violent death for the world as a whole was about 60 in 100,000. That's significantly higher than the corresponding figure for the most peaceful states in the world -- about 1 in 100,000 for the states of Western Europe at the turn of the 21st century. But it is much lower than the average for the nonstate societies Pinker surveys -- about 524 in 100,000.

Roderick Long wonders why we should focus on *rates* of death rather than absolute numbers. And I admit that there are some difficult moral questions here. I am not sure whether a universe in which 8 out of 10 existing people are killed is better or worse, from the point of view of the universe, than one in which 10,000 out of one million existing people are killed.

But I *am* pretty sure that I know which society I would rather live in, if I had to choose.

And that is why Pinker's focus on rates of violent death is relevant to this debate. If we, like Molinari, are engaged in a *normative* debate about whether a state or a nonstate society is more desirable, it seems clear that one of the questions we will want to have answered is: What are my chances of dying violently in each? Or, less egoistically, what are the chances that a random person in each will die violently? The specific numbers that Pinker draws on can be subject to criticism of the sort identified by Long. But even if we build in an *enormous* fudge factor by doubling Pinker's rate of violent death for the 20th century, and halving it for the stateless societies, that still leaves your odds of dying a violent death over twice as high in the latter as in the former.

That anarchist societies are, in general, more dangerous places to live than societies with a state is compatible with the claim that *some* anarchist societies are less dangerous places to live than some state-based ones. It is even compatible with the claim, advanced recently by Benjamin Powell and Peter Leeson, that a particular society like Somalia is better off without a state than it was with a state. Some states, like Somalia's prior to its collapse in 1991, are particularly dysfunctional and predatory in nature. But the fact that a society would be better off stateless than with a *bad* state doesn't show that statelessness is better than statehood, any more than the fact that a sick person would be better off with no doctor at all than with a bad doctor shows that avoiding doctors altogether is good for your health.

Examples and counterexamples have an important role to play in political philosophy in general, and in the debate over the possibility and desirability of market anarchism in particular. But it is important to understand their significance and limits. Here, to bring this comment to a close, are a few reflections on this matter.

1. A single example of a phenomenon is sufficient to demonstrate the possibility of that phenomenon -- but only if it is actually an instance of the phenomenon in question. So, for instance, a single instance of a market anarchist society would show that market anarchist societies are possible. But stories about cattle ranchers in Shasta County, or

about the increasing use of private mediation, or private security forces in homeowners associations do not. Those examples are indeed instructive in other respects. But they are not examples of market anarchist societies and so cannot suffice to demonstrate the possibility of such.

2. Even a successful demonstration of possibility isn't all that impressive. I know some people who smoke, drink, and don't exercise, and who nevertheless live to a ripe old age. But if I had to place a bet on a successful strategy for longevity (as, I suppose, I do), I'd put my money somewhere else. To show that it is possible for a market anarchist society to exist and thrive is not to show that it is *likely*. To arrive at judgments about likelihood we need more than just a handful of examples, we need good statistical analysis of a lot of them. Or a very good theory. But preferably both. Which leads to my last point...
3. A lack of examples can't disprove a claim of possibility -- but it should make you think twice. If we can't find any successful examples of market anarchist societies, then we should probably ask ourselves why. Perhaps people aren't behaving as rationally as our theory assumed they would? Perhaps there's some extraneous factor our theory hasn't accounted for? Or perhaps anarchist societies, plagued by collective action problems, are unable to defend themselves against being swallowed up by their state-based neighbors? Whatever it is, *something* is going on, and it's been going on long and regularly enough that it's probably not just bad luck.

10. RODERICK T. LONG ON "ANARCHY HERE AND NOW"

In the 17th and 18th centuries it was common for defenders of monarchy to point to history as being on their side. Most advanced countries were monarchies; republics were widely seen as outdated relics of antiquity, unstable experiments prone to civil strife. Clearly monarchy was the wave of the future.

Likewise in the 19th century, defenders of male supremacy pointed to the universality or near-universality of women's subordination as evidence that the inherited wisdom of the human race bore witness against the equality of the sexes.

And defenders of slavery could say, with Calhoun, that “there never has yet existed a wealthy and civilized society in which one portion of the community did not, in point of fact, live on the labor of the other.” [1]

Now of course the fact that “verdict of history” arguments against the viability of republics, gender equality, and the abolition of slavery all turn out to have been mistaken does not prove that similar arguments today against anarchism are likewise mistaken. After all, *sometimes* the reason a certain social form is historically scarce is that it’s not viable. Nevertheless, such examples should make us very cautious about betting against liberty and equality, or assuming that the range of social forms that has hitherto predominated is anything like a representative sample of the possibilities.

Matt tells us that “[i]f we can’t find any successful examples of market anarchist societies, then we should probably ask ourselves why,” since “*something* is going on, and it’s been going on long and regularly enough that it’s probably not just bad luck.” But exactly the same thing could have been said about slavery, or male supremacy, in 1800. We should demand better reasons than those before acquiescing in systems of oppression.

It’s true that, as Matt notes, there are “no state-sized societies organized along market anarchist lines in existence today [or] in all of recorded history.” But it’s also true that there are no state-sized *minarchies* (libertarian minimal states) in existence today or in all of recorded history; so by the “actual examples” test, we have as much reason to be skeptical of minarchism as of anarchism. Matt’s argument is thus a case for skepticism about libertarianism generally, not just about its anarchist version. (On theoretical grounds, of course, I think we have far *more* reason to be skeptical of minarchism than of anarchism.)

Some may point to some earlier period in the United States (before LBJ? before FDR? before Wilson? before Lincoln?) as a golden age of minarchy and *laissez-faire*; but even if we ignore (as we shouldn’t) the legal status of women and nonwhites – i.e., most of the population – during that era and focus only on the liberties of white males, we can hardly call the 19th-century U.S. a *laissez-faire* minarchy, given the myriad ways in which the American state has *from the earliest days of the republic* systematically intervened in the economy to rig markets in favor of the wealthy and against

workers and consumers.[2]

Moreover, Matt surely overstates his case when he speaks of a “complete absence of persuasive empirical evidence” regarding market anarchism. For we do have good empirical evidence for *each part* of the market anarchist equation; each of the mechanisms on which market anarchists rely has proven itself “in the field.” To be sure, the fact that all the components work well *separately* does not prove that they would still work just as well when combined; but their separate success is surely *relevant* to an empirical assessment of their prospects for combined success, and thus better than a “complete absence.”

True, “stories about cattle ranchers in Shasta County, or about the increasing use of private mediation, or private security forces in homeowners associations” are not themselves examples of market anarchy. But they are examples of the mechanisms to which market anarchists look for the provision of order without the state. The greater the extent to which people rely on nonstate rather than state mechanisms in their daily lives, the stronger the empirical case for market anarchism becomes.

Moreover, such historical evidence serves at the very least to rebut certain standard anti-anarchist arguments. The success of the Law Merchant,[3] or the financial arrangements of 17th-century Amsterdam,[4] may not prove the viability of anarchism *per se*, given that these phenomena occurred under states; but the fact that they occurred without state assistance, and indeed in the face of state hostility, makes an effective counter to the claim that only states can develop sophisticated legal systems.[5]

After all, the anarchist claim is not that some magical order button lights up the minute we cross the bright line from state to anarchy. The claim is rather that it is “anarchic” relationships that provide such order as we enjoy *even under states*, and that they do so more and more successfully as state hindrances are removed. As Colin Ward writes:

[A]n anarchist society, a society which organises itself without authority, is always in existence, like a seed beneath the snow... [F]ar from being a speculative vision of a future society, it is a description of a mode of human organisation, rooted in the experience of everyday life, which

operates side by side with, and in spite of, the dominant authoritarian trends of our society. This is not a new version of anarchism. Gustav Landauer saw it, not as the founding of something new, ‘but as the actualisation and reconstitution of something that has always been present, which exists alongside the state, albeit buried and laid waste’. And a modern anarchist, Paul Goodman, declared that: ‘A free society cannot be the substitution of a “new order” for the old order; it is the extension of spheres of free action until they make up most of social life.’ ... Anarchists are people who make a social and political philosophy out of the natural and spontaneous tendency of humans to associate together for their mutual benefit.[6]

(The description of anarchy as “the cement that holds the bricks of society” together has also been attributed[7] to Ward, but I’ve yet to track down the source.) On this model, the anarchy whose unhampered release we seek is one that is already here around us, operating in a hampered manner, and so in seeking to understand full-fledged anarchy, an examination of these hampered anarchic forces and relationships is not a change of subject. To insist on examining anarchy only in its purest form is a bit like rejecting Galileo’s experiments with inclined planes and demanding that only tests with vertical free fall are relevant to disproving Aristotelean dynamics. *Si monumentum requiris, circumspice*.

Now of course it’s conceivable that anarchy might be “dose-dependent” (like adrenaline, which – if I remember correctly from high school biology – slows down responses when taken in small doses but speeds them up when taken in larger doses), so that removing hindrances to these anarchic relationships causes at first an increase and later on a decrease in order. But the burden of proof lies with those who make this claim.

Compare: In every generation social conservatives tend to accept as progress the gains in gender equality and/or homosexual equality that were made a few generations earlier, but argue that any *further* gains along those lines will bring social chaos. How seriously should we really take their worries?

Matt dismisses examples like stateless Somalia’s superiority to its state-ridden neighbors and own state-ridden past on the grounds that “the fact that a society would be better off stateless than with a *bad* state

doesn’t show that statelessness is better than statehood, any more than the fact that a sick person would be better off with no doctor at all than with a bad doctor shows that avoiding doctors altogether is good for your health.” But as David F. points out in his response, most modern states are different from Somalia and medieval Iceland in a lot more ways than just the presence or absence of a state; so if we want our comparisons to be relevant to the anarchy/state dispute, we need to control for vast numbers of other factors, which we means we should compare states and anarchies that are broadly similar in economic, cultural, etc. respects.

By analogy we should compare bubonic plague victims under a doctor’s care with bubonic plague victims not under a doctor’s care, not bubonic plague victims under a doctor’s care with plague-free people not under a doctor’s care or vice versa. Expecting a modern anarchy to look just like the ancient anarchies that Pinker condemns makes as much sense as expecting a modern state to look like ancient states.[8]

Herbert Spencer, like Pinker, argued that rates of violence tended to decline historically, but he took this trend to be correlated with the shift from status to contract, or from militant to industrial society, and thus to be *favorable* to the prospects for successful anarchy. Without a causal theory, then, statistics by themselves offer relatively little guidance.

Pinker’s own causal theory is unpromising; he regards the “spread of the reach of government” as a cause of diminishing violence, on the grounds that “if you outsource your revenge and justice to a disinterested third party, there will be less bloodshed than if you are judge, jury and executioner of the crimes against you”[9] – an *ignoratio elenchi* which suggests that he is unaware of the difference between deferring to a third-party arbiter and deferring to a *monopolistic* third-party arbiter.

As I’ve written elsewhere:

Locke’s worry ... is that, in the absence of a monopoly government, each individual will have to act as a judge in his or her own case, a situation that inevitably raises the specter of partiality and bias. Now I think Locke is quite right in judging that, emergencies aside, submitting one’s disputes to a neutral arbiter is preferable to judging them oneself; the offices of prosecutor and judge are

better separated than combined. But how does an argument for neutral arbiters suddenly become an argument for monopoly government? The historical record shows that stateless legal orders tend to generate quite effective incentives for people to submit their disputes to arbitration.

Locke appears to be drawing an erroneous inference from the premise “Each person should delegate retaliation to an impartial third party” to “There should be an impartial third party to whom each person delegates retaliation.” This is simply a fallacy of composition, analogous to the inference from “Everyone likes at least one television show” to “There’s at least one television show that everyone likes.”

It is actually government, not anarchy, that suffers from the problem of judicial bias. Under anarchy, any dispute can be submitted to third-party arbitration; but under a governmental system, in disputes between a citizen and the state, the state – which as a monopoly of course recognises no judicial authority but its own – necessarily acts as a judge in its own case.... A monopoly government, i.e. an agency that refuses to submit its use of force to external adjudication, is by definition *lawless*; thus anarchy is the *completion*, not the negation, of the rule of law.[10]

If, as Pinker maintains, universal submission to third-party arbitration should lead us to expect a diminution in violence, then that’s an argument for anarchism, not against it.

Endnotes

[1] John C. Calhoun, “Speech on the Reception of Abolition Petitions,” February 6, 1837; online: <<http://users.wfu.edu/zulick/340/calhoun2.html>>. See also John C. Calhoun, *Union and Liberty: The Political Philosophy of John C. Calhoun*, ed. Ross M. Lence (Indianapolis: Liberty Fund, 1992). Chapter: “Speech on the Reception of Abolition Petitions. Revised Report” [November 3, 1837] <<http://oll.libertyfund.org/title/683/107124>>.

[2] For examples, see Kevin A. Carson, *Studies in Mutualist Political Economy* (2004), chs. 4-8; online: <<http://www.mutualist.org/sitebuildercontent/sitebuilderfiles/MPE.pdf>>.

[3] Tom W. Bell, “Polycentric Law,” *Humane Studies Review* 7.1 (Winter 1991/92); online: <<http://osfl.gmu.edu/~ihs/w91issues.html>>.

[4] Edward P. Stringham, “The Extralegal Development of Securities Trading in Seventeenth Century Amsterdam,” *Quarterly Review of Economics and Finance* 43.2 (2003); online: <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1676251>.

[5] On this point see John Hasnas, “The Obviousness of Anarchy”; online: <<http://faculty.msb.edu/hasnasj/GTWebSite/Obvious.pdf>>.

[6] Colin Ward, *Anarchy in Action* (London: Freedom Press, 1996), pp. 18-19; online: <http://libcom.org/files/Ward_-_Anarchy_in_Action_3.pdf>.

[7] Simon Read, *Everything You Ever Wanted To Know About Anarchism But Were Afraid To Ask* (Rebel Press, 2004); online: <<http://corporate.skynet.be/zen/images/everything.pdf>>.

[8] As for Pinker, I’m curious: Does he draw a distinction among homicides involving willing combatants, homicides involving unwilling combatants, and homicides involving noncombatants? I for one would rather live in a society with a high homicide rate where most of the homicides occur among stropky warriors challenging each other to duels, than in a society with a lower homicide rate where it’s much harder to avoid being one of the homicides.

[9] “Podcast: Steven Pinker on Violence and Human Nature” (1 November 2012); online: <<http://www.socialsciencespace.com/2012/11/podcast-steven-pinker-on-violence-and-human-nature/>>.

[10] Long, “Market Anarchism As Constitutionalism,” pp. 136-141; online: <<http://praxeology.net/Anarconst2.pdf>>.

11. DAVID M. HART ON ZWOLINSKI "ON HAYEK'S NOTION OF TRUE AND FALSE INDIVIDUALISM"

Another important point which Matt raises which I think is worth pursuing further is Hayek's argument about "true and false individualism" (1945)[1], where he argues that "true individualism" is represented by the British tradition (namely Locke, Hume, Smith, Burke, Lord Acton) and "false individualism" is represented by the French (namely the Encyclopedists, Rousseau, and the Physiocrats). This distinction has always baffled me for a number of reasons. Firstly, why does he talk about "individualism" and not "liberalism" per se? Individualism is only one aspect of the schools of thought he discusses and it makes much more sense to refer to the broader package of beliefs which make up the "theory of liberty." I would include in this broader package of ideas things like individual liberty, property rights, support for free markets (especially the policy of *laissez-faire*), spontaneous orders (or "harmony"), free trade, limited government (or even no government), peace, opposition to slavery, and so on. If we were to try to describe what ideas and beliefs constitute what Walter Grinder calls "real liberalism" and Ralph Raico "true liberalism" [2] we would have to include things from at least four main areas, namely political liberties, economic liberties, legal liberties, and social liberties in order to show liberalism's true breadth and depth. On nearly all these things Hayek seems to have nothing much to say in this essay.[3]

Second, he very narrowly defines both the British and French traditions to exclude what I believe is the much larger and more radical traditions of classical liberalism which existed in both countries. For example from the mid-17th century onwards we can see groups like the Levellers (John Lilburne and Richard Overton among others) advocating many of these ideas, and as we move forward in time there is the Commonwealthman tradition in England in the early 18th century; Thomas Jefferson and his radical followers in America; John Price, John Priestly, and Thomas Paine in England in the late 18th century; the Physiocrats, Voltaire, and Condorcet in the late 18th century in France; J.B. Say, Benjamin Constant, Destutt de Tracy, Charles Comte and Charles Dunoyer in the early 19th century in France; the Philosophic Radicals like Jeremy Bentham and James Mill in early 19th century England;

Richard Cobden and John Bright in mid-19th century England; Frédéric Bastiat, Gustave de Molinari, and the *Économiste* school in mid-19th century France; the radical individualists Auberon Herbert and Herbert Spencer in late-19th century England; and radical individualists like Lysander Spooner in late 19th century America. This list is incomplete of course and I make no mention of other classical liberals who lived in Germany or Italy or Austria-Hungary. However, the point should be clear that Hayek's discussion of the scope of "individualism/liberalism" is scandalously inadequate. The narrowness of Hayek's discussion of individualism (liberalism) is hard to explain as one of the works upon which he bases much of his understanding of the history of individualism, Albert Schatz, *L'individualisme économique et social* (1907),[4] contains lengthy discussions of the work of Charles Dunoyer, Frédéric Bastiat, and Herbert Spencer none of whom are mentioned in Hayek's essay. Perhaps Ralph Raico's witty description of Hayek as suffering from "terminal Anglophilia" [5] is truer than one might think.

Third, he makes some absurd arguments about how "rationalistic individualism" (also called "rationalistic pseudo-liberalism") tends inevitably to end up in some form of "socialism or collectivism" (p. 4) which leads him to prefer an "antirationalistic approach" in which one "conform(s) to seemingly irrational traditions and conventions" (pp. 24, 26). (Hayek also believes that "false individualism" leads to "anarchism".) The very great danger of this Burkean "antirationalistic" respect for existing institutions is, as many liberals in the late 18th and early 19th centuries clearly recognized, that many existing institutions are unjust because they came into existence and maintain themselves through coercion and the theft of the property of others, which is a clear violation of liberal principles regarding individual liberty and property. The anger and sense of outrage which the institutions of the established church, aristocratic land ownership, aristocratic and mercantile control of Parliament, slavery, and tariff protection produced in the hearts and minds of classical liberals of the time was a major factor in motivating them to seek radical reform of their societies. This makes Hayek's view of existing institutions and traditions look quite complacent and uncaring of the rights and liberties of ordinary people.

Fourth, Hayek's view that "True individualism is, of course, not anarchism, which is but another product of

the rationalistic pseudo-individualism to which it is opposed.” (p. 16) is a misunderstanding of what anarchism was and is. Leaving aside for the moment “left” or “socialist” anarchism of the Proudhon and Bakunin variety, it is clear that there has been almost from the beginnings of liberal though an anarchist current which has coexisted with the main-stream limited government position. Think of perhaps even the young Edmund Burke (*A Vindication of Natural Society* (1756)), William Godwin *Enquiry Concerning Political Justice* (1793), Thomas Paine (*The Rights of Man* (1791)), J.B. Say (*Cours complet d'économie politique* (1828)), Charles Dunoyer (*L'Industrie et la morale* (1825)), Gustave de Molinari himself, and Lysander Spooner and Benjamin Tucker. Whether one accepts this liberal form of anarchism or not one has to at least acknowledge that it has existed and has been an important part of liberalism's history. When the Political Economy Society discussed Molinari's ideas at a meeting in 1849 Dunoyer gave the Hayekian criticism that, in Hayek's terminology, it was a “rationalistic search for logical consistency”, or as Dunoyer put it on behalf the members of the Society, Molinari had been carried away by “illusions of logic.” Molinari no doubt would have defended himself by saying that he was just pursuing the principles of property rights and free markets to their logical conclusion just as liberal political economists had always done and that it was up to the advocates of an exception to liberal principles to show otherwise. If you like, you could phrase it terms of “the presumption of liberty” (like the presumption of innocence in court proceedings), that if we are in doubt on any given issue the presumption should always be in favour of liberty and not state control and regulation. I think that this is a sound principle to which we should adhere unless there are overwhelming reasons to believe otherwise. Matt may have those reasons and these we can discuss.

In conclusion, in my view a better way to distinguish between the different schools of liberal thought is to focus on their attitude towards individual liberty vis-à-vis the power of the state. When one does this one sees that in both France and England there was a stream of conservative liberals who were in favour of some liberties for some individuals (a kind of “crony liberalism” perhaps?) but who also saw an important role for the state and the establishment in creating a kind of “ordered liberty” because unfettered and democratic liberty would be destabilising and might

lead to revolution (to be avoided at all costs, unless you are American); and a stream of radical liberals who wanted to maximise individual liberty by doing away with all social and political privileges of the establishment, abolishing entire branches of the state (especially the imperial army and the colonies), and allowing a space for ordinary people to voice their concerns in Parliament and in the press.

My conclusion is that what Hayek refers to as “true individualism” (or rather true liberalism) is in fact the aristocratic bastard form of liberalism which was adopted by sections of the British ruling elite in the late 18th and early 19th century (the Whigs). His “false individualism” (false liberalism) is in fact the more radical liberalism which emerged both in France and England at this time. Therefore, I believe Hayek has the entire history of liberalism back to front. Perhaps he should have called the postscript to *The Constitution of Liberty* “Why am neither a Conservative nor a True Liberal” in order to reflect this fact. [6]

Endnotes

[1] Friedrich Hayek, "Individualism: True and False," *Individualism and Economic Order* (Chicago: Henry Regnery Gateway Edition, 1972), pp. 1-32. The essay was first given as a lecture at University College, Dublin in December 1945.

[2] Ralph Raico, “Liberalism: True and False”, *Classical Liberalism and the Austrian School*, Forward by Jörg Guido Hülsmann, Preface by David Gordon (Auburn, Alabama: Ludwig von Mises Institute, 2012), pp. 67-110.

[3] I would also argue that by the time Hayek came to write *The Constitution of Liberty* in 1960 he was even more confused about what liberalism is. F.A. Hayek, *The Constitution of Liberty* (Chicago: Henry Regnery Gateway Edition, 1960).

[4] Albert Schatz, *L'individualisme économique et social: ses origines - son évolution - ses formes contemporaines* (Paris: A. Colin, 1907). <<http://oll.libertyfund.org/title/1069>>. See his acknowledgement to Schatz in footnote 6, p. 6. Unfortunately, it seems that Hayek only had time to read Part I of the book and not Part II where the latter are discussed at some length.

[5] “The Centrality of French liberalism,” p. 221.

[6] “Postscript: Why I Am Not a Conservative,” *The Constitution of Liberty*, pp. 397-411.

12. RODERICK T. LONG "THE GALLIC MEN-ACE"

I want to second what David H. has said about Hayek’s distinction between “true” and “false” individualism, and to add a few points.

Even on its own terms, Hayek’s distinction doesn’t make sense geographically. He hails as one of the leading figures of true, or British, individualism a French writer, Tocqueville, while tossing such British writers as Bentham, Mill, and Spencer into the category of false, or French, individualism on the mere grounds that they were influenced by the French. The scoring system seems suspect.

I’m also not sure how Locke, who based his theory of revolution on a doctrine of natural rights ascertainable by reason, gets into Hayek’s anti-rationalist category.

Leaving all that aside, however, let’s consider some of the thinkers that Hayek consigns to the category of “rationalistic individualism,” which, he claims (without evidence) “always tends to develop into the opposite of individualism, namely, socialism or collectivism.”

Two of the groups he includes in this category are the Encyclopedists and the Physiocrats (all apparently lumped together as though homogeneous). Consider, then, Voltaire, one of the most celebrated members of the first group, and Turgot, one of the most celebrated members of both.

Voltaire’s 1733 *Philosophical Letters*, [1] also known as *Letters on England* or *Letters on the English Nation*, is a sustained defense of English cultural traditions and political institutions, as against their French counterparts; this makes him an odd figure to cast as a French Anglophobic villain. Moreover, in a famous passage from that same work Voltaire writes:

Take a view of the Royal Exchange in London, a place more venerable than many courts of justice, where the representatives of all nations meet

for the benefit of mankind. There the Jew, the Mahometan, and the Christian transact business together, as though they were all of the same religion, and give the name of Infidels to none but bankrupts; there the Presbyterian confides in the Anabaptist, and the Churchman depends upon the Quaker’s word. At the breaking up of this pacific and free assembly, some withdraw to the synagogue, and others to take a glass. This man goes and is baptized in a great tub, in the name of the Father, Son, and Holy Ghost; that man has his son’s foreskin cut off, and causes a set of Hebrew words – to the meaning of which he himself is an utter stranger – to be mumbled over the infant; others retire to their churches, and there wait the inspiration of heaven with their hats on; and all are satisfied.

Here Voltaire portrays social order as arising neither from a shared ideology nor from top-down direction, but rather from institutions that give individuals an incentive to interact peacefully and cooperatively. Is this constructivist rationalism?

Admittedly Voltaire has more statist moments as well, including his praise for allegedly “enlightened despots” like Frederick II of Prussia; but given Hayek’s praise for the allegedly “liberal dictatorship” of Augusto Pinochet of Chile, this is hardly a point he could afford to press. And at least Voltaire doesn’t praise the blessings of war, as does Hayek’s hero Adam Ferguson. Most real-life thinkers are too complex and variegated, I think, to fit neatly into the narrow categories Hayek is offering us.

As for Turgot, bear in mind that he campaigned for property rights and free trade well before Adam Smith did, and that his account of economic value is a much closer forerunner of Austrian subjectivism and marginalism than is Smith’s. Consider, too, that in response to the charge that defenders of free markets are “men of system,” Turgot replies, in his 1759 elegy “In Praise of Gournay,” [2] that the free marketer

would rather have had the right to lay this reproach at the door of the principles against which he fought, since his whole doctrine was founded on the complete impossibility of directing, by invariant rules and by continuous inspection a multitude of transactions which by their immensity alone could not be fully known, and which, moreover, are continually dependent on a multi-

tude of ever changing circumstances which cannot be managed or even foreseen.

It's hard to imagine a more Hayekian passage – and a more complete repudiation of constructivist rationalism – than this. In the spirit of calling French fries “freedom fries,” perhaps we should call French liberals “freedom liberals.”

And what of Mill and Spencer, whom Hayek tosses out of the true liberal canon on the grounds of perfidious Gallic influence?

In *Utilitarianism* Mill rejects the idea that we should try to figure out the right principles of conduct merely by reasoning about them, pointing out instead the benefits of relying on the results of accumulated human experience. One of the central themes of Mill's *On Liberty* is that we cannot trust an individual's reason to ascertain the truth, except against the background of a free marketplace where ideas are tested both in debate and in practice. In *The Subjection of Women* Mill rejects the inherited-wisdom-of-mankind defense of male supremacy – but on the grounds that male supremacy did not emerge from such a competitive context. Is this constructivist rationalism? (I don't mean to deny that Mill has his constructivist moments; but these are surely lapses from, not expressions of, his central insights. Mill is clearly a proto-Hayekian in many ways.)

As for Spencer, his entire œuvre is devoted to explaining how social order arises without conscious direction. In “Specialized Administration,”[3] for example, he writes:

Up to quite recent days, Language was held to be of supernatural origin. That this elaborate apparatus of symbols, so marvellously adapted for the conveyance of thought from mind to mind, was a miraculous gift, seemed unquestionable. No possible alternative way could be thought of by which there had come into existence these multitudinous assemblages of words of various orders, genera, and species, moulded into fitness for articulating with one another, and capable of being united from moment to moment into ever-new combinations, which represent with precision each idea as it arises. The supposition that, in the slow progress of things, Language grew out of the continuous use of signs – at first mainly mimetic, afterward partly mimetic, partly vocal, and at length almost wholly vocal – was an hypothesis

never even conceived by men in early stages of civilization; and when the hypothesis was at length conceived, it was thought too monstrous an absurdity to be even entertained. Yet this monstrous absurdity proves to be true. Already the evolution of Language has been traced back far enough to show that all its particular words, and all its leading traits of structure, have had a natural genesis; and day by day investigation makes it more manifest that its genesis has been natural from the beginning. Not only has it been natural from the beginning, but it has been spontaneous. No language is a cunningly-devised scheme of a ruler or body of legislators. There was no council of savages to invent the parts of speech, and decide on what principles they should be used. Nay, more. Going on without any authority or appointed regulation, this natural process went on without any man observing that it was going on. Solely under pressure of the need for communicating their ideas and feelings – solely in pursuit of their personal interests – men little by little developed speech in absolute unconsciousness that they were doing anything more than pursuing their personal interests.

Is this constructivist rationalism? And what of the following passage, from Spencer's *Illustrations of Universal Progress*?[4]

The whole of our industrial organization, from its main outlines down to its minutest details, has become what it is, not simply without legislative guidance, but, to a considerable extent, in spite of legislative hindrances. It has arisen under the pressure of human wants and activities. While each citizen has been pursuing his individual welfare, and none taking thought about division of labour, or, indeed, conscious of the need for it, division of labour has yet been ever becoming more complete. It has been doing this slowly and silently: scarcely any having observed it until quite modern times. By steps so small, that year after year the industrial arrangements have seemed to men just what they were before – by changes as insensible as those through which a seed passes into a tree; society has become the complex body of mutually-dependent workers which we now see. And this economic organization, mark, is the all-essential organization. Through the combination thus spontaneously evolved, every citizen is supplied with daily necessities; while he yields some product or aid to others. That we are severally alive to-day, we owe to the regular working of

this combination during the past week; and could it be suddenly abolished, a great proportion of us would be dead before another week ended. If these most conspicuous and vital arrangements of our social structure, have arisen without the devising of any one, but through the individual efforts of citizens to satisfy their own wants; we may be tolerably certain that the less important arrangements have similarly arisen.

(This last passage is reminiscent of Bastiat on the “feeding of Paris.” Is Bastiat a true or false liberal, by Hayek’s lights?) The thinkers Hayek is so intent on rejecting, then, are in many cases pioneers of his own ideas.

Let me close with a trio of quotations, all making *inter alia* the same point – that the experience of the American colonies during the revolutionary war, with the British government no longer in control and the new American one not yet well established, prove the viability of spontaneous order generally and of anarchism in particular:

a) Great part of that order which reigns among mankind is not the effect of government. It has its origin in the principles of society and the natural constitution of man. It existed prior to government, and would exist if the formality of government was abolished. The mutual dependence and reciprocal interest which man has upon man, and all the parts of civilised community upon each other, create that great chain of connection which holds it together. The landholder, the farmer, the manufacturer, the merchant, the tradesman, and every occupation, prospers by the aid which each receives from the other, and from the whole. Common interest regulates their concerns, and forms their law; and the laws which common usage ordains, have a greater influence than the laws of government. In fine society performs for itself almost everything which is ascribed to government.... Government is no farther necessary than to supply the few cases to which society and civilisation are not conveniently competent; and instances are not wanting to show, that everything which government can usefully add thereto, has been performed by the common consent of society, without government.... For upwards of two years from the commencement of the American War, and to a longer period in several of the American States, there were no established forms of government. The old governments had been abolished, and the country was

too much occupied in defence to employ its attention in establishing new governments; yet during this interval order and harmony were preserved as inviolate as in any country in Europe. There is a natural aptness in man, and more so in society, because it embraces a greater variety of abilities and resource, to accommodate itself to whatever situation it is in. The instant formal government is abolished, society begins to act: a general association takes place, and common interest produces common security.... So far is it from being true, as has been pretended, that the abolition of any formal government is the dissolution of society, that it acts by a contrary impulse, and brings the latter the closer together. All that part of its organisation which it had committed to its government, devolves again upon itself, and acts through its medium. When men, as well from natural instinct as from reciprocal benefits, have habituated themselves to social and civilised life, there is always enough of its principles in practice to carry them through any changes they may find necessary or convenient to make in their government. In short, man is so naturally a creature of society that it is almost impossible to put him out of it.

b) I am glad to see that the terror at disunion and anarchy is disappearing. Massachusetts, in its heroic day, had no government – was an anarchy. Every man stood on his own feet, was his own governor; and there was no breach of peace from Cape Cod to Mount Hoosac. California, a few years ago, by the testimony of all people at that time in the country, had the best government that ever existed. Pans of gold lay drying outside of every man’s tent, in perfect security. The land was measured into little strips of a few feet wide, all side by side. A bit of ground that your hand could cover was worth one or two hundred dollars, on the edge of your strip; and there was no dispute. Every man throughout the country was armed with knife and revolver, and it was known that instant justice would be administered to each offence, and perfect peace reigned. For the Saxon man, when he is well awake, is not a pirate but a citizen, all made of hooks and eyes, and links himself naturally to his brothers, as bees hook themselves to one another and to their queen in a loyal swarm.

c) Pursuing the same plan of punishing by the denial of the exercise of government to still greater lengths, we [the British parliament] wholly abrogated the ancient government of Massachu-

setts. We were confident that the first feeling, if not the very prospect, of anarchy would instantly enforce a complete submission. The experiment was tried. A new, strange, unexpected face of things appeared. Anarchy is found tolerable. A vast province has now subsisted, and subsisted in a considerable degree of health and vigor for near a twelvemonth, without Governor, without public Council, without judges, without executive magistrates. How long it will continue in this state, or what may arise out of this unheard-of situation, how can the wisest of us conjecture? Our late experience has taught us that many of those fundamental principles, formerly believed infallible, are either not of the importance they were imagined to be; or that we have not at all adverted to some other far more important and far more powerful principles, which entirely overrule those we had considered as omnipotent. I am much against any further experiments, which tend to put to the proof any more of these allowed opinions, which contribute so much to the public tranquility.

The first two quotations are from Thomas Paine[5] and Ralph Waldo Emerson[6] respectively. No doubt Hayek would dismiss both Paine and Emerson as constructivist rationalists, but they hardly sound it here.

The third quotation, though, is from Hayek's own beloved Edmund Burke – and not from his anarchistic *Vindication of Natural Liberty*, whose sincerity is debated,[7] but from a public speech in Parliament urging conciliation with the colonies lest they come to enjoy the orderly benefits of anarchy too much.[8] It's hard to make Matt's Hayekian charge of constructivist rationalism stick against anarchism when one of Hayek's favorite exponents of spontaneous order concedes the effectiveness of anarchism as an instance of such order.

Endnotes

[1] Voltaire, *The Works of Voltaire. A Contemporary Version. A Critique and Biography by John Morley, notes by Tobias Smollett*, trans. William F. Fleming (New York: E.R. DuMont, 1901). In 21 vols. Vol. XIX. <<http://oll.libertyfund.org/title/666>>. Quote from THE PRESBYTERIANS.

<<http://oll.libertyfund.org/title/666/81909/1937074>>.

[2] David Gordon, ed., *The Turgot Collection: Writings, Speeches, and Letters of Anne Robert Jacques Turgot, Baron de Laune* (Auburn AL:Ludwig von Mises Institute, 2011), ch 5 ; online:<<http://mises.org/document/6298/The-Turgot-Collection-Writings-Speeches-and-Letters-of-Anne-Robert-Jacques-Turgot-Baron-de-Laune>>.

[3] Herbert Spencer, *The Man versus the State, with Six Essays on Government, Society and Freedom*, ed. Eric Mack, introduction by Albert Jay Nock (Indianapolis: LibertyClassics, 1981). Chapter: SPECIALIZED ADMINISTRATION (1871).

<<http://oll.libertyfund.org/title/330/119774/2420311>>.

[4] Spencer, *Illustrations of Universal Progress* (1865), ch 10 ; online:<<http://www.gutenberg.org/files/39977/39977-h/39977-h.htm>>. See also Herbert Spencer, *The Man versus the State, with Six Essays on Government, Society and Freedom*, ed. Eric Mack, introduction by Albert Jay Nock (Indianapolis: LibertyClassics, 1981). Chapter: THE SOCIAL ORGANISM (1860). <<http://oll.libertyfund.org/title/330/119773/2420253>>.

[5] Paine, *The Rights of Man* (1791-92); online: *The Writings of Thomas Paine, Collected and Edited by Moncre Daniel Conway* (New York: G.P. Putnam's Sons, 1894). Vol. 2. Chapter I. Of society and civilisation. <<http://oll.libertyfund.org/title/344/17368/1556488>>.

[6] Emerson, "Speech on Affairs in Kansas" (1856); online :*The Works of Ralph Waldo Emerson*, in 12 vols. Fireside Edition (Boston and New York, 1909). Chapter: SPEECH at the Kansas relief meeting in Cambridge, Wednesday. evening, September 10, 1856. <<http://oll.libertyfund.org/title/1961/123102/2477508>>.

[7] For my own view, following Isaac Kramnick, see:

<<http://aeblog.com/2007/10/24/burkes-semi-serious-anarchism>>.

[8] Burke, "Conciliation with the Colonies" (1770); online: *Select Works of Edmund Burke. A New Imprint of the Payne Edition. Foreword and Biographical Note by Francis Canavan* (Indianapolis: Liberty Fund, 1999). Vol. 1. Chap-

ter: Speech of Edmund Burke, Esq., on Moving His Resolutions for Conciliation with the Colonies. <<http://oll.libertyfund.org/title/796/20357/1365301>>.

13. MATT ZWOLINSKI ON "ANARCHISM AND RATIONALISM"

In my initial response essay I claimed that Molinari's anarchism was an example of what F. A. Hayek labeled "false individualism." In their subsequent essays, David Hart and Roderick Long have both taken issue with this characterization.

A lot of what David and Roderick have to say is intended to call into question the particular individuals and nationalities to which Hayek applied his distinction. David, for instance, claims that significant strains of "radical" individualism (which I assume he equates with Hayek's "false" individualism – more on this later) existed in *both* Britain and France, and so Hayek's diagnosis of this condition as a prototypically French malady must simply be a product of his "terminal Anglophilia." Roderick, meanwhile, criticizes Hayek on what seem to be precisely the opposite grounds -- for *including* some British figures in the category of false individualists and some French figures as true individualists. So, according to David, Hayek is being too much of a nationalist in the way he applies his distinction, and according to Roderick, he's not being nationalist enough.

Long also says that Hayek was wrong to describe Mill and Spencer as false individualists. And I think he's probably right about Mill. Spencer, on the other hand, is a tougher case. I believe that Spencer, like Mill, is best thought of as a kind of liberal utilitarian [<http://plato.stanford.edu/entries/spencer/>]. That is, he is someone who held utility to be the ultimate moral criterion distinguishing between right and wrong, but who did not think that we should appeal directly to the principle of utility as a decision procedure to guide our individual behavior or public policy.[1] Like Mill, Spencer believed that matters of public policy ought to be decided on the basis of respect for *individual rights*, though, again like Mill,[2] he clearly saw these rights as grounded in utilitarian considerations. Famously, Spencer thought that our fun-

damental right is specified by the "Law of Equal Freedom": "Every man has freedom to do all that he wills, provided he infringes not the equal freedom of any other man." [3]

I think that there is a good case to be made that there is, at the very least, a strong streak of "constructivist rationalism" in Spencer's understanding and justification of this principle. But before that case can be made, we need to ask a question that – surprisingly – neither David nor Roderick really addresses in their critiques of Hayek's essay. Before we can know whether Hayek is *misapplying* the labels of "false individualism" and "constructive rationalism," we need to know just what these terms *mean*.

For Hayek, the "dominant feature" of false individualism is its "Cartesian rationalism." By this latter phrase Hayek seems to mean "an exaggerated belief in the powers of individual reason" that tends to generate "contempt for anything which has not been consciously designed by [reason] or is not fully intelligible to it." [4] The rationalist believes that social order must be the product of deliberate design, and that social orders that were *not* so designed, or that cannot be understood by the light of individual reason, should be knocked down and built up again from scratch, when and if doing so seems likely to produce a more rational social order.

The first thing to note, then, is that Hayek's "false individualism" or "rationalism" is a category that applies not to types of social orders as such, but to ways of *thinking* about social orders. Anarchism, as such, is neither rationalist nor anti-rationalist. It might ("typically," Hayek probably ought to have qualified) be the *product* of rationalist thinking. But it is the thinking that is rationalist or not, not anarchism itself. Minarchism, too, could be the product of rationalist thinking, and I suspect that Hayek would have found a good deal of rationalism in both Rand's and Nozick's arguments for the minimal state.

The second thing to note is that Hayek characterizes rationalist thinking as marked not just by a faith in reason, but by a faith in *individual* reason. What does he mean by this? Hayek explains by contrasting the rationalist's view of reason with that of the true individualist, for whom

human Reason, with a capital R, does not exist in the singular, as given or available to any particular person, as the rationalist approach seems

to assume, but must be conceived as an interpersonal process in which anyone's contribution is tested and corrected by others.[5]

I like to think of the contrast this way: For the rationalist, we can arrive at the Truth about social orders just by locking ourselves away in our closet and thinking about it hard enough. We should read books, yes, and think about what other people have said and arguments they have given. But at the end of the day, we ought to have full confidence in the beliefs at which we arrive through the use of our reason. And, if others disagree – even if *most* others disagree – then so much the worse for those benighted masses. The discovery of truth, for the rationalist, is an *individual* process of *thinking*, not a *social* process of *testing*.

So, back to Spencer. Roderick is certainly right that the great bulk of Spencer's work is dedicated to showing how social order can arise without conscious direction, and in this respect Spencer certainly looks like someone in whom Hayek would find much to admire. But at the level of moral foundations, things look rather different. For Spencer, thinking about the moral foundations by which existing social institutions ought to be tested is explicitly analogized to thinking about geometry – which, I suppose, is a subject that one really *could* adequately understand by locking oneself away in the closet and thinking hard enough about it. Just as in thinking about geometry we use our “geometric sense” to discover certain indisputable truths from which other truths may be derived, “so it is the office of the moral sense to originate a moral axiom, from which reason may develop a systematic morality.”[6]

The truths with which reason provides us, moreover, are certain and absolute. Thus:

Nature's rules ... have no exceptions. The apparent ones are only apparent; not real. They are indications either that we have not found the true law, or that we have got an imperfect expression of it.[7]

And

Either society has laws, or it has not. If it has not, there can be no order, no certainty, no system in its phenomena. If it has, then are they like the other laws of the universe—sure, inflexible, ever active, and having no exceptions.[8]

How is this related to rationalism? Well, consider the analogy with geometry again. The Pythagorean

Theorem is not a mere rule of thumb. It is an absolute, universal, exceptionless principle. And we know this because it was logically derived from a set of equally absolute, universal, and exceptionless principles. If we run into something that appears to be a counterexample, then the correct inference is that we must have made a mistake, either in our identification of the case as an apparent counterexample to our principle, or in the derivation of the principle itself. But true geometric principles, like true moral ones, admit of no exceptions.

For Spencer, then, Reason (with a capital “R,” as Hayek would say), gives us an absolute and exceptionless moral foundation, and Reason allows us to derive from that foundation a series of equally absolute and exceptionless subordinate principles. And should those principles conflict with common opinion, or existing social practice, it is common opinion and practice that must give way.

Now compare this with Molinari's argument for anarchism. As we have noted, Molinari's argument for anarchism proceeds on the basis of a few simple economic principles:

That in all cases, for all commodities that serve to provide for the tangible or intangible needs of the consumer, it is in the consumer's best interest that labor and trade remain free, because the freedom of labor and of trade have as their necessary and permanent result the maximum reduction of price.[9]

And that

the interests of the consumer of any commodity whatsoever should always prevail over the interests of the producer.

From which it follows, Molinari claims, that

the production of security should, in the interests of the consumers of this intangible commodity, remain subject to the law of free competition.

And thus that

no government should have the right to prevent another government from going into competition with it, or to require consumers of security to come exclusively to it for this commodity.

And what is the status of this conclusion? Is it put forward as a hypothesis to be tested empirically? Should we try anarchism out, see how it works, and

wait until the data is in before making any final judgments regarding its merit?

Far from it. Notice the striking parallel with Spencer in Molinari's response to the suggestion that the market for security might be different from other markets.

It offends reason to believe that a well established natural law can admit of exceptions. A natural law must hold everywhere and always, or be invalid. I cannot believe, for example, that the universal law of gravitation, which governs the physical world, is ever suspended in any instance or at any point of the universe. Now I consider economic laws comparable to natural laws, and I have just as much faith in the principle of the division of labor as I have in the universal law of gravitation. I believe that while these principles can be disturbed, they admit of no exceptions.[10]

Anarchism must work because economic theory tells us so, and economic theory consists of natural laws that have no exceptions. End of story.

There might be nonrationalist ways of getting to anarchism. John Hasnas's work seems to me to be a prime example.[11] But Molinari's work pretty clearly falls into the rationalist camp.

A final note. As I mentioned at the outset of this essay, David Hart seems to equate Hayek's "false individualism" with "radical" liberalism. He goes onto suggest that Hayek's own version of "true individualism" is insufficiently capable of recognizing the injustice of long-existing institutions like slavery, mercantilism, and so on. "This makes Hayek's view of existing institutions and traditions," he says, "look quite complacent and uncaring of the rights and liberties of ordinary people."

But I think that this characterization of Hayek's view paints him in an unfairly conservative light. The conservative position is one from which Hayek famously distanced himself in his essay "Why I Am Not a Conservative." [12] But this essay is only the most popular expression of a theme that runs throughout his work: We have good reason to give *qualified* deference to evolved moral principles, but not to be slavishly constrained by them. Thus in *The Constitution of Liberty*, he writes that

[I]t is, in fact, desirable that the rules should be observed only in most instances and that the individual should be able to transgress them when it seems to him worthwhile to incur the odium this will cause.... It is this flexibility of voluntary rules which in the field of morals makes gradual evolution and spontaneous growth possible, which allows further modifications and improvements.[13]

The tenability of this nuanced position is more than I can defend in this space, but it is a theme that Gerald Gaus has explored more deeply in several important papers.[14] Whether Hayek's position is (sufficiently) radical is, I suppose, a different question. It seems to me that Hayek's moderation is mainly *epistemic* in form. We have good reason to think that the conclusions of our own reason are highly imperfect and that evolved social institutions may embody more wisdom than we are capable of recognizing. Is this counsel of *epistemic* modesty incompatible with *political* radicalism? I suppose I don't think so. Indeed, given the inherent dangers of political radicalism, and the humanitarian disasters to which it all-too-frequently leads, it strikes me as especially good advice for the political radical to take to heart.

Endnotes

[1] See Spencer's discussion in chapter 3 of *Social Statics* (New York: Robert Schalkenbach Foundation, 1970), online at: CHAPTER III.: The divine idea, and the conditions of its realization. <<http://oll.libertyfund.org/title/273/6199>>. As Spencer writes there, "It is one thing ... to hold that greatest happiness is the creative purpose, and a quite different thing to hold that greatest happiness should be the immediate aim of man" (61).

[2] David O. Brink, "Mill's Ambivalence About Rights," online at: <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=979081>.

[3] Spencer; *Social Statics*, chapter VI, p. 95, online at: Herbert Spencer, *Social Statics: or, The Conditions essential to Happiness specified, and the First of them Developed*, (London: John Chapman, 1851). Chapter VI.: First principle. <<http://oll.libertyfund.org/title/273/6226/932885>>.

[4] “Individualism: True and False” in Hayek, *Individualism and Economic Order* (Chicago: University of Chicago Press, 1948).

[5] *Ibid.*

[6] *Social Statics*, Introduction, “The Doctrine of the Moral Sense,” online at: <<http://oll.libertyfund.org/title/273/6167/932703>>.

[7] *Ibid.*

[8] *Ibid.*

[9] “The Production of Security.”

[10] *Ibid.*

[11] See his “Toward an Empirical Theory of Natural Rights,” online at: <<http://faculty.msb.edu/hasnasj/GTWebSite/SPPCPublishedArticle.pdf>>, and “The Obviousness of Anarchy,” online at: <<http://faculty.msb.edu/hasnasj/GTWebSite/Obvious.pdf>>.

[12] Hayek, *The Constitution of Liberty* (Chicago: University of Chicago Press, 2011).

[13] *Ibid.*, pp. 123-24.

[14] See his “The Evolution of Society and Mind: Hayek’s System of Ideas,” online at: <<http://www.gaus.biz/HayekOnEvolution.pdf>>, and his “Social Complexity and Evolved Moral Principles” online at: <<http://www.gaus.biz/Gaus-SocialComplexity.pdf>>.

14. RODERICK T. LONG ON “MOLINARI, SOCIALIST ANARCHISM, AND THE DISSOLUTION OF THE STATE”

To be GOVERNED is to be kept in sight, inspected, spied upon, directed, law-driven, numbered, enrolled, indoctrinated, preached at, controlled, estimated, valued, censured, commanded, by creatures who have neither the right, nor the wisdom, nor the virtue to do so. – Proudhon

When I see a man who is called a friend of the people, I begin by securing what I have in my pockets. – Bellegarrigue

David H.’s mention of Molinari’s enthusiasm for “working class entrepreneurs” points to an interesting parallel between Molinari’s ideas and those of another anti-state radical active in France during the same era: the socialist anarchist Pierre-Joseph Proudhon, whose vision for society was one of small-scale ownership by artisans and peasants.

The parallels between Molinari and Proudhon can easily go unnoticed, since Proudhon is widely thought of as an archenemy of private ownership; he is best known, after all, for his dictum that “property is theft” – a thesis that has led to Proudhon’s being taken to task, by critics ranging from Karl Marx to Isabel Paterson, for allegedly failing to see that the concept of theft presupposes the concept of property.[1]

But this opposition is misleading. Proudhon distinguished two forms of individual ownership, which he called *property* and *possession*, differing from one another in the details of their rules of use, acquisition, and transfer; he opposed the form he called property, but favored the form he called possession, which he saw as combining the best aspects of property and communism while avoiding the defects of each.[2] Property, the unjust form of individual ownership, he saw as a violation or “theft” of possession, the just form of individual ownership. Proudhon was a “socialist” in the sense of favoring worker control of industry; but that control was not primarily envisioned as being *collective*.

Proudhon’s relationship to French liberals of the Say school was complicated, as each side professed a consistent commitment to free markets while condemning the other’s commitment as inconsistent. Proudhon and Frédéric Bastiat (who as delegates to the National Assembly sat on the same, “left” side) both praised and attacked each other,[3] while Karl Marx criticized Proudhon for being too complimentary to Charles Dunoyer.[4] One of Proudhon’s first publications appeared in the *Journal des Économistes*, the chief liberal organ.[5] And Proudhon’s “mutual bank” proposal (whatever its merits) resembles Molinari’s “labor-exchange” proposal (whatever its merits) in being an attempt to ameliorate the condition of the working class by undermining the power of the capitalist class through voluntary association for mutual aid.

I've mentioned in my original essay how Molinari's 1888 call for "the diffusion of the state within society" appears to be a deliberate echo of Proudhon's 1851 call for "the dissolution [or sometimes "absorption"] of the state in the economic organism." As I've noted elsewhere[6] this language suggests "on the one hand, that the vision of a stateless society is not one in which the services of adjudication and rights-protection have been eliminated, but rather one on which they have been assumed by voluntary economic institutions – and on the other, that the process of getting there employs economic rather than political means, a peaceful dissolution rather than a violent overthrow." Both suggestions are corroborated by Proudhon's writings.

As Brad Spangler has pointed out,[7]Proudhon in his 1851 *General Idea of the Revolution*[8]quite clearly advocates the privatization, not the elimination, of arbitration and security services, as well as an emphasis on restitution over punishment (though he does not repudiate punishment entirely):

It is industrial organization that we will put in place of government In place of laws, we will put contracts. ... No more laws voted by a majority, nor even unanimously; each citizen, each town, each industrial union, makes its own laws. ... In place of political powers, we will put economic forces. ...

[B]oth citizens and communities will have no need of the intervention of the State to carry on their business, take care of their property, build their ports, bridges, quays, canals, roads, establish markets, transact their litigation, instruct, direct, control, censor their agents, perform any acts of supervision or police, any more than they will need its aid in offering their adoration to the Most High, or in judging their criminals and putting it out of their power to do injury, supposing that the removal of motive does not bring the cessation of crime [T]he machinery of lawsuits then will reduce itself to a simple meeting of witnesses; no intermediary between the plaintiff and defendant, between the claimant and the debtor, will be needed except the friends whom they have asked to arbitrate

I understand that these men who are at war with their fellows should be summoned and compelled to repair the damage they have caused, to bear the cost of the injury which they have occasioned; and, up to a certain point, to pay a fine in

addition, for the reproach and insecurity of which they are one of the causes, with more or less premeditation. I understand, I say, this application of the laws of war between enemies. ... But that beyond this, these same people should be shut up, under the pretext of reforming them, in one of those dens of violence, stigmatized, put in irons, tortured in body and soul, guillotined, or, what is even worse, placed, at the expiration of their term, under the surveillance of the police, whose inevitable revelations will pursue them wherever they may have taken refuge; once again I deny, in the most absolute manner, that anything in society or in conscience or in reason can authorize such tyranny.

Whether these suggestions owe anything to Molinari is hard to say, though Proudhon did read the *Journal des Économistes* and so was surely aware of "The Production of Security" from 1849; the prospect of a line of influence from 1849 Molinari to 1851 Proudhon to 1888 Molinari is tantalizing but elusive. Note, in any case, how Proudhon's contrast between "industrial" and governmental approaches to social organization echoes the ideas of earlier liberals like Dunoyer, Comte, and Thierry (who also influenced Molinari), and parallels the similar distinction that Spencer was drawing contemporaneously in England.

Likewise Proudhon, though occasionally willing to call upon the state to help implement his program, ordinarily sees reform as arising from below, through economic rather than political means. For Proudhon, liberty is "not the daughter but the *mother* of order." [9] In his 1849 essay "The State," [10] he explains that the economic revolution consists not in "levying additional taxes on the wealthy and property-holding classes" but in "opening usurious credit to competition and thereby causing capital to lose its income," and replacing the "whole system of existing taxes" with a single "insurance premium" – whereupon competition will grow "emulative and fruitful," while government will become "first useless and then impossible."

Another contemporary French thinker who merits comparison with Molinari and Proudhon is Anselme Bellegarrigue, whose 1850 *Anarchy: A Journal of Order*, [11] though it ran for only two issues, appears to be the first anarchist periodical to employ the term in its title. Given his embrace of the term "anarchy," first popularized by Proudhon as a term for voluntary social order, Bellegarrigue presumably owes something to

Proudhon; and he certainly shares Proudhon's taste for paradoxical-sounding maxims ("Anarchy is order," Bellegarrigue proclaims, while "government is civil war"). Bellegarrigue also mentions Proudhon's journal favorably, as an exception to the rule that there is "not one French newspaper that I can read without being moved either to great pity or profound contempt for the writer"; yet the highest praise he manages to give it is that it "from time to time ... breaks with the old routine in order to cast a little light on the general interest" (*Anarchy*, No. 1), and – like Molinari – he frequently throws Proudhon's name in with those of statist socialists he opposes. He is thought to have been an admirer of Thoreau, whom he apparently visited during his trip to America; and some of his egoistic language in *Anarchy* suggests the influence of Max Stirner. Whether he was influenced by Molinari (or perhaps vice versa?) is difficult to determine.

Like Proudhon, Bellegarrigue took the "socialist" side in the dispute between labor and capital, describing labor as "expropriated by power at bayonet point, for the benefit of capital." (No. 1) Yet Bellegarrigue also describes his favored anarchist revolution as "a good deal for the noble, the bourgeois and the worker." (No. 2) Bellegarrigue denies that a just social order ever requires the sacrifice of an individual's interest to the interest of any other individual or group of individuals; since "my interest is the equal of any other's," he argues, "I cannot owe more than is owed to me." (Bellegarrigue's point here anticipates John Rawls' charge against utilitarianism, and Robert Nozick's charge against Rawls, of not taking seriously the "distinction between persons.")

For Bellegarrigue, society is simply a "vast combination of material and personal interests," while the "collective or State interest" – for whose sake "dogma, philosophy and politics together have thus far demanded wholesale or partial forswearing of individuals and their assets" – is a "sheer figment." He clarifies, however, that he does not "wish utterly to deny the collective interest." Bellegarrigue explains:

Society is the inescapable consequence of the aggregation of individuals; likewise the collective interest a providential and inevitable consequence of the aggregation of personal interests. The collective interest will only be fully realised to the extent that it leaves personal interest untouched; because, if the collective interest is understood to

be the interest of all, in any society it requires only trespass against the interest of one single individual for the collective interest to cease immediately from being in everyone's interest and, as a result, for it to cease to exist. ... But when the name of collective interest is bestowed upon the one in light of which they shut down my workshop, prevent me from pursuing such and such an activity, impound my newspaper or my book, trespass against my liberty, ban me from becoming a lawyer or doctor ... I declare that I cannot understand it, or rather, that I understand only too well." [No. 1]

While a radical individualist, Bellegarrigue is no social atomist; [12] on the contrary, for Bellegarrigue it is precisely because "men are by nature social," and our "natural condition is of itself the state of society," that there "cannot be a social contract," inasmuch as "society is not an artificial construct" and it is "absurd ... to try to establish by contract that which is already and inevitably constituted." (No. 1) "[I]t is when the authority of each is equal to that of all that the social balance is inevitably achieved." (No. 2)

Bellegarrigue too accepts the dissolution-of-the-state approach, both in the sense of favoring the privatization of the state's protective functions and in the sense of preferring economic rather than political means to achieving this goal (though this did not deter him from admiring American political institutions, despite their monopolistic character and violent origins).

Like Molinari, Bellegarrigue regards the provision of security as a business, whose customers should be free to accept or decline. As he writes in another work, "To the Point! To Action!," [13] published the year before Molinari's "Production of Security" and *Soirées*:

If it is a profession to govern, then I demand to see the products of that profession, and if those products are not to my liking, then I proclaim that to force me to consume them is the oddest abuse of authority that one man can exercise on another.

But unlike Molinari – the Molinari of 1849, at least – Bellegarrigue appears not to have envisioned the voluntary provision of security as involving competing firms. Instead, a bit like the Molinari of 1899, he seems to have conceived of a single security organization for a given territory, but one which would win universal *voluntary* consent by confining itself to the "two points

... on which the good sense of all parties converge,” namely “repression of crime against the person and against property,” and “defense of the territory.” Since the organization would be voluntary, its personnel would count as “delegates” rather than “masters.” (“To the Point!”)

Bellegarrigue firmly rejects the notion that liberation requires seizing the reins of state power, either by electoral or by revolutionary means. Arriving back in Paris from a trip to America, in the midst of the 1848 revolution, Bellegarrigue encountered an earnest young revolutionary who “boasted to him that this time the workers would not be robbed of their victory.” Belle-garrigue replied: “They have robbed you already of your victory Have you not named a government?”[14] Unlike some of his more pessimistic contemporaries, Bellegarrigue thinks that the collapse of the July Monarchy offered a genuine opportunity to realize a viable anarchist society in mid-19th-century France:

In the last years of the reign of Louis-Philippe, the Revolution, – and by this word I mean the development of interests, – had so undermined the government that it split on all sides, and through its numerous fissures, badly repaired with the aid of the emergency laws, was introduced in continuous jets the free flood that should have carried it away. [*Anarchy*, No. 2]

But the revolution failed to fulfill its liberatory potential because it relied on the wrong methods.

“I do not believe at all in the efficacy of armed revolution” (“To the Point”), Bellegarrigue writes, instead pointing to a superior mode of revolution for which “neither rifle nor barricade nor riot, nor zealotry, nor factionalism nor voting is required.” (*Anarchy*, No. 1) Like his 16th-century predecessor Étienne de la Boétie,[15] Bellegarrigue sees state power as resting on popular acquiescence and impossible to sustain without it; hence, again like Boétie, he calls for its overthrow by means of “the force of inertia, the denial of assistance” (“To the Point!”) – in other words, mass civil disobedience, whereby individuals shift their allegiance from the state to voluntary institutions and relationships, simply ignoring or bypassing the mechanisms of government. “Turn your backs on government and on the parties which are merely its lackeys,” he advises. “Contempt kills governments, because only strife can sustain them.” (*Anarchy*, No. 1)

Bellegarrigue contrasts the “true Revolution, that of individual needs and interests,” in which “each seeks to enrich himself by labor and industry” – a revolution that calls for “the calm which multiplies transactions and constantly displaces wealth by mobilizing and developing it,” and “struggles with vigor against the nuisances and barriers of the tyrannical regulations of the governments” – with the self-styled revolutionaries, busybodies who “offer themselves as replacements in power for men already pushed aside by the force of things,” and “consolidate the governmental mastery that business was in the process of subjugating.” If the revolutionaries had “set themselves to glorifying the industrial initiative of individuals” and “taught individuals to count only on themselves,” instead of “teaching them [to] expect everything from the lame Providence of governments, then ‘liberty, which, whatever the sophists say, is a question of coins, and happiness which, whatever the idlers say, is a question of morality and labor, would have been universally established in France,” and “the government, forgotten in its corner, would hardly concern us.” The true Revolution is a “stranger to politics” and “simply a question of economy.” (*Anarchy*, No. 2)

The parallels between the “capitalist” Molinari and the “socialists” Proudhon and Bellegarrigue should serve to remind us that concern for the radically liberatory potential of unhampered markets cuts across traditional political labels.[16]

Endnotes

[1] [“[S]ince ‘theft’ as a forcible violation of property presupposes the existence of property, Proudhon entangled himself in all sorts of fantasies” Marx, Letter to J. B. Schweizer, 24 January 1865; online: <http://marxists.org/archive/marx/works/1865/letters/65_01_24.htm> “Perhaps the most senseless phrase ever coined even by a collectivist is that of Proudhon: ‘All property is theft.’... Theft presupposes rightful ownership. An object must be property *before* it can be stolen.” Paterson, *God of the Machine*, 1943, Ch. 17; online: <<http://mises.org/document/3363/God-of-the-Machine>>.]

[2] Proudhon writes, for example: “[T]he man who takes possession of a field, and says, ‘This field is mine,’

will not be unjust so long as every one else has an equal right of possession; nor will he be unjust, if, wishing to change his location, he exchanges this field for an equivalent. But if, putting another in his place, he says to him, ‘Work for me while I rest,’ he then becomes unjust, unassociated, *unequal*. He is a proprietor. ... Individual *possession* is the condition of social life *Property* is the suicide of society. Possession is a right; property is against right.” Proudhon, *What Is Property*, 1840; online: <<http://marxists.org/reference/subject/economics/proudhon/property/ch05.htm>>. In his 1865 *Theory of Property*, Proudhon would later modify his views in certain respects, becoming more accommodating toward property – to a degree that I think has been exaggerated by some interpreters and understated by others. But the complicated details need not detain us here. (For those interested in complicated Proudhon details, I recommend Shawn Wilbur’s excellent blog: <<http://libertarian-labyrinth.blogspot.com>>).

[3] See the Bastiat-Proudhon Debate on Interest (1849 - 1850), online: <<http://praxeology.net/FB-PJP-DOI.htm>>.

[4] Marx, Letter to J. B. Schweizer, 24 January 1865, op cit.

[5] “On Competition Between Railways and Waterways,” *Journal des Économistes*, May 1845.

[6] Long, “The Economic Dissolution of the State”; online: <<http://praxeology.net/RTL-pcpe2011.pdf>>.

[7] Spangler, “Proudhon and Market Anarchism”; online: <<http://web.archive.org/web/20070301020620/http://www.bradspangler.com/blog/archives/511>>.

[8] Proudhon, *General Idea of the Revolution in the Nineteenth Century*, 1851; trans. John Beverly Robinson, 1923; online: <<http://fair-use.org/p-j-proudhon/general-idea-of-the-revolution>>.

[9] Proudhon, *Solution of the Social Problem*, 1848; partially online: <<http://libertarian-labyrinth.org/proudhon/psotsp.pdf>>.

[10] Proudhon, “The State: Its Nature, Object, and Destiny,” *Voice of the People*, 3 December 1849; trans-

lated by Benjamin R. Tucker; online: <<http://libertarian-labyrinth.org/proudhon/state-tucker.pdf>>.

[11] Bellegarrigue, *Anarchy: A Journal of Order*; no. 1, April 1850, trans. unknown; online: <<http://brh.org.uk/articles/anarchist.pdf>>; no. 2, May 1850, trans. Shawn P. Wilbur; online: <<http://libertarian-labyrinth.org/booklets/bellegarrigue-anarchy2-a.pdf>>.

[12] Contrary to popular stereotypes, there is more often an opposition, rather than an affinity, between atomism and radical individualism. As I’ve written elsewhere, atomists “tend to see human interests as naturally conflictual, and thus do not expect social order to emerge unless it is imposed on society by coercive authority,” leading them to be suspicious of radical individualism; conversely, since radical individualists typically “see human interests as harmonious and social cooperation as natural,” they are more likely to be open to “trusting individuals to pursue their goals without coercive control.” Long, “The Classical Roots of Radical Individualism,” *Social Philosophy and Policy* 24, no. 2, July 2007, pp. 262-297; online: <<http://praxeology.net/RadGreek.PDF>>.

[13] Bellegarrigue, “To the Point! To Action! An Interpretation of the Democratic Idea,” 1848; trans. Shawn P. Wilbur et al.; online: <<http://libertarian-labyrinth.org/booklets/tothepoint-a.pdf>>.

[14] George Woodcock, *Anarchism: A History of Libertarian Ideas and Movements* (New York: The World Publishing Company, 1962), pp. 276-78.

[15] La Boétie, *Discourse of Voluntary Servitude*, 1576; online: <http://oll.libertyfund.org/index.php?option=com_staticfile&staticfile=show.php%3Ftitle=2250&layout=html>.

[16] For further elaboration of this point, see Gary Chartier & Charles W. Johnson, eds., *Markets Not Capitalism: Individualist Anarchism Against Bosses, Inequality, Corporate Power, and Structural Poverty* (Minor Compositions, 2011); online: <<http://radgeek.com/gt/2011/10/Markets-Not-Capitalism-2011-Chartier-and-Johnson.pdf>>.

15. RODERICK T. LONG ON “MOLINARI’S INFLUENCE”

I’ve argued that Molinari was a likely influence on de Puydt, and a possible influence on Proudhon and Bellegarrigue. But none of these writers adopted Molinari’s specific proposal of competing security firms; de Puydt substituted competing service packages offered by a single monopoly, Bellegarrigue called for a monopoly security agency as well (albeit a voluntary one), and Proudhon’s proposal is too short on details – at least in the texts I’ve read.

So what influence, if any, did Molinari’s competitive-provision-of-security proposal have? It’s difficult to say. It would be particularly interesting to know whether Molinari influenced Benjamin Tucker, editor of *Liberty* (1881-1908 – almost exactly the same years as Molinari’s editorship of the *Journal des Économistes*), the leading individualist anarchist periodical of the 19th century U.S.

In 1887, Tucker described a system for security provision very much like the one advocated by Molinari:

There are many more than five or six Churches in England, and it frequently happens that members of several of them live in the same house. There are many more than five or six insurance companies in England, and it is by no means uncommon for members of the same family to insure their lives and goods against accident or fire in different companies. Does any harm come of it? Why, then, should there not be a considerable number of defensive associations in England, in which people, even members of the same family, might insure their lives and goods against murderers or thieves? ... [D]efence is a service, like any other service ... [and] competition prevailing, patronage would go to those who furnished the best article at the lowest price If, then, five or six States were to hang out their shingles, the people, I fancy, would be able to buy the very best kind of security at a reasonable price.[1]

Coincidence, or evidence of influence? Here’s the (purely circumstantial) evidence for each side:

Evidence **for** Molinari’s influence on Tucker:

1. Tucker is the 19th-century anarchist (other than those subsequently influenced by Tucker himself, such as Francis Tandy[2] whose proposal for security is most similar to Molinari’s.
2. Tucker read French fluently, and kept *au courant* on contemporary French literature; and he was familiar with Molinari’s *Journal des Économistes*, describing it as the “foremost economic periodical of the world.”[3]
3. Molinari was widely known in his day, with books reviewed by Henry James, Thorstein Veblen, and Lord Acton; and Tucker mentioned Molinari in 1888,[4]and published a book review about Molinari in 1904.[5]

Evidence **against** Molinari’s influence on Tucker:

1. Tucker mentions a number of thinkers who influenced him, but never mentions Molinari as having done so.
2. It would be easy to be broadly familiar with Molinari without knowing about his production-of-security views, especially since their major statement had been published before Tucker’s birth.
3. It would be odd for Tucker’s 1888 article not to mention Molinari’s anarchist side, had Tucker known about it. Moreover, the 1904 *Liberty* book review (printed in the editorial section, and so enjoying Tucker’s endorsement)[6] hailed Molinari as an anarchist on the basis of *The Society of Tomorrow*, making no mention of Molinari’s earlier commitment to still more anarchistic views, and it would again be odd for Tucker not to have mentioned this fact to the author had he known about it – and likewise odd for the author not to refer to it had Tucker mentioned it.

It would also be interesting to know how much influence Molinari had on 20th-century market anarchism, and particularly how early. Murray Rothbard, for one, seems to have been aware of Molinari as early as 1954 – but to have developed the core of his own theory by 1949;[7] he might perhaps have learned of Molinari from Robert LeFevre, Leonard Liggio, or Ralph Raico, but when? (In related news, LeFevre’s journal reprinted de Puydt’s “Panarchy” in 1966.)[8]

Endnotes

[1] Benjamin R. Tucker, “Contract Or Organism, What’s That To Us?,” *Liberty*, 30 July 1887; online: <<http://fair-use.org/benjamin-tucker/instead-of-a-book/contract-or-organism>>.

[2] See, e.g., Francis Dashwood Tandy, *Voluntary Socialism: A Sketch* (Denver, 1896), ch. 5; online: <<http://praxeology.net/FDT-VS-5.htm>>.

[3] Benjamin R. Tucker, “A French View of Boston Anarchists,” *Liberty* 6.4 (whole no. 134, 29 September 1888), p. 4; online: <<http://libertarian-labyrinth.org/liberty/06-04.pdf>>.

[4] *Ibid.*

[5] S.R. [probably S. H. Randall], “An Economist on the Future Society,” *Liberty* 14.23 (whole no. 385, 2 September 1904), p. 2; online: <<http://praxeology.net/SR-GM-SF.htm>>.

[6] The editorial page of *Liberty* begins with the announcement: “The appearance in the editorial column of articles over other signatures than the editor’s initial indicates that the editor approves their central purpose and general tenor, though he does not hold himself responsible for every phrase or word.”

[7] I owe this information to Brian Doherty, David Gordon, and Joseph Stromberg.

[8] Paul-Émile de Puydt, “Panarchy,” trans. Adrian Falk, *Rampart Journal* 2.3 (Fall 1966); I owe this information to Charles W. Johnson.

16. DAVID M. HART REPLY TO MATT ZWOLINSKI “ON MOLINARI, HAYEK, AND RATIONALISM”

The role of rationalism in Molinari’s social theory cannot be described, as Matt seems to, as “locking [himself] away in [his] closet and thinking about it hard enough.” This would be a caricature that ignores Molinari’s intense activity in the real world as an economic journalist, activist for workers’ rights and free trade, observer of socialist clubs, participant in revolution, and travel writer. In a broader context, it is a misunderstanding of the academic and publishing agenda of the entire group of political economists associated with the Guillaumin publishing firm, which from the early

1840s published a steady stream of books, dictionaries, and collections of economic data about all the major industries and national economies of Europe.[1] At the heart of the classical-liberal political economy movement was an empirical program to observe the economic world as it currently existed, to try to understand it using the latest economic theory, and to revise and extend that theory in the light of this new empirical knowledge; in other words they had an interest in both “Theorie und Praxis.” As Robert Leroux has observed, they considered what they were doing to be a “science” that was rational, testable, and subject to constant revision.[2] What made them escape the trap of “scientism” was their belief that they were dealing with individual economic actors who could think and choose, and who would act on these choices if the state left them free to do so. They were not the plastic pawns that socialists like Charles Fourier thought could be molded into “phalanxes” and other artificial social and economic structures.

Beneath the scaffolding of economic data that they so carefully collected and published was a well-developed theory of individual liberty based upon natural-rights theory, a theory of politics based upon constitutional limited government and broadly based voting, a social theory of class conflict and societal evolution through stages, and an economic theory of free markets and laissez faire. Like the good empiricists they were, the political economists thought they could observe patterns and regularities in human behavior that they called “economic laws,” which were analogous to the laws observed in the physical, or hard, sciences, hence the subtitle and opening quotation in Molinari’s book *Les Soirées*:

“entretiens sur les lois économiques et défense de la propriété” [conversations about economic laws and a defense of property]

and the opening quote from the Physiocrat Quesnay: “Il faut bien se garder d’attribuer aux lois physiques les maux qui sont la juste et inévitable punition de la violation de l’ordre même de ces lois, instituées pour opérer le bien.” [It is necessary to refrain from attributing to the physical laws the evils which are the just and inevitable punishment for the violation of this very order of laws, which have been instituted in order to produce good.]

Like the good heirs of the French Enlightenment that they also were, the political economists believed that Reason provided a gateway into understanding the nature of the human condition, what principles made it possible for human beings to live peacefully and productively in society, and why living peacefully and productively were important things to strive for. Thus their belief in things like the benefits of free trade and limited government intervention in the economy were supported by two ways of thinking that mutually reinforced each other -- the empirical economic reality that surrounded them and the logic of human action that they could think and reason about by means of internal reflection. That each way of thinking seemed to support and reinforce the other in grounding the principle of individual liberty on the one hand and free-market societies on the other gave the political economists the confidence to agitate for radical reform.

Bastiat went further than his colleagues in developing an Austrian-like theory of human action in his use of thought experiments involving Robinson Crusoe and Friday; through these thought experiments he would explore, firstly, the possible choices Crusoe faced based upon the resources he had at hand, the time available to him, his skills, his time preferences, and so on.[3] Then Bastiat introduced a second player into the game, Friday, and explored how a second person opened up the possibility of the division of labor and exchange. This procedure broke dramatically with traditional classical political economy, which was concerned with the creation of “wealth” and “exchange” (Richard Whately explicitly rejected the use of Crusoe to explain economic action because as a single individual he did not engage in exchange, which for Whately defined economics. Hence what Crusoe did was not “economics”).[4] With these thought experiments (which he was the first to use in a serious way), Bastiat came closest to Matt’s picture of the rationalist locking himself away in a room and spinning economic ideas out of his head. Yet one should also keep in mind that Bastiat was no *Luftmensch*, since his command of masses of economic data was very impressive, as his political colleagues recognized when they appointed him vice president of the Finance Committee in the revolutionary government in 1848. In all his writings, especially the *Economic Sophisms*, which were written between 1845 and 1848, Bastiat constantly draws upon economic data to support his case for economic liberty, and I

have only found one occurrence where I was not able to confirm his accuracy. (It concerned state subsidies for the colonization of Algeria.) I think Bastiat exemplifies the mid-19th-century French liberal combination of reasoning from first principles, confirming these principles through empirical observation, and then engaging in “reasoned action” in order to bring about liberal reforms. His young friend and colleague Molinari was not far behind him in this.

The area in which the reasoning of the economists fell down most badly was the Malthusian theory of population growth. The data available to Malthus were patchy, and his predictions of the future growth of both population and food production may have seemed plausible in the 1790s. But they were exposed as wrong as the 19th-century explosion of industrial development progressed. Yet Molinari remained an ardent Malthusian throughout his life, publishing works on Malthus as late as the 1880s, when he was the editor of the *Journal des Économistes* and was becoming increasingly pessimistic about the prospects for liberty given the rise of socialist parties in the Third Republic, the resurgence of support for protectionist policies, and the dismemberment of Africa by the European colonial powers. Bastiat, on the other hand, as early as the late 1840s wrote some revisionist essays on Malthus’ theory, ultimately rejecting it as false on theoretical grounds because it ignored the positive aspects of his theory of human capital and the extension of the division of labor made possible by a larger population, and on empirical grounds (which were not yet fully apparent to observers in 1850 but were predictable) as the benefits of international free trade brought grain and meat producers in Russia, Australia, and the USA into the world market, thus drastically lowering the cost of food.

Finally, I would like to pose a few questions to the Hayekian opponent of rationalism:

1. When is it permitted to use our reason to change the world around us, especially if in doing so we are obliged to alter well-established institutions, customs, and beliefs?
2. What does the classical liberal do when the institutions around us are massively unjust and impervious to significant change?
3. Can there ever be a Hayekian theory of revolution? (I suspect not).

In the mid- and late-1840s Molinari and Bastiat actively sought to reform the French state by agitating for the right of workers to form unions, opposing the policy of tariffs and subsidies for French industry, opposing slavery, and opposing French military and colonial policy. In none of these areas were they successful. When revolution broke out in February 1848 they seized the chance offered to influence the direction the revolution might go in. They engaged in street journalism, publishing, electoral politics, and intellectual activities, such as attending the debating societies that sprang up once the censorship laws had broken down. Needless to say, they were not successful, being outnumbered on the left by the socialists and on the right by the Conservatives and the Bonapartists. What would Hayek have done if he had been living at this time? What would Hayek have done if he were a young man on the streets of any of the Eastern Bloc countries in 1990-91? Would he have been handing out free trade articles on the street like Molinari and Bastiat did in 1848?

Bastiat died at the end of 1850, and Molinari left France to continue his academic activities in Belgium during the 1850s and 1860s. His subsequent career as a journalist, author, and editor shows that events pushed him into adopting a long-term Hayekian strategy of intellectual, not political, agitation for the rest of his life. Perhaps in this case, Hayek does in fact have the *Ultima verba*.

Endnotes

[1] Articles with tables of economic and statistical data were a feature of the main periodicals of the Guillaumin press, the *Journal des Économistes* (1841-) and the *Annuaire de l'économie politique et de la statistique* (1844-). See also the data included in the hundreds of articles in the *Dictionnaire de l'économie politique* (1852-53). Almost every book published by Guillaumin also contained economic data on a huge range of topics.

[2] Robert Leroux, Chap. 4 “Salvation through Science” in *Political Economy and Liberalism in France: The Contributions of Frédéric Bastiat* (London: Routledge, 2011).

[3] References to Robinson Crusoe can be found in *Economic Sophisms* (ES) 3 14 (forthcoming), “Making a

Mountain out of a Mole Hill” (c. 1847), and ES2 14, “Something Else” (March 21, 1847) <<http://oll.libertyfund.org/title/276/23402>>. In addition, there is a discussion of how a negotiation might have taken place between Robinson and Friday about exchanging game and fish in “Property and Plunder” (July 1848), *Collected Works*, vol. 2, p. 155 <<http://oll.libertyfund.org/title/2450/231341>>; and there are 16 references to “Robinson” in the *Economic Harmonies*, especially in Chapter 4 “Exchange” <<http://oll.libertyfund.org/title/79/35504>>.

[4] Richard Whately, *Introductory Lectures on Political Economy* (1831), Lecture I. “A man, for instance, in a desert island, like Alex. Selkirke, or the personage his adventures are supposed to have suggested, Robinson Crusoe, is in a situation of which Political-Economy takes no cognizance,” <<http://oll.libertyfund.org/title/1377/35830/1403616>>.

17. MATT ZWOLINSKI ON “WHY AREN'T MORE ANARCHIST SOCIETIES MARKET ANARCHIST SOCIETIES?”

Does the fact that we have no examples of successful market anarchist societies cast doubt on the normative case for market anarchism? In this comment [Conversation no. 9] on anarchism, I suggested it did.

Roderick, however, is unpersuaded. After all, he says, in the 17th and 18th centuries the defenders of monarchy could have used this same argument against advocates of democracy; in the 19th century defenders of male supremacy could have used it against those who argued for women’s equality; and in the 21st century defenders of the welfare state can use it against advocates of minimal state libertarianism! That systems of oppressions have been the historical norm, Roderick concludes, does not in itself give us good reason to maintain those systems. And if we don’t have any examples of successful anarchist societies because we simply haven’t *tried* them, then that certainly isn’t a good reason for not trying *now*.

But, of course, we *do* have a lot of examples of anarchist societies – societies, that is, without a centralized

state. It's just that none of these anarchist societies are market anarchist societies. They are not, in other words, the kind of societies described by Molinari, Friedman, Rothbard, or Long in which protective services are sold by specialized firms in a competitive market with a network of arbitration agreements and so on. They are, instead, tribal and clan-based societies that, to borrow from Arnold Kling's summary of Mark Weiner's *The Rule of the Clan*, are based on "a set of rules and social norms which are inconsistent with libertarian values of peace, open commerce, and individual autonomy." [1]

Is this a problem for market anarchism? That depends. If market anarchism is *purely* a normative theory – a theory about the form of social organization that would be morally best, or most just – then I suppose it is not. The fact that people unjustly kill each other all the time, after all, does not falsify the claim that murder is *wrong*. So, too, the fact that people without a state have not yet organized themselves along market lines does not show that they *shouldn't* do so.

But market anarchism, as I understand it, is more than *just* a normative theory. It is also, at least in part, a *predictive* theory. It is a theory about how rational individuals *will* satisfy their need for security in the absence of a state. In the same way that economists predict that employers will respond to an increase in the minimum wage by decreasing employment, market anarchists predict that individuals will respond to the unmet need for security by engaging in specialization and trade, and that a competitive market in protective services will emerge.

But this doesn't appear to be what actually happens in the absence of a state. Either the market doesn't appear at all, or it is quickly and permanently replaced by a state.

So if market anarchism is understood not merely as a normative theory, but as a predictive one as well, then the absence of market anarchist societies constitutes not just a *lack* of confirming examples, it actually constitutes a wealth of *counterexamples*. This is much more damning evidence against market anarchism – as a predictive theory of course, but possibly as a normative theory, too, since the kinds of things that might have gone wrong to undermine the theory's predictions might undermine at least some of our normative judgments about market anarchism as well. For in-

stance, if market anarchist societies never get off the ground because they are easy prey for their state-based neighbors, then this should give us reason to doubt that market anarchist societies possess the normatively attractive feature of stability, and so should give us pause before we rush to transform our own society into one.

Moreover, this sort of evidence seems immune to Roderick's charge that it could just as well have been used to defend monarchy, patriarchy, or the welfare state. In those cases, we genuinely had no examples – and so no direct empirical evidence that the systems would work, or fail to work. But we have examples of anarchist societies. Lots of them. It just that, for some reason, they don't seem to work in the way that market anarchists say they will.

So why is that? A number of possibilities come to mind. Perhaps, as we alluded to above, market anarchist societies are unable to overcome the collective action problems so as to defend themselves against their statist neighbors. Or perhaps market anarchism is in some way incompatible with some deep-seated feature of human psychology – our desire to identify with some collective whole that is not reducible to (and subject to modification by) voluntary contractual arrangements.

Or maybe – and this strikes me as the most optimistic diagnosis from the market anarchist perspective – people in previous anarchist societies just hadn't figured it out yet. Competition is, after all, a discovery procedure [2] And it takes time and experimentation for societies to figure out more efficient ways of meeting their needs. Contemporary insurance markets and arbitration networks are much more sophisticated than those of even 50 years ago. So the fact that societies before ours hadn't figured out how to make market anarchism work doesn't show that it *can't* work, any more than the fact that societies of the 19th century hadn't figured out how to make television work demonstrates the impossibility of that technology. Some things just take time to figure out.

I'm genuinely unsure as to which of these explanations, or more likely, which combination of them and others I have not considered, provide the best explanation. But I'm curious to hear from my market anarchist colleagues. So tell me. If market anarchism is so great, then why haven't we seen more successful market anarchist societies?

Endnotes

[1] Arnold Kling, "State, Clan, and Liberty" *Econlib* (May 6, 2013) <<http://www.econlib.org/library/Columns/y2013/Klingclan.html>> and Mark S. Weiner, *The Rule of the Clan: What an Ancient Form of Social Organization Reveals About the Future of Individual Freedom*. (Farrar, Strauss, and Giroux), 2013.

[2] F. A. Hayek, "Competition as a Discovery Procedure," *The Quarterly Journal of Austrian Economics*, vol. 5, no. 3 (Fall 2002); online: <http://mises.org/journals/qjae/pdf/qjae5_3_3.pdf>

18. RODERICK T. LONG ON "INFLATIONARY RATIONALISM"

Matt argues that anarchist thought counts as constructivist rationalism, even if it advocates giving free rein to spontaneous order, so long as the arguments for doing so are based on individual reason. For Matt, constructivist rationalism is a way of thinking, regardless of the content of what is thought. And he identifies Spencer's case for the law of equal freedom, and Molinari's insistence on absolute economic principles, as instances of such rationalism.

I think this attempt to make constructivist rationalism broader than a commitment to top-down rational planning of social institutions makes it so broad as to lose its edge as a tool of criticism. In particular, it makes it so broad that Hayek himself will count as a constructivist rationalist.

What, after all, is Spencer's argument for the law of equal freedom (e.g., in *Social Statics*)? It is that, given the variation in human abilities and preferences, there is no way for us to know enough to construct detailed universal advice as to how to act, and so we should instead just give maximum scope to each person to pursue happiness in her own way. If that makes Spencer a constructivist rationalist, what is Hayek?

As for Molinari's absolute economic principles, Hayek himself argues that economic principles are knowable a priori and so do not require empirical testing.[1] Once again, Matt's broadened definition of constructivist rationalism is so broad as to include Hayek. (Indeed, as far as I can see, it's so broad as to condemn mathematics and geometry -- if content really is irrelevant as Matt claims.)

On a related point: as Charles Johnson has noted,[2] the term "spontaneous order" is used, by Hayek and others, in three different ways: a) consensual as opposed to coercive, b) polycentric/participatory as opposed to directive, and c) emergent as opposed to consciously designed. It's a mistake, I think, to assume that these always go together, or are equally desirable in all contexts. In particular, I don't think one is succumbing to constructivist rationalism if one sees the achievement of a free society as involving the building of a deliberate, coordinated social movement to inculcate certain values (in a manner neither directive nor coercive). To employ once more my "Hayek quogue": What else was Hayek doing in trying to "make the building of a free society once more an intellectual adventure, a deed of courage"?[3] Hayek had enough confidence in individual human reason to publish over twenty books, to found the Mont Pelerin Society, and so forth. He didn't sit back and wait for the market, or evolution, or tradition to take care of it. As Johnson likes to say: "We are market forces." [4]

In a more recent comment, Matt also wonders why, if market anarchism is so great, real-life stateless legal orders are tribal and kinship-based rather than market-based. The simple answer is: They're not, or at least they aren't always. The suretyships of pre-Norman England were voluntary associations, not kinship-based.[5] Chieftains in medieval Iceland competed for clients, who could switch allegiance from one chieftain to another without regard either to kinship or to geography.[6] The private security associations of the American frontier were not kinship-based either.[7]

In any case, Matt's challenge to market anarchism can also be raised to minarchism: If minarchy is so great, why don't we see any states that are minarchies?

Endnotes

[1] F. A. Hayek, “The Facts of the Social Sciences,” in *Individualism and Economic Order* (Chicago: University of Chicago Press, 1948), ch. 3; online: <<http://mises.org/books/individualismandeconomicorder.pdf>>.

[2] Charles W. Johnson, “Women and the Invisible Fist: How Violence Against Women Enforces the Unwritten Law of Patriarchy”; online: <<http://charleswjohanson.name/essays/women-and-the-invisible-fist/women-and-the-invisible-fist-2013-0503-max.pdf>>.

[3] F. A. Hayek, “The Intellectuals and Socialism,” *The University of Chicago Law Review* (Spring 1949); online: <<http://library.mises.org/books/friedrich%20a%20hayek/Intellectuals%20and%20Socialism.pdf>>.

[4] Charles W. Johnson, “In a Freed Market, Who Will Stop Markets From Running Wild and Doing Crazy Things?”; online: <<http://radgeek.com/gt/2009/06/12/freed-market-regulation>>.

[5] Albert Loan, “Institutional Bases of the Spontaneous Order: Surety and Assurance,” *Humane Studies Review* 7.1 (Winter 1991-92); online: <<http://mason.gmu.edu/~ihs/w91essay.html>>.

[6] Jesse L. Byock, *Viking Age Iceland* (New York: Penguin, 2001).

[7] Terry L. Anderson and Peter J. Hill, *The Not So Wild, Wild West: Property Rights on the Frontier* (Stanford, Cal.: Stanford, 2004).

19. DAVID FRIEDMAN “MARKET ANARCHY IN THE REAL WORLD”

Matt argues that we do not observe market anarchism in real world anarchist societies. To know whether that is true, we need to first decide what count as the defining characteristics of market anarchy. He writes, about actual anarchist societies:

They are not, in other words, the kind of societies ... in which protective services are sold by specialized firms in a competitive market with a network of arbitration agreements and so on. They are, instead, tribal and clan-based societies that, to borrow from Arnold Kling’s summary of Mark Weiner’s *The Rule of the Clan*, are based on “a set of rules and social norms which are inconsistent with libertarian values of peace, open commerce, and individual autonomy.”

The final bit of that seems to identify “market anarchy” with “libertarianism.” When I first described a market anarchist system in *The Machinery of Freedom*, I explained that whether such a society was libertarian was a matter of prediction, not definition, that under some circumstances the institutions I was describing would be anarchist but not entirely libertarian, although I thought they would be likely to produce a more libertarian outcome than alternative institutions for the same population. Whether market anarchy is possible does not depend on whether it would be fully libertarian. Non-anarchist libertarians, after all, aim at a libertarian minarchy despite the shortage of such societies in the historical record.

I do not know how much Matt knows about historical stateless societies or exactly what he means by “tribal and clan-based.” In saga period Iceland law was privately enforced, although there was a single law code and court system; it was neither tribal nor clan-based. Comanche society, as described by Hoebel,[1] was highly individualist, not very libertarian, but stateless, and tribal only in the sense of being within one tribe as a minarchy is within one nation. Northern Somali society as described by I.M. Lewis, an anthropologist who has been studying it since the 1950’s, came closer to the market anarchist model. Its clans were enormous, so many disputes were within a clan, and the coalitions that enforced rights in such disputes were voluntary associations based on a mix of kinship and contract. There was no formally negotiated network of laws, unless you count the agreements within coalitions with regard to the mutual obligations of their members, but Lewis describes one case where the two sides in a conflict concluded that the level of violence had become too high and agreed to raise the damage payment owed for killing.

Matt’s point may be only that we do not see in any historical example the full blown mechanism of en-

forcement agencies, arbitration agencies, and pairwise contracts that some of us imagine for a market anarchist society. But we would not expect relatively primitive societies to have the degree of division of labor and formal organization of a modern society—they do not have joint stock corporations or future markets either. We do see societies in which there was no state, in which law enforcement was private and decentralized, and in which individuals interacted primarily via private property and exchange, which would seem to cover the essential requirements for a market anarchist society.

Descriptions of all three societies, and sources, can be found in various chapters of the draft of my current book project, up for comments at: <http://www.daviddfriedman.com/Academic/Course_Pages/legal_systems_very_different_12/LegalSystemsDraft.html>.[2]

Endnotes

[1] E. Adamson Hoebel, *The Law of Primitive Man* (Cambridge, MA: Harvard University Press, 1967).

[2] David Friedman, *Legal Systems Very Different From Ours* (draft) <http://www.daviddfriedman.com/Academic/Course_Pages/legal_systems_very_different_12/LegalSystemsDraft.html>.

20. DAVID M. HART, “A QUESTION FOR MY COLLEAGUES: WHO WROTE THE FIRST ONE-VOLUME SYNTHESIS OF CLASSICAL LIBERAL THOUGHT?”

I would like to ask my colleagues a question before we close the discussion on Molinari’s legacy: Who wrote the first one-volume synthesis of classical-liberal ideas?

By this I mean an effort to present in one volume a coherent world-view based on the principle of individual liberty and the application of this principle to a large range of social, political, and economic problems. You might correctly surmise that by merely raising the

question in this context, I suspect it was Molinari. If I am correct, then with the publication of *Les Soirées*, Molinari in 1849, at the age of 30, predated Rothbard’s *For a New Liberty* (1973 -- written when Rothbard was 47) [1] by some 124 years. A close contemporary attempt was Herbert Spencer’s *Social Statics* in 1851 (written when Spencer was 31 years old),[2] which raises the question of whether there was “something in the air” concerning classical liberalism in the mid-19th century.

It would not be until the 20th century that other attempts at synthesis were made by classical liberals and libertarians, such as Ludwig von Mises’s *Liberalism*(1927 -- written when he was 46 years old) [3] and Milton Friedman’s *Capitalism and Freedom* (1962 -- written when he was 50), followed by *Free to Choose* (1980).[4]

So I am asking my colleagues if I have overlooked something. Is there some other text that attempts to do the same thing?

If I am correct in identifying Molinari as the first, then one needs to ask why it appeared when it did, and why didn’t a one-volume synthesis appear in the 18th century from someone like Adam Smith or Turgot?

A final observation: It seems that writing a one-volume synthesis in the 19th century was the work of young men starting out on their careers. In the 20th century, by contrast, it seems to be the work of men (along with Rose Friedman, of course!) who were well into their academic careers. Thus perhaps Molinari’s and Spencer’s efforts were ones of “prospective” analysis full of hope for the future, whilst those of Mises, Friedman, and Rothbard could be better described as reflections by mature scholars who feared for liberty in the present and the near future.

Endnotes

[1] Murray N. Rothbard, *For a New Liberty* (New York: Macmillan, 1973).

[2] Herbert Spencer, *Social Statics: or, The Conditions essential to Happiness specified, and the First of them Developed*, (London: John Chapman, 1851). <<http://oll.libertyfund.org/title/273>>.

[3] Ludwig von Mises, *Liberalismus* (Jena: Gustave Fischer, 1927). Translated into English by Ralph Raico in 1962. Ludwig von Mises, *Liberalism: The Classical Tradition*, trans. Ralph Raico, ed. Bettina Bien Greaves (Indianapolis: Liberty Fund, 2005). <<http://oll.libertyfund.org/title/1463>>.

[4] Milton Friedman (with the assistance of Rose D. Friedman), *Capitalism and Freedom* (University of Chicago, 1962); Milton Friedman and Rose Friedman, *Free to Choose: A Personal Statement* (Harcourt, Brace, Jovanovitch, 1980; Harmondsworth: Penguin, 1980).

21. DAVID M. HART, “MOLINARI IN HIS FINAL YEARS: CRANKY OLD MAN OR REALIST?”

Anybody who studies Molinari’s large output of books and articles is struck by some of the intellectual oddities that begin to appear in the 1880s and 1890s, when he was in his mid-60s to late 70s. We have his theory of “tutelage” (1884),[1] according to which some groups (the industrial masses, women, inhabitants of the colonial third world) are not yet ready for full freedom and thus need guidance and then only gradual exposure to the responsibilities of being completely free and independent individuals; his view of religion (1892), [2] which, as Roderick correctly notes, Molinari did not believe himself but, as a “tutor” of the masses, thought was necessary during their apprenticeship into full liberty; his return to Malthusian population theory with his edition of Joseph Garnier’s book on Malthus (1885) and Molinari’s own edition of *The Principle of Population* in 1889, which leads to his rather bizarre theory of “viriculture” (1897), [3] which, while not a theory of fully fledged eugenics comes uncomfortably close to embracing some of its doctrines.

The question for scholars is to determine whether these ideas were an integral part of Molinari’s thought from the very beginning or whether they were an unfortunate response to events taking place at this time. I think the latter is the case, with the exception of his orthodox Malthusian views, which date to the 1840s and which give him a decided pessimistic turn of mind. Unlike Bastiat, who rejected Malthusianism because of his theory of human capital and the explosion of hu-

man wealth-creation that was being unleashed by free trade and the rise of industrialism, Molinari and Garnier continued to defend Malthus’s ideas throughout the rest of the century. By the mid-1880s Molinari had reached the conclusion that the classical liberals were losing the battle of ideas against the protectionists and the socialists (if they hadn’t already) and that other means needed to be adopted to keep the socialist masses at bay, whether by “tutelage” or population control of some kind. The clearest indication of Molinari’s growing pessimism in the mid-1880s was the conclusion to his third collection of “soirées,” or conversations, the *Conversations sur le commerce des grains et la protection de l’agriculture* (1886).[4] Here, using the voice of “The Economist,” he expresses his frustration at the resurgence of protectionism and the attitude of the politicians that support for free trade would be electoral and political suicide. The Economist accepts the criticism of the Conservative and the Socialist that he had probably wasted his life by writing books no one read and whose ideas no one believed. This I think is a serious admission of defeat by Molinari. The only consolation Molinari offers himself is that he is living in an historical moment when one is forced to retreat -- but only to be able to move forward again sometime in the future.

Perhaps one way to explain (or to explain away) these odd and rather cranky ideas of Molinari in this period is to see them as the musings of an old man who is seeing his life-long hopes for liberty evaporating before his eyes as socialism, protectionism, colonialism, and militarism rise up to challenge liberty in the late 19th century. This is made worse by the diminishing numbers of the old school of radical classical liberalism that Molinari personified, thus leaving him increasingly isolated both personally and intellectually.

But alongside the crankiness that was emerging in his thought at this time, there is no diminution in his clear-sighted realism about the very real successes of the classical-liberal program that had been achieved in the 19th century and his dire predictions about what would happen to liberty in the 20th if present trends continued. In another burst of activity in his 70s and 80s, Molinari wrote a series of books and articles in which he summed up his thinking, culminating in two articles in the *Journal des Économistes* and a book at the turn of the century, *Les Problèmes du XXe siècle* (1901). [5] Looking back over his long life he listed on the plus side

the dramatic rise in prosperity produced by international free trade, the innovations created by the industrial revolution, the vastly increased kinds of jobs available to ordinary people resulting from an expansion of the division of labor, the political liberalization brought about by the defeat of monarchism and the old order, the abolition of slavery and serfdom, the near universal recognition of freedom of speech, and so on. On the negative side, and this was what most worried him in 1901, he counted the revival of protectionism in France; the success of socialist groups both intellectually and politically; the dramatic increase in colonialism and imperialism, especially since the scramble for Africa in the 1880s; the revival of militarism in an arms race (especially in the navy); and the abandonment of classical liberalism by most of the intellectual class. While Marxists were predicting the eventual overthrow of the capitalist system and the creation of a bountiful socialist paradise in the near future, Molinari was painting a much bleaker picture that was very prescient in some of the details. He predicted an eventual war between the Great Powers of Europe, which would lead to massive government intervention and control of the economy, huge deficits and government loans to fund the war and social programs demanded by the rising left, the eventual collapse of the financial system, and a long period of economic depression and political crises. If this sounds a lot what happened to Europe after 1914, then Molinari should get due recognition for his prophetic powers.

One would have thought that given his frame of mind in his later years, which I have sketched out above, he would be very pessimistic, even suicidal, as the new century began, but one would be wrong. Even at the end Molinari continued to believe that freedom would somehow survive the statist catastrophe of the 20th century. After the devastation of war, economic collapse, and loss of belief in classical-liberal ideas, Molinari was convinced that a liberal renaissance would take place after a half-century or so of suffering, that the truth about liberty and free markets could not be suppressed or ignored forever, and that the classical-liberal program of the mid-19th century would be taken up again by his successors. He repeated much the same in his ironically titled last book, *Ultima Verba: Mon dernier ouvrage* (The Last Word: My Last Work, 1911),^[6] which, while being the last book he published, is definitely not the last word either about him or about the

ideas of classical liberalism that he espoused during his long and fruitful life.

Endnotes

[1] See Chap. XI “Tutelle et liberté,” pp. 424-506 in *L'Évolution politique et la Révolution* (Paris: C. Reinwald, 1884).

[2] Gustave de Molinari, *Religion*. Paris: Guillaumin et Cie, 1892.

[3] Gustave de Molinari, *La viriculture; ralentissement du mouvement de la population, dégénérescence, causes et remèdes* (Paris: Guillaumin et cie, 1897).

[4] Gustave de Molinari, *Conversations sur le commerce des grains et la protection de l'agriculture (Nouvelle édition)* (Paris: Guillaumin, 1886). Conclusion, pp. 302-10.

[5] Gustave de Molinari, *Comment se résoudra la question sociale* (Paris: Guillaumin, 1896); *Grandeur et décadence de la guerre* (Paris: Guillaumin, 1898); *Les Problèmes du XXe siècle* (Paris: Guillaumin, 1901); *Questions économiques à l'ordre du jour* (Paris: Guillaumin, 1906); and “Le XIXe siècle”, *Journal des Économistes*, Janvier 1901, pp. 5-19 and “Le XXe siècle”, *Journal des Économistes*, Janvier 1902, pp. 5-14.

[6] Gustave de Molinari, *Ultima Verba: Mon dernier ouvrage* (Paris: V. Girard et E. Briere, 1911).

22. GARY CHARTIER, “ON THE ABSENCE OF ANARCHY”

The “pessimistic induction” — or, perhaps, the set of pessimistic inductions — on which Matt very reasonably focused our attention deserves continued reflection by anarchists. Why is there not more evidence of stable stateless social order? Why are anarchical societies not market-oriented? Is the growth of state power correlated with increasing wealth and social peace — and, if so why? It is hard to know whether Molinari drew back from his earlier radicalism because, as Matt supposes, he failed to find full-blown anarchist answers to questions like these plausible, but they certainly merit our careful attention in any case.

Two brief observations may help to further ongoing inquiry and analysis. At least, I hope, they will not further obfuscation.

One reason for the persistence of states and the relative absence of anarchy that hasn't received much attention in this Liberty Matters exchange is ideological mystification. One reason we still have states, that is, is that people mistakenly believe we should or must. If one supposes, as I do, that ideas have real-world consequences, it should not be surprising that ideas which legitimate state power should help to keep the "statist quo" in place. Belief in the divine right of kings served to solidify royal power in the past — and the notion that God has placed a divine stamp of approval on those in authority has perhaps fostered docility in more recent times.

But secularists have their own legitimating myths as well. The belief that a Hobbesian Leviathan is needed to keep life from proving "solitary, poor, nasty, brutish, and short" may or may not be correct (I maintain, of course, that it is not); but its role in preserving state power is relatively independent of its truth. If people *believe* they need Leviathan, they will tend to support the existence of the state. Similarly, if people suppose that they have, in fact, consented to state authority, that they are obligated by a Lockean social contract, even if the idea of such a contract as binding evaporates under careful scrutiny, they will be more likely to treat themselves as bound whether they are or not.

Related means of legitimation also tend to keep people from taking the anarchic alternative seriously, too. If "anarchy" is repeatedly used as a synonym for "chaotic violence," it will be difficult to talk about anarchist ideas without being treated as an apologist for thuggery. And the simple absence from the mainstream media of serious discussions of patterns of social organization radically different from those that currently obtain helps to dispose ordinary people not to think much, if at all, about radical alternatives and to treat such alternatives as not worth taking seriously when confronted with them.

In brief: People's beliefs about the necessity of the state or the viability of alternatives impede their willingness to support radical change.

As regards Pinker-inspired views that link the growth of state power with increasing peace and pros-

perity: Suppose Pinker is right that increasingly strong states (for their own dubious purposes) fostered various social improvements. It hardly follows that other institutions couldn't have done the same thing — even if, in fact, they didn't for, among other things, the kinds of reasons I've already noted. I share Roderick's skepticism regarding Pinker's historical narrative, but accepting it wouldn't mean embracing the conclusion that the state was necessary to the developments it purportedly midwived.

In addition, it seems not unreasonable to wonder whether the state was in fact able to grow precisely because societal wealth was increasing. Rather than being the source of that wealth, state growth might be seen as parasitic on it. An elaborate state apparatus might stifle economic flourishing when resources were limited; a wealthier society, by contrast, could afford to support a parasitic state with less risk of collapse or complete stagnation. If we have good reason to regard the state as counterproductive, we will thus also have good reason to regard its growth as evidence, not that it also performs productive functions, but that society can manage to flourish despite the retardant impact of state action.

Doubtless these sorts of responses to the concerns that might have led to Molinari's pessimism shouldn't suffice on their own to allay any and all worries about the viability of anarchism. But those tempted to emulate Molinari's doubts might at least wonder whether anarchism isn't more viable than they might have feared.

23. DAVID M. HART, "MOLINARI, SOIRÉES, AND ARGUING ABOUT LIBERTY"

The problem with virtual discussions like the one we have enjoyed over the past month is that we cannot see our interlocutors face-to-face over a glass or two of beer or wine. This is how Molinari imagined it when he wrote *Les Soirées de la rue Saint-Lazare* in 1849. His interlocutors, the Conservative, the Socialist, and the Economist were supposed to have conducted their vigorous discussions about politics and economics at a party or social gathering in one of the many restaurants or hotels which appeared on Saint Lazarus street near one of the grand Parisian railway stations which

ringed the city as the French railway system was being built in the 1830s and 1840s. Molinari chose Saint Lazarus street for his title because it is where he and a small group of liberal friends, which included Frédéric Bastiat, Joseph Garnier, Alcide Fonteyraud, and Charles Coquelin, met regularly between 1844 and early 1848 in the house of Hippolyte Castille which was located on this very street. The friends met regularly between 1844 and early 1848 to discuss political and economic matters, no doubt over a glass or two. This was the inspiration for Molinari's book.[1]

When Molinari came to write his second collection of *Soirées* in 1855, this time called "conversations,"[2] the location was no longer the comfortable and up-market surroundings of the residence of an ex-Cardinal in Paris but a working class "estaminet" (the name for a bar or café in Belgium and northern France) in Brussels. After the coming to power of Emperor Napoleon III Molinari had left Paris and taken a teaching position in Brussels where he remained until the late 1860s. Here the conversation takes place between a "Rioter," a "Prohibitionist" (a strict protectionist), and an "Economist" in a bar close to where a recent riot over food prices had taken place. In a long opening footnote, the Belgian Molinari takes great pains to explain to his Parisian readers the important social place the estaminet plays in Flemish culture and the kinds of drinks which were commonly drunk there. Only once he has established this important information can Molinari then proceed with the "conversations" about freeing up the highly regulated grain trade which in his mind caused the high prices of food which in turn caused the riots.

The third set of *Soirées* which Molinari wrote in 1886 also set the location of the conversations about liberty in a bar, or rather this time in a series of bars - a new one for each conversation.[3] He updated his debate of 1855 between a "Rioter," a "Prohibitionist", and an "Economist" to include a new figure, the "Collectivist," who replaced the Rioter of the earlier conversations. In keeping with the much darker vision Molinari now had of the prospects for liberty, he set each conversation in an elaborately furnished bar in Paris where he was now living again which was decorated according to a particular theme which he loving describes in his footnotes. In the first conversation the Economist, now visibly grayer than before (Molinari was now 67 years old), sits in a bar called the "Taver-

gne du bain" (p. 219) which is decorated on the theme of a penal colony in the tropics; in the second conversation the three meet in a bar called "la Taverne du Chat-Noir" (the Black Cat Bar) (p. 248) which features a large bust of Molière and waiters dressed as Swiss Guards and Academicians; and the third and final conversation is set in "le café du Rat Mort" (the Dead Rat Café) (p. 274). The only information Molinari gives about this drinking establishment is that it is frequented by local members of the Bourgeoisie, politicians, and aspiring artists. It is in this third and final conversation which takes place in the Dead Rat Café that Molinari comes to agree with the Collectivist that his life's work of writing and teaching and arguing for liberty had been a complete waste of time. One wonders what the Economist was drinking at this moment of his greatest pessimism and hopelessness.

I relate these stories because it shows that in Molinari's mind there is a strong connection between the vigorous exchange of opposing ideas and the conviviality provided by good food and drink, and perhaps exotic locations as well. This is something that Liberty Fund also likes to encourage. It also brings to mind an excellent custom which I first encountered after giving a talk on Bastiat at a university in the Bay Area when the formal part of the evening came to an end a decision was immediately made to convene a follow-up meeting of "The Bar Stool Economists" to continue the conversation in a more informal location. I think Molinari and his colleagues attended many meetings of the Bar Stool Economistes in his day. Maybe they were known as "les Économistes de l'estaminet."

I also wanted to raise the issue of the fluctuating fortunes of classical liberals in the 19th century and how this affected their mood. In 1886 Molinari was certainly very pessimistic as his story of the *Soirée* in the Dead Rat Café reveals. However hopeless he might have thought his efforts in promoting liberty had been this was certainly not the end of Molinari in spite of his dark vision of penal colonies, black cats, and dead rats. He continued to write and publish for another 25 years resulting in an additional 22 books by my reckoning. I admire his determination and stamina even if I disagree with some of things he had to say. I also admire his clear-sighted realism as his own life was coming to an end on the eve of World War I which was to destroy the liberal order which Molinari had defended and promoted throughout his long life. If I only had

one wish it would be to visit Molinari and Bastiat on the streets of Paris in March 1848 so I could help them hand out their leaflets urging the people to support the liberal cause - and then go have a drink with them afterwards so we could continue the conversation about liberty.

I want to thank my contemporary interlocutors for a rewarding month of discussion about an important figure in the classical liberal tradition. May we continue our discussions in an estaminet at some future date.

Endnotes

[1] Gérard Minart, *Gustave de Molinari (1819-1912), pour un gouvernement à bon marché dans un milieu libre* (Paris: Institut Charles Coqueline, 2012), p. 80.

[2] Gustave de Molinari, *Conservations familières sur le commerce des grains*. (Paris: Guillaumin, 1855).

[3] Gustave de Molinari, *Conversations sur le commerce des grains et la protection de l'agriculture. Nouvelle édition*. (Paris: Guillaumin, 1886).

24. RODERICK T. LONG, “ULTIMA VERBA”

I'm grateful to my four interlocutors for an exceptionally stimulating exchange -- and to Liberty Fund for making it possible.

I began this conversation by hailing what I consider to be Molinari's two most distinctive contributions to libertarian thought: the competitive provision of security and the empowerment of labor via the subjection of employers to fuller market discipline. Whatever the flaws in Molinari's specific versions of these proposals, the general ideas remain, in my judgment, crucial to the libertarian project.

One of us is skeptical of proposals for competitive provision of security, labeling them “rationalist.” Another of us is skeptical of proposals for labor empowerment, labeling them “wishful thinking.” Others among us have argued that we have good evidence, both theoretical and historical/empirical, for the viability of both. And along the way we've also explored the question of Molinari's place in intellectual history.

These debates will go on, past this symposium and among more people than the five of us. For a thinker whose first major work was a set of “Conversations,” it seems an appropriate legacy. Whatever the extent of Molinari's possible influence on Proudhon or Bellegarigue, Tucker or Rothbard, his contributions survive as living issues in these discussions now. May the *Soirées* long continue!

ADDITIONAL READING

ONLINE RESOURCES

Works by Molinari at the OLL website:
<<http://oll.libertyfund.org/person/136>>.

Works on School of Thought: 19th Century French Liberalism <<http://oll.libertyfund.org/collection/28>>

Works by Molinari at David Hart's website:
<<http://davidmhart.com/liberty/FrenchClassicalLiberals/Molinari/Bibliography.html>>

A virtual anthology of Molinari's writings on the state between 1846 and 1912 can be found on David Hart's website
<<http://davidmhart.com/liberty/FrenchClassicalLiberals/Molinari/anarcho-capitalism.html>>.

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<http://oll.libertyfund.org/index.php?option=com_content&task=view&id=1658&Itemid=371>. The entire book in draft form can be found here
<http://oll.libertyfund.org/index.php?option=com_content&task=view&id=1637&Itemid=371>.

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