

A

FARM BOY'S

TESTAMENT

to the

UNITED NATIONS

by

Larry Barnhart

This book is dedicated to all my teachers and fellow students who have helped make my stay on planet earth such an educational experience. Special thanks to Dr. Robert Muller, who provided the context in which this book was written.

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Forward

On a pleasant Denver September evening in 1992, I went with a couple of friends to a lecture by a famous speaker from the United Nations. I had never heard of the speaker before, but my friends' enthusiasm was such that I made it a point to join them. I didn't know it then, but that evening was to become a turning point in my life.

The speaker was Dr. Robert Muller, Chancellor for the University for Peace in Costa Rica, and former assistant to Secretary Generals Dag Hammarskjold and U Thant.¹ He spoke passionately and freely, following his heart rather than using notes. It quickly became apparent why he was so popular.

Before an audience of about 300 people, he spoke about his long years with the United Nations. He spoke about the successes and the disappointments of the past, and he shared his hopes and concerns for the future. While I didn't agree with everything he said, I didn't for one moment doubt his sincerity.

Later I wrote a letter to Dr. Muller, not with any expectation of receiving a reply, but as an exercise in clarifying my thoughts. Much to my surprise, I received a very nice and encouraging reply back from him. In that letter he offered a suggestion that proved to be a great opportunity.

This opportunity was the name and address of a think tank called the "New Independent Commission on World Cooperation and Governance" in Switzerland which was preparing for the 50th Anniversary of the United Nations by bringing together "30 of the world's greatest minds" for solving the world's problems. He suggested I consider what I would do were I in the position of the founders of the United States of America, write down my ideas, and submit them to the above think tank. His question was, "namely what and how world cooperation and governance should be? Suppose you were given the task and free hand, like those in Philadelphia around Washington, to come up with the ways of the human species on this planet, and how it should achieve its fulfillment and be governed without impairing its planetary home?"²

For me, this was an exciting question to ponder. I have been studying psychology, philosophy and economics for over 20 years, and have discovered some ideas that have been very liberating for me. If I went to the grave being the only person familiar with them, the effort to learn them would still have been worth it. Of course, if someone else can benefit, so much the better.

Of course, like everyone else, I would like to be able to put forth a thesis that would settle all debate. But, putting personal vanity aside, I shall consider myself successful if I introduce a few ideas that might add new dimension to the present debate.

As I said earlier, I wrote my letter to Dr. Muller primarily to clarify my thoughts. That he replied at all was a happy surprise for me. Now I have written this book to further clarify my thoughts. What a growth experience it has been. It has been just the context I needed for joining together seemingly disconnected topics into a more inter-related whole.

¹ Dr. Robert Muller's speech at University of Denver College of Law, Sept., 24, 1992.

² Letter from Dr. Muller dated November 21, 1992.

To an extent, writing this book has also been an exercise in vanity. Robert Muller writes: “I would not have dared to present my views in a systematic fashion or to write a book about the United Nations, as so many people do after having attended a few sessions.”³ Having lived my whole life on the lowest level of society, I cannot even claim the distinction of having sat in on one session. Oh well, farm boys have been known to rush in where geniuses fear to tread.

In this book I will attempt to bridge the gap between the common person and the intellectual. Having been a common person doing primarily blue-collar labor most of my life, and having been dogged by an uncommon penchant for study, I believe I have a unique perspective worth considering. This book was not titled *A Farm Boy's Testament to the United Nations* because I spent my entire childhood on the farm or because I loved farming. It has been given this title because in spite of my dislike for farming during the five years I was on the farm,⁴ I learned some important truths about converting raw materials into life sustaining commodities. Now that almost twenty-five years have passed, I find it necessary to temporarily put my straw hat back on and begin with a review of the basics.

Of course, the basics of converting raw materials into usable commodities will not be the only topic explored within these pages. When addressing issues as important as world cooperation and governance, nothing should be assumed or taken for granted. Recently I heard a quote that sums up our challenge: “The fate of individuals and nations [and planets] is determined by the values that guide their decisions.”

This means that we must be prepared to address diverse issues such as economics, epistemology, ethics, government, philosophy, psychology, religion, and spirituality in their most basic terms. It has been said that we are all philosophers—either conscious or unconscious. Therefore, if we cannot avoid being philosophers, we might as well become aware of the assumptions that guide us (or drive us, as the case may be).

By now you have probably noticed that this printing is a manuscript version estimated to be 85% complete. When I first started, I figured I would have been done writing this book long ago. Nevertheless, given that the 50th anniversary of the United Nations is coming up soon,⁵ I figure that it is better to offer an imperfect version on time instead of trying for perfection and ending up finishing too late for the context to be relevant.

A wise person once said, “A society that esteems philosophy no matter how poorly conceived and disdains plumbing no matter how well performed will soon discover that neither their pipes nor their theories will hold water.” No doubt your commission is not lacking for philosophers—therefore I submit this testament on behalf of the plumbers.

Larry Barnhart, March 1995

³ Robert Muller, *Most of All, They Taught Me Happiness* (Garden City, NY: Doubleday & Company, Inc., 1978), p. 183.

⁴ My parents purchased the farm when I was twelve and I left home when I was seventeen.

⁵ The anniversary could be on June 26, 1995 when the UN Charter was signed by 50 nations in San Francisco, or on October 15, 1995, when Poland added the 51st signature to the Charter, or on October 24, 1995 when the charter was ratified. No matter which date is the anniversary, it is still coming up soon.

Introduction: What is Necessary for Human Survival?

Life is wonderful! Without it, we would be dead! This whole book is essentially about *life*, because if we were not alive, issues ranging from food to ethics to government to religion to happiness would not be issues at all. It is our nature to want to live as long and as abundantly as possible. Because life is important, all the issues mentioned above are important too.

Sustaining Life Requires the Use of the Earth's Resources

If you are alive on this planet, chances are good that you have a body. It has long been known that the elements that make up our bodies are also found in the earth. Early in the Bible, for instance, it is declared, “For dust thou art, and unto dust shalt thou return.”⁶ If we wish to delay the day we return to the earth, we will want to drink water, consume food, and maintain our body temperatures within an acceptable range.

Of course, everyone knows about the big three: food, water and shelter. At least they know that we all need them for survival. In the 1770s, Thomas Paine observed: “. . . though the *surface* of the earth produce us the *necessaries* of life, yet 'tis from the mine we extract the *conveniencies* thereof.”⁷ Very little of what we consume comes directly from nature without being tended to and harvested, or modified and manufactured. In other words, our survival requires that we modify and consume material resources.

Nature requires that we produce *before* we can consume. Planning is required, which, of course, assumes a basic *knowledge* of how things work and the *will* to do what is necessary. People in an agrarian economy must save a portion of their crop for the next planting no matter how much they might want to have a “seed corn festival” or no matter how hungry they might become while waiting for spring. An industrial economy must save a portion of its profits for maintaining and replacing the tools of production. Failing to meet these requirements of life and nature, people in an agrarian economy starve, and people in an industrial economy regress from power tools to hand tools. Both groups find themselves obliged to accept a lower standard of living—the natural result of reduced production.

⁶ *Genesis* 3:19

⁷ Thomas Paine, Moncure Daniel Conway (ed.), “Useful and Entertaining Hints”, *The Writings of Thomas Paine* (New York: G.P. Putnam’s Sons, 1894), p. 23.

Sustaining Life Requires Resource Control

The fact that we are alive implies that we have, to some degree, successfully controlled resources. Furthermore, how well we have fared indicates how well we have controlled resources.

The purpose of dwelling on the connection between resource use and survival has been to prepare for the next topic: *resource control*, sometimes referred to as *property ownership*.

In some circles it is popular to say we cannot truly own property because we are mortal. We can only use it for a while, and then we must relinquish it when we die. On the face of it, this is absolutely true. Our mortality allows us, at best, to control certain resources only during our brief existence. Ownership in the absolute sense is a fallacy of thought, but ownership as the right to control resources is an idea worth exploring further.

Our Bodies are Our Most Essential Form of Property

Our body, and the life that body contains, is the most basic form of property we can claim.⁸ The word *property* has become a loaded word because it conjures up different images, depending on who hears the word. The very word itself implies ownership and control. In America, conservatives equate property with independence while liberals equate property with exploitation. (In the former Soviet Union, the meaning of the terms “conservative” and “liberal” are reversed.) On the surface, liberals and conservatives appear to be polar opposites. However, a closer look will reveal that they may be closer philosophically than we generally assume.

Conservatives typically rail against liberals who want government to regulate, if not own outright, the use of land and tools—also known as “material resources” and the “means of production.” Those same conservatives, however, will gladly make laws against suicide, drug use, gambling, prostitution, etc. On the other hand, liberals are willing to allow people more choices over the use of their bodies, but insist on controlling the resources people use to sustain those bodies. In other words, both liberals and conservatives like to use government coercion to control other people.

As an example of the conservative approach to people control, a few years ago an expert on ethics wrote an article explaining why he believed suicide should not be legal.⁹ The main point he used to justify his position was because “we do not own ourselves.” He then weakened his position by saying, “We belong to God, *if there is a god.*” I couldn’t resist sending in a letter to the editor where I summarized his argument: if we don’t own ourselves, and we don’t know who does, we only have one more clue about who it is that does own us—people like the author, who presume the right to use the force of law to tell us how to dispose of our bodies.

Regarding those with liberal inclinations, “. . . when personal liberty is discussed, the concern is with man’s non-economic freedoms—freedom of speech, of religion, of the press, of personal behavior. Frequently, the most zealous guardians of these all important freedoms are outspoken advocates of eliminating freedom in the economic area. When it comes to commerce, to the

⁸ Some ethicists reject the idea that people own their own bodies.

⁹ Kevin P. Keane, “Legal suicide affronts reason,” *Rocky Mountain News*, April 19, 1992.

making and marketing of goods, they are in favor of replacing freedom with rigid controls.”¹⁰ Somehow, for instance, we are supposed to have freedom of speech even if we don’t have the right to own a printing press.

Ultimately, both sides agree on some level that property is needed for survival. They just disagree about how *people* should be controlled. It is not the purpose of this introduction to decide whether one side or the other is right in their approach to resource control. Rather, this chapter is intended as a wake-up call. Sophisticated-appearing people have been reported to say: “What do we need those farmers for? There is plenty of food in the store!” Whether or not the above story is true, it gains an aura of plausibility when we survey policies being instituted by sophisticated people around the world.

Ownership Implies More Than Just a Piece of Paper

Property ownership is an inescapable fact of life. Unfortunately, it is a fact that has often been overlooked (or euphemized out of existence). The word, *ownership*, like so many other words, is used daily with little thought about its essential meaning.

Webster’s Dictionary offers us some additional insight into the nature of ownership through a concept called *beneficial ownership*: “. . . in law, the right to use property for one’s own advantage, the legal title to which may be held by another.”¹¹ In other words, if you hold the paper title or deed to some property, and I can tell you what to do with it, I am the *beneficial owner*. (Maybe I am the true owner, because if I control what you do with your property, I control you too, and thereby am the beneficial owner of both you and your property.)

When we add the concept of beneficial ownership to our understanding of what property rights consist of, we make a startling discovery. In any sovereign community, there are only a few true property owners. These few owners are those who are strong enough to call themselves a government and are able to collect duties from everyone else.

The United States is reputed to be a stronghold of property rights, but this has never been true in the strictest sense. “In Anglo-American society, property in land is not the land itself, but a collection of rights to the land. . . . It would surprise most American landowners today, as it often does those who cannot meet their property taxes, to learn that the state owns the land outright. Owners in fee simple have possession only of rights in real estate: this phenomena is part of what historians call the English heritage.”^{12 13} In America, the state took over where the King left off. (This explains why one person can build a house on a plot of land, and someone else can have the mineral rights on that same land. L.J. Peter summed it up: “The meek shall inherit the earth, but not the oil rights.”)

¹⁰ Susan Love Brown [. . . et. al], *The Incredible Bread Machine* (San Diego: World Research, Inc., 1974), p. 152.

¹¹ “Ownership”, *Webster’s New Twentieth Century Dictionary* (New York: New World Dictionaries/Simon & Schuster, 1979), p. 1279.

¹² Jonathan R.T. Hughes, *The Governmental Habit : Economic Controls from Colonial Times to the Present* (New York: Basic Books, Inc., 1977), pp. 15–16.

¹³ “fee simple; noun: plural: fees simple. Law. An estate in land of which the inheritor has unqualified ownership and power of disposition.” *American Heritage Electronic Dictionary* (Sausalito, CA: Writing Tools Group, Inc., 1991)

In effect, basic reality was encoded into Common Law because anyone who has the power to levy taxes on property, and the power of forfeiture for non-payment of those taxes, is the true owner of that property. Everyone else is simply renting.

To further illustrate this thesis, let's consider what happened to a community in Colorado Springs, Colorado, when annual property taxes of \$11,000 were levied on homes previously valued at around \$100,000. Immediately, the value of their homes dropped to zero because no one would pay anything to acquire a \$1,000 a month tax lien. In another case, a property tax levy was made for "\$80,582.56 for 160 acres of Adams County farmland. . . County officials, who chuckled when they first saw the giant bill, later confirmed that it's for real. And there's not much [the owner] can do about it."¹⁴ No doubt, that tax bill did little to enhance the resale value of that farm, or of other farms like it. The moral of these stories is, the purchase price of property is the price we are willing to pay for the *right of first-rentership from the government*.

As true ownership ultimately accrues to the most powerful, the question is not so much who owns the property as it is how much discretion those in power give their subjects when it comes to property ownership/resource control. Stated differently, property rights are determined by how much control over property use citizens allow their governments to have. According to Thomas Paine, "the plain truth is that it is wholly owing to the constitution of the people, and not to the constitution of the government that the crown is not as oppressive in England as in Turkey."¹⁵ The amount of government control over resources can be as little as America had at its inception, or as much as during the Stalinist era of the Soviet Union, where many people considered themselves lucky to finish digesting the food they had just swallowed. Of course, there is a whole range of possibilities in between.

Life Improves When Resource Control is Spread Among Many

A survey of history will reveal that the masses have fared better when they enjoyed more freedom—meaning the right to control/own property and the freedom to be creative. Unfortunately, such freedom has been the experience of only a small portion of all the people who have ever lived on this planet.

There is much talk about human rights these days. Not only are the old ones being reconsidered, but new ones are being invented daily. This, of course, brings up a few questions. Where do those rights come from and what do they consist of? Are they justified by ethics? And if so, ethics based on what standard? Are they based on the efficient production of economic goods, and if so, for whose benefit? It is one thing to simply say that humans need access to resources to survive. It is yet another to develop a comprehensive philosophical framework that will empower people to take charge of their lives in a firm, effective, and yet non-destructive manner.

¹⁴ Rebecca Cantwell, "Farm owners get the bill in bond snafu", *Rocky Mountain News*, March 12, 1989, p. 7.

¹⁵ Thomas Paine, Moncure Daniel Conway (ed.), *Op. Cit.*, p. 74.

A Preview of the Future Chapters

The following chapters will explore a number of different subjects, or disciplines, that may at first seem unrelated to one another. They are arranged in the following order:

Chapter 1: The Role of the Mind As a Tool of Survival

Chapter 2: The Process of Wealth Creation

Chapter 3: An Overview of Ethics

Chapter 4: Economics 101 Reviewed

Chapter 5: The Role of Government in Society

Chapter 6: Legal and Constitutional Concepts

Chapter 7: Religion, Spirituality and World Peace

Chapter 8: Environmental Issues Explored

Chapter 9: Inner Peace Precedes World Peace

Chapter 10: Philosophical Antecedents to Peace and Prosperity

Chapter 11: A Relatively Uninformed View of the United Nations

Chapter 12: Some Thoughts on World Cooperation and World Governance

As humans we must effectively operate in two worlds—the inner world of personal experience and the outer world of physical experience. Both need to be dealt with because they impact directly on one another. These chapters are arranged so as to alternate between our inner and outer worlds in the hope of better relating each to the other. While some would argue that the inner world is primary and that the outer world is simply a reflection of the inner world, others insist that the outer world is all important and that the inner world can only be a response to the outer world. I find that there is a symbiotic relationship between the two.

The feelings and values we hold in our inner lives determine how we interpret and react to daily events in our lives. In turn, the environment created by our previous reactions creates a new range of options available to us in the future. As we become aware of the *emergent probability* that guides our lives, we discover that although we are not all-powerful, we are not helpless either.¹⁶

In order to provide a clearer picture of what future chapters will bring, the following paragraphs will give a cursory overview.

Chapter 1: The Role of the Mind as a Survival Tool. This chapter is presented early in the book because it is useful to understand *how we know what we know*. Being aware of how we learn can improve our effectiveness in mastering life's challenges. In retrospect, I would have liked to have started my study with this subject. Instead, logic and epistemology were among my most recent subjects of inquiry. I suspect that my growth might have happened faster were they my first subjects of inquiry. (But then again, we can only be where we are.)

Chapter 2: The Process of Wealth Creation. After exploring the inner world of knowledge acquisition, we will step back into the outer world, and what better place to start than with an exploration of wealth creation. This is a universal concern, especially when many “who, in the very instant they are proclaiming against the mammon of this world, are nevertheless hunting after it with a step

¹⁶ An excellent review of the concept of emergent probability is provided in, Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon & Schuster, 1982), p. 72.

as steady as Time, and an appetite as keen as Death.”¹⁷ The purpose of this chapter is to inventory the essential components of the production process that must take place in *any* social system or political system. As the chapter progresses, it will become clear that, if we want to understand conflict, we will have to look deeper than simply the tools people use.

Chapter 3: An Overview of Ethics. Following the previous breath of robust outside air, we will explore ethics—a subject that is part internal and part external. A major challenge in ethics is balancing faithfulness to our beliefs with practical action. Many ethical systems tend to put ideals and practical action at odds with each other. Consequently, people frequently find themselves forced to choose between ethics and practical action.

Ethical systems are primarily formulas that prescribe how human beings ought to relate to one another in social relationships. Underlying each ethical system is a key assumption followed by a line of logic intended to justify its list of commandments. The assumptions of various ethical systems will be explored, and then a *behavioral analysis* approach will be proposed which considers relationship dynamics at all levels—personal, employment and political.

Chapter 4: Economics 101 Reviewed. This chapter takes over where *Chapter 2* left off. Once production has been accomplished, we still have the problem of distribution. Also, how we have handled the distribution problem today will determine whether people will be motivated to produce again tomorrow. The last part of this chapter will suggest that competition is inescapable, and that in our desire to escape competition in the arena of production, we often end up competing in the arena of coercion instead. If we do not wish to compete in service, we must compete in brutality.

Chapter 5: The Role of Government in Society. This century has seen an intense debate about which type of government is best. Implied in the way the debate has been framed is the notion that the key to solving human problems consists simply of choosing the right form of government. In our blind worship of a particular form of government, we tend to overlook the *essence* of government in general. Because of this, great hopes are dashed time after time as the *unintended consequences* of our choices become apparent. Only by learning to see through the “pious phrases and the fervent propaganda [that] give to coercion a semblance of persuasion,”¹⁸ will we have a rational hope for peace and prosperity. When we use fire to heat our home, we must be careful because burning down the house while trying to stay warm is self-defeating in the long-run. The same principle applies to government.

Chapter 6: Legal and Constitutional Concepts. The existence of different types of government implies different attitudes toward legal and constitutional questions. First, the difference between laws and constitutions will be explored. Then the different approaches to law itself will be considered. Finally, a question will be asked—is it ethical or rational for law to help “one citizen at the expense of another by doing what the citizen himself cannot do without committing a crime.”¹⁹

¹⁷ Thomas Paine, Moncure Daniel Conway (ed.) , “Epistle to Quakers”, *Op. Cit.*, p. 124.

¹⁸ Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 136.

¹⁹ Frederick Bastiat, translation by Dean Russell, *The Law* (Irvington-On-Hudson NY: The Foundation for Economic Education, Inc., 1990), p. 21.

Chapter 7: Religion, Spirituality and World Peace. Following the chapters on government and law, a chapter on religion is most appropriate. Separation of church and state is a recent innovation. Throughout history, religion has been at times an antidote to the coercive power of the state, and at other times it has been an accomplice. Religious faith has been a source of peace for some, but for others, it has been a justification for war. Consequently, we must conclude that while religion has given humanity some blessings, it has not been an unqualified blessing.

This chapter will explore two primary aspects of religion: *cosmological speculation* and *ethics*. An important question we must consider is whether different cosmological opinions justify breaches in ethical conduct. Also, some ideas will be offered about how we might enjoy the security offered by religious faith without making it into something to kill and die for.

Chapter 8: Environmental Issues Explored. Recent developments in environmental philosophy are, in large part, new developments in ethical theory. Some environmental ideals also have religious overtones. (According to some, they represent a resurgence of animistic cosmologies.) Consequently, ethical and religious issues were explored first in order to provide a framework for evaluating the intricate web of arguments offered by advocates for environmental preservation and animal rights.

Presently, there are two main philosophical approaches to protecting the environment. One camp suggests that more government control is necessary to force people to make the best decisions for future generations. The other camp points to the environmental degradation which has taken place in proportion to the amount of government control that has been exercised.

The first group has thus far claimed the moral and political high ground. They are certainly right in pointing out the futility of trying to fill the hole in the soul with material goodies and that over-consumption may represent a spiritual crisis. However, they might also consider the possibility that their insistence on using coercion to promote their ideal may also represent a spiritual crisis. Fortunately, more people are starting to consider less coercive ways to protect the environment.

Chapter 9: Inner Peace Precedes World Peace. In this chapter we will explore the roots of emotional pain and suffering. Mental “diseases” with unusual names like *Center-of-the-Universe Disease* and *Socially-Acceptable-Schizophrenia* will be explored. Understanding and using these concepts can make our inner world a more pleasant place to live. Also, the relationship between oppression and psychological problems will be examined. It can be stated with certainty that as long as so many of us are at war with ourselves, we can expect wars to erupt in the outer world as well.

Chapter 10: Philosophical Antecedents to Peace and Prosperity. One important source of inner conflict is contradictory philosophical notions, or worse yet, philosophies declaring that we should be condemned merely for existing. Our outer world is in large part reflection of our inner world. *Proverbs 23:7* declares, “As he thinketh in his heart, so is he.” To this I would add: As he thinketh in his head, so will he feel and act.

Everyone is a philosopher—either conscious or unconscious. The common person’s philosophy is usually capsulated in undigested slogans, but these

slogans drive people toward action nonetheless. Intellectuals are thought to be more conscious of their philosophical assumptions, but often this is not the case. In fact, intellectual and political leaders have the additional obstacle of *benefiting* from commonly held cultural misperceptions. Even the victims of a common misperception find it difficult to ferret out unquestioned belief systems. “Slavery, restrictions, and monopoly find defenders not only among those who profit from them but also among those who suffer from them.”²⁰

Underlying all philosophical systems are three assumptions: First, we have *epistemological assumptions*—assumptions about how we learn what we learn, and whether or not our five senses are adequate to meet the demands of survival. Next, we have *metaphysical assumptions*—assumptions about whether the universe is hostile or nurturing, and in turn whether the best defense is a good offense or if we can afford to delay our response to situations. Finally, we have *ethical assumptions*—assumptions about which relationships should be guided by coercion, and which relationships should be left to individual choice? Once we understand these assumptions, we can look at a particular philosophy and anticipate what kinds of interpersonal, social and economic relationships will evolve among those who embrace such a philosophy.

Chapter 11: A Relatively Uninformed View of the United Nations. The last ten chapters were devoted to building the theoretical framework in preparation for these last two chapters. The stated purpose of the UN is to bring about peace on earth and to save future generations from the “scourge of war.” This chapter looks at how the United Nations has evolved to date.

Not surprisingly, the UN has both its detractors and its advocates. Detractors suggest that the UN is a front organization for developing a world dictatorship, and they fear the prophesy of “a boot stamping on a human face—forever.”²¹ Advocates, on the other hand, frequently demand blind faith, offering the plea that doing *something* is better than doing nothing. In many cases, arguments from both sides generate more heat than light.

Robert Muller (who is the reason why this book was written) called for a more impartial analysis of the UN: “The UN enemies will seek in vain arguments and ammunition for their evil designs. Once they have become objective, I will also be ready to discuss honestly the shortcomings of the UN.”²² I have no way of judging the intentions of the architects of the UN. Also, I am sure that many people working for the UN, like Robert Muller, have only the best of intentions.

Consequently, this chapter is not about good guys and bad guys. It will simply survey the dominant philosophical assumptions guiding the UN, and how their policies are in conformance with their assumptions. Finally, some ideas will be offered regarding the outcomes we can expect from those policies. (Like the rest of this book, this chapter is not about people, it is about ideas.)

Chapter 12: Some Thoughts on World Cooperation and World Governance.

Fortunately, the United Nations is not humanity’s only hope for world peace. Any place on the planet can potentially be a good location to start. In fact, most any place might even be a better place to start because it is hard to stand on

²⁰ Frederick Bastiat, translation by Dean Russell, *Ibid.*, p.13.

²¹ George Orwell, *Nineteen Eighty-Four* (New York: New American Library, 1949), p. 220.

²² Robert Muller, *My Testament to the UN* (Anacortes, WA: World Happiness and Cooperation, 1992), pp. 118–119.

principle if one cannot even stand on a patch of ground. Therefore, any group of people on any land mass could elect to start an ethical society. This society would in turn become productive and powerful. It would not crusade around the world imposing its system on other cultures. Instead, it would offer itself as an example for those who wish the same results.

In answer to the question of whether or not world government is a good idea I offer this principle: if government protects productive people from predators, the larger its influence, the better. On the other hand, if government itself becomes a predator, the smaller its influence, the better.

Sometimes Simplicity at First Appears Complex

When I was a young man in the Army, I aspired to be thought intelligent by others. To show my “genius” I would make complicated explanations of everyday phenomena. This strategy seemed to work until one day my supervisor, Sergeant Gulliver, took me to task. He looked at me and said, “Larry, I have noticed that you attempt to impress people by making simple things complicated. Wouldn’t true intelligence mean making complicated things simple?”

Since then I have had plenty of years to ponder his wisdom. While I have often succeeded in getting to the point in a simpler way, at other times I have not been able to avoid wading through complexity. Cutting the Gordian knot is a wonderful concept, but it often happens that if the knot is cut too soon, it reties itself.

In the five years prior to writing this book, I have given over 110 speeches to various groups. Occasionally, I am given what I consider the ultimate compliment: “You take complicated subjects and make them so simple!” While I succeed in touching a few souls here and there, I am sure an equal number of people wonder which planet I came from. I cannot expect to reach everyone through this book any more than my speeches were able to. Nevertheless, I can try, and in this book I *will* try. Throughout the book, this old farm boy will do his best to stick with the basics, because anyone “who takes nature for his guide, is not easily beaten out of his argument.”²³ Of course, this will not always be possible. . .

. . . which brings to mind the story of a Sufi master who was asked why he couldn’t make his course of study simpler and accessible for everyone. The master replied that if he did, it would no longer be the same course of study. I have worked hard to make these ideas generally accessible without compromising the integrity of the concepts being considered. In the places where I fail, please be patient and do not be offended if some passages require two or three readings.

I wish to make a final note about the use of gender references in this book. In an age when people become hysterical over minor points, it is easy for a writer to be anathematized and discounted long before the major points have even been considered. Hence, I call upon the wisdom of Venita van Caspel: “I have found that God has been very fair in His apportionment of brains. He has made women as intelligent and as capable as men, so I’ll not bother with all this ‘he-she’

²³ Thomas Paine, Moncure Daniel Conway (ed.), “Common Sense”, *Op. Cit.*, p. 116.

²⁴ Venita van Caspel, *Money Dynamics for the 80's* (Reston, VA: Reston Publishing Company, Inc.,

business, but will rather devote myself to the order of the day. . .”²⁴ In her case, she promised to use the masculine pronoun to indicate neutral gender. I can only promise that I will do whatever amuses me at that moment.

Now we are ready to begin our adventure in earnest, and what better way is there to start thinking about world peace than by thinking about thinking?

Chapter 1: The Role of the Mind as a Survival Tool

In the introduction we concluded that access to resources is necessary if our bodies are to survive in a material world. It is tragic that so much intellectual energy has been invested over the centuries trying to downplay the importance of our material existence, because our bodies not only provide the context for our experience, they are also a valuable source of information about life.

The very existence of our bodies in the material realm indicates that our basic physical, neurological, and mental structures are adequate to the task of keeping us alive—at least long enough to create more beings such as ourselves. Our survival, however humble, presumes a genetic structure that meets the basic requirements of life. This assertion is embodied in the concept of “genetic epistemology.”²⁵ Any creature that is alive today, is alive because its ancestors successfully adapted to the requirements of life on this planet. The fact that we are alive at all says we are doing *something* right.

Our Minds Can be Likened to Computers

Noam Chomsky, in the movie, *Manufacturing Consent*, suggested that our neurological structure can be likened to the assembly language of computers. Although analogies that compare humans to computers are less than perfect, they are still useful, and Chomsky’s comparison of our neurological structure with computer language seems like a good start.

To round out this analogy, we also need to account for our bodies, our emotions and our intellects. In an attempt to do this, I have developed *Figure 1-1* which is shown on the next page.

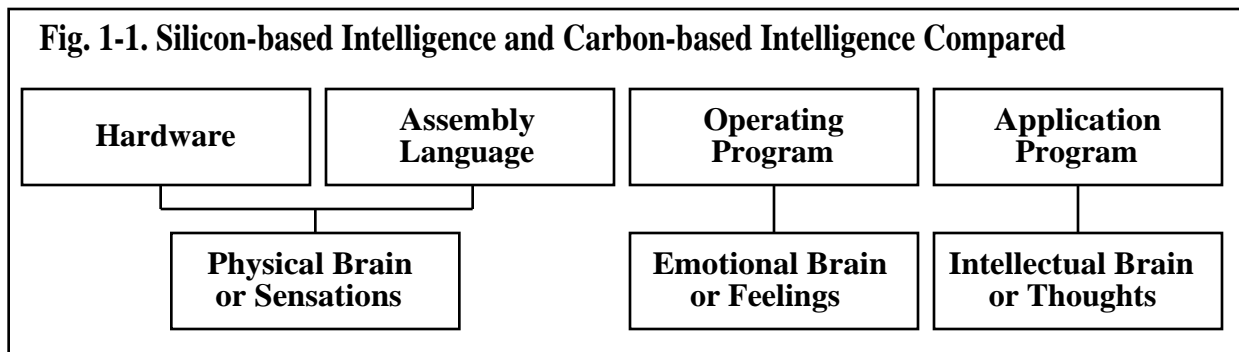
In computers, each higher level of language is a “short hand” for the language below it. A single symbol in a higher-level language can represent a whole series of symbols in the lower-level language. For instance, at the level of an application program, a single symbol in a word-processor program can set into motion *many* small functions in the assembly language and the hardware. All this happens transparently, so it is easy for users of computers to be oblivious to the millions of on-off switching “movements” taking place every second. That is, of course, until something goes wrong.

Although it is more efficient to use application programs than it is to issue commands in assembly language, they are not a substitute for either the assembly

²⁵ Jean Piaget, translated by Eleanor Duckworth, *Genetic Epistemology* (New York: Columbia University Press, 1970).

language or for the hardware. Each level must work with the others if a complete job is to be done.

The same is true for us “three-brained” beings. The intellect is a wonderful tool, but it is not the sole repository of intelligence. Our bodies, our emotions and our intellects each possess an intelligence uniquely its own. Ideally, they would all work together, but frequently they don’t. According to one “extra-terrestrial” observer, “[T]heir separate ‘brains,’ associating now quite independently, begin engendering in one and the same common presence three differently sourced being-impulses, they then, thanks to this, gradually, as it were, acquire in themselves three personalities, having nothing in common with each other, in respect of needs and interests.”²⁶



One point to be made in this chapter and throughout this book is that while abilities differ greatly among people, they do not differ so much as scholarly egos would like to believe. Seemingly simple people have made great contributions to humanity and ivory tower intellectuals have frequently been the deserving butt of ridicule and oftentimes a source of great tragedies. “De Tocqueville, the prophet of early American democracy, was acid in recording the practices of the French royal bureaucrats who would come around in the spring and tell the farmers how to plant their potatoes, and then arrive again in summer to tell the farmers to dig them up again because they had discovered that there was a better way to do it.”²⁷ Also, Hitler enjoyed very influential support from a number of prominent German intellectuals who helped lay the philosophical groundwork for the carnage that was to come.

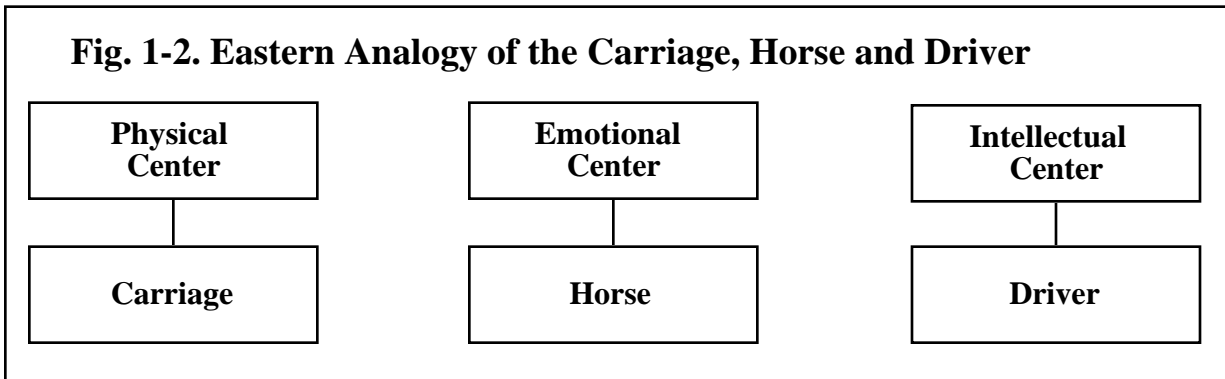
It is generally accepted that people with big muscles should not arbitrarily impose their wills on other people. By the end of this book, the notion that people with “big brains” should have that privilege will hopefully be debunked as well. (This concept will be explained further in *Chapter 3*.)

²⁶ G.I. Gurdjieff, *Beelzebub's Tales to His Grandson*, Vol 2. (New York: E.P. Dutton, 1950), p. 71.

²⁷ William Tucker, *Progress and Privilege: America in The Age of Environmentalism*, (Garden City, NY: Anchor Press/Doubleday, 1982.), p. 208.

The Carriage, Horse and Driver Analogy of the Mind

The computer analogy is not the only model that can help us understand our situation. There is also the Eastern analogy of the carriage, the horse and the driver, as represented in *Figure 1-2*.



In this example, as proposed by Gurdjieff, the state of humanity is characterized as a system in poor repair.²⁸ The driver's "desire for tips has gradually taught him to be aware of certain weaknesses in the people with whom he has dealings, and to profit himself by them. . ."²⁹ The horse, "Never having seen in any of the manifestations toward it even the least love or friendliness, . . . is ready to surrender itself completely to anybody who gives it the slightest caress. . . . The consequence of all this is that all the inclinations of the horse, deprived of all interests and aspirations, must inevitably be concentrated on food, drink, and the automatic yearning towards the opposite sex; [and] it inevitably veers in the direction where it can obtain any of these."³⁰ Finally, the carriage is said to be in a serious state of disrepair.

Summed up, the carriage is rickety, the horse is flighty, and the driver is half-drunk and occupied solely by scheming for more fares and leering at scullery maids. Finally, lacking a *master* to give any consistent direction, the whole entourage travels wherever any chance rider dictates. This is not a prognosis calculated to stroke our vanity. (It should be noted that this story was told in order to motivate people to enroll in self-mastery schools. However, even with these "commercial" considerations factored in, the above story still sheds light on our predicament.)

Gurdjieff also offered one of the best definitions of intelligence I have yet to encounter: "The ability to adapt to change." One might call this a whole-being approach to understanding intelligence.

Humans are justifiably proud of their intellectual accomplishments. However, just because we have a faculty that does not appear to be present in other

²⁸ G.I. Gurdjieff, *Op. Cit.*, Vol. 3., pp. 382-391. Georges Ivanovich Gurdjieff (1872-1949) is not well known, but has been described most consistently as a "Russian mystic philosopher." He started teaching in St. Petersburg in 1914, and offered a conceptual map of the psyche that modern psychological theory is only now beginning to consider.

²⁹ G.I. Gurdjieff, *Op. Cit.*, Vol. 3, p. 384.

³⁰ G.I. Gurdjieff, *Ibid.*, Vol. 3, pp. 385-386.

species, that does not mean that the other “brains” which we *do* have in common with other species are useless. The beauty of Gurdjieff’s definition of intelligence is that it obliges us to account for our emotions and our physical/neurological structures as well as for our intellectual capabilities. This means that intellectual keenness, emotional sensitivity and stability, and physical capabilities must all come together to make a person fit for living a good life. When we manifest intelligence in this manner, we are expressing ourselves as complete beings.

It is difficult to define where the physical brain leaves off and the emotional brain begins, and where the emotional brain leaves off and the intellectual brain begins. All three brains share the use of the body, the nervous system and the five senses. Although we do not have an *exact* understanding of the location of each brain, each brain’s activity seems to be connected to respective areas of the body.

The physical brain’s functions are spread throughout the body via the nervous system. Wherever the body is hurt, we feel physical pain. (Nothing profound—just simple, straight-forward information.)

Sensations connected with emotions are concentrated primarily in our torso. Disappointment and anger puts a knot in our stomach, romantic possibilities make our hearts flutter, and fear or surprise make our hearts leap into our throats.

The intellect’s functions take place in that much-ballyhooed gray matter that resides in our cranial cavity. As evidence, we can consult those who insist that too much thinking makes the head hurt.

Using common anecdotal evidence to locate brains may not be a scientific approach, but knowing the location of each brain is not so important as understanding their functions so we can train each one to do its own work. Einstein described our dilemma well with his analogy of the watch. “In our endeavor to understand reality we are somewhat like a man trying to understand the mechanism of a closed watch. He sees the face and the moving hands, even hears its ticking, but he has no way of opening the case. If he is ingenious he may form some picture of a mechanism which could be responsible for all the things he observes, but he may never be quite sure his picture is the only one which could explain his observations.”³¹

Our dilemma can also be likened to looking at a factory from the outside. We can only see the raw materials going in and the finished good coming out, but we cannot see the process of conversion itself. However, by studying the inputs and the outputs, we can *guess* what happens in between. Our knowledge will never be perfect, but as we develop theories that give us the power of prediction, we find that even imperfect theories can still be of service. Although this theory of the three brains should not be taken for gospel truth, it nevertheless remains the best conceptual framework I have found so far.

The Speed of Centers (Brains)

Part of understanding the function of each brain comes from understanding the relative speeds with which they operate. Contrary to the common notion that the intellect perceives something in the environment, the emotions then react, and finally the body takes action, Gurdjieff and Ouspensky

³¹ Quoted in Gary Zukav, *The Dancing Wu Li Masters* (New York: Bantam Books, 1979), p. 8.

asserted that the intellectual brain is the slowest and the emotional and physical brains are much faster. Ouspensky suggests that the emotional brain is faster than the physical brain,³² but my experience suggests the reverse. (Unless I actually tapped into a higher level of emotional functioning and was unaware of it.)

The Physical Brain

My first personal experience with this concept of the “speed of centers” happened back in 1973. After I had walked on some 20-foot high iron beams over an old bridge while a friend was watching, he showed an interest in doing the same thing. However, because he was somewhat clumsy, I asked him to walk on a low beam first so I could watch him. As he tottered and struggled, it became apparent that he was trying to balance himself by *thinking* about it. Of course, it didn’t work, especially when little gusts of wind would come up unexpectedly.

Although this theory was new to me, I explained it to him. Apparently it seemed reasonable to him, so he decided to try getting his intellectual brain out of the way so his body could do its work. After some practice at ground level, he was soon up on the beams with me and having a great time.

Of course, I didn’t discover anything new. Becoming good at any sport or other physical activity means we must practice until the picture in our mind translates itself into natural and habitual movements by the body. However, understanding the *concept* of the physical brain being faster than the intellectual brain cannot hurt.

Later, in 1979 and 1980, I studied for a short time under Hugh Ripman, who was himself a student of Ouspensky and Gurdjieff. One of the exercises he assigned to us was to observe our physical sensations during periods of upset. My “favorite” upset was in response to people who did something like pulling out in front of me in traffic.

After considerable self-observation, I noticed a tension just below my chest. It was as if an angry little man was standing on a platform in my chest, just looking for an excuse to jump up and scream. When something would happen, I noticed that a little tremor would begin at my diaphragm and ripple upward toward my throat. After the ripple passed a certain point, my emotions would kick in, and then I would go through a cycle of anger until I ran out of energy. (Negative emotions use a lot of energy.)

It took quite a bit of work and practice, but I finally got to the point where I could detect the ripple before it reached the point where my emotions would kick in. When I succeeded in stopping the ripple before it reached the point of no return, I bypassed the emotional upset completely. What’s more, I didn’t even need to go into denial!

Gurdjieff’s system is not the only one that puts a lot of emphasis on body awareness. Neurolinguistic Programming (NLP), which came into vogue about ten years ago, also addresses the importance of physical awareness. One NLP practitioner, during a speech, gave the following example: “Old sales training classes would tell new sales-people to sit on the edge of their chair and act all attentive and positive while talking to a prospect. However, our studies have found

³² P.D. Ouspensky, *In Search of the Miraculous* (New York: Harcourt Brace, 1949), pp. 193–194.

that approach to be a good way to guarantee miscommunication when prospects are lounging back in their chairs. We have discovered that it is better to mirror the other person's body posture first, and then gradually lead them in the direction we want them to go."

For years I have had a very unscientific speculation about a possible reason for the high suicide rate among psychologists and psychiatrists. When these therapists deal with patient problems, they usually focus on the intellectual argumentation that the patient offers in an attempt to diagnose the problem. While the patient is talking about suicide, the therapist's body starts to mirror the patient's body posture *without the therapist's awareness*. Then a chain reaction starts with the physical center, working through the emotional center, finally influencing the intellectual center, at which time, suicide may appear to be a rational option after all. (There are two ways to influence our emotional state. The first is to modify our emotions by willfully assuming a different body posture. The second approach calls for philosophical restructuring—when we change our mental picture of reality, we suffer more or less than we did previously, depending on whether our new picture is further from or closer to being an accurate description of the larger world in which we live.)

One final point needs to be made about the physical brain. Good physical health is vital for the efficient functioning and development of our emotional and intellectual brains. While some courageous souls have triumphed in the face of great physical pain, they are the exception rather than the rule.

To summarize, the function of the physical brain is to perceive information from physical reality and to respond to it quickly. (My body has detected *and* handled threats that my intellect was not aware of until *after* the danger had passed.) Like a salesperson looking for an opportunity, or an infantry point man looking for danger, the physical brain is our first point of contact with the physical world.

The Emotional Brain

Emotions have always been a mixed blessing. We enjoy feeling happy or excited, but those feelings seem to come at the price of being sad and depressed. This seemingly inescapable cycle has caused some philosophers to suggest that our emotions are slave masters. "Nature has placed mankind under the government of two sovereign masters: Pain and Pleasure . . .they govern us in all we do, in all we say, in all we think."³³

Throughout history a battle has been waged against the enslaving forces of fear and desire. Eastern mystics have long prized the ability to experience life from a vantage-point that is free from the influence of these cruel masters. Even modern investment advisors, such as Venita van Caspel, advise strongly that success as an investor requires the ability to sidestep the fear-greed cycle.³⁴ This cycle of fear and greed has the unfortunate consequence of motivating people to buy high and sell low, which is the opposite of the all-time investment tip—buy low and sell high. (Unless you are selling short.) Given that so much energy has

³³ Jeremy Bentham quoted in F.J. Shark, *How To Be The JERK Women Love : Social Success for Men and Women in the '90's* (Chicago, IL: Thunder World Promotions, Inc., 1994), p. 85.

³⁴ Venita van Caspel, *The New Money Dynamics* (Reston, VA: Reston Publishing Company, Inc., 1978), p. 119.

been directed toward the pursuit of pleasurable feelings and the avoidance of painful ones, we might do well to understand what they mean and where they come from.

The best way I know to define emotions is by observing what they do.

In general, our emotional response to a situation is an indication of whether it promises to satisfy our desires or threatens to justify our fears. Stated differently, emotions produce “lightening-like estimates of the things around you, calculated according to your values.”³⁵ In short, our emotional responses indicate how events in our lives correlate with our values and expectations.

An aspect of emotional life that is all-pervasive is something we call “self-image.” Just as we judge other people and situations according to our desires and fears, we also judge ourselves according to how we measure up against our mental picture of how we *should* be. Maxwell Maltz, the author of *Psycho cybernetics*, got interested in what has come to be called “self-image psychology.” After he had several beauty contest winners come to him for cosmetic surgery, he started to wonder what was driving these women. The world had already formally recognized their beauty, but apparently they could not believe it themselves. Mr. Maltz was to later conclude that these women were not alone— he concluded that fully 99% of the population also had a poor self-image.

A poor self-image indicates that we have fallen short of an ideal we have consciously or unconsciously accepted for ourselves. It has been said that if we can live up to our ideal we are life’s master, but if we cannot, we are life’s slave. Sometimes we do fall short of reasonable ideals and some change of our behavior is in order, but very often, like those poor women wanting cosmetic surgery, our ideals are so extravagant that we are destined to come up short.

When we are dogged with a persistent sense of unworthiness we often make only half-hearted efforts toward attaining our goals. Another consequence of that nagging sense of unworthiness is a tendency to act like Gurdjieff’s allegorical horse which is “ready to surrender itself completely to anybody who gives it the slightest caress.”³⁶ (Yours truly has surrendered more than once.)

Educating the Emotional Brain

Earlier I mentioned that there are two ways to restructure our emotions. The first is to intentionally change our body posture to a posture that reflects how we *want* to feel. (If you want an idea of how someone else feels, imitate his or her body posture.) If one adopts a new set of body postures for a long enough time, one could conceivably change one’s emotional habits as well. However, the outcome of using this method is quite uncertain.

The second method is to consciously understand our values and the expectations we place on reality as a result of holding those values. This method will have more lasting results because the more our values and expectations are in alignment with reality, the less cause we will have for being upset or for feeling miserable in general.

When I was in school, the primary focus of education seemed to be on developing our intellectual brains by memorizing disconnected scraps of data. There was also an emphasis on developing our physical brains through sports

³⁵ Ayn Rand, *Philosophy: Who Needs It?* (New York: Penguin, Inc., 1982), p. 6.

³⁶ G.I. Gurdjieff, *Op. Cit.*, Vol. 3, p. 358.

and physical education. However, little concern was given to nurturing and training our emotional brains.

In previous centuries, philosophers were supremely confident in the mind, and they saw emotions as an annoying impediment to clear observation. Since the 1800s there has grown a backlash against this belief in the *supremacy of reason*. Since then, the doctrine of the supremacy of reason has lost ground steadily to a new doctrine that proclaims the *supremacy of feeling*. Thinking has come to be regarded as a sterile activity while emotion has been declared by some to be the elixir of life itself. (The last few decades has seen this trend accelerate.)

Unfortunately, for all the talk about the importance of emotions, the idea of *training our emotions to contribute to our well-being* has not surfaced as yet. Of course, as long as we believe that emotions automatically give us correct assessments about the world around us, the idea of training them will seem absurd. Consequently, whereas we previously denied our feelings, we now pander to them.

The uncritical worship of our emotions has practical consequences that affect the quality of our everyday lives. Life's problems require creative and well thought-out solutions. To simply *demand*, with fervent feeling, that *someone else* should fix our problems is to abdicate personal responsibility. As more people make demands and fewer people do the work, the quality of life must of necessity decline. If we are to truly master our lives, reason and feelings must work together. To sacrifice either in favor of the other has unhappy consequences.

One example of the consequences of this split is the dichotomy we see between science, and religion and politics. For decades now, scientists have been pursuing mastery over the physical world without considering which values such mastery should promote. (To be fair, there have been some dissident scientists.) Consequently, many inventions have been created by those for whom reason is primary, only to be used by those for whom feelings are primary.

In America, an alarm is being sounded by some that education is failing to develop intellectual skills and discipline. They are warning us that in a world where problems "just happen" and where "somebody" must fix them, we are not giving our children much hope for the future. "If we do not give them the language and thought in which they might genuinely clarify some values, they will do their clarifying with sledgehammers"³⁷ and spray paint. When people fail to express potency in life through creative acts, they will frequently express their potency through destructive acts.

Are Emotions for Indulgence, Suffering, or Guidance?

This leads us to the question: what is the function of the emotional brain? Most often we use it for judging our experience moment by moment. And depending on how things look at any given moment, we are either imbued with hope or filled with despair. For some, emotional distress is a badge of honor because it shows what caring human beings they are. For others, emotions are their primary form of recreation, believing that unless they are feeling *something* strongly, they might as well be dead. Still others are simply dominated by their

³⁷ Richard Mitchell, *Less Than Words Can Say*, (Boston MA: Little, Brown & Company, 1979), p. 95.

emotions without any thought that other options might be available. For them, emotions just are.

Fortunately, another option is available. When I was reading about Fritz Perls and Gestalt therapy, I was impressed with his idea that a therapist should risk emotional involvement with patients. Instead of trying to be completely detached, the idea was for the therapist to allow personal emotional reactions to a patient, and then to observe those reactions. By watching personal emotions, as well as the patient's words and actions, much more information can be gained which will, in turn, hopefully improve the therapeutic outcome. (This approach is useful for us non-therapists too.)

This, of course, implies a great deal of self-knowledge. We must first understand how our value systems and emotional reactions are wired together. Only then can our emotions be depended on to be a reliable guide for understanding the subtleties of situations in which we find ourselves.

Emotions Provide Valuable Guidance if We Will Listen

Once we realize that emotions are statements about our *evaluations* of reality rather than direct statements about reality itself, we will have more control over our emotional lives. Emotions are best used as a barometer to tell us how the present moment promises to either manifest our dreams or justify our fears. Naturally, if it looks as though our dreams will come true, we experience pleasant emotions. If it appears otherwise, we experience unpleasant emotions.

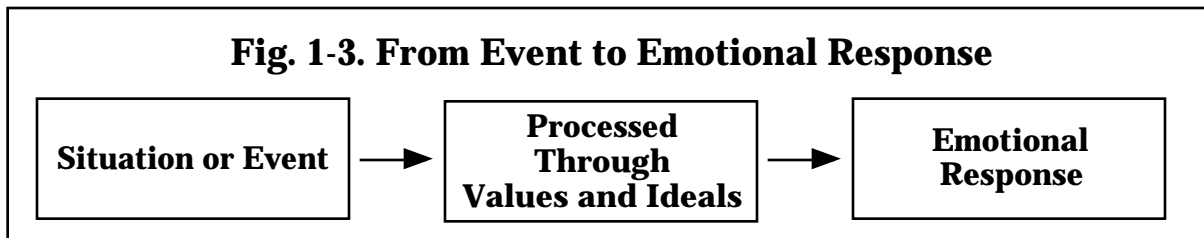
A great deal of freedom can be gained by understanding that emotional responses are simply reflections of our values and expectations. It is common for people to learn through bitter experience that what we want may not be what is best. Throughout the ages many wise men have suggested that "when the gods are angry with us, they give us what we want." Just because something evokes a pleasant response in us does not automatically mean it will be good for us, and just because something else evokes an unpleasant response in us doesn't mean it is necessarily harmful. In fact, people often get their emotional wires crossed, and find themselves pursuing things that are harmful, or even fatal, to them.

A common example of crossed emotional wiring is found in the case of women who go from one abusive relationship to another. While they suffer greatly in that type of relationship, it is still the only place they feel safe. More than one therapist has commented about how a woman patient with a history of abuse would terminate beginning courtships with nice and respectful men because, "somehow, it just didn't feel right."

There are several theories about why this happens. The most popular theory says these women have a poor self-image. Not believing they deserve better, they either settle for or even seek out abusive men. Another theory suggests these women may have survived abuse as children, and somehow their minds have learned to equate *abuse* with *survival*. The suggested unconscious logic works as follows: "I was abused during my childhood and I survived. Therefore, as long as I am abused, I know I will survive." To these theories, I add a theory I call *The 5,000 Year-Old Con Game*—the *morality of sacrifice* which insists that the benefit of one person can only be had at the expense of another. This theory will be explored in detail in *Chapter 3*. All of these theories suggest our emotional

reactions to the outer world are not, by themselves, infallible guides to successful and happy living.

To sum up what we have considered thus far, a picture of the relationship between events and our emotional reactions to them might look something like *Figure 1-3*:



If our emotions are to be our friends and servants rather than our enemies and masters, we need to become consciously aware of what our values and ideals are. This way, if we find any self-defeating ideals lodged deeply into our value systems, we can root them out.

Another benefit of using our emotions as a tool of perception, rather than as a tool of judgment, is that our ability to perceive subtleties in the environment around us will improve. Recalling the concept of the *speed of centers* we explored earlier, and noting that the emotional center operates much faster than the intellectual center, we can find ourselves blessed with new possibilities. Once we are aware of the relationship between situations and our emotional responses to them, we can gather subtle information from the world around us because our emotions tend to work faster and pick up more information from our immediate surroundings than our intellectual center.

Our emotional center/brain can either be an enemy or an ally. If we use it as a self-righteous seat of judgment without any thought of where those judgments come from, it can make both our inner and outer lives difficult. On the other hand, if we use our emotional brain as a fine-tuned receptor of subtle information, the quality of our lives will improve.

The Intellectual Brain

Thus far we have explored the functions and work of the physical and emotional brains (or centers). Now we are ready to consider the role of the intellectual brain and the process of reasoning that sets humans apart from other species.³⁸

Unlike some philosophers from the past, I do not propose that the only part of us worthy of the status of *human* is that which is *not-human*. “[T]he fact that mothers are seldom interested in Kantian ethics . . . probably says less for Kant than it does for mothers.”³⁹ Our possession of an intellectual brain in no way

³⁸ Some scientists have declared that man is a “tool-making animal” and insist that it is the use of tools that separates humans from other species. Given that other species use tools, I would like to offer an even more fundamental difference between humans and other species—the reasoning brain.

³⁹ Carol McMillan, *Women, Reason and Nature* (Princeton: Princeton University Press, 1982), p. 54.

diminishes the importance of the other two. Without the support of the first two brains, there is no way the third one could exist on this planet..

It was mentioned earlier that it is difficult to determine with absolute certainty the exact location of each brain. All the brains share the use of our senses to gather information in order to perform their respective tasks. Once again, for the purpose of this book, it is sufficient to accept the popular wisdom which locates the intellectual brain in the gray matter which is tucked neatly into our skulls. (Some people get headaches when they think. This observation, by itself, is an inadequate proof. After all, when I think, other people get headaches.)

The primary function of the intellectual brain is a process we call thinking. However, thinking can be done efficiently or inefficiently. We can either accept information at face value without trying to attach any kind of meaning to it, we can hastily put together loose correlations and make them pass for understanding, or we can rigorously attempt to trace cause and effect relationships and then check and re-check our proofs. The quality of our lives depends in large part on which of these three options we choose most frequently.

Perceptual Thinking and Conceptual Thinking

There are two basic modes of thinking: *perceptual* and *conceptual*. Gurdjieff speaks of “‘mentation by thought,’ in which words, always possessing a relative sense, are employed; and the other kind, which is proper to all animals as well as to man, which I would call ‘mentation by form’.”⁴⁰ Perceptual thinking is equivalent to “mentation by form” and conceptual thinking is equivalent to “mentation by thought.”

Perceptual thinking, in its most basic form, is illustrated well by an historian named Tobias Dantzig:

A squire was determined to shoot a crow which made its nest in the watch-tower of his estate. Repeatedly he had tried to surprise the crow, but in vain: at the approach of man the crow would leave its nest. From a distant tree it would watchfully wait until the man had left the tower and then return to its nest. One day the squire hit upon a ruse: two men entered the tower, one remained within, the other came out and went away, but the bird was not deceived: it kept away until the man within came out. The experiment was repeated in the succeeding days with two, three, then four men, yet without success. Finally, five men were sent: as before, all entered the tower, and one remained while the other four came and went away. Here the crow lost count. Unable to distinguish between four and five it promptly returned to its nest.⁴¹

Since then, this type of thinking has come to be called “crow epistemology.” The above story demonstrates well the limitations of *perceptual thinking*. When humans turn off their “chatter box” and focus only on the forms without trying to describe them through language, they discover they can only “count” seven or eight items before their minds go blank. With only perceptual awareness, humans can count seven or eight hunters before being surprised by that last hunter waiting in the tower—not much better than the crow’s performance.

⁴⁰ G.I. Gurdjieff, *Op. Cit.*, Vol. 1, p.15.

⁴¹ Tobias Dantzig, *Number, The Language of Science* (New York: The Macmillan Company, 1930), p. 3.

Humans, under the same circumstances can survive much longer because of their capacity for conceptual thinking. Thanks to the language we call “numbers,” we can progress from perceptual thinking to conceptual thinking in relation to quantity. “It has been said that an animal can perceive two oranges or two potatoes, but cannot grasp the concept ‘two’.”⁴² Given enough time for counting, we can have one-million hunters go into the tower, see 999,999 come out, and know there is one hunter still waiting for us.

The possession of language alone, however, does not automatically elevate humanity from the level of perceptual consciousness to the level of conceptual consciousness. The blind acceptance of conventional thinking without any attempt to check its premises is, in effect, perceptual thinking even though words are being used.

In all fairness, few people are totally devoid of conceptual capacity, and of course, nobody completely avoids lapses into perceptual thinking. It is safe to say that people’s thinking capacities cover the range—some being almost total automatons, others being extremely conscious and aware, and most of us being somewhere in between.

Earlier, it was noted that the concept of numbers—the language of quantity—contributes greatly to our survival potential. Quantity, however, is only one component of a description (or a definition). Various philosophies have attempted to list all *aspects* or *categories* of a description. Aristotle, for instance, suggested ten aspects, or “categories”: “1) Essence—(this shows what a thing is), 2) Quantity, 3) Quality, 4) Relation, 5) Place, 6) Time, 7) Situation, 8) Possession, 9) Action, and 10) Passion.”⁴³ Of course, this is only one of a number of ways to define the different aspects of a definition. “The problem of the precise meaning of the term ‘category’ with Aristotle was quite extensively discussed in the past, and is still the object of contemporary investigations.”⁴⁴

While perceptual thinking may or may not use language, conceptual thinking *requires* the use of language. Consequently, our next subject must of necessity be the structure and use of language.

Language—Our Primary Tool for Thought and Comprehension

Language is the primary tool used by our minds to comprehend the nature of reality. When our language is clean and precise, so is our ability to meet the challenges presented by nature. On the other hand, when our language is confused and muddled, the world around us will seem to be confused and muddled as well. Therefore, it is important for us to take some time to consider the nature and function of language.⁴⁵

⁴² Ayn Rand, *Introduction to Objectivist Epistemology* (New York: NAL Penguin, Inc., 1966), p.19.

⁴³ Anton Dumitriu, *History of Logic*, Vol. I (Kent, England: Abacus Press, 1977), p.154.

⁴⁴ Anton Dumitriu, *Ibid.*, p.153.

⁴⁵ Many Eastern traditions insist that our “monkey minds” are the primary cause of suffering. Hence, they advise us to learn to stop thought. Willfully expanding and shrinking our conceptual universe is effective for putting our problems into perspective, however, were we to develop more adequate conceptual frameworks in the first place, we would not have so much suffering to put into perspective.

We Need to Define Our Terms

Language is made up of words, sentences, paragraphs, chapters, books, volumes, and according to some, even higher over-arching symbols. Each word represents a concept. A sentence joins together a series of word-concepts to form a larger sentence-concept. A paragraph, in its turn, joins together a series of sentence-concepts to form an even larger concept. And so goes the upward progression. However, no matter how far up the conceptual ladder we climb, the end result will not likely be any better than the clarity with which we use individual words.

Because every word has at least one definition, the first question we need to ask is, what is the definition of the word, *definition*. In the *American Heritage Electronic Dictionary*, two attempts have been made to help us understand the function of words: “1. The act of stating a precise meaning or significance. 2. The statement of the meaning of a word, phrase, or term.”⁴⁶ These definitions are somewhat obscure, but they give us a good starting point.

Ideally, a word helps us pinpoint a specific phenomenon in either the world of nature or in the world of ideas. In Indian logic, “A definition . . . is an exact enunciation of the characteristic points . . . of [a] defined object . . . which allows us to distinguish it from any similar or dissimilar object.”⁴⁷ Stated differently, “everything that gets a name gets it because we can perceive that everything else is *not* that thing.”⁴⁸

A word should either describe one object or idea, or, having failed to do so, it should be assisted with additional descriptions that help us further isolate the object or idea we are referring to from any other object or idea. An example of this is the English word “hot.” In English, we must use adjectives in order to differentiate between *temperature-hot* and *spicy-hot*. In Thailand, they have two totally different words for these two types of “hot.” Temperature-hot is *lon* and spicy-hot is *pet*. Of course, given that adjectives are available, separate words are probably more a matter of convenience than of necessity. Nevertheless, it is important to know what we are doing with words so we can use them more efficiently.

Words not only help us store ideas in our mind, they act like signs, giving directions or warnings. “That which is to function as a sign must not only be lower in rank and value, it must be closer and more accessible than the designate. The order is: first the sign, then the designate. The vicious dog lying before the sign, ‘Beware of the dog’ renders impotent, so to speak, the sign which was to give warning of him.”⁴⁹ Perceptual awareness helps us deal with today’s vicious dog, but we must progress from perceptual consciousness to conceptual awareness with the help of language if we are to “deal with the lion that was and the lion that will be, even the lion that *may* be.”⁵⁰ (Or the vicious dog that was, or will be, or even may be.)

⁴⁶ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

⁴⁷ Anton Dumitriu, *Op. Cit.*, p. 64.

⁴⁸ Richard Mitchell, *Op. Cit.*, p. 34.

⁴⁹ Erwin Straus, M.D., *Primary World of the Senses*, Translated from German by Jacob Needleman (New York: The Free Press of Glencoe, 1963), p. 149.

⁵⁰ Richard Mitchell, *Op. Cit.*, p. 35.

Poorly Defined Terms Exact a High Price

Back in 1982, long before I knew that the study of epistemology existed, I stumbled onto epistemological principles while pondering the meaning of *love*. Before going any further, let me refer to the dictionary so you know I am not making this up: “Epistemology: 1. The division of philosophy that investigates the nature and origin of knowledge. 2. A theory of the nature of knowledge.”⁵¹

Common wisdom says that “love means different things to different people,” and “no two people experience love in the same way.” However, I noticed others around me, not to mention myself, doing a lot of suffering in the name of love. It seemed strange that something so hurtful should be such a prized object. Fortunately, “cynical” statements in different books, such as “we beggar the poor word for kitchen usage and workaday desires,” tipped me off—there were indeed things in “both heaven and earth not dreamt of” in my philosophy.

From these observations, I started to suspect that many things commonly called love would be better referred to by more accurate and concise terms. Any word meaning so many things is also a word that means nothing. With this idea in mind, I set out to catalog all the different feelings, complexes and behavior which march proudly under the banner of love, many of which would embarrass us should they be exposed by the light of reason.

Ultimately, I found five things commonly called *love: desire, pity, guilt, possessiveness* and *projection*. With such a wide range of phenomena taking refuge under a single term, it is little wonder people have such a hard time diagnosing and correcting their emotional problems. (Of course, a lot of work must be done: first, to understand the fallacies we have accepted, and then to practice reprogramming our emotional center so it won’t run away and repeat old patterns. For many people, unfortunately, it is easier to endure the disease than it is to find the cure.)

It is not in the context of this book to fully explore love and intimate relationships, but those who are intrigued by the idea of a systematic approach to love and relationships might wish to inquire about my tapes titled *Your Power to Create Love*.⁵² In time I may rework this material and give it a new title: *Love, Language and Logic*.

To be useful, a word must accomplish two functions. First, it must indicate the category of phenomena within which the thing described fits: *genus*. Second, it must show how the thing described is different from all the others within its genus: *differentia*. One way to visualize this is by way of an analogy using the cross-hairs of a gun sight. In the following diagram, the vertical line represents the genus of like phenomena, and the horizontal line represents the differentia—how it differs from all the other like items. (Please refer to *Figure 1-4* on the next page.)

Allow me, for a moment, the indulgence of quoting my own material on the subject of love:

Once upon a time, human language only consisted of one word: GRUNT! This word was very unique because it meant different things to different people, and no two

⁵¹ *American Heritage Electronic Dictionary, Op. Cit.*

⁵² For more information about these cassette tapes, please write to: Larry Barnhart, 756 Colorado Blvd. #18, Denver, Colorado, U.S.A. 80206

people experienced GRUNT in the same way. Many were self-righteous about their use of the word GRUNT, but when they started mistaking poison for food, which even killed some of them, they decided that a one-word vocabulary offered disadvantages too. Since then, language has been expanded to thousands of words so new ideas can be thought-out and then communicated to others.

In today's scientific world, we still have one final frontier of language development. Instead of the word GRUNT, we now have the word LOVE. People now declare that LOVE means different things to different people and that no two people experience LOVE in the same way. Of course, just like in the "good old days," people suffer from mistaking emotional poison for emotional food, with many becoming sick, and some even dying. Now, like then, we need to challenge the validity of catch-all terms like GRUNT and LOVE.⁵³

In the realm of the physical sciences, great strides have been made. However, in the realm of human relationships, we have not progressed much beyond the Dark Ages. And while language has expanded greatly, it has not always been to our benefit.

"Finding apt words to express one's thought is like shooting at a target,"⁵⁴ but it often happens that "it is our words that hide reality."⁵⁵ Our mission, then, is to learn how to walk on the edge of an "epistemological razor: *Concepts are not to be multiplied beyond necessity, nor are they to be integrated in disregard of necessity.*"⁵⁶

In my analysis of "love" I discovered the five things commonly called love which I outlined earlier: desire, pity, guilt, possessiveness and projection. This is not to say we should never feel any of these feelings, but to mistake them for love can be disastrous. Problems are hard enough to solve without hiding them behind *sacred* words. Consequently, like Benjamin Franklin, "I proposed to myself, for the sake of clearness, to use rather more names, with fewer ideas annexed to each, than a few names with more ideas . . ."⁵⁷ (Please consider *Figure 1-4* on the following page.)

Words can cause us a great deal of trauma. One form of trauma comes from accepting "philosophical package deals." In the realm of personal relationships we often hear, "If you loved me, you would . . ." If these unspoken demands which are so often issued in the name of love were articulated, it would become immediately obvious that such demands are often excessive. Most of the time these demands are not articulated, which implies an additional demand for mind-reading. In other words, "If you loved me, you would read my mind. You would automatically know, understand, and agree with my values and act accordingly. And because you have failed, I feel offended and hurt, and now, to prove your love you must suffer my distemper."

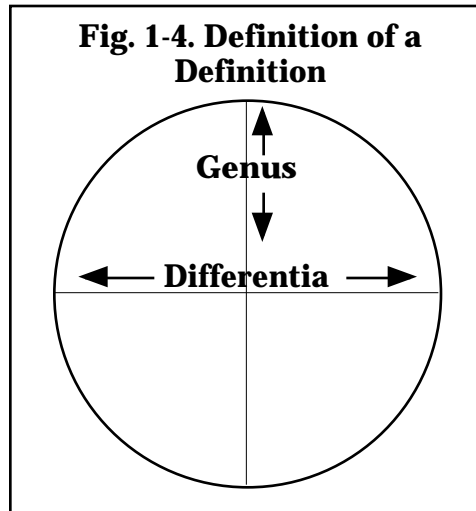
⁵³ Larry Barnhart, "Your Power to Create Love," Article/Advertisement, July 1989

⁵⁴ Hazrat Inayat Khan, *The Complete Sayings of Hazrat Inayat Khan* (New Lebanon, NY: Sufi Order Publications, 1978), p. 28

⁵⁵ *Ibid*, p.126.

⁵⁶ Ayn Rand, *Op. Cit.*, p.115. [Italics original.]

⁵⁷ Benjamin Franklin, *The Autobiography of Benjamin Franklin* (New York: Macmillan Publishing Company, 1962), p. 82.



The Power of Making the Unconscious Conscious

In real life we seldom have the luxury of someone explaining their power strategies to us. However, once the light of awareness exposes the game, it loses its power. When controlling people become aware of their game, some of their energy is absorbed by that awareness, leaving less energy available for playing the game as effectively. As for those being controlled, when they crack the game they can just walk away.

Games of subtlety and power take place in larger social arenas as well as in relationships, often with even worse consequences. In *Chapter 10*, the relationship between philosophical assumptions and social and personal realities will be explored in greater detail.

Ultimately, if we are to use our intellectual capacities to the fullest, we must progress from the perceptual “crow” approach to thinking to conceptual thinking. “Learning is not the accumulation of scraps of knowledge. It is a growth, where every act of knowledge develops the learner, thus making him capable of ever more and more complex objectivities. . .”⁵⁸ “Knowing reality means constructing systems of transformations that correspond, more or less adequately, to reality . . . Knowledge, then, is a series of transformations that become progressively adequate.”⁵⁹

Conceptual Thought is Powerful and Liberating

A couple of years ago I read an article about gifted children. It suggested that these children naturally focus on discovering the conceptual framework that surrounds their subject of study, rather than trying to memorize all of the particulars. Actually, this is a useful strategy for all of us. Once we have learned a formula, we do not have to memorize so many individual details. (As a result of reading this article, I have begun to suspect gifted children are children who

⁵⁸ Quote of Husserl, Rollo May, *Love and Will* (New York: Dell Publishing Co., Inc., 1969), p. 221.

⁵⁹ Jean Piaget, Translated by Eleanor Duckworth, *Genetic Epistemology* (New York: Columbia University Press, 1970), p. 15.

learn to think conceptually in spite of an education system that wants people to think perceptually.)

For instance, once we have learned our times tables, we do not need to memorize the answer to 141 times 2,377. We simply apply the formula of basic multiplication to our problem and come up with the answer—335,157—when we need it. And if we never need it, we have not lost precious time memorizing the answer “just in case.” The good news is that we ordinary mortals can *learn* to do what gifted children do naturally.

This problem becomes very apparent to me sometimes when I am teaching someone how to use a computer. I will try to explain the theory, or larger concept, behind what they are attempting to do, and they will say, “just tell me what keys to hit.” Of course, I will then honor their request, but invariably, they very quickly end up hitting a wall soon after I leave.

There is a story about a doctor at medical school who was giving an introductory address to a new class. At one point he said, “I can teach you how to perform an appendectomy in fifteen minutes, but it will take me four years to teach you what to do in case something goes wrong.” If we wish to be able to solve problems as we go, and to even make knowledge self-generating, we must work to rise from perceptual awareness to conceptual awareness.

There Is More to Knowledge Than "Head Stuff"

Our intellectual brain is not our only storehouse of knowledge. A great deal of knowledge is stored in our physical and emotional centers, not to mention our “unconscious” or “subconscious minds.” This means that a large percentage of the knowledge we need for survival is not easily accessed for scrutiny by our conscious mind. Consequently, we are often surprised to find people who might be considered dull or unexceptional accomplishing great things and rendering valuable services to others.

Up to this point, we have surveyed the three “brains” humans possess, and how each has its own vital functions to perform. While everyone possesses all three, one brain or another is usually dominant in people. For some, the physical brain is dominant; for others the emotional brain is dominant; and for yet others, the intellectual brain is dominant.

Earlier it was noted that as individuals we live better if we let each brain do its right work. The same is true of society. Different people, according to their dominant brain, are suited for different types of work. This means that society will work better if people are encouraged to be of service according to their inclinations. “A culture that esteems philosophy no matter how poorly conceived and disdains plumbing no matter how well performed will soon discover that neither their pipes nor their theories will hold water.”⁶⁰

Throughout history intellectuals and “common folk” have shared a contempt for each other. This rivalry has been short-sighted on the part of both groups. Both sides need to learn to accept themselves and to respect each other because neither group has the whole picture.

⁶⁰ I have been looking for the source of this quote for some time now. If you know of it, please share it with me. Thanx!

Culture and Tradition Add to the Store of Knowledge

To the three brains discussed thus far, we can add the factors of tradition and culture. F.A. Hayek summed up the idea that knowledge is more than just a “head trip”:

The growth of knowledge and the growth of civilization are the same only if we interpret knowledge to include all the human adaptations to environment in which past experience has been incorporated. Not all knowledge in this sense is part of our intellect, nor is our intellect the whole of our knowledge. Our habits and skills, our emotional attitudes, our tools, and our institutions—all are in this sense adaptations to past experience which have grown up by selective elimination of less suitable conduct. They are as much an indispensable foundation of successful action as is our conscious knowledge.⁶¹

The Intellectual’s Role in Society

Although the rational and effective use of our intellectual center is important, we must remember that if we use thought as a substitute for action rather than as a *guide* for action, we may well end up like our professor friend:

Nasrudin sometimes took people for trips in his boat. One day a fussy pedagogue hired him to ferry him across a very wide river.

As soon as they were afloat the scholar asked whether it was going to be rough. “Don’t ask me nothing about it,” said Nasrudin.

“Have you never studied grammar ?”

“No,” said the Mulla.

“In that case, half your life has been wasted.”

The Mulla said nothing.

Soon a terrible storm blew up. The Mulla’s crazy cockleshell was filling with water. He leaned over towards his companion.

“Have you ever learnt to swim ?”

“No,” said the pedant.

“In that case, schoolmaster, ALL your life is lost, for we are sinking.”⁶²

This story leads us to an important question: will the world fare better if it is micro-managed by fussy pedagogues, or should the average person be allowed a voice at times other than just election time?

This will not be an easy question to answer. Neither the common person nor the intellectual fares well under careful scrutiny. Thoreau had a point when he declared that “even if a million people believe a silly thing, it is still a silly thing.” However, the focus of intellectual leaders on the use of their intellectual brain has not automatically immunized them from believing silly things. Once again, “De Tocqueville, the prophet of early American democracy, was acid in recording the practices of the French royal bureaucrats who would come around in the spring and tell the farmers how to plant their potatoes, and then arrive again in summer to tell the farmers to dig them up again because they had

⁶¹ F.A. Hayek, *Law, Legislation and Liberty*, Vol. I (Chicago: University of Chicago Press, 1973), p. 19.

⁶² Indries Shah, *The Exploits of the Incomparable Mullah Nasrudin* (New York: E.P. Dutton, Inc., 1966), p. 18.

discovered that there was a better way to do it.”⁶³ In today’s universities we see the spectacle of professors demanding the right to coerce their values upon others while they simultaneously pay homage to “Cultural Relativism.” (Maybe what they are really saying is that all values are of equal value, and therefore relative—except theirs.)

Regarding issues such as government in general and world government in particular, we are confronted with one key question: Where should freedom for the average person end, and where should the “guidance” of the intellectual begin? This issue, along with similar issues, will be explored slowly and systematically in the chapters to come. Were the answer easy, we would have found our way back to the garden long ago, and I would not have written this book.

⁶³ William Tucker, *Op. Cit.*, p. 208.

Chapter 2: The Process of Wealth Creation

In the introduction it was pointed out that because we live in material bodies, we must convert raw materials into consumable goods. This is because our bodies require feeding on a regular basis and they must also be maintained within an acceptable temperature range. I call these demands placed on us by nature our *metaphysical slavery* because this is the price of survival. The only other option is death. (The concept of metaphysical slavery will be explained further in *Chapter 3*.)

Wealth is defined by the Dictionary as follows: “1. An abundance of valuable material possessions or resources; riches. 2. The state of being rich; affluence. 3. A profusion or abundance. 4. *Economics*. All goods and resources having economic value.”⁶⁴ The first three definitions portray common usage’s of the term wealth, meaning comparative abundance. The last definition is the economist’s definition—anything that sustains human life is considered *wealth*. Converting raw materials into consumable goods is therefore called *wealth creation*.

This chapter will stick with the economist’s usage of the terms “wealth” and “wealth creation” for two reasons. First, even life at a bare subsistence level indicates that some wealth creation has taken place. (Even the poor are “rich” compared to those presently dead or yet unborn.) Second, wealth creation is not an accidental phenomenon. People have even been known to work up a sweat in the process of wealth creation. In the common vernacular, “wealth creation” is simply “making a living.”

The subjects we will cover in this chapter are: *the complexity of simple production processes, the four components of the production process, the production process and the human life cycle*, and finally, a look at *exploitation and the production process*.

The Complexity of “Simple” Production Processes

Harking back to Thomas Paine’s quote,⁶⁵ let’s look at what is involved in converting raw materials into the goods and services many of us take for granted. When making even the simplest products, a great deal of knowledge is required. The best summary of the complexities of production that I know of is an article

⁶⁴ *American Heritage Electronic Dictionary* (Sausalito, CA: Writing Tools Group, Inc., 1991).

⁶⁵ “. . . though the *surface* of the earth produce us the *necessaries* of life, yet ‘tis from the mine we extract the *conveniences* thereof.” Thomas Paine, edited by Moncure Daniel Conway, “Useful and Entertaining Hints”, *The Writings of Thomas Paine* (New York: G.P. Putnam’s Sons, 1894), p. 23

titled, “I, Pencil—My Family Tree As Told to Leonard E. Read.” Early in Mr. Read’s article, his impetuous pencil declares, “I, Pencil, simple though I appear to be, merit your wonder and awe, . . . *not a single person on the face of this earth knows how to make me.*”⁶⁶

Of course, this is a boastful claim that deserves to be challenged. Surely, with very little reflection, we should be able to divine the mysteries of such a simple thing as a pencil! What are the essential components? Wood, paint, lead, rubber, and a thin metal band. This can’t be too complex. Let’s consider them one at a time.

Let’s start with wood. Straight-grained cedar trees are cut down in Northern California and Oregon, and then shipped to a mill. There they are “cut into small, pencil-length slats less than one-fourth of an inch in thickness. These are kiln dried and then tinted . . . waxed and kiln dried again.”⁶⁷ From here they are shipped from California to Pennsylvania only to be “given eight grooves by a complex machine, after which another machine lays leads in every slat, applies glue, and places another slat atop—a lead sandwich, so to speak.”⁶⁸

How about the paint? The pencil is coated with six coats of lacquer and then labeled with “a film formed by applying heat to carbon black mixed with resins.”⁶⁹ The development of lacquer spans thousands of years. Initially, people depended on nature directly for their materials, but today it is made of synthetic materials as well as linseed and/or castor oil. How many people, with their lifetimes of knowledge are involved in just the creation and application of lacquer? Add to that the skill and technology behind applying labels in such a way as to not quickly rub off onto children’s fingers!

Next is the lead. In reality it is not lead—it is graphite “mixed with clay from Mississippi in which ammonium hydroxide is used in the refining process. Then wetting agents are added such as sulfonated tallow—animal fats chemically reacted with sulfuric acid. After passing through numerous machines, the mixture finally appears as endless extrusions . . . cut to size, dried, and baked for several hours at 1,850 degrees Fahrenheit. To increase their strength and smoothness the leads are then treated with a hot mixture which includes candelilla wax from Mexico, paraffin wax, and hydrogenated natural fats.”⁷⁰ Of course there is much more knowledge that goes with making pencil lead. Grolier’s Encyclopedia, under “Carbon”, notes that the hardness of the lead is determined by how much clay is put in the mixture. No doubt the variables are endless, and so is the knowledge required.

Next is the eraser. Did you know that British scientist Joseph Priestly, observing this elastomer’s ability to rub out pencil marks, gave rubber its English name? However, in modern erasers, “An ingredient called ‘factice’ is what does the erasing. It is a rubber-like product made by reacting rape seed oil from the Dutch East Indies with sulfur chloride. Rubber, contrary to common notion, is

⁶⁶ Leonard E. Read, “I, Pencil—My Family Tree as Told to Leonard E. Read,” *Imprimis*, December 1983 (Hillsdale MI: Hillsdale College). [Italics original]

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ *Ibid.*

⁷⁰ *Ibid.*

only for binding purposes. . .The pumice comes from Italy, and the pigment which gives ‘the plug’ its color is cadmium sulfide.”⁷¹

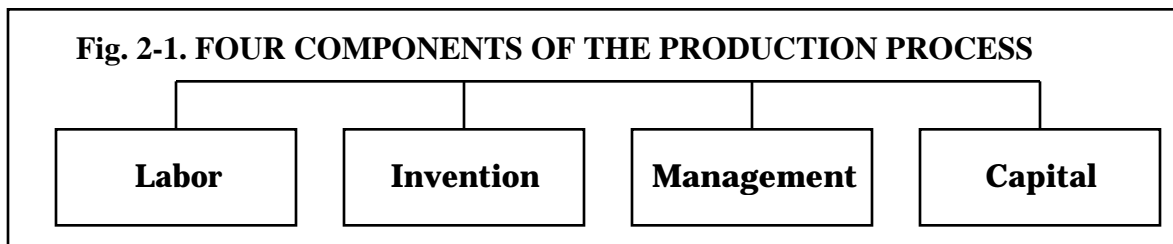
Finally, we get to the thin metal band, or the brass “ferrule.” Brass is an alloy of zinc and copper, which means both metals must be mined, smelted, and shaped into that thin flat shape. Many people and lots of equipment are used for those processes. As for the black rings around the ferrule, they are black nickel. “What is black nickel and how is it applied? The complete story of why the center of my ferrule has no black nickel on it would take pages to explain.”⁷²

Thus far, we have focused only on the direct production of the pencil itself. This does not include the services and products consumed by those who make the pencil: food, shelter, and ideally a few luxuries to provide the inspiration needed for people to return to work the following day. Leonard Reed wrote “I, Pencil” to demonstrate the complexity of the production process with the intention of demonstrating just how much of a challenge central-planning ideologues are facing.

The Four Components of the Production Process

Now that we have established the complexity of the production process by considering something relatively simple like a pencil, we are ready to look at its four components: *labor*, *invention*, *management* and *capital*. These components of production exist regardless of which political system prevails. Ideology can change how we address the demands of nature, but it cannot change the demands themselves. Therefore, it is useful to survey the basics because they will provide a foundation upon which a better understanding of subjects like economics and government can be developed later.

Figure 2-1 below gives us a visual overview of these four components. In the following paragraphs, each component will be examined individually.



Because each type of labor represents work performed in the past, present or future, they will be referred to as *physical labor*, *invention-labor*, *management-labor*, and *capital-labor* throughout this chapter. By the end of this chapter it should become clear that defining people as enemies simply by their place in the production process is the result of fallacious reasoning.

⁷¹ *Ibid.*

⁷² *Ibid.*

Physical Labor

According to Karl Marx, “labor” was the victim, and “capital” was the oppressor. This made “capital” an enemy to be dethroned. In the book, *Political Economy*, Mr. A. Leontiv argues in defense of Marx’s theory of “Surplus Labour and Surplus Value”.

Upon what does the value of a commodity depend? Some commodities are dear, others cheap. What is the reason for this difference in value? Use values of commodities differ so widely that they cannot be compared quantitatively. For example, what is there in common in the use of pig iron and roast beef? Consequently we must look for the secret of value not in use value but in something else. Marx says: “If we then leave out of consideration the use value of commodities, they have only one common property left, that of being the products of labor.”⁷³

In the above statement, “use value” is not debunked because it is not real, but simply because it is impossible to quantify.

Now that we have conveniently discarded the “use value” of a commodity, we still have to deal with the “price of a commodity” which may be above or below its labor value. Of course, if the price is above the labor value, then we are confronted with the evil P-word: *profit*.

To return to our example . . . the capitalist will pay his workers a sum of money equivalent to 500 hours of labour.

Let us now total up. The capitalist’s expenditures then amount to $3,000+500=3,500$ hours. But the value of the commodities, as we have seen, was $3,000+1,000=4,000$ hours of labour.

Where does the capitalist’s profit come from? It is now easy to answer this question. The profit is the fruit of the unpaid labour of the workers. This profit is the fruit of the additional or, as it is called, the *surplus labour* of the workers, who during 5 hours of the day produce a value equal to their wages and during the other 5 hours produce *surplus value* which goes into the pockets of the capitalist. The unpaid portion of labour is the source of surplus value, the source of all profit, all unearned revenue.⁷⁴

From this, we would conclude that only physical labor deserves reward. The 3,000 hours of capital-labor which was directed toward tool creation instead of immediate consumption apparently does not deserve reward. Nor does the management-labor which found the market, and organized resources, capital and labor in order to meet the demand of that newly discovered market. (Invention-labor was not mentioned at all.)

As this section on the four different types of labor progresses, it will become apparent that it is hard to find instances of people who are limited to purely physical labor. Creativity, organization and tools are found in all aspects of human productive activity (as they should be).

⁷³ A. Leontiv, *Political Economy* (San Francisco: Proletarian Publishers, ???), p. 55. (There was no copyright date shown on the book. Page 24 made reference to “the U.S.S.R. is victoriously carrying out the even greater task of the Second Five-Year Plan . . .” This would put the time of writing between 1932 and 1935. According to the introduction, Mr. Leontiv was said to be an instructor of the Marxist-Leninist University in Moscow.)

⁷⁴ *Ibid.*, p. 88.

There is a common misconception that needs to be cleared up. Much conceptual damage has been done by using the terms “wages” and “prices” as though they were totally unrelated. Also, for some reason, wages are not considered to be profit. In reality, what we call wages is simply the price of labor. What we call a paycheck is also the profit we make for labor we perform for an employer. Just as the employer would like to sell his product for a high price with no investment, so would most employees like to receive a nice check for only thinking about showing up to work. As it turns out, nature respects the wishes of neither the employer or the employee.

What is labor but the opposite of leisure? If we choose to sell our labor, we have decided the pay we receive is more valuable than the leisure we have given up for it. (However much we might grumble about it.) While it is common for people to see themselves working for businesses as “employees,” it may be more useful to think of ourselves as being in the business of offering “labor services.” Instead of being an employee, with all the dependency and servitude that title implies, we become subcontractors, or better yet, fellow business-people. Hence, our paycheck is our profit from having invested what would otherwise have been leisure time. (Also, if we manage our personal lives better, more like a business, we can establish ourselves in a stronger position in relation to our employers. When I was in the military—where I couldn’t leave and they couldn’t fire me—I noticed that my confidence and negotiating power at work improved when I had savings in the bank. In general, having a reserve allows us to take more risks.)

Invention-Labor

Now we are ready to consider the second component of the production process: invention. Innovation is very fascinating. It presumes we have already met our basic needs and have time and resources to spare. It also presumes a belief that it is possible to find better and more efficient ways to do things. Finally, we must have the freedom to experiment with and apply new ideas, and the motivation which comes from the hope for future reward. With these factors in mind, let’s consider why human development has been so slow and arduous throughout history.

The first condition of invention is having free time left over after we have met our basic needs. As one speaker put it, “we must take time out from chopping wood to sharpen the ax.” Taking this idea one step further, we need to stop chopping wood and sharpening axes long enough to invent saw mills, chain saws and other tools.

The second condition necessary for invention is the *belief* that it is possible to improve the way we do things. This requires a belief in our own ability to solve problems, and a belief that our culture will allow us to benefit from our efforts. I mention this second point because in my younger years I was always experimenting with new ideas for doing things better. However, as I researched the patenting process, I discovered companies routinely requisition copies of patent applications, start producing the product ideas they like, and then use the profits to pay a battery of lawyers to fight the inventor. Not having factory owners in my sphere of influence, I stopped inventing for reasons other than for my personal convenience.

This leads us to the third condition necessary for invention—the freedom to create. Around 100 A.D., a man named Hero invented the first steam engine.⁷⁵ Although it was crude, it did harness steam power. According to some sources, it was used to open and close temple doors, keeping them unsoiled by human hands.⁷⁶ From such an early beginning, one can't help but wonder where humankind might be, had people been able to continue the steam engine's development. In any case, another 1600 years had to pass before the steam engine was developed any further.

During Hero's time, slavery was an established and respected institution. "The abundance of cheap labor, including much slave labor, was certainly a disincentive to the development of power-driven machinery."⁷⁷ The institution of slavery—the ownership of one human being by another—cannot be anything but stultifying. The slaves, who had the greatest need for innovation, were forbidden creative activity. The slave holders, who had the freedom for creative expression, did not have the need. Consequently, where slavery is pervasive, old ways of doing things can persist for centuries.

In America, the old South enjoyed the institution of slavery until the Civil War. Conditions were not ideal in the North either, but there was still greater freedom for ordinary people to develop new ideas, and many people went from extreme poverty to wealth in a matter of decades. Today, as we enter the Third Millennium, the North still enjoys higher average incomes than the South. In the short-run, the slave-holders may benefit, but in the long-run everyone loses. When the whole of history is considered, one can only wonder how many thousands of George Washington Carvers have gone to the grave with their creativity still locked up inside.

To illustrate the value of invention-labor, let's consider this scenario. In this story we have two men who spend their days working at the same factory. One man partied in his spare time and saved nothing for the future, while the other man spent all his spare time and money in his basement developing a revolutionary new idea. After a period of twenty years passed, the inventor introduced his idea, and within a couple of years made three-million dollars. Of course, the partier was still living from paycheck to paycheck.

Advocates of social justice will often look at these two outcomes and assume that it is inherently unfair. "The rich plan for future generations while the poor only plan for Saturday night," laments these advocates for the poor. What is not discussed, however, is "which came first, wealth or planning?"

However, let's look a little closer at this story. Before the inventor came out with his new product, it cost everyone ten dollars to solve a particular problem. That "everyone" included the inventor's partying neighbor. Then one day, through no one's effort other than the inventor's, people walked into the store and discovered they could solve that same problem for five dollars. What's more, from then on, everyone needing to solve that problem would have an extra five dollars available to spend any way they liked.

⁷⁵ Kevin Desmond, *A Timetable of Inventions and Discoveries: From Pre-history to Present Day* (New York: M. Evans and Company, Inc., 1986), p. 2.

⁷⁶ "Steam Engine", *Encyclopedia Americana*, Vol. 25, pp. 641-45.

⁷⁷ Trevor I. Williams, *The History of Invention* (New York: Facts on File, Inc., 1987), p. 62.

What did the people do to deserve such a windfall? They simply left the inventor alone to live his life while they lived their lives. In the final analysis, we can say that the people who gain the extra five dollars are enjoying a much greater return on investment than the inventor who gained three million dollars in exchange for twenty years of spare time and savings. Instead of envying the inventor, people should instead be celebrating their own windfall.

To sum up these ideas, it is sufficient to offer this warning: *Sabotage the creativity and productivity of others at your own risk. While you are crippling the productive efforts of others, you are simultaneously eliminating a market for your own production.*

Management-Labor

The next component of the production process is *management*. What is management? Grolier's Encyclopedia says, "Management includes planning, administering, and controlling. These are separate functions, but they must all be handled competently if a company is to achieve its goals."⁷⁸

In the three aspects of management—planning, administering, and controlling—there is one thing in common. Management develops a *conceptual* framework which organizes labor, tools and resources in such a way as to increase efficiency over what would happen without a conceptual framework. The larger the organization, the more comprehensive the conceptual framework must be if it is to remain viable in a competitive market.

At an earlier time in America this was taken into consideration. "Generalists," who had a larger philosophical outlook to work from, were more likely to make it to the top. Now we see "specialists" being given first preference for the top jobs, and the causes that stir men's souls have been replaced by the "bottom line." (Of course, the specter of long-term inflation coupled with a 100% capital gains tax has also contributed much toward making the quarterly statement the new god for American business.)

It has been said that "the fate of individuals and nations are determined by the values which guide their decisions." A manager who is a *leader*, and not just a "mechanic", will offer a philosophical framework that gives meaning and honor to the task at hand.

The larger the organization becomes, the more important a working philosophy becomes. Once an organization grows beyond a certain point, the top manager cannot directly control all aspects of the production process. Nevertheless, when top management projects positive and production-oriented values, middle management will translate those values into their everyday equivalent. After much research, Thomas J. Peters concluded, "we found that companies whose only articulated goals were financial did not do nearly as well financially as companies that had broader sets of values."⁷⁹

The next question that comes up is, how much are these conceptual skills worth? There is quite a range of opinion. Hazrat Inayat Kahn asserted, "one man

⁷⁸ 1996 *Grolier Multimedia Encyclopedia*, article on "Business Administration."

⁷⁹ Thomas J. Peters, *In Search of Excellence* (New York: Harper & Row, 1982), p. 103.

of responsibility is worth a thousand who labor.”⁸⁰ Most likely, Mr. Kahn exaggerated to make his point, but his point still deserves serious consideration. At the other end of the spectrum was Karl Marx who implied that these conceptual services should be provided “free of charge,” compliments of the process of nationalization and bureaucratization. (Everyone knows that government imposes no costs, right?)

In the last chapter, intellectual processes were divided into the categories of *perceptual thinking* and *conceptual thinking*. “Managerial work—the organization and integration of human effort into purposeful, large-scale, long-range activities—is, in the realm of human action, what man’s conceptual facility is in the realm of cognition.”⁸¹ In short, *management-labor is conceptual labor*.

Like any other form of labor, conceptual and organizational services must be paid for—either in profit or in taxes. One popular way of determining our investment in conceptual labor is to determine how the rate of executive pay compares to that of the rank and file. Surprisingly, cultures who claim to be most dedicated to fighting exploitation have the highest ratios.⁸²

In *Chapter 4*, we will further explore the process of determining the value of each component of the production process and how rewards are apportioned.

Capital-Labor

One question I enjoy asking people is, “what is capital.” Most of the time they will say “money.” Actually, the essence of capital is *tools*, and in terms of money, it is money not-yet-spent, which is therefore available for the purchase of tools. The *American Heritage Dictionary* backs me up with this definition: “Any form of material wealth used or available for use in the production of more wealth.”

Very often, the meaning of “capitalism” is also assumed to include the “free market.” This “philosophical package deal”⁸³ is nurtured by both the detractors and the defenders of capitalism. Once again, it is useful to follow Benjamin Franklin’s advice against making words do too much work. Eric Hoffer, in the early 1950s, observed that “Soviet Russia is realizing the purest and most colossal example of monopoly capitalism.”⁸⁴ Other authors have referred to the Soviet Union as “state capitalism.” Barbara Ward authored an article titled “The Economic Revolution” in which she observed:

⁸⁰ Hazrat Inayat Khan, *The Complete Sayings of Hazrat Inayat Khan* (New Lebanon, NY: Sufi Order Publications, 1978), p. 143.

⁸¹ Ayn Rand, *Capitalism: The Unknown Ideal* (New York: New American Library, 1966), p. 262.

⁸² “When the disparities in income in the U.S.A. are in the ratio of 1:15, they still continue to be 1:80 in the blessed country where the experiment started first. And to add to this, the concentration camps, the merciless butchery of ‘agents of capitalist’ and the denial of the right to unite or strike have their own tales to tell. Then labour got nothing in the bargain but lost freedom also.” Shanti Swarup Gupta, *The Economic Philosophy of Mahatma Gandhi* (Delhi: Ashok Publishing House, 1968), p. 88.

⁸³ A “philosophical package deal” is a demand that we accept loosely related issues as having an essential connection. Something like, “If you loved me, you could read my mind!”

⁸⁴ Eric Hoffer, *The True Believer* (New York: Harper and Row, 1951), p. 90.

Communist Russia could not, any more than could capitalist Britain, avoid the iron necessity of beginning to save. There had to be capital—for the new sources of energy, the new factories, the new machines—and only the people at large could do the saving. But driven by his totalitarian daemon, Stalin pushed the percentage of national income devoted to saving far above the western figure. He compelled the Russians to save not 15 percent, but 25 to 30 percent of the fruits of their labors. Nor was this the end of the matter. Fearing an independent peasantry, he forced the farms to deliver their entire surplus to the government.⁸⁵

In *Chapter 5*, three types of capitalism will be considered: free-market capitalism, government-owned capitalism, and government-controlled capitalism. All humans and some animals are capitalists because a capitalist is an entity that uses tools.⁸⁶ Ultimately, arguments about capitalism are not so much over whether or not we should *use* tools, but over who should *control* them (and the products of their use).

Summary of the Four Types of Labor

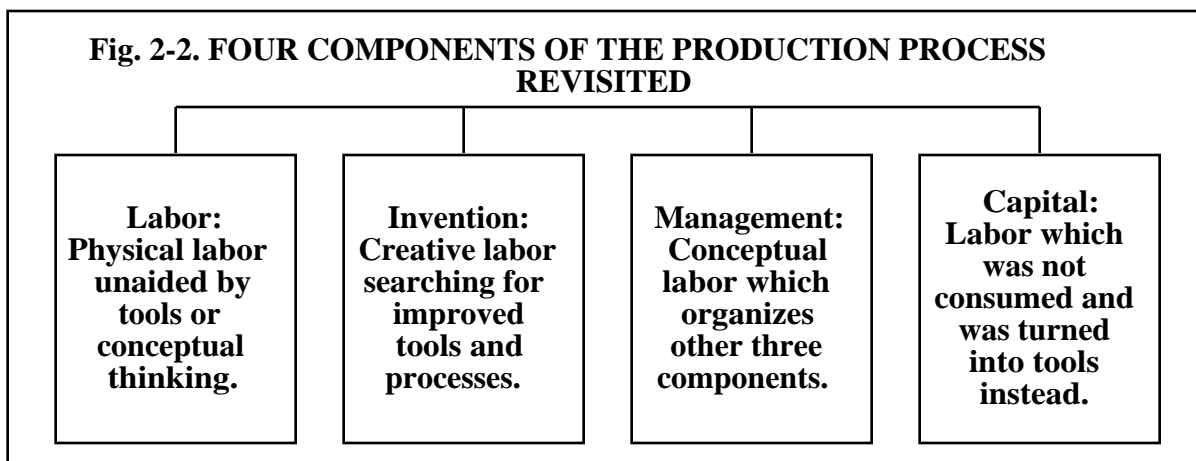
This concludes our exploration of the four components of the wealth creation process. In every day life, these divisions are not so neatly drawn. A production worker may discover that by standing six inches to the left of her work station, she reduces her fatigue and increases her production by ten percent. A janitor might amaze architects by suggesting they build an elevator on the outside of a building, thereby eliminating the need to tear the building apart in order to put a shaft up through the center.

All in all, each category explored above is a form of labor. If the challenges inherent in mastering the different types of labor were better understood by more people, we might spend less time in envy and more time in production.

Let's consider an expanded version of the first diagram now that we have finished this section:

⁸⁵ Barbara Ward, "The Economic Revolution," *Adventures of the Mind from the Saturday Evening Post* (New York: Alfred A. Knopf, Inc., 1959, 1960, 1961 by The Curtis Publishing Company), p. 254.

⁸⁶ Henry Ward Beecher probably summed it up best. "A tool is but the extension of man's hand, and a machine is but a complex tool. And he that invents a machine augments the power of a man and the well-being of mankind."



The Production Process and the Human Life Cycle

The final issue we need to consider is the production process and the human life cycle. Knowledge of how cultural approaches to resource allocation can either encourage or discourage productive activities will help us anticipate social and economic outcomes. The way a culture organizes itself plays a decisive role in determining whether people give their best throughout their lives, or whether they will simply try to tip-toe safely to the grave.

Nature is very resourceful and benevolent when it comes to programming our organisms. In youth, we are given lots of energy, and this energy enables us to perform lots of physical labor while our judgment is maturing.

Although youthful vanity is usually offended (as mine was) by the notion of performing “lowly” physical labor, such labor is both appropriate and valuable for it keeps us busy and alive while our knowledge and judgment improves. Of course, some people are self-motivated and are able to advance more quickly to the types of labor we will consider next: invention and management.

Inventive inspiration usually starts at an early age, with the outstanding geniuses peaking out at an average age of 37. Consequently, a more open economy is in a better position to benefit from this creativity because people are more free to follow their inspirations. On the other hand, a bureaucratic, top-down culture is invested in fighting young inventors much like the church of the Middle Ages was invested in fighting heretics. If any genius should accidentally make it to the top, she will probably arrive there late in life—a time when preserving the past is more important than forging a new future.

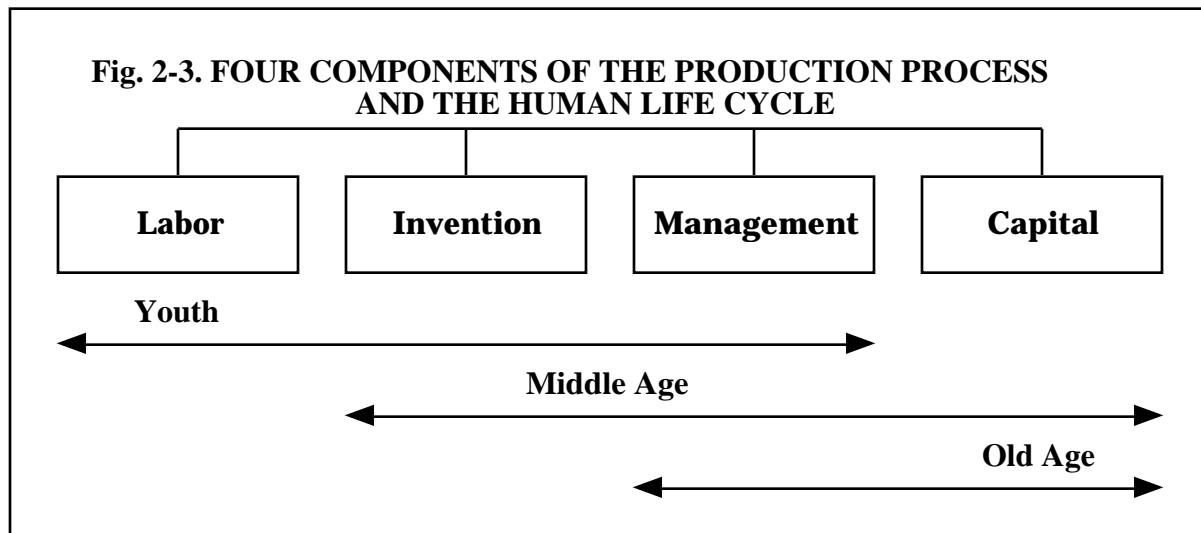
Management skills, if good, have an inventive quality to them, but overall, they depend on a more accurate and balanced assessment of daily situations as they unfold. An inventive genius can start a new project out of a garage and develop a new industry, but until they develop a perspective that allows for differences in gifts and values among various people, they are wise to hire seasoned managers.

Management is the art of finding a market, and then organizing labor, tools and resources in such a way as to provide a product or service at a price people will pay. Once again, management is to human action what conceptualization is to cognition. While labor is largely perceptual in nature, as management responsibility increases, it becomes ever more conceptual in nature.

Several books on management I have read indicate that as one progresses up the ladder, time dedicated to routine tasks should decrease while the time dedicated to creative problem solving should increase. (Consequently, many managers have trouble because they try to hang onto their old functions in order to avoid new responsibilities.)

As our lives unfold, and as we progress through the first three forms of labor, we also have the opportunity to participate in the fourth form of labor: capital accumulation. Anyone, regardless of where they are on the first three rungs of the “labor ladder”, has the possibility of consuming less than they produce, and in turn the possibility of saving and investing. Investment income is nothing more than a reward offered for consuming less than we produce. Typically there are three ways to be rewarded. The first is through interest on saving, where we accept a lower rate of return so someone else can invest on our behalf. The second approach is to manage our own investments in the hope of earning more through dividends and capital gains. The third option is to start one’s own business, combining capital with direct management. In any case, labor not consumed and instead invested in the tools of production is the essence of preparing for a time when we may no longer be either able to or inspired to perform the first three types of labor.

For the purpose of visualization, here is *Figure 3-3: Four Components of the Production Process and the Human Life Cycle*.



Finally, this approach to retirement planning allows people to reach old age with dignity and without being a burden on younger generations. In fact, younger generations become benefactors under this system because power tools make work easier for all who *use* them no matter who *owns* them.

Should we fail to plan for replacing and upgrading our power tools, we will regress to the use of hand tools, and if we make the same mistake twice, we will go from hand tools to teeth and fingernails. (This fact may be too basic to be worth mentioning, but on the other hand, after observing modern economic policies and the underlying assumptions they betray, we might ask our leaders, “. . . isn’t it all

the same to you whether you have a mule or a hare to do your farm work? Haven't both these animals four legs?"⁸⁷)

In America, as in many parts of the world, the capital-base available for future generations to use is being eroded by well-meaning, but irresponsible policies that discourage planning and investing. In the final analysis, "If a father likes to ride though it be but a child's sled, his son must obligatorily be prepared to drag the great village sleigh up the mountainside."⁸⁸

Exploitation and the Production Process

It has been mentioned several times in this chapter that many of the events in the last century have been inspired by the premise that different components of the production process are natural enemies. Based on these assumptions, government has been called upon to regulate even minute details of the production process in order to keep labor and capital from destroying each other and society with them.

It has been estimated that at least 120 million people have died in this century during the process of spreading this ideal around the planet. What did they die for? They died due to the social conditions that must inevitably result when people assume that management by government edict is more merciful and caring than management for profit (which means that the needs of customers must be satisfied in order to get paid).

When we carry within us an assumption that says the work necessary to maintain life is an unjustly imposed burden, we often find ourselves attempting to institute manmade slavery in order to escape our metaphysical slavery. This, of course, puts us at each other's throats when we should be focusing on meeting the requirements of nature. In turn, we are rewarded with war and poverty—the natural consequence of choosing to fight instead of work.

In *Chapter 3*, the importance of discriminating between voluntary association and coercion will be discussed. Our different positions in the production process, like our different racial origins, gender identities, religions, and so on, are *not* the root cause of our difficulties living together on this planet. Our insistence on using these differences as a pretext for initiating coercion against others *is* the root problem. We need to cut through all these fancy, euphemism-laden words and get to the basics if we are to have any hope of living sane, peaceful and prosperous lives.

To conclude this chapter, we need to recall the basics of wealth creation: *labor, invention, management and tools*. To be most effective, they must work together instead of leaping at each other's throats during fits of envy. How well these functions are performed is determined by our attitudes toward them, and of course, the social mores and political policies that shape those attitudes. In the following chapters we will explore those deeper issues in greater detail.

⁸⁷ G.I. Gurdjieff, *Beelzebub's Tales To His Grandson*, Vol. 3 (New York: E.P. Dutton, 1950), p. 53.

⁸⁸ *Ibid.*, Vol. 2, p. 263.

⁸⁹ Samuel Johnson quoted in Bergan Evans (ed.), *Dictionary of Quotations* (New York: Avenel Books, 1978), p. 312.

Chapter 3: An Overview of Ethics

What does it mean to be ethical? This question has been debated for centuries by many great minds. In spite of all the cogitation that has been done so far, no basic precepts have been accepted as a universal guide for conduct in our relations with one another. Nevertheless, the quality of our future, if we are to have a future at all, depends on our finding some satisfactory answers that *can* be accepted universally. (This is especially important for the leaders of communities around the globe.)

Finding a universal approach to understanding ethics will not be easy. Over the centuries, different systems of ethical theory have evolved, and advocates of each system claim superiority of theirs over the others. For some people, being ethical means following “God’s commandments”, promoting the “master race”, or establishing a “worker’s paradise” on earth. For others, being ethical means providing “the greatest good for the greatest number,” in some cases through personal sacrifice, and in other cases, by *forcing other people to sacrifice*. For yet other ethical theorists, ethics means showing regard for the most elementary social unit on the planet—namely, the individual human being—by leaving people free to follow their own best wisdom.

Types of Ethical Theory

This chapter will begin by surveying the different types of ethical systems that have been developed to date. I classify them as follows: *Edicts from God; Sacrifice as the Highest Virtue; Utilitarianism; Situation Ethics; Ethical Relativism* and *Individual Rights*. Each system has its main points and side issues. In some cases, proponents of different ethical systems assert the same principles, but place emphasis in different places.

In addition to defining what constitutes the “supreme good,” we also are faced with the problem of deciding whether acts should be judged based on intentions or on results. For some, the desire to do good is primary, so they expect to be forgiven should the results of their actions prove to be disastrous. For others, the road to “hell is paved with good intentions.”⁸⁹

In this chapter I do not offer a final solution for our problems, what I offer is a new approach to analyzing ethical issues. We will first consider the basic tenets of the main approaches to defining what constitutes ethical behavior. Then I will outline a new approach to ethical understanding by surveying and evaluating relationship dynamics. For lack of a better term, I am calling this system the *Behavioral Analysis* approach to ethics. This approach will focus on defining the general categories of behavior and outlining their consequences on our quality of life. Next, it will offer a system for “parsing” relationships, separating voluntary aspects of relationships from coercive aspects. These principles apply whether the relationship be personal, employment or political.

And now to begin the survey of the different ethical systems:
Edicts From God

Throughout history, many people have held religion and ethics to be synonymous. A good example is a bumper sticker I see every now and then: “God said it, I believe it; That settles it.” However, I grew up around religious people and some of the most brutal back-stabbing I have ever seen was done in the name of ambition to be closer to the “right hand of God.” On the other hand, some of the nicest and most respectable people I have ever met have also been very religious. Consequently, because the results can be so different among people who ostensibly worship the same God, we may wish to take a second look at this presumption. When the behavioral outcomes inspired from religious belief can range from bliss to holy wars, we are justified in suspecting there must be an even more fundamental variable that holds the key to defining ethical behavior.

In 1979 and 1980 I took an introductory class on the Teachings of Gurdjieff, taught by a man named Hugh Ripman. Early in our studies, he put us on notice that there were two words he would not be using for a long time because they were such subjective terms. Those words were *Love* and *God*.

In *Chapter 1*, the subjective nature of love was explored briefly. Regarding the subjective nature of God, A Sufi master once talked about having a dream that he was an ant. He quickly ran over to another ant and asked, “What is God like. Is God anything like you?” To which the ant replied, “Oh no! God is nothing like us. God has two stings!”⁹⁰ In my own experience, I have met people who might just as well have said, “if you think I am angry and bitter, you should see my God!”

The first consistent observation I have made is nice people worship nice gods and angry people worship angry gods. The next observation I have made is that religious belief generally fosters peace only among fellow believers (except for the usual internal politics). Outsiders are therefore considered fair game. “In the past, the larger proportion of religions has helped only select groups of people, fostering harmony and friendship within that group, but greeting others with hostility. This is why religion has been such a divisive force in human history, a catalyst for war and destruction.”⁹¹ Religion has frequently offered dual ethical systems, suggesting one code of conduct for relations among those within the group and another code for those outside of the group. This is not a strategy calculated to create trust and goodwill on a planetary scale.

Another major difficulty that arises from basing ethical systems on the “word of God” is that those edicts come from revelation, which may or may not accord with reason. Revelations must be filtered through the assumptions of those claiming such gifts, and then they are reinterpreted again and again through successive generations.

Peace and prosperity is peace and prosperity, and death and destruction is death and destruction, no matter who inspires it. To those who would suggest otherwise I ask, “Isn’t it all one to the poor flies how they are killed? By a kick of

⁹⁰ Sufis are said to be a “spiritual freemasonry” that changes form over the centuries in order to keep their spiritual essence intact.

⁹¹ Bhikkhu P.A. Payutto (Pra Debvedi), *A Buddhist Solution For the Twenty-first Century*, (for 1993 Parliament of the World’s Religions, Chicago, Illinois, U.S.A., August 28 — September 4, 1993), p. 11.

the hooves of horned devils, or by a stroke of the beautiful wings of divine angels?”⁹²

Because the outcomes of people’s behavior are so different when motivated by “Edicts from God”, I believe more concrete behavioral descriptions are in order if we are to enjoy improved personal and social relations.

Sacrifice as the Highest Virtue

History is filled with examples of ideals that demand the sacrifice of individual human beings for “higher causes” as defined by religious and political leaders. The first higher cause that comes to most people’s minds is religious faith. The second popular higher cause calls for sacrifice for the community, which may be defined as anything from a tribe to a nation-state.

Although the inquisition has gotten the most press even though its atrocities are hundreds of years old, religious persecutions dwarf in comparison to the cult of statolatry that has swept the world in this century. Solzhenitsyn puts it in perspective for us.⁹³ To begin with, he observes, “. . . in the twenty central provinces of Russia in a period of sixteen months (June, 1918, to October, 1919) more than sixteen thousand persons were shot, which is to say more than one thousand a month.”⁹⁴ Then in a footnote, he continues: “Now that we have started to make comparisons, here is another: during the eighty years of the Inquisition’s peak effort (1420 to 1498), in all of Spain ten thousand persons were condemned to be burned at the stake—in other words, about ten a month.”⁹⁵

With so many causes demanding sacrifice, it is little wonder that so many have perished miserably over the centuries. This century alone has seen over 120 million people perish in forced labor camps for the glory of the State (which Hegel heralded as “the march of God through history.”)

The key premise of this ethical system is the notion that sacrifice is the highest virtue. This ideal is usually promoted in conjunction with “higher causes” such as God, duty, the State, etc. One of the best known proponents of sacrifice was Immanuel Kant. On one hand, he offered this idea: “There is . . . but one categorical imperative: Act only on that maxim whereby thou canst at the same time will that it should become a universal law.”⁹⁶ Another way of saying “Do unto others as you have them do unto to you.” On the other hand, he defined a virtuous person as being motivated solely by principle and duty, not by personal interest nor by concern for others. Following Kant came Hegel, who declared our first duty is to the State: “A single person, I need hardly say, is something subordinate, and as such he must dedicate himself to the ethical whole. Hence if the state claims life, the individual must surrender it.”⁹⁷ And to sum up what

⁹² G.I. Gurdjieff, *Beelzebub's Tales to His Grandson*, Vol. 3 (New York: E.P. Dutton, 1950), p. 276.

⁹³ Give up? State + Idolatry = Statolatry.

⁹⁴ Aleksandr I. Solzhenitsyn, *The Gulag Archipelago* (New York: Harper & Row, 1973), p. 435.

⁹⁵ *Ibid.*

⁹⁶ Immanuel Kant: *Fundamental Principles of Morals*, “The Categorical Imperative” Ch. I. Quoted in ed. Bergan Evans, *Dictionary of Quotations* (New York: Avenel Books, 1978), p. 90.

⁹⁷ Quoted in Leonard Peikoff, *Ominous Parallels* (Briarcliff Manor, NY: Stein & Day, 1982), p. 35.

constitutes the highest virtue for both those who worship God and for those who worship the State: “The perfection of human nature is ‘to feel much for others, little for ourselves.’”⁹⁸

The call for sacrifice by our leaders can be very seductive. We know that our flesh and blood selves are limited and temporary, so if we can feel as though we are sacrificing for a higher cause, we get to enjoy a feeling of transcendence. “The genuine tragic hero sacrifices himself and all that is his for the universal, his deed and every emotion with him belongs to the universal, he is revealed, and in this self-revelation, he is the beloved son of ethics.”⁹⁹

In spite of such flattering descriptions of these beloved “sons of ethics,” not everyone has been so impressed. Eric Hoffer saw the attraction to mass movements and the sacrifices such movements require as an attempt to escape a worthless self. “The burning conviction that we have a holy duty toward others is often a way of attaching our drowning selves to a passing raft. What looks like giving a hand is often a holding on for dear life. Take away our holy duties and you leave our lives puny and meaningless. . . . The vanity of the selfless, even those who practice utmost humility, is boundless.”¹⁰⁰

One of the major difficulties inherent in the morality of sacrifice is that people cannot live up to the ideal. “People can preach altruism but they cannot live it. Nor should they, for the genuine altruist voluntarily enslaves himself to the need and desires of every other person. The genuine altruist—if there could really be such a thing—is not a man but a doormat.”¹⁰¹

In theory, if everyone accepted this ideal, there would be only givers on the planet and no takers or exploiters. At a church service I once heard this story:

“A man once made contact with his guardian angel. During their visit, he asked the angel what heaven and hell was really like. The angel decided to show him. First, they went to hell. In hell everyone was sitting at a banquet table brimming with all manner of culinary delights. However, there was one small problem. They had six-foot-long spoons chained to their wrists. Consequently, they were sitting around and being miserable because they were having trouble feeding themselves.

“Next, they went to heaven. Here, too, all were sitting at a banquet table covered with delicacies just like the folks in hell. Furthermore, they also had six-foot-long spoons chained to their wrists. But unlike the people in hell, they were laughing and having a good time.

“This perplexed the man, so he asked the angel what made the difference between heaven and hell, given that their situation was identical. The angel then pointed out that in hell, everyone was trying to feed themselves, while in heaven people were using their long spoons to feed one another from across the table.”

This is a wonderful picture. But how has the ideal worked on this planet? It often happens that those most vocal in advocating sacrifice have successfully

⁹⁸ Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon & Schuster, 1982), p. 148.

⁹⁹ Soren Kierkegaard quoted in William Augustus Banner, *Ethics: An Introduction to Moral Philosophy* (New York: Scribner, 1968), p. 136.

¹⁰⁰ Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 23.

¹⁰¹ Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974), p. 132.

established themselves as administrators to collect the benefits of the sacrifices of others. “The more selfish a person, the more poignant his disappointments. It is the inordinately selfish, therefore, who are likely to be the most persuasive champions of selflessness.”¹⁰²

Susan Love Brown (et. al.) sums up how this morality of sacrifice expresses itself in public life. “The humanitarian seeks medical care for all—by force. He would encourage brotherhood—by force. He would make men good—by force. It is important to note that in a political system based on individual freedom a human being may practice any form of morality he wishes (including self-sacrifice) provided that he does not initiate force against others. But in a political system based on self-sacrifice the freedom to act upon one’s beliefs is obliterated, because the humanitarian seeks to force his sense of ‘duty’ upon everyone else—he employs force to make one human being sacrifice for another.”¹⁰³

C.D. Broad, in *Five Types of Ethical Theory*, sums up the dilemma of the morality of sacrifice best. “In the first place so far from being thought wrong, it is thought to be an act of specially heroic virtue in certain circumstances for a soldier to sacrifice his life for his country, or for a doctor to do so for his patients, or for a scientist to do so for the advancement of knowledge. It must be admitted, however, that, although we thus admire people in certain circumstances for treating *themselves* as mere means, we should not feel justified in treating them that way without their consent.”¹⁰⁴

Utilitarianism: The Greatest Good for the Greatest Number

Our next theory to explore is *Utilitarianism*. At the heart of this theory is the ideal of “the greatest happiness of the greatest number.”¹⁰⁵ In the 1700s this idea was promoted by people such as Adam Smith and John Stuart Mill. Adam Smith in particular promoted the ideal of free markets and “enlightened self-interest” primarily as a means of creating more wealth which would make life better for everyone including people to whom wealth-creators gave no thought. In other words, freedom for individuals to produce and distribute goods as they saw fit was justified primarily as a means to a higher end. (Although Adam Smith is often called “the father of economics” he was first and foremost a moral philosopher.)

John Stuart Mill also agreed with the idea that people should be free to *produce* goods as they saw fit. However, for him, the *distribution* of goods, once produced, was no longer an economic concern—it was a moral/political concern. “The things once there, mankind, individually or collectively, can do with them as they please. They can place them at the disposal of whomever they please and on whatever terms . . . Even what a person has produced by his individual toil, unaided by anyone, he cannot keep, unless by the permission of society. Not only can society take it from him, [he could not keep his possessions] if society . . . did

¹⁰² Eric Hoffer, *Op. Cit.*, p. 56.

¹⁰³ Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974), p. 135.

¹⁰⁴ C.D. Broad, *Five Types of Ethical Theory* (London: Routledge & Kegan Paul Ltd., 1930), p. 132.

¹⁰⁵ Jeremy Bentham quoted in William Augustus Banner, *Ethics: An Introduction to Moral Philosophy* (New York: Scribner, 1968), p. 115.

not . . . employ and pay people for the purpose of preventing him from being disturbed of [his] possessions. The distribution of wealth, therefore, depends on the laws and customs of society. . . .”¹⁰⁶ He reasoned that because government helps people keep the results of their work, government should be free to redistribute that wealth in order to create a more just society. Robert Heilbroner waxed poetic over Mill’s proclamation because, “It was a discovery of profound consequence. For it lifted the whole economic debate from the stifling realm of impersonal and inevitable law and brought it back into the arena of ethics and morality.”¹⁰⁷

Distribution could logically be considered separate from production if production were only a one-time event. However, production and consumption is an ongoing cycle. Today’s experience affects tomorrow’s behavior. Therefore, if a worker’s production is appropriated today, even for “the greatest good for the greatest number,” his or her enthusiasm for the next day’s work will be diminished considerably.

The problem with using the greatest-good-for-the-greatest-number ideal as a guide for action is that it is very easy to have different ideas about what constitutes “the greatest good for the greatest number.” Gandhi, for one, called this ideal into question when he suggested that, “it means in its nakedness that in order to achieve the supposed good of the 51 percent, the interest of the 49 percent may be, or rather, should be sacrificed.”¹⁰⁸

In the beginning, the philosophy of Utilitarianism freed people to work hard and create wealth, but ultimately it offered a moral-philosophical basis for those freedoms to be undermined later—all in the name of “the greatest good for the greatest number.” Modern philosophers now campaign for massive redistribution of wealth in the name of the same ideal shared by Adam Smith and John Stuart Mill. (“It did not take Mill long to grasp the contradiction in some terms and amend his political views accordingly. He ended his life as a self-proclaimed ‘qualified socialist.’”¹⁰⁹)

Like “God’s commandments” and “sacrifice”, the ideal of the “greatest good for the greatest number” is open to widely divergent interpretations and does not provide us with a stable guide for what constitutes ethical behavior. When the same philosophical system can be used to free people in one century only to help enslave them again in a later century, we might suspect a key element is missing.

Situation Ethics

“Situation ethics, which has come into prominence only recently, claims that the morality of an action depends on the situation and not on the application of a law to the case.”¹¹⁰ This ethical system is a reaction to declarations such as “it

¹⁰⁶ John Stuart Mill quoted in Robert L. Heilbroner, *Op. Cit.*, pp. 126-127.

¹⁰⁷ *Ibid.*, p. 127.

¹⁰⁸ Shanti Swarup Gupta, *The Economic Philosophy of Mahatma Gandhi* (Delhi: Ashok Publishing House, 1968), pp. 47-48.

¹⁰⁹ Leonard Peikoff, *Op. Cit.*, p. 120.

¹¹⁰ Marcus G. Singer, “Ethics,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

is wrong to lie under any circumstance,” or “if someone seeks to kill you, you should prefer to die rather than have blood on your hands.”

To act on such a premise is to sign over the planet *carte blanche* to the predators. Consequently, some people felt something was wrong or missing in the formulations of earlier ethical codes.

In March 1994, I listened to a professor from the Iliff School of Theology address the subject of “Ethical Plumb Lines in Politics.” Toward the end of his presentation, he brought up the issue of whether it is right to lie as a defense, as in the case of lying to the Gestapo about hiding Jews in the basement. He indicated that people are justified in lying under those circumstances, but because there was no principle available to offer a firm justification for such lying, he informed us that in gray areas such as these, we must rely on our own individual judgment.

Situation ethics calls attention to the “gray areas” not addressed by more absolutist ethical systems, but because it fails to offer a larger conceptual framework, proponents of situation ethics can only defend themselves by expressing the *feeling* that something is not quite right. And though they may not be true ethical relativists, they find themselves forced into that camp because they are unable to offer a system that meets the requirements of logic.

Ethical Relativism

Ethical Relativism takes over where Situation Ethics leaves off. Ethical relativism declares that there is no objective criteria for establishing objective ethical norms. Each culture has its own cultural norms which arise from the experience of the collective consciousness of that culture. Therefore, in the spirit of Shakespeare’s *Hamlet*, “there is nothing good nor bad but what thinking makes it so.” This being assumed, no one has the right under any circumstances to judge another culture with anything but an accepting attitude.

Whereas “edicts from God” comes from the mystic belief that true knowledge is revealed, ethical relativism has its basis in skepticism: the belief that knowledge is impossible. As noted in the encyclopedia, “A widespread and familiar form of skepticism is ethical relativism, the view that there is no one correct moral code for all times and peoples, that each group has its own morality relative to its wants and values, and that all moral ideas are necessarily relative to a particular culture. According to this view, cannibals are justified in eating human beings by the standards of their own culture even if not by the standards of Western culture, and there can be no basis for claiming that the standards of Western culture are superior to theirs.”¹¹¹ This would suggest that all standards are equal. A standard that holds life as its supreme value is considered no better than a standard that holds death up as its supreme value.

Some ethical relativists are more disturbed by industrial nations “eating” resources than they are by cannibals eating other human beings. While they condemn industrial nations in whom the unfortunate are poor, they celebrate cannibal cultures in whom the unfortunate are . . . dinner. Consequently, they may not be as relativistic as they make themselves out to be. A *true* ethical

¹¹¹ *Ibid.*

relativist would also accept the cultural and philosophical mores promoted by Western Civilization.

One of the hot topics of late is the custom of female circumcision. Many feminists like to jump on the bandwagon of cultural relativism because it is “politically correct,” but some of them lose their certainty when they realize that to be consistent, they would have to condone female circumcision and the right of tribal leaders to inflict pain on their underlings, especially women and children.

In response to such customs, I call on the wisdom of Frederick Bastiat:

My attitude toward all other persons is well illustrated by this story from a celebrated traveler: He arrived one day in the midst of a tribe of savages, where a child had just been born. A crowd of soothsayers, magicians, and quacks—armed with rings, hooks, and cords—surrounded it. One said: “This child will never smell the perfume of a peace-pipe unless I stretch his nostrils.” Another said: “He will never be able to hear unless I draw his ear-lobes down to his shoulders.” A third said: “He will never see the sunshine unless I slant his eyes.” Another said: “He will never stand upright unless I bend his legs.” A fifth said: “He will never learn to think unless I flatten his skull.” “Stop,” cried the traveler. “What God does is well done. Do not claim to know more than He. God has given organs to this frail creature; let them develop and grow strong by exercise, use, experience, and liberty.”¹¹²

Ultimately, I would suggest that life is the standard to which the majority of humanity aspires. The value of an ethical system is proportional to its ability to encourage behavior that supports human life. Lawrence E. Harrison sums it up best: “Cultural relativism, which asserts that all cultures are essentially equal and eschews comparative value judgments, has been the conventional wisdom in academic circles for decades. Yet some cultures are progress-prone, while others are not. I believe that cultures that nurture human creative capacity and progress are better than those that don’t. Some may be offended by this assertion, but it is, I believe, corroborated by the persistent flow of immigrants from cultures that suppress progress to those cultures that facilitate it.”¹¹³

Individual Rights

The next system of ethical theory is based on the ideal of “Individual Rights.” This system acknowledges that in reality, all that truly exists are individual human beings. Categorical groupings of people into races, nations and religions are quite arbitrary. We do not choose the skin color or sex of our bodies, nor do we choose the land mass on which we are born, or even the religious or national affiliation of our parents. For the first few years, we are simply busy being babies and young children. Only at a later time do we learn how our particular *accident of birth* defines what and who we are. Of course, as part of that introduction, we are informed that people who are like us are good, and therefore superior, and those who are not like us are bad, and therefore inferior.

¹¹² Frederick Bastiat, translation by Dean Russell, *The Law* (Irvington-On-Hudson: The Foundation for Economic Education, Inc., 1990), pp. 74-75.

¹¹³ Lawrence E. Harrison, *Who Prospers?: How Cultural Values Shape Economic and Political Success* (New York: BasicBooks, 1992), p. 16.

Individual rights is often labeled as the “ethic of egoism.” The Marquis de Sade took his egoism to the extreme when he declared something to the effect of “an individual ought to aim at a maximum balance of happiness for himself, and that, if necessary, he ought to be ready to sacrifice any amount of other men’s happiness in order to produce the slightest net increase in his own.”¹¹⁴

Writers such as Ayn Rand are often accused of this form of egoism. Considering that she was extremely uncompromising in her approach to defending individual rights, those accusations should not come as a surprise. However, while she was a most adamant defender of individual rights, she also made a strong case for refraining from the use of force and fraud as means of satisfying one’s economic needs or for accomplishing one’s productive aspirations.¹¹⁵

Those who rail against individualism generally point to instances of exploitation done by citizens who are not official agents of the government. However, for some strange reason, a tyrant who exploits everyone in his domain escapes being labeled as an individualist.

Individualism has come to be defined two ways. One version describes individualism as a war of all against all, where the winner takes all. The other description of individualism asserts that people have a right to be left alone, and that they should extend the same courtesy to others. The first definition of individualism is used by advocates of collectivism while the second definition is most frequently used by those who define themselves as individualists. (Of course, there are notable exceptions such as The Marquis de Sade.)

People who ascribe to individualist ethics are often perceived as opportunistic and selfish—lacking any higher cause to sacrifice to. Actually, they do have a higher cause to sacrifice to—the ethic of non-coercion.

The ethical systems explored thus far generally advocate ideals such as “redistributive justice.” Equality of outcome is more important under these systems than is the establishment of a level playing field. Individualists, on the other hand, insist that the interests of humanity as a whole are best served by keeping coercion in human relationships to a minimum. This ideal leads them to conclude that charity and contracts among people should be managed through voluntary association, not by government decree.

The individualist’s insistence on keeping charity voluntary attracts volleys of criticism that accuses them of “social Darwinism.” William Graham Sumner summed up the rebuttal well when he observed, “if we do not like the survival of the fittest, we have only one possible alternative, and that is the survival of the unfittest.”¹¹⁶

¹¹⁴ C.D. Broad, *Op. Cit.*, p. 148.

¹¹⁵ Although Ayn Rand did not transcend the use of guilt as a weapon in her personal relations, she did us a great service by philosophically challenging philosophies that legitimize the use of *force* and *fraud* in economic relationships. Also, while she did not explicitly label guilt as a form of coercion, she did write some masterful passages indicating how guilt is used. For a fascinating account of Ayn Rand’s personal relationships, consider reading Barbara Branden, *The Passion of Ayn Rand* (Garden City, N.Y. : Doubleday, 1986).

¹¹⁶ William Graham Sumner quoted in V.T. Thayer, *Formative Ideas in American Education* (New York: Dodd, Mead & Co., 1967), p. 135.

Because individualists are willing to permit the demise of incompetent individuals who might fall through the net of voluntary charity, they are accused of cold-hearted cruelty. Individualists, on the other hand, remind us that the only other alternative is for people with political power to sacrifice otherwise viable and competent people at the altar of humanitarian concern. Once again, the journey to Utopia has claimed millions of lives in this century alone. (“How many people, in fact, have been killed by government violence in the 20th century? Not deaths in wars and civil wars among military combatants, but mass murder of civilians and innocent victims with either the approval or planning of governments—the intentional killings of their own subjects and citizens or people under their political control? The answer is: 169,198,000. If the deaths of military combatants are added to this figure, governments have killed 203,000,000 in the 20th century.”¹¹⁷)

In short, the individualist ethic says it is better to compete in the arena of production than it is to compete in the arena of coercion.

When we acknowledge that individuals are all that truly exist on the planet and then insist on ethical prohibitions against force and fraud as a means of obtaining one’s desired ends, we are in fact coming closer to a *sustainable* categorical imperative. In the last chapter we discussed the idea that wealth is created only during those times when people are not fighting one another, and it is produced most efficiently when people are free to use their energy and creativity in their own way. Ideally, each individual would, over the course of a lifetime, develop the ability to perform all four types of labor: physical, invention, management and capital. Although excesses can develop in the arena of production much the same as they develop in the arena of coercion, I must confess a preference for excesses in the arena of production. If someone is to have a spiritual crisis, I would rather he or she shower me with goods and services rather than with bombs and poison gas.

A Behavioral Analysis Approach— Voluntary Association vs. Coercion

Now we are ready to consider “Farm Boy” ethics. Because we live in human bodies, and our bodies must share planetary resources with other bodies, we have a good starting place for developing a fundamental understanding of ethics. What people *do* while hunting down goods and services (to keep their bodies alive and their minds entertained) is what we call *behavior*. Before the end of this chapter, it is my intention to demonstrate that the final goal of ethics (for most people) is to inspire people to behave in life-supporting ways, and that looking directly at *our behavior and its results* will give us a more objective framework for judgment and decision making. (For those who hold death as their standard of value, ethical behavior is that which facilitates the triumph of death.)

At this point, let me summarize the weaknesses of the common systems of ethical definition. Regarding *Edicts from God*, while I would not challenge the validity of anyone’s “cosmological speculations” because my speculations would be no more valid than theirs, I look upon people who use God as a license to destroy

¹¹⁷ Richard M. Ebeling, “Book Review,” R.J. Rummel, *Death by Government* (New Brunswick, NJ: Transaction Publishers, 1994), in *Freedom Daily*, October 1994, p. 40.

and/or exploit other people with a healthy dose of skepticism. *Sacrifice*, if carried to its logical extreme, is suicidal and/or homicidal, and therefore not a useful guide for general conduct. The ideal of *The Greatest Good for the Greatest Number* sounds nice, but in itself, it gives us little guidance regarding how that ideal is to be achieved. Finally, the notion of *Individual Rights* bears closer scrutiny because there is no general agreement as to what such a concept means. For certain, the “egoistic hedonism” brand of individualism will create massive conflict and put us right back into the cave where we started from.

After examining these systems I conclude that a successful general system of ethics can be developed only from an approach which has at its center, *behavior* itself. I have no illusion of offering any final answers in this book, but if I can offer a useful system for reframing the debate, I will consider myself immensely successful.

Establishing a Standard of Value

First, we need to consider why ethics is an issue at all. Because there was little mention of Robinson Crusoe performing late night oratory on ethical theory, we might suspect that ethics becomes an issue only when there is more than one human being attempting to share limited resources. In other words, ethics prescribes the do’s and don’ts for peoples’ conduct in their social relations.¹¹⁸

This leads us to the next question—what is the goal of ethics? In the last paragraph, I mentioned survival as the value which we seek naturally. Because life is such a necessary value, if for no other reason than because death is the only alternative, it would make sense to establish life as the standard of value to be supported by ethical theory. *Life*, then, should be both the starting point for inquiry and the touchstone of success in application.

Relationship Types and Strategies

Thus far in this book, I have mentioned several times that there are only two types of transactions possible: *voluntary* and *coercive*. This leads us to a couple of questions. Which relationships should be voluntary and which relationships should be coercive? At what times and under which circumstances do voluntary relationships best support the cause of life, and at what times and under which circumstances does coercion best support the cause of life?

To prepare for exploring the world of relationships strategies, please consider *Figure 3-1* on the following page.

We are now ready to consider the different types of relationships with the idea that we will end up with a larger conceptual framework. In my experience, this framework has been invaluable for understanding relationship dynamics on all levels: personal, employment, and political.

Voluntary Relationships

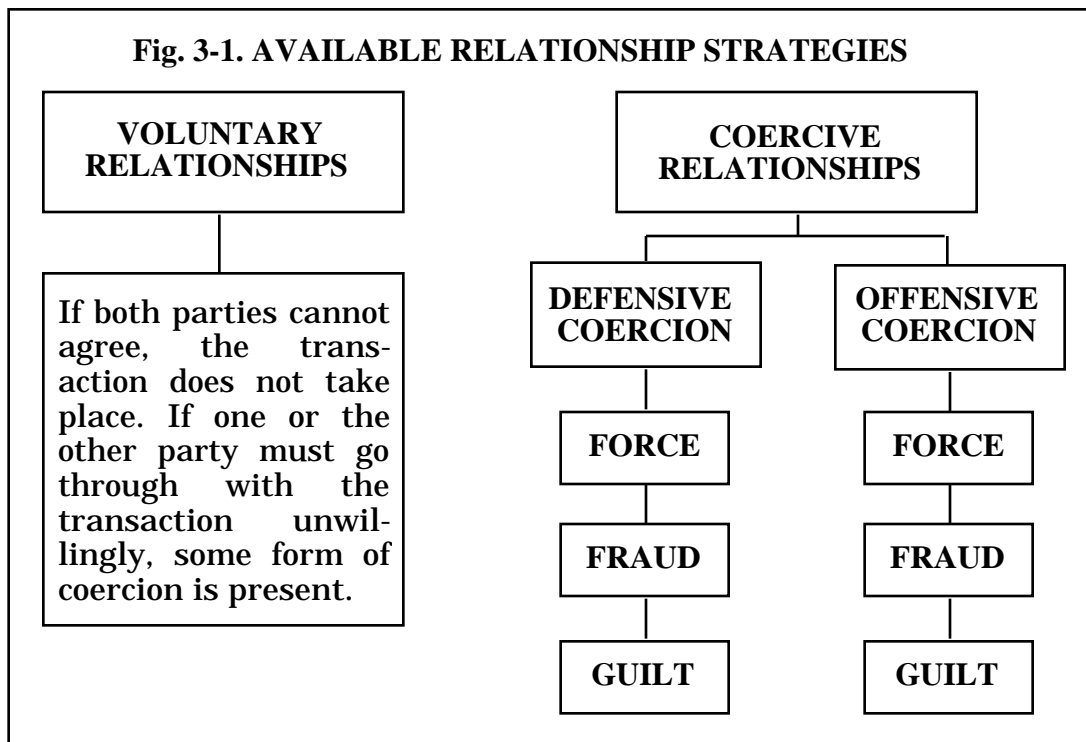
Referring once again to the *American Heritage Electronic Dictionary*, *voluntary* means, “Acting on one’s own initiative. . . . Acting or performed

¹¹⁸ Ethics does have an inner dimension as well. Personal integrity is vital to the health and integration of our psyche. (It is useful for the left hand to know what the right hand is doing.) This issue will be addressed in *Chapter 9*.

without external persuasion or compulsion.” Another way of looking at what constitutes a voluntary relationship is, once again, *if either party cannot agree, the transaction simply does not take place.*

It is not as easy to understand voluntary relationships as a first impression might lead one to believe. Throughout history, many political and religious leaders have devised numerous euphemisms, with the result that today, “pious phrases and the fervent propaganda give to coercion a semblance of persuasion. . .”¹¹⁹ Even the dictionary fell prey to this propaganda when it lumped together persuasion and compulsion in its definition of “voluntary.”

It is important to know the difference between coercion and persuasion. Sales and marketing people engage in external persuasion when they say, “before you make a final decision, consider these additional benefits.” Conceivably, if the additional benefits presented make the deal more palatable, one might voluntarily trade whereas one would not before. The key difference between persuasion and coercion is that with persuasion, you have the freedom to say no when the talking stops.



A common out-growth of this confusion is found when people insist that as long as we willingly comply with the law it is only persuasion—law is coercion only for those who do not comply. While it is true the law is of little consequence if we can arrange our affairs so as to live within it comfortably, the *threat* is still there even if we don’t feel it.

¹¹⁹ Eric Hoffer, *Op. Cit.*, pp. 136-37.

Metaphysical Slavery verses Man-made Slavery

At the root of the problem of distinguishing between coercion and voluntary association is the failure to distinguish between manmade slavery and metaphysical slavery. An example of this confusion is a story about a small country which was conquered by Rome. Rome decreed that if a soldier asked someone to carry his pack for a mile, that person was to comply without fail. The people in this little country were outraged, so the elders met together to deliberate on how they should respond. After considerable debate, the elders issued their conclusion: "When a soldier asks you to carry his pack for one mile, carry it two. For the first mile you are a slave, but for the second mile you are a free man." (Kind of like saying, "If rape is inevitable, relax and enjoy it.") Following the above advice might be useful if one is seeking physical exercise to prepare for a future battle for freedom. On the other hand, if you are already being taxed at a rate of 50%, giving the government your second 50% could offer a new type of freedom—freedom from eating.

If we were to change the story so it would encourage accepting our metaphysical slavery, it would be more useful to humanity. We have already accepted too much manmade slavery. Nature demands that we consume at least a minimum amount of food, and keep our bodies within a certain temperature range as the price of our survival. If we fail to meet these demands, for whatever reason, we die. Therefore, if it takes four hours of work a day to barely meet these demands, for our first four hours we are a metaphysical slave. Any work we do beyond those four hours in the pursuit of luxury (relatively speaking, of course) is our expression of metaphysical freedom. For the first four hours we are slaves, for the second four hours we are free.

Metaphysical slavery has never been popular. Consequently, many people have instituted, or have attempted to institute, manmade slavery. A sociologist named William Sumner offered this overview of human history. "All history is only one long story to this effect: Men have struggled for power over their fellow men in order that they might win the joys of earth at the expense of others, and might shift the burdens of life from their own shoulders upon those of others." For some, the prospect of confronting nature directly in the pursuit of survival is so horrifying that they will work hard to become the masters of coercion so they can force others to labor on their behalf. Others are content to use coercion in niggling little ways in order to make their work pay more at the expense of others.

In the following general overview of coercion strategies it is important to note that we are only considering the different forms of manmade slavery. (Metaphysical slavery has already been explored in the *Introduction* and in *Chapter 2*.)

The diagram on the previous page showed three types of coercion: force, fraud and guilt. Also, it showed two categories of each: offensive and defensive. In the following pages, we will explore each type and category in greater depth.

Coercion by Force

Force comes in two popular forms: *physical force*, and *law*—the *threat* of physical force. Because our existence is physical in nature, physical force is as basic as we can get when we want to motivate other people to do things our way.

Force can be used offensively or defensively. We can use force to gain from others without their voluntary cooperation, or we can use it simply to protect ourselves from the predators.

Offensive Force

Although all people are of the same species, for predators it is sufficient for another person to be “not-me.” For them, inanimate matter, plants, animals and other humans are all fair game. Of course, this is nothing new. Conflict has been a large part of human experience “ever since the first non-producer enviously viewed the fruits of the labours of the first producer.”¹²⁰

The essence of offensive force is found in the *intent* of the person using it. That intent is to enjoy unearned gains at the expense of other people who would not make the exchange except under duress. Often the criminal likes to think that he is making an exchange, but to say “your money or your life” is only to offer the choice between a lesser loss and a greater loss.

Defensive Force

Whereas offensive force is used to acquire unearned gains at the expense of others, defensive force is used only for the purpose of protecting one’s life and/or protecting one’s possessions. (The stuff we use to sustain our lives.)

Some intellectuals would like us to believe the use of defensive force is just as evil as is the use of offensive force. This philosophy finds expression in much crime legislation which has the effect of disarming potential victims.¹²¹ Luckily, not everyone has been taken in. Many people tell me they will protect their lives and property first, then worry about the government later.

After the Los Angeles riots in 1992, there was much lamenting about the Korean business owners who tried to defend their businesses with guns. Once again the old slogan, “any life is worth more than any property,” was chanted. On the face of it, this slogan sounds like a profound and caring statement. However, if we delve into its implicit assumptions, its underlying meaning can be disturbing.

Material bodies require the use of material resources if they are to survive. (We can use either the phrase “property ownership,” or the phrase “resource control.” While business people might prefer the term “property ownership,” looters are content with “resource control.”) Ultimately, the slogan, “any life is worth more than any property,” translates to, “the life of any looter is worth more than the property that maintains the life of any non-looter.” From here it is a simple step to surmise that if the life of any looter is worth more than the property

¹²⁰ Susan Brown, et. al., *Op. Cit.*, p. 139.

¹²¹ Not all gun control skeptics are so generous. Some suggest that it is the intent of gun control proponents to make citizens helpless against despotic government. In Colorado, for instance, the state senator who is most active in promoting gun control is also identified by the Colorado Union of Taxpayers as the legislator most hostile to taxpayers. This may be strictly coincidence, but it does make one wonder.

that sustains the life of any non-looter, then the life of any looter is worth more than the life of any non-looter.

Of course, there is the argument that property can be replaced. (Such arguments generally leave out an important question—replaced by whom?) Apparently, the Koreans were not sold on that argument. They worked hard year after year, long hours every day, exchanging *time* (the stuff life is made up of) for property they believed would provide future security. Can all those years spent delaying gratification be replaced?

If, after considering these arguments, our pacifist friends still disapprove of the use of defensive force, the least they can do is tell our misguided Korean friends to stop working, relax, join the looters, and live off the fat of the land. (And enjoy a sense of moral superiority in the bargain! Working hard and saving for the future is not a rational strategy if one lives in a society that has elevated envy from an individual vice to a social virtue.)

Coercion by Fraud

The purpose of using fraud as a strategy is to mislead people into believing that if they behave in a certain manner, they can expect certain benefits in the future, only to discover too late that they had misplaced their trust. Once again, the dictionary helps us out by defining fraud as, “A deception deliberately practiced in order to secure unfair or unlawful gain.” In this text we will stretch the notion of fraud a little further because along with seeking an unearned gain from another person, fraud can also be used to protect oneself from predators of both the private and the public kind.

Offensive Fraud

Examples of fraud are numerous enough to fill volumes. Both individuals and organized groups of individuals practice fraud on a routine basis. Fraud can consist of an outright misleading statement, or it can be masked in obtuse language. The main purpose of fraud is to make someone believe that if they behave in a certain way, certain benefits will accrue. If the fraud is successful, the other person will not figure it out until it is too late.

Fraud happens on all levels of human relationships. In personal relationships people misrepresent themselves and their intentions. Men sometimes feign interest in marriage in order to get sex, and women sometimes feign interest in romance in order to be wined and dined. In employment, both employers and prospective employees misrepresent themselves. According to Robert Half, “A resume is a balance sheet without any liabilities.”¹²² On the other side of the issue, people have told me, “I have never worked for a company that was accurately represented by the owner or the manager during the interview, so why am I duty-bound to be so honest on my resume?”

Then there is the famous “big lie,” which, according to Ernest Hemingway, “is more plausible than truth.” When we want to run a big scam, it is useful if the victims do not have the means with which to verify our claims.

¹²² Robert Half, *Robert Half on Hiring*, 1985, ch. 4., Quoted in Michael C. Thomsett, *A Treasury of Business Quotations* (New York: Ballantine Books, 1990), p. 9.

On the large scale, frauds are generally perpetrated with the help of vague words with contradictory meanings.¹²³ Of course, once the scale of fraud gets large enough, those who perpetrate the fraud often become victims as well. (Fraud is most effective when the person promoting it believes the lie too.) One subtle giveaway that a large scale fraud is taking place is that laws must be in place to force compliance. “A sharp sword must always stand behind propaganda if it is to be really effective.”¹²⁴

This leads us to another complication, the ethical ramifications of unconscious lying versus conscious lying. People will generally agree that unconscious lying deserves human compassion from a moral standpoint because the liar is a victim too. Unfortunately, nature does not discriminate such fine points, and will administer consequences regardless.

An example of an unconscious large-scale fraud is the blind push for everyone in America to get a college degree. The promise that is being held out says that formal education is the primary key to advancement. Ivar Berg describes the pervasiveness of this American myth as follows: “Faithful adherence to tribal values requires that a discussion of education begin with the recognition that it is a good thing in and of itself.”¹²⁵

In recent years the fallacy of this myth is becoming apparent. The economy is not creating enough jobs to meet the heightened expectations of new graduates. This tends to increase the amount of discontent. Also, such a “tribal value” forgets that education is only one component of a larger investment-mix. If we only invested in education and did not invest in tools, the result would be more people using fancier words to describe how hard life is. (A friend who reviewed my manuscript commented that “students are suing for non-education and winning!”)

Although fraud offers short term gains at the expense of others, there are long term consequences. On the individual level, a person who defrauds another teaches that person not to be trusting, which means that the fraudulent individual must always be looking for new suckers to replace those who have gotten wise. If this phenomenon expands to a large enough scale, the general “radius of trust” shrinks and social decline sets in. “Where trust and identification are scant, political polarization, confrontation, and autocratic government are likely to emerge.”¹²⁶

Defensive Fraud

Whereas defensive force is the best strategy to use against those with inferior offensive force, defensive fraud is the best for coping with superior offensive force. According to some people, we should be willing to suffer torture and death in a principled defense of our ideals, or we should meekly comply with the demands of those using offensive force.

¹²³ Examples of convoluted and contradictory meanings are found in chapters 1 and 5. The subjects of *love* and *government* are two areas where euphemisms abound.

¹²⁴ Dr. Goebbels quoted in Eric Hoffer, *Op. Cit.*, pp. 98-99.

¹²⁵ Ivar Berg, *Education and Jobs: The Great Training Robbery* (New York: Praeger Publishers, 1970), p. 19.

¹²⁶ Lawrence E. Harrison, *Op. Cit.*, p. 11.

Gandhi, for one, “felt that disobedience of the rules, though they may be evil, should be reserved for those occasions when one is prepared to die rather than obey.”¹²⁷ That sounds noble and chivalrous, but if the ideal of voluntary association is to prevail in the long-run, those who hold that ideal must have permission to mislead the practitioners of offensive force long enough to acquire sufficient means for an effective defense.

A famous example illustrating the dilemma inherent in the use of “defensive fraud” is the case of those courageous souls who hid Jews from the Nazis. Nazi soldiers would knock on the door and demand, “Do you have any Jews around here?” (Needless to say, those who lied were most likely to live to tell of the experience.)

The need to lie under these circumstances put many people in a quandary. They saw their choice as one of *Thou shalt not kill* versus *Thou shalt not bear false witness*. Unfortunately, these ethicists failed to note that the killing and the lying were being done by different people for different reasons. Because of this little oversight, the victims who were forced to choose between lying and dying were held morally culpable—possibly even more so than were the Nazis. This view put the victims in a double-bind, making them wrong regardless of which choice they made. Fortunately, there is a general consensus that suggests that lying is preferable to killing.

As was mentioned earlier in this chapter, the injustice of this double-bind led to the development of situation ethics. Situation ethics offered some relief from the above double-bind, and thereby lessened pangs of guilt among victims. However, it also implied that whether or not a particular behavior supports survival is simply a matter of opinion.

The Behavioral Analysis approach to ethics takes away the double-bind without sinking into the murky waters of ethical relativism. If someone more powerful than the victim threatens, the prospective victim is ethically justified in using defensive fraud in order to mislead the aggressor.

Another use of defensive fraud is that used against people who are masters of guilt—people who are easily offended and must be kept carefully. In the days when kings would kill the messengers that brought them bad news, those kings soon found themselves deluged with inaccurate information. This leads us to an important question: Do people who punish others for telling the truth deserve to know the truth? Today, such lies are often referred to as “white lies”—lies designed to spare both the messenger and the recipient unnecessary pain. This category also includes “the truth untold.” In these instances, we need to ask ourselves, are we seeking an unearned gain by withholding the truth, or are we seeking to avoid being “beaten up” because of the extreme sensitivity (an excellent control strategy) of the other person? In this way we can know whether or not a “white lie” has a dark lining.

Coercion by Guilt

Of all the coercion strategies, guilt is the most subtle and elusive. Most people are aware on some level that guilt is both a blessing and a curse for society.

¹²⁷ Shanti Swarup Gupta, *Op. Cit.*, p. 157.

However, very few people are able to articulate what guilt is, or able to tell when guilt is being a blessing or when it is being a curse.

The best place to start is with a definition of guilt. Referring, once again, to the *American Heritage Electronic Dictionary*, guilt is the “Remorseful awareness of having done something wrong.” In other words, our actions have contradicted what we *believed* our actions should have been. Stated yet another way, “He who can live up to his ideal is the king of life; he who cannot live up to it is life’s slave.”¹²⁸ When our behavior fails to match an ideal we have accepted, we experience internal “cognitive dissonance,” a feeling better known as guilt.

In the world of computers we have what are known as application programs and operating programs. Application programs perform specific functions such as word processing, data base, spreadsheets, graphics and so on. Operating programs enable application programs to “talk” to the computer hardware.

In the world of coercion, force and fraud are equivalent to application programs, and guilt is equivalent to an operating program. *Guilt, by its very nature, is a form of prohibition couched in terms of an ideal.* Whether the ideal is consciously or unconsciously accepted is incidental. (From the standpoint of those using offensive guilt, if people accept an ideal unconsciously, so much the better.)

Some philosophical camps assume that guilt is automatically beneficial, while other camps are convinced that guilt in any form is detrimental to human happiness and well-being. As we shall see, the value of guilt, like any other type of coercion, is determined more by the agenda of the user than by the nature of the weapon itself.

Offensive Guilt

In recent years, a number of psychological/philosophical systems have arisen that virtually declare war on guilt. In fact, some of them have gone so far as to suggest that not even violence against others should be subject to censure. While that position is extreme, their *feelings* are not without some justification. On some level they are aware that the promotion of unrealistic ideals has given unscrupulous leaders a great deal of undeserved wealth and power.

One rebellious group is the Freedom From Religion Foundation. On one hand, they are quick to sue if a local politician shows up for a church service or function, which makes many people shake their heads in wonder. This hypersensitivity makes them seem as reactionary and intolerant as the forces they are fighting. Of course, this does not help augment their credibility. On the other hand, they have a point when they make this comment on their voice mail: “Remember. There was a time when religion ruled the world. It is called the Dark Ages.”

Purveyors of guilt have also been blessed with a large cadre of helpmates—the victims themselves. Solzhenitsyn recounts the story of a labor union meeting in 1921, told by Arthur Ransome: “The representative of the opposition, U. Larin, explained to the workers that their trade union must be their defense against the administration, that they possessed rights which they had

¹²⁸ Hazrat Inayat Khan, *The Complete Sayings of Hazrat Inayat Khan* (New Lebanon, NY: Sufi Order Publications, 1978), p. 233.

won and upon which no one else had any right to infringe. The workers, however, were completely indifferent, simply *not comprehending* whom they still needed to be defended against and why they still needed any rights. When the spokesman for the party line rebuked them for their laziness and for getting out of hand, and demanded sacrifices from them—overtime work without pay, reductions in food, military discipline in the factory administration—this aroused great elation and applause.”¹²⁹ Sacrifice was demanded and after the applause subsided, sacrifice was given—to the tune of 66 million people.¹³⁰ Surprisingly, Solzhenitsyn then concluded, “We purely and simply *deserved* everything that happened afterward.”¹³¹ (Two plus two does, after all, equal four.)

Offensive guilt is used effectively both by organizations and by individuals. What they have in common is the ability to sell people impossible ideals and/or to inspire them to try to hit moving targets.

On the interpersonal level, masters of the art of using guilt are people who are never satisfied. They have a knack of attracting people who, for whatever reason, like trying to do the impossible. I, personally, had the recurring problem of connecting with women who were impossible to please. Luckily, I linked up with one of the true masters of the art at the time when I was ready to crack the *5,000 year old con game*.¹³² Her message to me was, “You’re the most wonderful man I have ever met. However, everything about you needs to be changed.” Because she was an intelligent woman who was superior to me in many respects, I tried to adopt her ideals. (I still defined myself as a failure, and therefore felt that I could only improve by learning from her example and instruction.)

In many cases, her criticism seemed reasonable, if for no other reason than I was unable to articulate the reasons for my discomfort. She made more money than I did, she was more educated, and she was definitely superior to me in the arena of logic and argumentation. However, as time progressed, I noticed that many of her ideals were actually moving targets. This helped me understand why I had to pay such a high price in self-esteem for her jewels of wisdom. On a couple of occasions I actually did measure up. However, when I leaned my back toward her (figuratively speaking), expecting a “pat on the back,” she responded by raising her expectations. This left me both dismayed and confused.

When I left the relationship, I left deciding that I would rather be wrong my way than be right her way. I could not justify my leaving with any reasons that I could defend. It was only later that I figured out that her intention was not for me to live up to the ideal she presented. Instead, she expected me to fall short of her ideals so she could maintain her dominant position in our relationship.

Thanks to this experience, when I read *The Fountainhead* by Ayn Rand, Howard Roark’s observation really spoke to me: “Man was forced to accept masochism as his ideal—under the threat that sadism was its only alternative.

¹²⁹ Aleksandr I. Solzhenitsyn, *Op. Cit.*, p. 13.

¹³⁰ *Ibid.*, p. 10.

¹³¹ *Ibid.*, p. 13.

¹³² Religious and political leaders have, for at least five thousand years, promoted sacrifice to “God,” “the state,” “the people.” etc. as the highest virtue, and they have always been the beneficiaries of those sacrifices, gaining large amounts of power and prestige, thanks to the hard work and suffering of the masses.

This was the greatest fraud ever perpetrated on mankind.”¹³³ It then occurred to me that many authorities have the most potent weapon of all—ideals that say, “if you are still alive, you have fallen short.” If you have fallen short of their ideals because you insist on living, you are expected to pay a never-ending ransom by filling collection plates and treasuries to the brim.

The essence of this “5,000 year-old con game,” which has been around at least since the beginning of recorded history (approximately 5,600 years,) is to offer an ideal that no one can attain. In personal relationships such people have high expectations of others, and most likely they also offer moving targets for others to hit. When they fall short, as they are expected to do, they then act out their favorite negative emotion. Because most people like other people to be happy, those who are easily offended enjoy a lot of power. Although this strategy is probably unconscious, “Ninety-five percent of hurt feelings are strategy on the hurtee’s part.”¹³⁴

Some years back, an 86-year-old man told me about a job he had in the 1930s. A man walked into the warehouse and demanded, “Who’s the boss around here?” They quickly replied, “Whoever is the maddest.” Being easily angered and easily offended seems to be a good strategy for gaining power in employment relationships as well as in personal relationships. It is almost an axiom in love-relationships that whoever has the most problems controls the relationship and that “The one who loves the least, controls the relationship.”¹³⁵

In the larger world of politics and religion, the same game prevails. Political and religious leaders have always offered up *God* or *The State* or *The People* or *The Crown* as entities of paramount importance to whom the individual human being must be sacrificed. Religion has been consistent in that it has done everything in its power to discredit the value of our existence in this life so it can sell us real estate in the next world. Politicians have consistently used “the old trick of turning every contingency into a resource for accumulating force in government.”¹³⁶ With an endless string of economic problems within and enemies all about, we are supposed to sacrifice for the sake of our great-grandchildren. The degree of our ability to create a good life on this earth is also the extent of our guilt, and also the extent of our debt to those who, for whatever reason, lack that ability. (“From all according to their ability, to all according to their need.”)

Another example of the offensive use of guilt is the notion that defensive force is as morally reprehensible as offensive force. These types of ideals morally disarm productive people, and give violent and non-productive people a free reign. (Once again, a moral system that fails to account for our need for physical survival and offers ideals based on some hypothetical other-world is offensive guilt/coercion by default, if not by design.)

Finally, in all fairness, it is useful to point out that most people who are promoting ideals that indirectly encourage the offensive use of coercion do not do so consciously. They suffer right along with their followers, much like a drug dealer who is his own best customer. In my early twenties, after I found out that I

¹³³ Ayn Rand, *The Fountainhead* (Indianapolis IN: Bobbs-Merrill Company, 1943), p. 683.

¹³⁴ Dr. Wayne Dyer, *Pulling Your Own Strings* (New York: T.Y. Crowell Co., 1978), p. 10.

¹³⁵ F.J. Shark, *How To Be The JERK Women Love : Social Success for Men and Women in the '90's* (Chicago, IL: Thunder World Promotions, Inc., 1994), p. 57.

¹³⁶ James Madison quoted in Susan Love Brown, et. al., *Op. Cit.*, p. 57.

had been taught self-defeating ideals, I felt as though the authority figures in my life had made conscious and malevolent designs against me. However, it later became clear to me that they had suffered too. In most cases, they suffered even more than I did.

Defensive Guilt

Generally, most people will agree that life goes better when people limit themselves to voluntary trades with other people. Conversely, as our level of conflict escalates, our physical and emotional well-being decreases proportionately.

With this in mind, there is a valid use of guilt—defensive coercion. Defensive guilt is any ideal that discourages the offensive use of force, fraud and guilt and promotes the legitimacy of defensive force, fraud and guilt. This “operating program” would encourage the use of *defensive force* when available physical power is superior to those using offensive force, and the use of *defensive fraud* when available physical power is inferior. (It would also enable us to make better preparations for coping with each new crop of predators that comes with each new generation.) In short, this ideal supports individuals pursuing their own well-being as they best understand it, within the framework of creating positive value for voluntary exchange with others.

Summary of Behavior Analysis Ethics

Behavior Analysis Ethics focuses primarily on behavior and its consequences. Understanding people’s motivation for behaving in certain ways is valuable from a psychological and philosophical vantage point, but it is a secondary consideration when the life-supporting value of behavior is being evaluated. It makes little difference whether one jumps off a cliff in a fit of anger or in the throes of ecstasy—the rocks below make landing uncomfortable either way.

Some ethicists tend to discriminate between the ethical and the legal (or illegal as the case may be). “While the ethical requires ‘that virtue should be its own end and . . . its own reward,’ the juridical requires only that individuals, in the permissible end which they set for themselves, should respect one another’s freedom as rational beings. An individual cannot be ordered to act from a motive of duty, i.e., from a virtuous disposition, but he can be expected to act from a principle of ‘reciprocal freedom’ within the range of public life.”¹³⁷

From a behavior analysis viewpoint, such a distinction is not as important as people behaving in a life-supporting manner no matter how they feel. In fact, good outcomes created by people with “bad” motives are superior to bad outcomes created by people with “good” motives.

A philosophy that limits its ideal to defensive guilt does not demand the impossible. To be condemned for every stray thought that might course through the neurons of our brains, and to be judged more by an alleged selflessness than by the consequences of our actions is to guarantee the continuation of misery on this planet indefinitely.

¹³⁷ William Augustus Banner, *Ethics: An Introduction to Moral Philosophy* (New York: Scribner, 1968), p. 108.

Is Ethical Behavior Determined by the Actor or by the Action?

Another type of ethical confusion arises from the fact that the same behavior can be condoned for one person and condemned for another. Generally, people with political power enjoy greater freedom of action without being labeled “unethical.” In fact, they are often praised for performing actions that are forbidden to the rest of the population.

This phenomenon is most common in matters of law. If a private citizen walks up and down the street with a gun raising funds for a charity, that person is apprehended and locked up. But if politicians pass a law (i.e., threatening people with the use of force) to raise funds for charity, they are celebrated as true humanitarians.

Law has been a very effective tool for mesmerizing people. In the 1840s, Frederick Bastiat observed, “There is in all of us a strong disposition to believe that anything lawful is also legitimate. This belief is so widespread that many persons have erroneously held that things are ‘just’ because law makes them so. Thus, in order to make plunder appear just and sacred to many consciences, it is only necessary for the law to decree and sanction it. Slavery, restrictions, and monopoly find defenders not only among those who profit from them but also among those who suffer from them.”¹³⁸

This tendency to esteem in political leaders what we abhor in private citizens speaks of an ethical system based more on the status of the actor than on the consequences of the action. Such a system not only baffles our minds regarding ethics, it also distracts us from charting the relationship between behavior and consequences. The promise that government theft and oppression will create peace and prosperity does not automatically make it so. In the words of the famous Mullah Nasrudin, “Isn’t it all one to the poor flies how they are killed? By a kick of the hooves of horned devils, or by a stroke of the beautiful wings of divine angels?”¹³⁹

Of course, if political leaders want their privileges to last, they also need the help of intellectuals who will create philosophies justifying the current order. Otherwise, today’s leaders will soon be challenged by tomorrow’s irate citizens because “a tyrant can only beat you with your own arms.” For people to allow a tyrant the use of their own arms, they must first be morally disarmed by religious and/or secular philosophers.

The history of ethical and philosophical debate has been one long battle between those advocating the primacy of force and its pursuit of short-term goals, and those in favor of the primacy of reason through which they can consider the long-term effects of their actions. As was mentioned in the last paragraph, many intellectuals have become handmaidens of the primacy-of-force approach, very likely because political patrons reward intellectuals more handsomely than do the

¹³⁸ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p.13

¹³⁹ G.I. Gurdjieff, *Beelzebub's Tales to His Grandson*, Vol. 3 (New York: E.P. Dutton, 1950), p. 276. (Mullah Nasrudin, sometimes spelled Mullah Nassr Eddin, is a popular figure in Sufi literature. It is not certain that such a man actually existed, but he has become the mythical embodiment of subtle wisdom. He is sometimes portrayed as the wise man and at other times he is portrayed as the fool. At all times, these stories offer a unique way of looking at things.)

masses. (An example is B.F. Skinner winning a \$285,000 grant to tell us how to go *Beyond Freedom and Dignity*.)

If we look around the world, we can see that governments in power are often little more than the gang which prevailed following a protracted gang war. Examples such as Somalia, Rwanda and the Balkans serve to make this point.

As for the rest of the world, these same ends are sought. Instead of direct violence, however, subtlety and craft are used. A wise gang/government will allow working people to keep enough of the results of their labor so they will work again tomorrow. (The best of all worlds for government is to rule over a people who will work twenty hours a day, and give 90% to the government. Of course, human nature does not work that way, so governments have a problem. In any case, Lenin's experiment to create the new sacrificial man failed remarkably. The honest, hard-working people died like the horse in Orwell's *Animal Farm* while the survivors became either politically adept or passively dependent.)

It is generally easier to discern the difference between voluntary relationships and coercive relationships among private citizens than between the same citizens and their government. It is common for people to assume that "it must be a just law merely because it is a law."¹⁴⁰ People typically do not consider what the law accomplishes and then ask themselves whether or not they as private citizens could get away with the same action.

Frederick Bastiat offered us the following guide to help us know when the government is "accomplishing through law what can only be done otherwise through crime,"¹⁴¹ and suggested the results we can expect from such policies:

But how is this legal plunder to be identified? Quite simply. See if the law takes from some persons what belongs to them, and gives it to other persons to whom it does not belong. See if the law benefits one citizen at the expense of another by doing what the citizen himself cannot do without committing a crime.

Then abolish this law without delay, for it is not only an evil itself, but also it is a fertile source for further evils because it invites reprisals. If such a law—which may be an isolated case—is not abolished immediately, it will spread, multiply, and develop into a system.

The person who profits from this law will complain bitterly, defending his acquired rights. He will claim that the state is obligated to protect and encourage his particular industry; that this procedure enriches the state because the protected industry is thus able to spend more and to pay higher wages to the poor workingmen. Do not listen to this sophistry by vested interests. The acceptance of these arguments will build legal plunder into a whole system. In fact, this has already occurred. The present day delusion is an attempt to enrich everyone at the expense of everyone else; to make plunder universal under the pretense of organizing it.¹⁴²

¹⁴⁰ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p.14.

¹⁴¹ Snidely Slickster, Chairman of the Authoritarian Party, *1992 Presidential Campaign Flyer*.

¹⁴² Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p. 21.

¹⁴³ Gerald W. Skully, *Constitutional Environments and Economic Growth* (Princeton: Princeton University

The Ethics verses Efficiency Debate

For centuries, an ongoing philosophical battle has raged over whether the goal of ethics should be to protect the individual's "right to life, liberty and the right to property," or to promote "the greatest good for the greatest number." What is interesting is that these goals have been assumed to be at odds with one another. These goals do not have to be the enemies of one another. While it is true that individuals are often crushed by officials promoting the greatest good for the greatest number, if individual rights were respected, the larger group would benefit as well. What is a group but a collection of individuals?

One problem that has clouded the issue is our historical inability to discern between inequalities that arise from differences in people's productive abilities, and those that arise due to the subtle injection of coercive elements into our relationships. Because of this, most debates about ethics don't even touch on this issue, and it appears that both "conservatives" and "liberals" are oblivious to the issue of *coercion* verses *voluntary association*. Consequently, most debates are limited to what kind and/or how much coercion should be used. Seldom is it asked whether coercion should be used at all.

The amount of peace and abundance that a culture enjoys is due in large part to the size of the "radius of trust" among the people in that culture. As people spend less time in conflict and more time in production, both individual and aggregate wealth increases.

Although a free society may not forcefully allocate wealth in the way advocates of coercive charity would approve of, the poor in less regulated societies are no worse off materially than they are in more regulated societies.¹⁴³ In addition, they enjoy less intrusion by authorities in their daily lives.

The notion that we have to choose between ethics and efficiency is an artificial argument that ultimately serves the advocates of coercion. Limiting coercion in human relationships in favor of voluntary association is not only more ethical (from a life-enhancement perspective), it is more efficient as well.

Finding Common Ground:

Does This Problem Justify the Use of Coercion?

It is my belief that constructive dialog has to start from some kind of common language. If people start admitting that when they seek to pass a law, they are advocating the use of coercion to make others conform to their demands, we'll have a common starting place. Conservatives, when they seek to limit people's lifestyle choices, would do well to say, "We believe this issue is too important to leave to people's own judgment. Therefore, we advocate the use of coercion to make them respect our wisdom." Likewise, when liberals seek to limit people's economic choices, they would be more honest by saying, "We believe this issue is too important to leave to people's own judgment. Therefore, we advocate the use of coercion to make them respect our wisdom."

Before we can intelligently debate issues pertaining to personal and political relationships, we would be wise to know what we are talking about. Many issues are not easy to resolve. Nevertheless, if we can at least be honest enough to admit when we propose to use coercion to solve human problems, we can look at which kind of coercion we are proposing, and then consider whether such coercion is offensive or defensive in nature. Someday I would like to see a book

such as *The Complete Compendium of Coercion Strategies* developed so we can have a comprehensive guide to relationship dynamics much the same way as we now have medical encyclopedias to aid us in understanding physical illness.

As I said in the beginning of this chapter, my intention is to start the debate, not end it. I hope that this chapter will start a new inquiry which will lead us toward more useful concepts for understanding human relationships.

A Relative Tribute to Ethical Relativism

What has been said so far is of value only if one believes ethical systems should support the cause of life. However, not everyone would agree. Therefore, in this age of *ethical relativism* and *cultural relativism*, it would be impolitic of me to make a firm stand on a single set of principles. Therefore, in the hope of broadening my audience, I will put in a plug for ethical relativism.

The best description of our situation, and possibly a good formulation of the *ultimate morality* as well, is encapsulated in a simple sentence: "You are free to do anything you want—all you have to do is pay the consequences." While nature gives us life, there is no firm mandate that says we must maintain it. Therefore, the choice to use our abilities to support the cause of life is optional.

The bottom line in ethical debate is the *standard of value* we seek to promote. In basic terms, we have two choices for a standard of value: *life* or *death*. To those for whom death is the standard of value, an ethical system that heightens the amount of conflict in human relations is rational. On the other hand, those who hold life as the standard of value will want to adopt an ethical system that minimizes conflict in human relationships. What is irrational is claiming to hold life as the standard of value while advocating increases in the amount of human conflict. (Unless, of course, such a deception is part of a larger strategy to promote death as the standard of value.)

In life, we have two arenas of competition: production and coercion. Ethical relativism says one is as good as the other. From the viewpoint of the grave that may be true. However, in this life each choice has a corresponding consequence. Our choices might be relative, but the consequences are not.

Now that we have had an overview of ethics, we are ready to take a look at economics, government, law and other subjects in direct, non-euphemized terms. This chapter on ethics had to be presented early in this book because our choice of whether we will fight or not will directly impact whether we will produce or not.

Chapter 4: Economics 101 Reviewed

This chapter is an *Economics 101* review for those who have labored through college economics classes, and an introduction for those who have not. While this chapter cannot possibly be the last word on the subject, if it takes some of the mysticism (and voodoo?) out of economics, it will have done its job.

What is Economics?

The systematic study of economic behavior is a recent development in human history. Adam Smith, the author of *An Inquiry Into the Nature and Causes of the Wealth of Nations*, is credited with having offered a new conceptual framework for understanding economic behavior. Before 1776, “the idea of abstract land or abstract labor did not immediately suggest itself to the human mind any more than did the idea of abstract energy or matter.”¹⁴⁴ (Incidentally, Adam Smith was a moral philosopher who addressed wealth creation and exchange relationships as a small part of a much larger picture.)

Making economics into a science offers both advantages and disadvantages. The major advantage is that conceptual frameworks are helpful for understanding disconnected and in themselves meaningless scraps of information. However, there are negatives as well. We can become so mesmerized by our concepts that we make our theories about people more real to us than the people themselves. This is called the fallacy of reification.¹⁴⁵

For years economics has been called the “dismal science.”¹⁴⁶ When I was studying economics while in pursuit of my business degree, I was inclined to agree with that description. While some interesting and useful ideas like “supply and demand,” and “elasticity of demand,” were presented, the main emphasis seemed to be much the same as my *Quantitative Decision Making* class—apply numerical values to subjective phenomena, run a string of such values through a complex statistical formula, and then hope that a series of small guesses so analyzed will be closer to reality than one big guess. Overall, my economics classes seemed like one long pep talk designed to make us believe that our economic planners were our saviors.

A definition of economics that makes more sense to me is this: “The study of economics is simply a study of the results of the actions that people and their

¹⁴⁴ Robert L. Heilbroner, *The Worldly Philosophers* (New York: Simon and Schuster, 1971), p. 25.

¹⁴⁵ “To regard or treat (an abstraction) as if it had concrete or material existence.” *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

¹⁴⁶ “No wonder that after he read Malthus, Carlyle called economics the ‘dismal science.’” Robert L. Heilbroner, *Op. Cit.*, p. 76.

governments take that affect the production and distribution of food and goods.”¹⁴⁷ An economy is nothing more than the aggregate of the results of the actions of many individuals attempting to fulfill their needs and desires in the best way they know how. Put more simply, the study of economics is the “science of human action.”¹⁴⁸

To put our present subject in perspective, let’s review what we have covered so far in this book. The *Introduction* established that we must eat on a regular basis and maintain our bodies within an acceptable temperature range. From there we concluded that survival requires access to resources. In *Chapter 1*, we acknowledged that our “intellectual brains,” or our faculty of reason, can be used effectively to compensate for weak legs, flat teeth and dull fingernails. It was also noted that “inferior” intellects located closer to a problem can often solve it more effectively than “great intellects” can from a distance.

In *Chapter 2*, we explored the four types of labor that make up the production process. Also, we noted that production only happens when people stop fighting long enough to get some work done. *Chapter 3* attempted to cut through some popular euphemisms by increasing our awareness of the difference between voluntary association and coercion. In this chapter, we will explore individual and group economic behavior and its relationship to both market and non-market forces.

Economic theory addresses three basic issues: how *individuals make choices* from among a range of options, how *individuals make exchanges* with other individuals, and how *national economies perform in the aggregate*. In the following paragraphs, each issue will be looked into in the order mentioned above.

Microeconomics I: The Individual Economic Actor

Generally, we think of economists as people who make a living advising businesses on strategy and governments on policy. That sounds good. But, really, what does an economist do? She studies different investment-mixes in order to determine which one will yield the greatest return. In other words, an economist’s objective is no different than anyone else’s—achieving maximum satisfaction from limited resources.

Who Is An Economist?

The classic problem of economics is summed up as, “unlimited wants, limited resources.” Everyone, no matter how wealthy or privileged, is forced to choose some things, and in turn, obliged to forego others. Even if a person had all the money in the world, she would still not have time to do everything.

Because we all must make choices, *everyone is an economist*. In fact, every creature—not just us “human critters”—must weigh costs and benefits while making choices among available alternatives. Even one-celled organisms have been discovered on this planet! The source escapes me, but I remember reading about an experiment performed on some type of one-celled creature which was given two types of food. One type of food was preferable to the other, so the experiment focused on how much further it would travel to get its preferred food. As expected, our one-celled friend did travel further for its preferred food, but if its

¹⁴⁷ Warren Hackett, *It’s Your Choice* (New Rochelle: America’s Future, Inc., 1983), p. 6.

¹⁴⁸ Ludwig von Mises, *Human Action* (Chicago: Henry Regnery Company, 1966), p. 4.

favorite food was positioned too far away, our one-celled friend would settle for its second choice. From there we can surmise that the cost of additional travel exceeded the benefits of better taste.

In another instance, a token economy was set up in several mental hospitals. The token economy provided rewards for tasks performed with tokens which could then be used to purchase things that patients wanted. “Disciplinary problems became relatively unimportant with the token economies. Further, when difficulties did arise, in general they could be dealt with very simply and easily by changing the price. For example, in one hospital, the patients objected to mopping the floor. The caretakers simply raised the wage for floor mopping and found themselves deluged with volunteers.”¹⁴⁹ After various experiments, they concluded: “In general, what these experiments indicate is that standards of rationality required for economic behavior are so low that certified patients in mental hospitals—sometimes, certified basket cases—meet them.”¹⁵⁰

Economic principles affect every area of our lives, not just business relationships and monetary transactions. All relationships impose costs and (hopefully) confer benefits. For instance, it often happens that men and women, after one or two dates, suggest to each other, “let’s just be friends.” What is being said is, “I perceive you as being capable of offering only enough value to justify a friendship, and nothing more.”¹⁵¹ Although the primary currency of intimate and friendship exchange is not material or monetary in nature, exchanges still take place.

Any time we choose a value, whether it be material or non-material, we are giving up the next best alternative available to us at that time. Of course, our choices are many, and we must choose according to our values. One person may choose a nice car and an older house; another may choose a nice house and an older car; and a third person might choose an older car, a small apartment and lots of free time to write a book called *A Farm Boy’s Testament to the United Nations*.

Microeconomics II: Exchange Relationships Among Individuals

Economics exists as a science not only because people must make choices among alternatives, but also because they trade goods and services with one another. Were everyone a Robinson Crusoe living on their isolated little island, economics would not have to go beyond “choice theory”. Direct commodity production requires knowledge of how to turn raw materials into consumable goods (food, shelter, etc.) and capital goods (tools), but it does not require an understanding of the principles of exchange.

James Buchanan develops on the Robinson Crusoe scenario thusly: “The uniquely symbiotic aspects of behavior, of human choice, arise only when Friday steps on the island, and Crusoe is forced into association with another human being. The fact of association requires that a wholly different, and wholly new, sort of behavior take place, that of ‘exchange,’ ‘trade,’ or ‘agreement.’ Crusoe

¹⁴⁹ Richard B. McKenzie and Gordon Tullock, *The Best of the New World of Economics* (Homewood, Ill. : Irwin ,1989), p. 58.

¹⁵⁰ *Ibid.*, p. 60.

¹⁵¹ Assuming, of course, that “let’s just be friends” isn’t just a cliché meaning “have a nice life.”

may, of course, fail to recognize this new fact. He may treat Friday simply as a means to his own ends, as a part of 'nature,' so to speak. If he does so, a 'fight' ensues, and to the victor go the spoils."¹⁵² In this situation, it quickly becomes apparent that Mr. Crusoe will live better if he chooses to employ Friday's skills than if he decides to kill him to take his "property."

Specialization and Economies of Scale

In an industrial society, a great deal of knowledge is embodied in many of the products we use daily and take for granted. *Chapter 2* explored the complexity of making a simple pencil. The main point was that the knowledge involved in making even a pencil is so extensive that no one person on the planet knows every step in its most minute detail. It is only the combined knowledge of many people that makes it possible to make a pencil. This process becomes even more remarkable when we consider how long it would take for each of us to make a pencil compared to how long we have to work at even a menial job in order to buy one at the store. In America, for instance, a person working at minimum wage can purchase a package of ten pencils in exchange for fifteen minutes of work. *Try making even one pencil in fifteen minutes by yourself!*

Specialization of Labor

One important benefit of an exchange economy is the improved efficiency that comes from specialization. For instance, let's consider this hypothetical example. I raise corn, and I want to buy a chair. With years of experience, I have become very good at growing corn. On the other hand, my chair-making skills are very poor. Consequently, if I can find someone who is good at making chairs, and who has not yet broken the habit of eating, maybe I can trade some of my corn for her chair, allowing me to enjoy the best of both worlds.

Each skill—raising corn and making chairs—requires its own type of knowledge. The more we can focus on one type of work, being confident that we can trade any excess production, the more the general wealth will improve.

Specialization of Resources

Along with the benefits of increased productivity that comes from specialization in labor, we can also benefit from specialization in resource availability. For instance, Iowa's climate is ideal for growing corn while Florida is better suited for growing oranges. Of course, it doesn't take a genius to figure out that growing oranges in Iowa and growing corn in Florida will require more effort than allowing nature to do more of the work. To not allow nature to do as much of the work as possible is the equivalent of another hypothetical Robinson Crusoe scenario:

But perhaps you do not know this: just as he was about to strike the first blow with his axe, Robinson Crusoe noticed a plank cast up on the beach by the waves."

Oh, what a lucky accident! He ran to pick it up?

That was his first impulse; but then he stopped and reasoned as follows:

¹⁵² James M. Buchanan, "What Should Economists Do?," Robert D. Tollison & Viktor J. Vanberg (eds.), *Economics: Between Predictive Science and Moral Philosophy* (College Station, TX: Texas A & M University Press, 1987), p. 27.

“If I go to get that plank, it will cost me only the exertion of carrying it, and the time needed to go down to the beach and climb back up the cliff.

“But if I make a plank with my axe, first of all, I shall be assuring myself two weeks’ labor; then, my axe will become dull, which will provide me with the job of sharpening it; and I shall consume my provisions, making a third source of employment, since I shall have to replace them. Now, labor is wealth. It is clear that I shall only be hurting my own interests if I go down to the beach to pick up that piece of driftwood. It is vital for me to protect my personal labor, and, now that I think of it, I can even create additional labor for myself by going down and kicking that plank right back into the sea!”¹⁵³

This brings us back to the age-old question: do we want labor, or the *results* of labor?

The Economic Machine

In any system of commodity production there are five steps that take place regardless of the political system people live under. These steps are: 1) human desire, 2) labor, 3) resource processing, 4) distribution, and 5) marginal satisfaction. When step five has been completed, human aspirations are generally heightened, or at the very least, people get hungry again and the cycle begins anew. Once again, these five factors take place regardless of how they are managed politically. *Figure 4-1* on the next page has been developed in order to illustrate this concept visually.

Let’s consider these steps one at a time:

Human Desire

Desire is our motivation to action—the engine that drives production, if you will. Of course, desire does not escape criticism. For every person who equates desire with divine discontent, at least one other person equates desire with lust and corruption. The second perspective was portrayed well by a cartoon I once saw which showed Moses holding the stone tablets, looking upward, and asking, “No greed? But what’s to become of the economy?”

While it can be argued that people can easily fall into the trap of materialism, being too aesthetic can cause its own problems. “Often when we renounce superfluities we end up lacking in necessities.”¹⁵⁴ In any case, whether desire is right or wrong, good or bad, it remains the motive force behind all human endeavor. (Thus, wise economic policy is made by considering the effect new policies will have on people’s inspiration to return to work the day *after* they have felt the effects of those policies.)

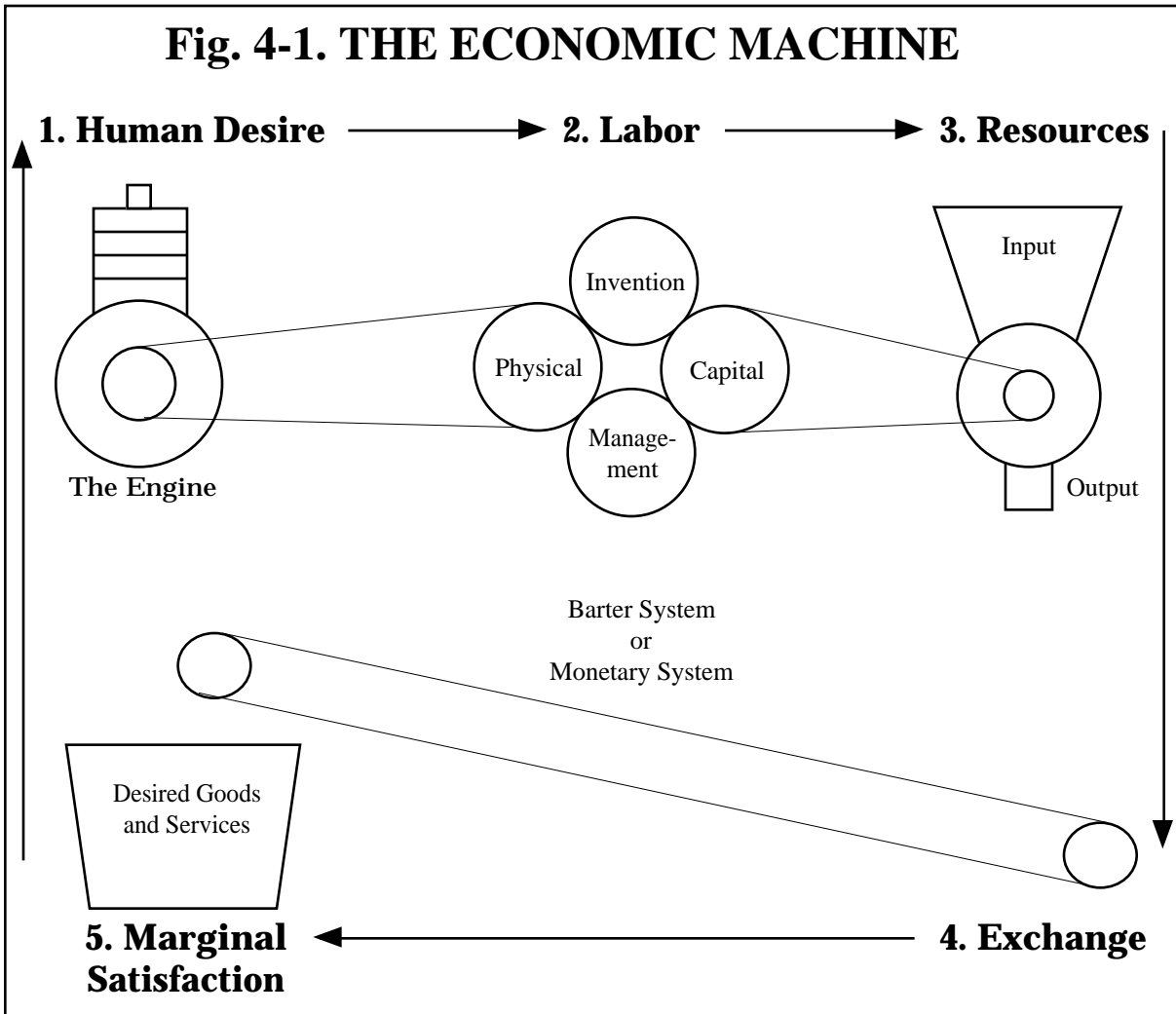
Labor

Once human desire has been “fired up,” the next step is to perform some type of labor. In the *Chapter 1* we considered the concept that says there are four types of labor: physical labor, inventive-labor, management-labor and capital-labor. Also, we considered the idea that if we wish to improve our lives, we will be wise to learn how to perform as many of those four types of labor as possible.

¹⁵³ Frederick Bastiat, translated by Aurthur Goddard, *Economic Sophisms* (Irvington-on-Hudson: Foundation for Economic Education, 1968), pp. 243-244.

¹⁵⁴ Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 34.

Although we can debate whether individual initiative or chance circumstance is the primary determinant of human destiny, and we can debate whether it is fair for some people to start life with more abilities and capital than others, the “iron law” of survival remains constant: If *somebody* doesn’t work *nobody* eats (or lives indoors).



Resource Conversion

The end-goal of labor is to convert raw materials into finished products that support survival and comfort. Except for places with climates that can consistently provide food merely for the picking and also eliminate the need for clothing and shelter, raw materials must be pulverized and modified to enable us to live at all, much less to live comfortably. This is a reality of life that is being lost on many people—especially people who enjoy life-styles that isolate them from the elements. While there may be a vocal few who hate people without reservation (all the while loving humanity), it appears that most of those supporting “resource lock-up” simply do not understand the connection between resources in nature and the homes, cars and food they take for granted.

The connection between resource use and survival was made very clear to me at an early age. When I was a teenager on the farm, we were busy converting raw materials into life-sustaining commodities from sun-up to sundown. In fact, we were always struggling just to keep up with everything that needed to be done.

One of the jobs I hated most was picking up the latest crop of rocks off the fields after each plowing. Most of the time we picked rocks when it was too cold to do anything else. As I am not the most warm-blooded creature, my fingers would get so cold that I would just lock them into position, grit my teeth, and envy the mechanic downtown and the warm garage he worked in.

Even today, when I am driving in a storm with the heater running and seeing the bitter cold and snow just three feet away, I treasure my comfort and I feel an exhilarating sense of triumph over nature. You might say I am most grateful for those resources which have been transformed into automobiles. (When I read Aleksandr Solzhenitsyn's books, *The Gulag Archipelago* and *The Gulag Archipelago Two*, I experienced strong sympathy for the people who endured extreme cold weather while working in Siberian labor camps.) In short, you will not find me joining in a chorus with intellectuals like Eric Fromm who glorified the Middle Ages. If there is an easier way to convert raw materials into life-supporting products, I am interested!

Raw materials do not become resources until someone figures out a use for them. Wood was not a resource for heating until someone discovered fire. Whale oil was not a resource until someone figured out that it would burn. Fossil fuel, known by some as "dinosaur squeezins", was not a resource until someone figured out how to use it. Until then, it merely polluted otherwise good farmland.

Before we throw in the towel and declare that doomsday is just around the corner, we might consider the development of computers. When computers were first invented, they were big, used lots of electrical power, required lots of air conditioning, and burned out tubes on an average of one every seven minutes. Now that same computing power can sit on a desk, use power equivalent to a couple of light bulbs, be composed of minute amounts of a common material, and boast thousands of hours "mean time between failure."

Ultimately, resource availability is as abundant as human creativity will allow. (And human creativity is as abundant as social and political systems will allow.)

Distribution

Once raw materials have been converted into consumable goods, we must figure out how to distribute the excess beyond our personal consumption. (Even if we are only marginally competent, it is not difficult to produce a greater quantity of a single product than we can use personally.) Even primitive cultures often create surpluses, thanks to small-scale specialization of labor: one person hunts, another makes baskets, and so on. This means that in all but the most tribal cultures, some form of exchange or distribution is necessary.

Distribution can be done in several ways: *voluntary donations*, *forceful confiscation*, or *voluntary exchange* in the market through barter or monetary transactions. Utopians generally advocate the first method by offering the ideal of everyone throwing their production into a communal pot. However, human nature being what it is, utopians quickly become frustrated, and then they start

advocating the second method. (Lenin, for instance, vowed to change human nature.) The third method, voluntary exchange, is advocated only by a few stubborn souls who refuse to believe that the well-being of one person can only be improved at the expense of another person. Summed up: “If any person or nation wants more than they have, they must produce more. The alternative is to seize the production of others, by theft or war or political action.”¹⁵⁵

As was mentioned in the last chapter, we have a choice between voluntary exchange or coercive exchange. (Voluntary donations fall into the category of voluntary exchange, leaving us with two primary categories.)

Distribution through Voluntary Exchange

The first method of distribution is called “voluntary exchange in a free market.” In this scenario, people who care little for one another strike hard bargains with only their own personal interests at heart. However, in spite of the apparent lack of a loving and humanitarian spirit, they somehow refrain from using force or fraud to close the sale. If both parties cannot agree, they part company and the transaction simply does not take place—they seek for a successful exchange elsewhere.

Actually, a true free market has never been tried. However, every culture has pockets of free market activity. The freer the culture, the greater the amount of market activity. In regulated economies, these pockets are called the “black market” and the more regulated the economy, the larger and more active the black market. (To comprehend how strong is peoples’ desire to trade with one another, we only have to consider that people are willing to deceive even their own governments in order to exchange goods and services.)

Another dimension of voluntary exchange is free-will donation to charity. Contrary to philosophers who wish to disparage human nature, there is a large demand for the good feelings that come from helping others. When we give to someone else, we are affirming our own competence in life—we not only create enough for ourselves, we create even more than we need.

Of course, some people get in a hurry to return to the garden, so they set out to give humanity a *push* in the direction they believe we should go. These people seek to facilitate exchange “by other means.”

Distribution through Political Action

A popular form of distribution is called political distribution—better known as *redistribution*. Some people find themselves unhappy with “market outcomes” in the allocation of goods and resources, so they look to the government to redirect resource allocation in a manner more to their liking. This approach is considered civilized because confiscation is effected with a ballot instead of a bullet.

However, as confiscation becomes an increasingly acceptable means of distributing goods and resources, it also becomes less subtle. In Bosnia, Serbs are attempting to purchase large tracts of land for the price of a few bullets and mortar shells. In Somalia, warlords are vying with one another for control/ownership of both the land *and* the biped creatures who cultivate the land. And of course, there are scores of skirmishes around the planet at any given time.

¹⁵⁵ Warren Hackett, *Op. Cit.*, p.14.

These, of course, represent the extremes of political persuasion—war is politics run amuck.

Political inputs of coercion into the market place often have unintended consequences, modifying people's behavior in unexpected ways as they adapt to forced changes in the incentive structure. In the former Soviet Union, for instance, it was common for people to say, "We pretend like we are working and they pretend like they are paying us."

Later in this chapter we will take a closer look at some specific strategies that are used to effect "exchange by other means." Indeed, much is being accomplished through subtlety and craft that could not be accomplished through outright belligerence.

Marginal Satisfaction

At the end of each economic cycle, we achieve "marginal satisfaction". Then we begin the cycle anew. Depending on how we fared during the last cycle, we will either redouble our efforts, or we will slack off, or we might even decide to fight because we have determined that our productive efforts were futile.

Except for an occasional Buddha here and there, complete satisfaction is rare in human experience. In fact, nature's agenda mitigates against it. It is not common for people to eat only once, sleep only once, or have sex only once, and then say, "That was an interesting experience. Now that that's behind me, I can do something else with the rest of my life." (Or as they say on television, "been there, done that.") Consequently, we get back on the economic cycle and go for yet another ride.

Establishing Comparative Value Among Goods and Services

In addition to the issue of marginal satisfaction, we need to consider comparative value. When we seek to maximize our satisfaction, we must choose things we value more and forgo other things we value less. (The true cost of any choice is the second best alternative we gave up for it.) In a larger market, where many people are making choices daily, we soon discover that the demand for some items exceed the supply while the reverse is true for other items. Generally, these demand/supply ratios are reflected in the market through higher and lower prices. This principle holds true in both open markets and in black markets.

While this principle is simple, much intellectual and political energy has been spent fighting these principles. Many philosophers insist that subjective valuations in the market do not determine the true value of a good or service, and point to other methods of measuring value. Other philosophers concede that the market price does reflect people's subjective valuations of goods and services, but they insist that a superior method should be found. (Some philosophers who resent "cold cash" have discovered that "happiness is a warm gun.")

Some philosophers insist that the true value of a good is determined by the amount of labor it takes to make it. Others insist that the overall cost of producing a good determines its value. Finally, there are those who accept the subjective valuations of individuals as a rational and just way of establishing comparative value. Let's consider each in its turn.

The Labor Theory of Value

The idea that value is completely created by labor is primarily a Marxian concept. However, Karl Marx was not the only person to point to labor as a creator of value. Frederick Bastiat, an ardent opponent of Socialism made this observation: “Exchange involves the bartering of values; and since competition makes value the equivalent of labor, exchange involves the bartering of equal quantities of labor. What Nature has contributed to the products in the exchange is given by both parties to the transaction *free of charge and into the bargain*, . . .”¹⁵⁶

We noted in an earlier chapter that Marx saw physical labor as the only labor deserving of reward. This view contrasts sharply with a perspective that includes four types of labor. Adding the cost of all four types of labor together would lead us to the next approach to valuation—cost of production. (Could this be the philosophical origin of those sweet cost-plus government contracts?)

Cost of Production

Costs of production include everything that is necessary to produce a product or service. These factors include education, market research, planning, investment in tools, organizing, and the hands-on work itself. As was noted in *Chapter 2*, a lot of knowledge is required to make even simple products.

Because so much knowledge and effort is required to make even simple products, it is little wonder that people become attached to the results of all their hard work. Naturally, they expect to be rewarded well for their efforts. Unfortunately, producers are often disappointed when they learn that consumers do not value their goods and services to the same degree. (Which is why people who promote non-market methods of establishing value have to supplement their productive activities with political action.)

The major weakness in both the *Labor Theory of Value* and the *Cost of Production* approaches is that they declare, in effect, that “the worth of a good or service is determined not by individual evaluations but by the amount of effort exerted: if as much effort is used to make a mud pie as to make a mince pie, they are of equal worth!”¹⁵⁷ And because mud pie manufacturers deserve a “fair profit,” we find them and their representatives lining the halls of capitol buildings around the world.

An Overall Assessment of the Nature of Value

In the end, we discover that the true value of a good or service is what someone else will voluntarily exchange for it. John Ruskin offered this formulation: “Value is the life-giving power of anything; cost, the quantity of labor required to produce it; price, the quantity of labor which its possessor will take in exchange for it.” This leaves one final question—will the prospective buyer agree to the price that the producer wants for the product of their labor? As producers, we generally sell our products and services for less than we would like to, but not

¹⁵⁶ Frederick Bastiat, translated by Aurthur Goddard, *Economic Sophisms* (Irvington-on-Hudson: Foundation for Economic Education, 1968), p. 43.

¹⁵⁷ Leonard E. Read, “Business is entitled to a fair profit.”, Mark Spangler, ed. *Clichés of Politics* (Irvington-on-Hudson, NY: The Foundation for Economic Education, 1994), p. 154.

for less than we are willing to. Likewise, as buyers we generally pay more for goods and services than we want, but not more than we are willing to.

Money and Monetary Systems

The first level of an exchange economy is called a barter economy. Earlier in this chapter we explored the improvements possible due to specialization within the limits of a barter economy. In a barter economy, efficiency is increased somewhat thanks to the specialization and exchange that can take place on a local scale. However, if we wish to improve our efficiency beyond that allowed by barter, we need to use a commodity called money, which will further increase both the flexibility of our transactions and our “economy of scale.”¹⁵⁸

The Function of Money

Back in 1984, I stopped one day and asked myself, what is money? The long form of the question was: what does money do for a society that justifies the massive investment in paper and metal, buildings, transportation and people? After all, without a monetary system, those resources could be used elsewhere.

Given that I had acquired a Bachelors Degree in Business Administration with eight semester hours of study in economics, I figured that just sitting down in purposeful thought would give me the answer. Instead, my contemplation yielded no answers. Consequently, I ended up adding economics to my study regimen.

After doing my homework, I found that in order for money to be useful, it needs to perform four functions: it must be *generally accepted as a store of value* by the community; it must be *divisible*; it must be *portable*; and, it must *represent a store of value over time*. In order to better understand the social benefit a monetary system provides, let’s develop further on the example of exchanging corn for chairs.

A barter economy is not a bad system. (It is certainly an improvement over having to make everything oneself.) However, if I want to exchange some corn for a few chairs, I have to spend time talking to a number of chair-makers until I find one who is in the market for corn. This can be time consuming, and that time could be spent doing what I do best—growing corn. Furthermore, what happens if the chairs I like most are made by a chair-maker who does not need corn?

On the other hand, when money is *generally recognized as a store of value*, my options expand. Now I can sell my corn to anyone wanting corn, and then buy my chairs from anyone selling chairs, including the person who makes my favorite chairs. I am relieved from having to store corn while waiting to find someone with the chairs I want, and I don’t feel the pressure of having to spend all my corn in the same place so I can get back to work.

This brings us to the next function of money: it needs to be *divisible*. The person selling chairs probably wants more than just corn in exchange for her chairs. With the help of money, after she has sold her chairs, she can buy smaller quantities of any number of goods and services offered in the larger market.

¹⁵⁸ As we perform the same function over and over, we find ways to make our productive efforts progressively more efficient.

The divisible nature of money is also useful for joining together resources for larger capital ventures. Let's say that I have an idea of buying a corn press in order to make oil from the corn that has, till now, been going to waste. However, I do not have enough money to personally buy the press. With the help of money, I can solicit investors who will pool their money together so we can achieve through group action what none of us alone could hope to accomplish. (A result usually ascribed to political action.) In short, because of the divisibility of money, everyone's range of choices improves, and less time is spent transacting business as well.

The next quality of money is that it is *portable*. What if I want to take a trip. Chances are it would be difficult to load enough corn on my back or even on the back of my mule (or automobile for that matter) in order to support myself for a long journey. However, with the help of money, I can travel much further.

Another benefit that comes from money being portable is that as the area in which a specie of money is accepted widens, the opportunities for trade increase proportionally. An example of the benefits of trading over a larger geographical area was given by Frederick Bastiat. "Labor and Nature collaborate in varying proportions, depending upon the country and the climate, in the production of a commodity. . . . If an orange from Lisbon sells for half the price of an orange from Paris, it is because the natural heat of the sun, which is, of course, free of charge, does for the former what the latter owes to artificial heating, which necessarily has to be paid for in the market."¹⁵⁹ In other words, when money is portable and recognized over larger areas, people do not have to live in a particular climate in order to enjoy its benefits.

The next function of money is to *represent a store of value over time*. If I grow more corn than I need now, I can accept money in exchange for the excess corn with the expectation that if I need something later, I can buy it then. In addition, it is worth noting that corn does not store as economically as that non-biodegradable commodity we call money.

It was at this point that I began to suspect that something was wrong. Granted, the dollar was generally recognized as a store of value, it was divisible, and it was portable. However, the 1984 dollar did not purchase as much as it did even a few years earlier, much less fifty years earlier. Then I recalled a class discussion in high school in the late 1960s where the teacher was talking about an example where someone, instead of buying hamburger for a party, put the money in the bank with the idea of having an even bigger party ten years later. After the ten years had passed, the money was taken out in anticipation of a good party. However, it turned out that even with interest on her savings, she bought less hamburger than the principle alone would have purchased ten years earlier. Fortunately, she did not have a heart attack. Thanks, in part, to her not eating that hamburger ten years earlier, she had a stronger heart with which to withstand the shock. Nevertheless, the mystery remained—where did that lost purchasing power go?

¹⁵⁹ Frederick Bastiat, translated by Aurthur Goddard, *Op. Cit.*, p. 59.

Inflation: Its Cause and Its Effects

Inflation is an elusive phenomenon. For years we have been hearing inflation being blamed on “greedy businessmen” and “spendthrift housewives”. Business owners are accused of arbitrarily increasing prices and housewives accused of mindlessly bidding up prices. In economics text books, the first is called “cost-push inflation” while the latter is called “demand-pull inflation.”

Cost-push and *demand-pull* theories of inflation are useful up to a point. It is general knowledge that as the supply of a good or service increases relative to demand, prices will go down. Conversely, as the supply decreases relative to demand, prices will go up. However, these theories are only useful for understanding isolated price increases. If costs keep going up and there is no market willing to pay the higher prices, production of that good or service will slow down or stop, thereby lowering the supply to match the demand. On the other hand, if demand increases, thereby bidding up the prices, a signal is given to producers to start making more. In response to these influences, prices will have a porpoising effect rather than a general increase.

To account for a general increase in the price of everything, a different theory will have to be developed. Our first clue comes from a term used earlier to describe money: *exchange commodity*. Like any other commodity, money’s value is measured in terms of its ability to purchase other commodities. In a sense, one could say that the value of a dollar is the amount of goods and services one has to give up in order to acquire or hold it. Consequently, looking at the quantity of money relative to the quantity of all the goods and services it is called upon to represent will help us better understand the cause of inflation.

Inflation and Its Relation to the Money Supply

The dictionary describes inflation this way: “Inflation: Economics. An abnormal increase in available currency and credit beyond the proportion of available goods, resulting in a sharp and continuing rise in price levels.”¹⁶⁰ While it is common for the prices of individual goods to go up and down as quantities of goods change in relation to demand, the supply of money must increase for everything to go up in price at the same time.

This understanding of inflation is not common knowledge. John Adams, America’s second president, made this observation over two-hundred years ago: “All the perplexities, confusion and distresses in America arise not from defects in Constitution or confederation, not from want of honor or virtue, so much as from downright ignorance of the nature of coin, credit and circulation.”¹⁶¹ More recently, no less of an authority than John Maynard Keynes asserted: “Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. . . . Lenin was certainly right. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which one man in a million is able to diagnose.”¹⁶²

The Mirage of Inflation

¹⁶⁰ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

¹⁶¹ Quoted in Warren Hackett, *I Op. Cit*, 1983), p. 6.

¹⁶² Quoted in Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974), p. 57.

It is common for people to assume that if the *price* of a commodity or service goes up, the *value* of that commodity has gone up too. As the last paragraph suggested indirectly, that is not always the case. In the late 1970s, farms that sold for \$20,000 in the early 1960s were selling for \$250,000. People were thrilled to discover that their land had “gone up in value”.

About this time, I was studying economics in college. My calculator was vibrating with excitement as I computed that my parents could sell the farm and live very nicely on the proceeds at 12% interest. My father, with his eighth grade education and a vivid memory of the Great Depression, shrugged off my “sagely” recommendations¹⁶³ by saying, “Just as surely as I sell this place, the banks will go broke and I will lose it all.”

Of course, I knew that couldn’t happen because my economics textbooks told me that the government had already taken steps to insure that would never happen again. (The government loves me, yes I know; for Paul Samuelson tells me so.) My father did not share my faith, so I let the subject drop—after all, it was his farm. . . . In the end, however, guess who proved to be right?

Inflation is very tricky. It is easy to believe we are better off because we are holding more dollars or more rubles or whatever. However, the best way to measure our well-being is in terms of how many hours work we have to do for a certain good or service compared to what we did earlier. “In 1946, a student who had a part-time job at sixty cents an hour, could take a date out to a drive-in food stand for a coke, sandwich and ice-cream and later a movie for a total cost of \$1.20 for both of them. This represented two hours of his work, at sixty cents an hour. Today, the same date costs \$12.00, which take almost 4 hours of work at the government-regulated minimum wage rate of \$3.35 an hour—if his skill is such that he can find a part-time job that will pay him the wage.”¹⁶⁴

Land, houses and capital do not go up in *value* unless their utility has somehow been improved. For instance, an acre of corn will only support so much human life. Its life sustaining value remains the same whether it takes one dollar or a million dollars to buy it. If the use of the property has not changed, and yet it takes more dollars to purchase it, we can say it has only increased in *price*.

Money not only represents goods and services in the marketplace. It also represents faith—faith that in the future, someone will produce goods and services and be willing to exchange them for the money one has been hanging onto. If one were stranded on a desert island and discovered a treasure chest of currency, or even gold and jewels, it would do nothing to lessen the necessity of wrestling with the elements for survival. Nature does not accept money in exchange for goods and services—only people do.

Macro-Economics: The Government’s Role In Influencing Economic Activity

For over 5,000 years, people have accepted the idea that minute aspects of their daily lives should be controlled by society’s primary agents of coercion.

¹⁶³ About that same time, then President Jimmy Carter was advising farmers to buy new equipment on credit against the “increased value” of their land. In the 1980s, many of those farmers went bankrupt.

¹⁶⁴ Warren Hackett, *Op. Cit.*, p. 6.

Hence, governments have used the science of statistics for a long time with the hope that by manipulating levers here and there, abundance will be assured. “Statistics, . . . are the eyes and ears of the interventionists: of the intellectual reformer, the politician, and the government bureaucrat.”¹⁶⁵ Ultimately, for government planning to be successful, it must at least find a way to mimic the market.

When discussing regulation, we are covering as wide a topic as is human action itself. In this section, we will start by considering the government regulation of money because it is a natural continuation from where we left off. Later we will consider some of the other popular forms of regulation.

Monetary Manipulation and Price Information

Political leaders generally have two reasons for dictating economic and monetary policy. The first reason is the desire to increase their personal wealth by controlling the “rule space.” The second reason is to correct perceived inequities in the way people distribute goods and resources among themselves when there is no higher authority intervening. Many of these schemes call for freeing the economy from the “tyranny of prices.” This, of course, is a popular policy because everyone would like to sell what they have to offer for more, and also to be able to pay less for what they buy.

The curse of prices hides within it a benefit, if only we will look closer. With a single scale against which to measure the relative value of all the different goods, services and resources in the marketplace, better decisions can be made. If a product is in high demand, the high prices it commands tells other producers to get busy producing more. If the cost of a certain raw material goes up, a shortage is indicated, and either more will be found, or a substitute will be developed. Naturally, low prices indicate the reverse. (Apart from ethical issues, command economies have problems with resource allocation because resources and goods are distributed by political fiat rather than by price and availability.)

If money is to be a useful expediter of exchange, people must have confidence in it. When money starts losing value rapidly, economies falter because people can no longer do long-term planning. In the early stages of inflation, people start to make decisions that they would not make if the extra money did not encourage a false sense of prosperity.

John Maynard Keynes is credited with the “discovery” that printing some money and putting it into the economy can generate more economic activity. However, Benjamin Franklin noted the stimulating power of printed money some two-hundred years earlier:

I was on the side of an addition, being persuaded that the first small sum struck in 1723 had done much good by increasing the trade, employment, and number of inhabitants in the province, since I now saw all the old houses inhabited, and many new ones building: whereas I remembered well, that when I first walk'd about the streets of Philadelphia, eating my roll, I saw most of the houses in Walnut Street, between Second and Front streets, with bills on their doors, “To be let”; and many likewise in Chestnut street and other streets, which made me think the inhabitants of the city were deserting it one after another.

¹⁶⁵ Murray N. Rothbard, “Fact-finding is a proper function of government.”, Mark Spangler (ed. *Op. Cit.*, pp. 91-92.

The utility of this currency became by time and experience so evident as never afterwards to be much disputed; so that it grew soon to fifty-five thousand pounds, and in 1739 to eighty thousand pounds, since which it arose during war to upwards of three hundred and fifty thousand pounds, trade, building, and inhabitants all the while increasing, tho' I now think there are limits beyond which the quantity may be hurtful.¹⁶⁶

In the long run, excessive increases in the money supply, which was due in large part to financing the Revolutionary War, did cause problems. "On February 3, 1787, Washington wrote to Henry Knox: 'If any person had told me that there would have been such formidable rebellion as exists, I would have thought him fit for a madhouse.'"¹⁶⁷ The *Continental* (currency) ultimately became a synonym for *worthless*. The new Constitution, at least partially in response to this experience, was written to include the requirement that only Congress would have the power to *coin* money.

When the inflationary spiral reaches extreme proportions, people dump their money as quickly as possible before it loses any more of its value. In Germany of 1923, people would demand to be paid in the middle of the day so they could shop before the currency lost even more value by evening. At the same time, "150 printing firms had 2,000 presses running day and night to print the Reichsbank notes."¹⁶⁸ Before the whole event was over, all but those who were first in line for the new money and those who had learned "the trick of inflation" were wiped out. "Those who quickly converted to gold were able to survive the inflation with their resources reasonably intact."¹⁶⁹

Large increases in the supply of money play an important role in general inflation. However, there comes a time when, like any good speculator, most people start to estimate what the value of money will be by the time they can spend it, and assign it that value in the present. This is where the psychological component of inflation kicks in. In this case, peoples' expectations of the currency's loss of value can outpace even hyperactive printing presses. Maybe this is why we call this condition hyper-inflation—hyperactive printing presses motivate hyperactive people to bid up prices hyperactively in order to unload the currency as quickly as possible.

Psychological Stability and Monetary Stability

The final benefit of having a stable and honest currency is a psychological one. It has already been noted that token economies have decreased behavioral problems in mental hospitals. That being true, it would stand to reason that destroying a real economy would tend to *increase* behavioral problems in everyday people. To explore this thesis, let's start with the least subtle effects of inflation and work our way toward the more subtle dynamics.

In war-time, inflating the enemy's currency is a major psychological warfare strategy. "Bold black propaganda can often embarrass the enemy. The dropping of a few hundred tons of well counterfeited currency would tend to foul

¹⁶⁶ Benjamin Franklin, *The Autobiography of Benjamin Franklin* (New York: Macmillan Publishing Company, 1962), p. 68.

¹⁶⁷ F. Tupper Saussy, *The Miracle on Main Street* (Sewanee, TN: Spencer Judd, 1984), p. 11.

¹⁶⁸ Leonard Peikoff, *Ominous Parallels* (Briarcliff Manor, NY: Stein & Day, 1982), p. 176.

¹⁶⁹ F. Tupper Saussy, *Op. Cit.*, p. 49.

up any fiscal system.”¹⁷⁰ A war machine can only run so long as there is a productive economy behind it. Therefore, anything that can confuse and disorient the enemy’s economy should not be ignored. And indeed, “Chronic inflation confuses and disorients people,” making them want “to punish someone for their misery.”¹⁷¹

By now it should be easy to see how drastic currency devaluation is a good strategy for a government to use against its enemies. However, is it possible governments could use this strategy against their own people? According to Leo Margolin, inflation can be used as an internal strategy to inspire hate, much the same as it can be used to inspire fear and confusion in an enemy. “The organized inflation prompted Karl Helfferich to say: ‘Let them (the German people) suffer a little longer. When they feel the full brunt of inflation, they will start hating. And we shall see to it that their hatred is concentrated on the Republic, on the Jews, and on foreigners.’”¹⁷² Once again, “Chronic inflation confuses and disorients people,” making them want “to punish someone for their misery.”¹⁷³

The last two paragraphs considered the extremes of inflation’s impact on the mental health of people. However, it is also useful to consider what inflation means to people when it is moderate. How do people modify their behavior in order to make the best use of inflationary policies?

One of the first things inflation does is place debtors at an advantage over creditors. In the 1970s, many Americans became successful speculators by using credit that was cheap because the rate of inflation virtually canceled out the interest being paid on the loan. Some of the fast-buck artists who got in and got back out did very well. Many other investors/speculators who stayed with their properties into the 1980s found themselves losing everything when the inflation subsided and money tightened back up. This was especially true for farmers who followed former President Jimmy Carter’s advice to buy new equipment on credit against the “increased value” of their land. With land prices dropping, some banks started demanding large cash payments to secure their position on their loans. In at least one case, the bank initiated foreclosure procedures against a farmer even though he had never missed a payment.

Over all, inflation rewards the debtor and punishes the creditor. This means that, under inflationary conditions, those who live for the moment are acting more rationally than those who work hard and plan for the future.

Of course, people do not change instantly. Training handed down through generations of people with a strong work ethic does not die overnight. Rather, an ever-growing percentage of people in each successive generation begins to comprehend the foolishness of working, so they change their behavior in order to reap the rewards of an inflationary system.

It has been said that the rich plan for future generations while the poor only plan for the next Saturday night. In the context where this declaration was made, the author apparently assumed that the rich planned for future

¹⁷⁰ Paul M.A. Linebarger, *Psychological Warfare* (Washington, D.C.: Infantry Journal Press, 1948), p. 209.

¹⁷¹ William E. Simon, *A Time for Action* (New York: Reader’s Digest Press, 1980), p. 14.

¹⁷² Leo J. Margolin, *Paper Bullets: A Brief Story of Psychological warfare in World War II* (New York: Froben Press, 1946), p. 15.

¹⁷³ William E. Simon, *Op. Cit.*, p. 14.

generations because they had sufficient money to do so, while the poor only planned for the coming Saturday night because that was all they could afford. However, when I read that statement, my immediate interpretation was the opposite, and it occurred to me only afterward that I had misread the author's intent.

In *Chapter 2*, we took a look at the process of wealth creation. There it was noted that ideas and labor must come first, and only then can goods, services and the tools of production be made. When we get this process reversed, we end up having a seed corn festival instead of planning for a better future. Consequently, long-term inflation, if it “persists for a sufficient period, shortens time horizons, as customs, values, and opinions begin to catch up with the growth of the money supply.”¹⁷⁴

Fortunately, once we know where our problems come from, we have the possibility of remedying them. Germany, after World War II was a less-than-pleasant place to live. However, Ludwig Erhard, the father of the little-known “German Economic Miracle,” succeeded in lifting controls on the economy and in instituting a hard currency—the Deutschmark. Soon after these policies were implemented, people moved back into the cities and went back to work. By 1960 Germany enjoyed a better standard of living than England did even though England was not as devastated by World War II.

The same thing happened in America after the ratification of the constitution in 1787. Four years later, George Washington wrote to Catherine Macaulay Graham saying, “Tranquillity reigns among the people with that disposition towards the general government which is likely to preserve it. Our public credit stands on that high ground which three years ago would have been considered a species of madness to have foretold.”¹⁷⁵

While I wouldn't go as far as some authors who suggest that stopping inflation will solve all social problems, having a stable monetary unit will certainly facilitate peaceful exchange. We think nothing of demanding stability for our measurements of length and weight, knowing the havoc a flexible medium for measuring length or weight would have on the economy. Why should a “flexible medium of exchange” be any different?

Exchange by “Other Means”

The chapter on ethics emphasized the concept that humans have only two options for relating with one another. People can make voluntary exchanges for mutual benefit, or they can use coercion in an attempt to get more from a relationship than they put into it. Another way of saying it is that we have two arenas of competition to choose from: the arena of *production*, or the arena of *coercion*. Many philosophers who are horrified by the rigors of competition in a free market seem to believe that competition in a coercive market will somehow enable us to return to the Garden.

It has been said that people generally feel ripped-off if they are not paid more than they deserve. Many people, regardless of the type of labor they perform,

¹⁷⁴ Llewellyn H. Rockwell, Jr., “To Repair the Culture, Free the Market,” *The Freeman*, March 1994, p. 115.

¹⁷⁵ Quoted in F. Tupper Saussy, *Op. Cit.*, p. 30.

find themselves unhappy with “market outcomes.” Consequently, they petition government for “non-market controls.”

While there are many forms of non-market controls. In this chapter we will take a brief look at six types: *regulation, subsidies, tariffs, labor unions, taxation* and *inflation*. Each is justified with the noblest of reasons, but, for good or ill, each is also a form of coercion.

Regulation

Although America was founded on the principle of minimum government interference in the economy, it didn't take long for that ideal to erode. By 1820, Thomas Jefferson was appalled at how much our nation had changed and how influential people were already co-opting the coercive power of government to support their personal agendas. “The offending railroads of the Nineteenth Century were built with government subsidies, and they operated under law (both federal and state) which gave them special privileges.”¹⁷⁶ Of course, eliminating these special privileges was never considered. Instead, they allowed those laws to remain “a fertile source for further evils . . . invit[ing] reprisals.”¹⁷⁷

By the time of the Civil War and the development of the railroads, numerous ways of using public protection for private gain had been developed. And of course, there were the masses who were politically disenfranchised. “If there were many young men who died expressing such plain, old-fashioned sentiments as ‘Tell my mother I did my duty,’ or ‘Tell father I died for my country,’ there were other more practical youths who lived for the mammoth plunder in ventures which ranged from profiteering war contracts to the Congressional bribery necessary to gaining railroad rights-of-way.”¹⁷⁸

Thanks to this obvious government favoritism, the specter of monopoly raised its head. The proposed solution to the “monopoly problem,” however, did not seek to undermine the use of government coercion that bred those conditions in the first place. Instead, it only sought to put the government gun into the hands of other people. According to Richard O. Boyer and Herbert M. Morias, the conditions of the 1870s and the 1880s helped make popular “the Socialist concept . . . that the people should own and operate the means of production for the benefit of themselves rather than for private profit.”¹⁷⁹ In other words, instead of government power being used on behalf of those offering capital-labor services, labor leaders decided it should instead be used to the advantage of those offering physical-labor services.

Another example is the use of regulation to control business. The environmental movement, for instance, has unintentionally helped the very same “big” businesses they hate gain a larger market share by putting smaller competitors out of business. While it is a common notion that regulatory agencies are bound to be captured by the industries being regulated because those regulating business share the same profession, William Tucker points out that

¹⁷⁶ Dan Smoot, *The Business End of Government* (Belmont, MA: Western Islands, 1973), p. 2.

¹⁷⁷ Frederick Bastiat, translation by Dean Russell, *The Law* (Irvington-On-Hudson: The Foundation for Economic Education, Inc., 1990), p.21.

¹⁷⁸ Richard O. Boyer and Herbert M. Morias, *Labor's Untold Story* (New York: Cameron Associates, 1955), p. 15.

¹⁷⁹ *Ibid.*, p. 83.

capture is not necessary. “It is not, as often charged, necessary for the regulated industries to ‘capture’ the regulatory agencies. The regulations do the job themselves. Even when they are not explicit in their exclusions, regulations do what economists call ‘raising the barriers of entry’ by making it more expensive to do business.”¹⁸⁰

Political interests who are rabidly hostile to big business often unwittingly work to its advantage. “A few years ago, when one large Midwest foundry was required to spend nearly \$1 million for new equipment and design changes imposed by OSHA, the owner was delighted. He explained: ‘That million dollars turned out to be a tremendous investment for us. Not because our safety record has improved or because our products are any better. What happened is that a number of our competitors could not afford these same demands from OSHA and are now out of business. We’re booming!’”¹⁸¹

To the category of *regulation* we can add laws such as occupational licensing, which is supposedly done in the interests of the consumer, but generally favors the producer at the expense of the consumer. Very often these laws have the opposite effect. Researchers have found that, for instance, places where electricians were licensed (enabling them to charge higher prices,) were “significantly associated with a rise in the rate of death from accidental electrocutions.”¹⁸² Higher prices are bound to force more people to try to perform their own repairs, so the conclusions of those researchers should not come as a surprise.

In our quest for a perfect world that is free from risk, millions of dollars of costs are being mandated by a plethora of “alphabet soup” agencies. The FDA, for one, keeps new drugs off the market for years and makes research on problems affecting smaller population groups economically unfeasible. It is estimated that 100,000 people died during the ten years beta blockers were kept off the market even though they were being used successfully in Europe. Billions of dollars are being spent annually at the demand of numerous government agencies in order to keep the population safe and healthy. What has been overlooked is that poverty is also a health hazard.

When governments mandate additional costs on industry, many places of employment must close, forcing more people into poverty. The Office of Management and Budget has estimated that there is one additional premature death for every \$1.8 to \$7.25 million of additional regulatory costs imposed on the economy. Consequently, imposing extreme costs on the economy to fight risks can easily backfire. As Representative Dick Armey (R-TX) observed in the Congressional Joint Economic Committee 1992 *Annual Report*, “Though regulation may reduce risk to the public, the cost of this reduction varies wildly and in many cases borders on the absurd. At one extreme, the hazardous waste listing for wood preservatives is estimated to cost \$5.7 trillion per premature death averted.” Fortunately, wood preservatives represent a very small portion of the overall economy, because, using the OMB’s figures, we are talking about

¹⁸⁰ William Tucker, *Progress and Privilege: America in The Age of Environmentalism*, (Garden City, NY: Anchor Press/Doubleday, 1982.), p. 72.

¹⁸¹ Robert W. Lee, “‘Protecting’ Us to Death,” *The New American*, May 17, 1993., p. 30.

¹⁸² Sidney L. Carroll and Robert J. Gaston cited in John Hood, “Does Occupational Licensing Protect Consumers?”, *The Freeman*, November 1992.

somewhere between 786,207 to 3,166,667 premature deaths due to increased poverty in exchange for each life saved from toxins in wood preservatives. Apparently, our great leaders are going to keep us safe, even if it kills us.

Subsidies

In general, we can divide government subsidies into two categories: subsidies for those who work, but don't believe they get paid enough for their work; and subsidies for those who don't work. Generally, there is more resentment against the latter because their subsidies make headlines almost daily.

Many subsidies are popular and accepted as normal business practice. Among the most popular is farm subsidies—anyone challenging them will find even their love of mother and country open to question. Supposedly, farm subsidies are designed to preserve an endangered specie—the family farm. “Farm programs in reality provide most of the benefits to large farmers. The USDA (U.S. Department of Agriculture) concedes that two-thirds of government payments go to the wealthiest 15 percent of U.S. farmers and that the average income of commercial farmers is 25 percent higher than of the average U.S. family.”¹⁸³

When business interests enjoy subsidies, it doesn't take long for labor interests to demand their “fair share.” Woodrow Wilson once observed that “Big business is not dangerous because it is big, but because its bigness is an unwholesome inflation created by privileges and exemptions which it ought not to enjoy.”¹⁸⁴ In an earlier chapter, it was mentioned that over a century ago the labor movement elected to compete with business for controlling the “government gun,” instead of wresting it out of the hands of business so the best of labor would be able to compete with existing business interests. This has in turn led to an adversarial relationship between management and labor, with a great deal of energy going toward competing for control of the “rule space” instead of competing in the marketplace.

And of course, if business and labor are to enjoy subsidies, there is certainly an argument to be made in favor of subsidizing the poor as well. Frederick Bastiat, in his typically prophetic manner describes this development as follows:

The excluded classes will furiously demand their right to vote—and will overthrow society rather than not to obtain it. Even beggars and vagabonds will then prove to you that they also have an incontestable title to vote. They will say to you: “We cannot buy wine, tobacco, or salt without paying the tax. And a part of the tax that we pay is given by law—in privileges and subsidies—to men who are richer than we are. Others use the law to raise the prices of bread, meat, iron, or cloth. Thus, since everyone else uses the law for his own profit, we also would like to use the law for our own profit. We demand from the law the right to relief, which is the poor man's plunder. To obtain this right, we also should be voters and legislators in order that we may organize Beggary on a grand scale for our own class, as you have organized Protection on a grand scale for your class. Now don't tell us beggars that you will act for us, and then toss us, as Mr. Mimerel proposes, 600,000 francs

¹⁸³ E.C Pasour, Jr., “Government should support agriculture—the backbone of America.”, Mark Spangler (ed.) *Op. Cit.*, pp. 217-218.

¹⁸⁴ Woodrow Wilson, nomination acceptance speech, July 7, 1912, Michael C. Thomsett, *A Treasury of Business Quotations* (New York: Ballantine Books, 1990), p. 76.

to keep us quiet, like throwing us a bone to gnaw. We have other claims. And anyway, we wish to bargain for ourselves as other classes have bargained for themselves!”¹⁸⁵

In the end, all of this jockeying for privileges tends to be self-canceling, with the majority of political income gains being offset by the higher prices charged due to subsidies earned by others through the political process. What is most pronounced is the loss of economic well-being that must be accepted by those who have failed to be effective in controlling the rule space.

Tariffs

Tariffs are interesting creatures. They are heralded as offering economic salvation by keeping jobs from being exported to other countries. Somehow, by forcing domestic consumers to pay more for what they buy, leaving less money for making other purchases, the wealth of the nation is supposed to be improved. In reality, they simply redirect labor and resources away from more efficient enterprises to less efficient enterprises. Consequently, aggregate wealth declines even though a few politically-connected people enjoy a comparative advantage. This might be why Ambrose Bierce defined a tariff as a “tax on imports designed to protect the domestic producer against the greed of his consumer.”

Of course, the tariff has its comical aspect (in a tragic sort of way). Referring once again to Frederick Bastiat, we find this cogent observation: “I wonder how we could have ever thought of doing anything so fantastic as to pay many millions of francs for the purpose of removing the natural obstacles that stand between France and other countries, and at the same time pay many other millions for the purpose of substituting artificial obstacles that have exactly the same effect; so that the obstacle created and the obstacle removed neutralize each other and leave things quite as they were before, the only difference being the double expense of the whole operation.”¹⁸⁶ Today, we spend billions of dollars to improve transportation, and then we turn right around and create large bureaucracies designed to nullify such investments.

What are the costs of using political power so favored industries can avoid retooling and so their robot-like employees can avoid the mental strain of retraining? It is estimated that, for instance, while a “tariff or quota might save 20,000 jobs in the auto industry, it also destroys 30,000 or 40,000 jobs in other industries, or prevents them from coming into existence. Some studies show that the job loss/gain ratio is more than three-to-one, which means that for every 10,000 jobs that are saved because of some protectionist policy, more than 30,000 jobs are lost or never created.”¹⁸⁷

In addition to the damage protectionism does to domestic economies, it wreaks havoc on foreign trade and foreign relations as well. “Rising trade barriers in rich countries are one cause of declining export prices for poor lands. The European Economic Community, for example, levies a tariff four times as high against cloth imported from poor, heavily indebted nations as from rich ones. All told, World Bank figures suggest that each year industrial country trade

¹⁸⁵ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, pp. 17-18.

¹⁸⁶ Frederick Bastiat, translated by Aurthur Goddard, *Economic Sophisms* (Irvington-on-Hudson: Foundation for Economic Education, 1968), pp. 64-65.

¹⁸⁷ Robert W. McGee, “Business in the Global Community,” *The Freeman*, July 1994, p. 378.

barriers cost developing countries \$50-100 billion in lost sales and depressed prices.”¹⁸⁸

It is indeed a curious policy to extend aid with one hand, and throw up trade-barriers with the other. Ultimately, open markets will do more to lift the undeveloped world out of poverty than dependency-breeding hand-outs can ever hope to achieve.

Of course, we cannot end this section without calling attention directly to the wealth-redistributing nature of the tariff: “If a businessman pulls a gun on a customer and demands 20 percent more for a product, that is robbery. If a politician intervenes to the same effect, it is fair trade.”¹⁸⁹

Labor Unions

Now we are back for a closer look at labor unions. Earlier it was mentioned that instead of taking the government-gun out of the hands of business in order to return to a freer market, labor elected to compete with business for control of the government-gun. The success of labor unions in gaining political power was “not so much a revolution as the turning of the worm. The state power had changed sides in the wage bargain, and non-market control now supported the rights of labor against those of real property.”¹⁹⁰

This, of course, is nothing new. Over a century ago, Frederick Bastiat observed, “As soon as the plundered classes gain political power, they establish a system of reprisals against other classes. They do not abolish legal plunder. (This objective would demand more enlightenment than they possess.) Instead, they emulate their evil predecessors by participating in this legal plunder, even though it is against their own interests.”¹⁹¹ Such a bold statement does require some defense. Labor interests do make some high-sounding claims in order to support the righteousness of their cause.

One of America’s first labor leaders, Samuel Gompers, once declared, “The labor of a human being is not a commodity or article of commerce. You can’t weigh the soul of a man with a bar of pig-iron.”¹⁹² While Mr. Gompers’ pronouncement sounds noble, we need to remember that we are unique only in God’s eyes. From the viewpoint of our fellow man, we are quite replaceable. Besides, it is not our souls that are on the auction block, it is our labor. Labor is, in fact, an item of commerce. A friend of mine who conducts seminars on job hunting sums it up this way: “The amount of pay you make is determined by how easy it is to replace you.”¹⁹³

Although business and labor are enemies on a number of issues, they share common interests as well. When President Reagan pushed for deregulation, he was faced with opposition from organized labor as well as from

¹⁸⁸ Alan B Durning, “Ending Poverty,” *State of the World 1990* (New York: W.W. Norton & Co., 1990), p. 144.

¹⁸⁹ James Bovard, “The Immorality of Protectionism,” *Freedom Daily*, September 1994, p. 27.

¹⁹⁰ Jonathan R.T. Hughes, *The Governmental Habit: Economic Controls from Colonial times to the Present* (New York: Basic Books, Inc., 1977), p.171.

¹⁹¹ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p.12

¹⁹² Samuel Gompers, *Seventy Years of Life and Labor*, 1925, volume II, ch. 36.

¹⁹³ Joe Sabah, co-author of *How to Get the Job You Really Want and Get Employers to Call You* (Denver, CO: Pacesetter Publications, 1986).

established businesses who benefited from less competition in the marketplace. Ultimately, if labor is to enjoy high wages, the firms they work for must also be protected domestically by regulation and internationally by tariffs. (Which is why union truck drivers, for instance, harangue about deregulation ruining the trucking industry.)

Labor unions offer one service—using the force of law to gain wage and benefit concessions from employers. “[U]nions play politics because it is politics that assures their special privileges. The basic federal labor law is the National Labor Relations Act of 1935. It was amended by the Taft-Hartley Act of 1947, and by the Landrum-Griffin Act of 1959.”¹⁹⁴ When unions first started, they were the first to be charged under the Sherman Antitrust Act. Thanks to the before-mentioned laws, however, “[t]he courts would come to define activities as illegal under the Sherman Act if they were engaged by business, but legitimate if performed by combinations of workers.”¹⁹⁵

Of course, the game is not over. America now has a newly elected Republican House and Senate. This may portend yet another turning of the worm.

Taxation

The subject of taxes is a difficult one. As long as we recognize the need for government—or an agency like government—to control predators so productive people can live, some form of taxation will be necessary. Generally, people are willing to pay a substantial portion of their incomes to any organization that promises them freedom from anarchy or invasion.

Because of the need to pay taxes, people have a hard time understanding that “taxation is confiscation by force.” Such a proclamation seems to them cynical, and they counter by saying that if one pays taxes willingly, taxation is persuasion—taxation only becomes coercion when you, for whatever reason, fail to pay. (The same argument is often made regarding law in general.)

Ultimately, taxation is a form of non-market control—sometimes with unexpected results. As taxation consumes larger percentages of income, the cost of leisure is reduced for both the person paying the taxes and for the person benefiting from them. The result, of course, is that both parties become less motivated to participate in the wealth-creation process.

Colbert once said that “The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing.”¹⁹⁶ To listen to the media, one would think that humans were created for no other reason than to fill the treasuries. It is amazing how many planning schemes are justified on the basis that they will enlarge, or broaden, the tax base.

When a business hires a security company to protect its property more effectively than the police can, it looks for the best price/quality ratio possible. People who run businesses know that protection is simply another expense that must ultimately be added to the cost of goods and services.

¹⁹⁴ Dan Smoot, *The Business End of Government* (Belmont, MA: Western Islands, 1973), p.

27.

¹⁹⁵ Jonathan R.T. Hughes, *Op. Cit.*, p. 86.

¹⁹⁶ Quoted in Michael C. Thomsett, *Op. Cit.*, p. 41.

Larger societies would do well to approaching hiring their primary agency for predator control the same way. Over-investing in predator control services can be as damaging to the larger economy as under-investing can be.

Unintended Consequences of Non-Market Controls

Applying government force to solve “market” problems often has unintended consequences. It often creates outcomes different than hoped for because people change their behavior in an attempt to avoid penalties or to enjoy subsidies. One example of unintended consequences is a frequent outcome of raising taxes: often people either end up working less, have less capital to work with, go bankrupt or retreat to the underground economy.

Government fraud has unintended consequences too. Once a nation adopts a “flexible medium of exchange,” opportunities abound for those shrewd enough to be first in line for the new money, or to understand how to invest so as to profit from price fluctuations caused by changes in monetary policy. While governments routinely “practice monetary excess to acquire public command over resources in the economy,”¹⁹⁷ the result in the private world is that those who are furthest from the actual process of production gain a disproportionately large share of the wealth. Also, those who are last in line for the new money only see price increases—not income increases.

Finally, there is the most subtle strategy—guilt. It is common for our great leaders, both in government and business, to exhort the common people to repair to high standards of ethics that they themselves do not observe. Recently, I went to an ethics discussion where someone from a large corporation (whose only customer is government) demonstrated a game that illustrated “ethical principles.” The game offered up various hypothetical circumstances and asked for people’s responses about how they would handle the situation. In virtually every case, the answer that merited the highest score was also the most risky and confrontational. To faithfully follow their ethical prescription, one would have to have an independent income and be working simply for fun.

What seems to be overlooked is that common people are operating within a larger social context engineered by social and political leaders. If those leaders have imposed policies on a nation or a culture that limit opportunity and choice, the common person must make defensive maneuvers to keep from being thrown out into the cold completely. In a world of predators, “A man who wishes to make a profession of goodness in everything must necessarily come to grief among so many who are not good.”¹⁹⁸

Free to Choose: Production or Coercion

Ultimately, it is up to us to choose which arena of competition we prefer: production or coercion. Each offers risks, and each offers opportunity. In this sense, we always have a “free market”.

¹⁹⁷ Gerald W. Skully, *Constitutional Environments and Economic Growth*(Princeton: Princeton University Press, 1992), p. 45.

¹⁹⁸ Niccolo Machiavelli, *The Prince* (New York: Oxford University Press, 1952), p. 84.

¹⁹⁹ Quoted in Warren Hackett, *It's Your Choice* (New Rochelle, NY: America's Future, Inc., 1983), p. 6.

A Call for Refreshing Honesty

In most cases, debates would be more fruitful if opposing interests would openly and honestly declare, “I advocate coercing the general population in such and such a manner because, 1. I do not believe the people are capable of making wise decisions without coercion (except, of course, during that brief moment in which they vote me into absolute power) and 2. your brand of coercion could not possibly be as beneficent as my brand—especially as far as *I* am concerned!” The other party in the debate could then respond, “No, you’re wrong! Coercion should be applied so the people will be forced to follow my prescription—not yours!” Of course, if we stripped our debates of all the popular euphemisms, their outcomes would likely be different than leaders on either side hope for.

In the market-place of coercion, there are three basic strategies that can be used: *force*, *fraud*, and *guilt*. *Force* is to be found in taxation and regulation. *Fraud* is to be found in inflationary policies and the newly defined policies of *disinformation*. And *guilt* is to be found in the propaganda that calls for common people to repair to a higher standard than the leadership aspires to.

Summary

As individuals we must make choices. First, we must choose from among alternatives that exist in the world in which we find ourselves. Second, when we make one choice, we also choose to forego the other possibilities. (A friend of mine once had trouble ordering meals in restaurants because she knew she was also choosing all the items on the menu she would *not* be eating.)

The world in which we find ourselves can be shaped largely by voluntary association or coercion. People make different choices in restricted cultures than they make in freer cultures. In general, people work to maximize their benefits and to minimize their costs no matter what the nature of their vision might be.

In the short-run, the ruling elite fares better in regulated economies while the common people fare worse. In the long-run, elites suffer too. Were society freer when Hero experimented with his steam engine in 100 A.D., it would not have taken 1500 years for technology to develop, and, 1500 years of elites have lived without many luxuries that are common today.

When we make choices, it is wise to consider the unseen as well as the seen. A good economist will anticipate both because, when one course of action is forced on a society, many other possibilities are prevented from coming into being. If leaders are truly interested in the well-being of the masses, they will be very careful about the ways they use “non-market” incentives to make sure the people do the “right” thing. To do otherwise is to betray an assumption that says, people with guns always make better decisions than people with tools.

This, of course, leads us right into the next chapter: *The Role of Government in Society*.

Chapter 5: The Role of Government in Society

Every day when we turn on the news, we discover that the bulk of it consists of what governments around the world are doing. It seems that if we didn't have governments to amuse us, there would be no news at all. In fact, without the beneficence of government, life might become so boring as to not be worth living at all.

Even with all this talk about government, it is amazing that the population in general does not have a clear idea of what government is. When I ask people what the purpose of government is, or what the essence of government enterprise is, they frequently shrug their shoulders. The term *government*, like so many other terms we use daily, is taken for granted and is poorly defined at best.

Government Defined

When I asked this question at a fund-raiser in 1990, one Colorado state senator offered this definition: "The purpose of government is to accomplish goals that cannot be met through individual cooperation alone." When I asked him if that meant government is an agency of force for making people do what they would not do of their own free will, he squirmed a little, and said "yes." Even though he tried to euphemise the hard reality of the coercion that underpins government enterprise, his statement was still illuminating, both in terms of what he said *and* how he said it.

The best way to learn what government is, is to consider what government does. American politicians have not always been so coy when describing the essence of government. George Washington declared: "Government is not reason; it is not eloquence; it is force! Like fire, it is a dangerous servant and a fearful master."¹⁹⁹

In this era, simple definitions are hard for people to accept. Even in the *Dictionary*, euphemisms abound. Let's consider "government":

1. The act or process of governing, especially the control and administration of public policy in a political unit. 2. The office, function, or authority of one who governs or of a governing body. 3. The exercise of authority in a political unit; rule."²⁰⁰

That helps us some. Let's now consider "politics":

²⁰⁰ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

1. (used with a singular verb). The art or science of government; political science.
- 2.(used with a singular verb). The activities or affairs of a government, politician, or political party.”²⁰¹

This one did not really tell us much more than we already knew. How about pursuing a description of politicians that is used frequently in the media? Are they not called “lawmakers?” Let’s check on the definition of “law”:

- 1.a. A rule established by authority, society, or custom. b. The body or system of such rules. c. The control or authority imposed by such a system of rules.”²⁰²

We are getting closer. Let’s try one more lead—a derivative of “government” which is “govern”:

1. To make and administer the public policy and affairs of; exercise sovereign authority in. 2. To control the speed or magnitude of; regulate: a valve governing fuel intake.
3. To control the actions or behavior of. 4. To keep under control; restrain.”²⁰³

The last two entries are the least euphemistic: government’s primary function is to “restrain” and to “control the actions or behavior of.” Of whom? Anyone who is not-government.

The confusion we experience when considering the purpose of government is not new. In the 1770s, Thomas Paine observed, “Some writers have so confounded society with government, as to leave little or no distinction between them; whereas they are not only different, but have different origins. Society is produced by our wants, and government by our wickedness; the former promoting happiness *positively* by uniting our affections, the latter *negatively* by restraining our vices.”²⁰⁴ This idea was further developed by James Madison when he wrote, “Why has government been instituted at all? Because the passions of men will not conform to the dictates of reason and justice, without constraint.”²⁰⁵

Summed up, government is that agency in society which is given a monopoly on the use of legal coercion. Whenever a law is passed, the government is empowered to assess penalties against those who refuse to comply.

In *Chapter 3*, a distinction was made between offensive coercion and defensive coercion. It was also noted that whether an act of coercion is legal or illegal often bears little relation to whether the coercion is defensive or offensive in nature.

In America it is considered common wisdom that any and all political involvement is good. Very often we hear, “it doesn’t matter how you are involved politically, all that matters is that you are involved.” If politics is about coercion, does it automatically follow that *any* kind of coercion is good? As some laws work to keep people off each other’s backs, and other laws assist some people in living at

²⁰¹ *Ibid.*

²⁰² *Ibid.*

²⁰³ *Ibid.*

²⁰⁴ Thomas Paine, edited by Moncure Daniel Conway, “Common Sense”, *The Writings of Thomas Paine* (New York: G.P. Putnam’s Sons, 1894), p. 69.

²⁰⁵ Alexander Hamilton, “The Federalist No. 15.,” Ed. by Roy P. Fairfield, *The Federalist Papers* (Garden City, NY: Doubleday & Company, Inc., 1961), p. 34.

the expense of others, indulging in the blind worship of politics may not be such a good idea after all.

Is Government Necessary?

There are those who insist that government is totally unnecessary. In theory, that remote possibility might exist. However, James Madison summed it up best when he said, “It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? *If men were angels, no government would be necessary.* If angels were to govern men, neither external nor internal controls on government would be necessary.”²⁰⁶ In other words, if it weren’t for the predators among us, ordinary productive citizens would have no need for protection. As long as each new generation brings with it a new crop of predators, government will be necessary.

One reason why some people oppose government is because its power has been abused so often. George Washington once commented that “throughout history, man’s worst enemy has always been his own government.” Of course, he did not oppose government as an institution, but instead insisted that limitations be placed on its exercise of power. He, like Thomas Jefferson, declared that “In questions of power, then, let no more be said of confidence in man, *but bind him down from mischief by the chains of the constitution.*”²⁰⁷

The problem that faces each generation anew is how do we organize this agency of coercion in such a way as to control the predators without being taken over by the predators. Even more fundamental is the problem of defining what constitutes predatory behavior and what constitutes legitimate defense.

In the next section, we will explore commonly accepted uses of government coercion. Before we can decide whether legal coercion is defensive or offensive in nature, we must first consciously catalog our commonly accepted uses of legal coercion.

Commonly Accepted Uses of Government Coercion

Before evaluating whether or not law is defensive in nature, we need an overview of the areas of life where it is generally assumed that government should control. Currently accepted uses of government force are: 1) fight crime (as defined by government); 2) promote charity; 3) regulate resource allocation and use; 4) control information (education and media); 5) regulate socially acceptable behavior.

Fight Crime

Crime is an interesting topic. I once saw a bumper sticker that said, “If popcorn is outlawed, only outlaws will have popcorn.” At first glance, this bumper sticker might seem silly. But then again, if popcorn *were* outlawed, anyone possessing said vile substance would *by definition* become an outlaw.

²⁰⁶ James Madison, “The Federalist No. 51,” Ed. by Roy P. Fairfield, *Ibid.*, p. 160. [Italics mine.]

²⁰⁷ Quoted in Fred Holden, *Total Power of One in America* (Arvada, CO: Phoenix Enterprises, 1991), p. 310.

Thanks to the long held notion that “it must be a just law merely because it is a law,”²⁰⁸ it seldom occurs to us that there might be just laws and unjust laws. For the most part, we find ourselves in this dilemma:

“How would you set standards for right and wrong?”

“I’d say that, ultimately, right and wrong are what a body of reasonable people of good will decide they are.”

“And who decides what is ‘reasonable’ and what is ‘good will’?”

“Reasonable people of goodwill.”²⁰⁹

The chapter on ethics concluded that all ethical systems prescribe principles of action for guiding relations among people. Also, it was observed that relationships are of two types: voluntary or coercive. Using this yardstick, we can better determine whether laws are designed to protect people from encroachment by others, or whether the laws themselves are a form of encroachment.

When it comes to protecting peoples’ lives, the principle of law is quite clear—government uses defensive force to protect citizens from force and fraud perpetrated by others. Predators who seek to live at the expense of productive people must be controlled if society is to survive and prosper. Laws that mandate the use of organized coercion to protect the lives and property of non-predators is *defensive law*.

Beyond protecting people from force or fraud perpetrated by others, law becomes “preventative law” at best and offensive force at worst. When that happens, we know that the predators themselves have taken over the writing of the laws. (On the lighter side, one rascal politician I know, *Snidely Slickster*, sums it up best: “I can accomplish through law what can only be done otherwise through crime.”)

Promote Charity

One universal and popular use of government power is to enforce charitable giving. This can be accomplished directly through taxation, or indirectly through devices such as laws that mandate benefits, thereby imposing costs on the community in a manner not measurable in terms of tax collections. (Strategies like this make governments appear smaller than they really are because the added costs imposed on the economy are not reflected by treasury receipts.)

The principle justification for using coercion to motivate charitable giving is the indictment against humanity that declares people are selfish by nature and therefore will not give enough charity unless forced. Implicit in this indictment against the average person is a presumption of moral superiority by an elite. Their compassion is said to give them the right to force their version of virtue on everyone else. (Of course, it is worth noting that they “do not spend their own money; they advocate taxes.”²¹⁰)

²⁰⁸ Frederick Bastiat, translation by Dean Russell, *The Law* (Irvington-On-Hudson: The Foundation for Economic Education, Inc., 1990), p.14.

²⁰⁹ Paul B. Lowney, *Big Book of Gleebe* (New York: Dodd, Mead and Company, 1968), p. 85.

²¹⁰ Peter T. Bauer, “The United Nations and International Development Assistance,” E. Berkeley Tompkins (ed.), *The United Nations in Perspective* (Stanford, CA: Hoover Institution Press, 1972), p. 40.

This brings us to a difficult philosophical problem. Why is it illegal for a private citizen in need to use force to collect charitable donations, and yet it is a moral imperative for government officials to do the same? Isn't it arbitrary to sanction the use of coercion by some, but not by others? Of course, were we to extend the privilege of coercion enjoyed by bureaucrats to everyone, we would soon have a free-for-all. (Given the track record for social programs so far, the result may not be much worse.)

In a 1976 lecture at Hillsdale College, M. Stanton Evans made a disturbing calculation. He observed that there were by official definition 25 million poor people in the United States. And he also noted that between 1965 and 1975 the total expenditure on social welfare programs increased some \$209 billion to a staggering total of \$286.5 billion. He said: "If we take those 25 million poor people and divide them into the \$209 billion increase—*not* the whole thing, just the increase—we discover that if we had simply taken that money and given it to the poor people, we could have given each and every one of them a stipend of some \$8,000 a year, which means an income for a family of four of approximately \$32,000. That is, we could have made every poor person in America a relatively rich person. But we didn't. Those poor people are still out there."²¹¹

Of course, that was almost 20 years ago. Now the media informs us daily that poverty has increased, all the while calling for even greater sacrifices. What seems to be overlooked is the likelihood that those programs have been partly responsible for making these problems bigger. When resources are forcefully taken from productive citizens and given to non-productive citizens, both producers and non-producers alike are demotivated. Once productive people figure out that they will not be allowed to enjoy rewards from their work, they will naturally conclude, "why bother?" Also, when non-productive people learn they can enjoy rewards without work, they too will say, "why bother?" Finally, all the resources that have been forcefully confiscated on behalf of "charitable" enterprises are no longer available for investment and job creation.

For some, however, the loss of aggregate wealth is a small price to pay for the pursuit of a humanitarian ideal. While exploring the ethics of St. Thomas, William Augustus Banner quoted him thusly: "Even theft must be seen in the full light of charity in order to determine which acts of appropriation are *morally* wrong. Inasmuch as material things are to be held in such a way as to be shared with others, the taking of the goods of another when one is in need is not really theft."²¹² This does leave us with a curious dilemma. When even the saints advocate the use of coercion for the sake of charity, we know that the ideal of voluntary charity will be a tough sell.

Regulation of Resource Allocation and Use

The next area that is popular for government to control is material resources—either directly through possession of legal title or indirectly through regulation. The first focus of regulation is usually on the "means of production" (a fancy way of saying tools.) Of course, because tools have no existence or value

²¹¹ William E. Simon, *A Time for Truth* (New York: Reader's Digest Press, 1979), p. 71.

²¹² William Augustus Banner, *Ethics: An Introduction to Moral Philosophy* (New York: Scribner, 1968), p. 83. [Italics original.]

without people, tool control is people control. “Give me control over a man's economic actions, and hence over his means of survival, and except for a few occasional heroes, I'll promise to deliver to you men who think and write and behave as you want them to.”²¹³

In some circles it is considered common wisdom to equate economic power with political power. Furthermore, some consider economic power to be even more dangerous. One such case was an immigration judge I met who openly declared that he would rather see one-hundred poor Mexicans added to the welfare rolls than admit a successful Chinese person into the United States who might “shift the balance of racial power.”

Underlying the propensity for equating economic power and political power is envy, economic ignorance and ethical confusion. If a private citizen's new business offers workers new options that are an improvement over their previous options, but fails to produce paradise on Earth, he or she is accused of being a dictator and an exploiter. On the other hand, if government policies limit peoples' options, that is acceptable because a worker's paradise is just around the corner which will more than justify today's sacrifices. (And if a government program fails, there will be the inevitable conclusion that even more resources should have been used.)

While the above theory makes no sense logically, it has a strong appeal for envious souls. Eric Hoffer once observed, “Where freedom is real, equality is the passion of the masses. Where equality is real, freedom is the passion of a small minority.”²¹⁴ By discrediting voluntary association in the market and extolling demagogues who sabotage the market, the masses enjoy the guarantee of equality—meaning, of course, being *equally poor*. (Equal, except for the bureaucrats who preside over the creation of widespread poverty while living luxuriously themselves.)

In practice, the theory that command economies will create equality has not worked out. Max Eastman believed strongly in the ideal of shifting competition from the pursuit of private property to the pursuit of honors—recognition for social achievement and service. Based on this lofty ideal, he placed great hopes on the success of the Soviet experiment. Later, he had second thoughts. In his words, “It did not occur to me that the new goal might be power—still less that the new rulers by getting power would manage to get most of the money as well.”²¹⁵ Gandhi, who believed in nationalizing numerous industries,²¹⁶ nevertheless observed that, “When the disparities in income in the U.S.A. are in the ratio of 1:15, they still continue to be 1:80 in the blessed country where the experiment started first.”²¹⁷ (It is interesting to note that disparities of income in America are becoming more pronounced as industry becomes ever more regulated—in some cases as much as 109 times as high as the income of the average person.²¹⁸) Now

²¹³ Benjamin A. Rogge quoted in Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974), p. 153.

²¹⁴ Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 37.

²¹⁵ Max Eastman quoted in Susan Love Brown, et. al., *Ibid.*, p.118.

²¹⁶ Shanti Swarup Gupta, *The Economic Philosophy of Mahatma Gandhi* (Delhi: Ashok Publishing House, 1968), p. 101.

²¹⁷ *Ibid.*, p. 88.

²¹⁸ Phil Gailey, “CEO's Salaries: Up, Up and Away,” *St. Petersburg Times*, 17 June 1991.

that command economies have been going concerns for some four decades, we have statistical data:

The evidence strongly suggests that free societies have higher shares of income going to the second through the fourth quintiles (twentieth to eightieth percentiles) and lower shares being received by the fifth quintile (eightieth to one hundredth percentiles). Conversely, societies in which political, civil, and economic rights are restricted have lower shares of income recipients in the twentieth to eightieth percentiles and higher income shares among the income recipients among those in the eightieth to one hundredth percentiles. The relative share of the poorest in society (Q1) is invariant to the choice of institutional framework. Thus the poor are no better off in terms of relative income, which is only one aspect of quality of life, in free or tyrannical societies.²¹⁹

Summed up, the middle 60 percent of the population fares better in less regulated societies, while the top 20 percent fares better in more regulated societies. As for the bottom 20 percent, they fare poorly in both. Depressions come and depressions go and they never notice. (However, additional regulations and bureaucratic harassment cannot help but make being poor even more of a burden.)

From an economic viewpoint, more efficient methods of production can only mean a better standard of living. But material well-being is only one concern people have. Some fear change more than they fear poverty. They are the ones who do not want to upgrade their skills or equipment to meet the next wave of competition. Instead, they prefer to sabotage the entry of each new generation of innovators as they invade the marketplace.

From a political viewpoint, leaders who are invested in the status quo are obliged to try to fight change. Also, a better standard of living for the masses often works against the best interests of those in power. “Where people toil from sunrise to sunset for a bare living, they nurse no grievances and dream no dreams.”²²⁰ Therefore, people who make promises to improve the lives of the general population through increased regulation need to be considered naive at best, or malevolent at worst. It can only help those in power at the expense of the general population.

Regarding ethics, there is a great deal of difference between being forced by law to choose an option and being obliged by circumstance to choose an option because it is the best one available at the moment. Our material existence requires that we (or someone we have enslaved) perform productive actions in the material world as the price of our survival. That is our *metaphysical slavery*. On the other hand, if someone forces us to labor on their behalf, and/or limits our range of available options, that is *manmade slavery*. This common failure to differentiate between manmade slavery and metaphysical slavery causes humanity a great deal of suffering and grief—both physically and emotionally.

²¹⁹ Gerald W. Skully, *Constitutional Environments and Economic Growth*(Princeton: Princeton University Press, 1992), p. 190.

²²⁰ Eric Hoffer, *Op. Cit.*, p. 33.

Information Control

Once a new government has been successfully established, its emphasis immediately shifts from revolution to self-preservation. Hence, the need for information control. Eric Hoffer observed that once “men of action” take over the helm of the ship of state, “No effort is spared to present the new order as the glorious consummation of the hopes and struggles of the early days.”²²¹ In America, for instance, government is promising *security* as the fulfillment of the constitution, whereas much historical evidence suggests that *opportunity* was the driving force from the revolution until the early 1900s (when new college graduates started asking about retirement benefits instead of opportunity for advancement during employment interviews). Benjamin Franklin summed up the early American ethic by declaring, “They that give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety.”²²²

The two primary sources of information in any society are the education system and the media. These two mediums are the government’s primary avenues of information control. Of course, even the best propaganda mills have their limitations because people cannot deny the evidence of their senses indefinitely.

Education

Education is a very important tool for governments seeking to maintain the status quo. Also, it is generally accepted that government should control the education system. (There is still much resistance to the notion that the media should be so controlled.) Thomas Jefferson, although opposed to big government in general, was in favor of public education: “If the people don’t have enough information to wield power correctly, don’t take the power from them. Give them the information!”²²³ His advocacy of public education was probably quite innocent and well-intentioned, but we must remember that Hitler also called for a government monopoly on education.²²⁴

Media

The media does not need to be controlled directly. Before people can work in the “free press” they must first be indoctrinated by the government education system. In other words, controls over the press do not have to be direct. When journalists are indoctrinated in advance, less control of the press is needed.

Even propaganda has limits.

Governments have long used education as a tool to maintain their power and influence. Nevertheless, the more the party line is at variance with reality, the more force must be used to control malcontents. The Soviet leaders, for instance, went to great lengths to convince their people that the West was worse

²²¹ *Ibid.*, pp. 136-137.

²²² Quoted in Christopher Morley, *The Shorter Familiar Barlett’s Quotations* (New York: Pocket Books, 1964), p. 134Y.

²²³ Quoted in Fred Holden, *The Power of One* (Golden, CO: Economic Affairs, Adolf Coors Company, 1985), p. 23.

²²⁴ Norman H. Baynes, *The Speeches of Adolph Hitler* (New York: Howard Fertig, 1969), p. 104.

off economically than the Soviet Union. The book, *Political Economy*, which was referred to in *Chapter 2*, worked hard to portray the rest of the world as suffering in comparison to the worker's paradise. According to Aleksandr Solzhenitsyn, Soviet soldiers who had served in World War II in Europe were immediately imprisoned or executed when they returned home so they would not leak out the news of how much better people in the West were living.²²⁵

Words and propaganda have their limits. "So acknowledged a master of propaganda as Dr. Goebbels admits in an unguarded moment that 'A sharp sword must always stand behind propaganda if it is to be really effective.'"²²⁶

Regulating Socially Acceptable Behavior

Another popular area for government regulation is personal behavior. The most visible prohibitions are usually related to sexual behavior (especially prostitution), drug use and gambling. However, governmental prohibitions often extend to other activities as well. For instance, minimum wage laws prohibit employers from paying less than minimum wage to entry level employees, making on-the-job training less feasible. Consequently, the unskilled people with little or no money must somehow find and pay for formal school training in order to learn sufficient skills to justify payment of the minimum wage. Even more bizarre, people who would gladly accept smaller than regulation-size oranges in exchange for a lower price are forbidden to buy them from producers who are willing to sell them, and millions of bushels of oranges are thrown away every year (in the interest of the consumer, of course).

There are three basic reasons why those in power might want to regulate these activities. (Not counting the motivation suspected by H.L. Mencken: "Puritanism is the haunting fear that someone, somewhere, may be happy.")

The first reason is self-righteousness and/or religious fervor which is convinced that *everyone* should share the values of those in power. These are the friendly folks who believe in killing the body to save the soul.

The second reason is that most people, including otherwise economic conservatives, believe that we should be our brother's keeper at all costs. Both liberals and conservatives agree on this ideal. Both believe in forcefully "redistributing wealth" to take care of the less fortunate. Liberals generally see no limits to wealth, so they insist that habitually unfortunate people should be free to do anything they want, even if society gets the bill. (There are some exceptions like President Bill Clinton who, while promoting National Health Care, recognizes that rationing may be necessary.) Conservatives, on the other hand, are generally more aware of the limited nature of wealth, so they advocate using government coercion to limit behavioral choices in the hope that the cost of social welfare will be reduced too. Neither side is comfortable with giving people back the responsibility for paying the costs of their own choices, or relying on voluntary charity.

This leads us to the third reason. People, left to themselves, may not arrange their lives according to the best interests of the state. If people find more

²²⁵ Aleksandr I. Solzhenitsyn, *The Gulag Archipelago* (New York: Harper & Row, 1973), pp. 83-86.

²²⁶ Eric Hoffer, *Op. Cit.*, pp. 98-99.

direct ways to satisfy their desires, they may not work as hard to fill the treasury. Therefore, substances that lessen people's desire to work hard are often attacked as threats to the fabric of civilization. A government needing lots of children to fight future wars will discourage prostitution because "prostitutes are the scabs who underbid the union wage." And we all know that gambling is evil—unless, of course, it fills the treasury directly.

Underlying these different assumptions about the function of government lies certain philosophical assumptions. One key assumption is found in peoples' definitions of freedom.

Two Different Definitions of Freedom

Throughout history, more people have died in the name of "freedom" than have ever stopped to think seriously about what freedom means. *Freedom* seems like a straight-forward term, but by the time philosophers get done with it, it can be virtually anything we want. (Kind of like *love*.)

Basically, there are two types of freedom. The first type of freedom was that envisioned by the founders of America. The essence of their version of freedom was *freedom from*. In other words, the freedom to be left alone and the freedom to go one's own way without interference from others.

Later, Karl Marx came along and offered an ingenious way to reframe the debate on freedom. Having observed that freedom, as envisioned by the forefathers, was *freedom from*, he concluded that theirs was a *negative freedom*. In response to the limitations of negative freedom, Mr. Marx suggested that people really need *positive freedom*—*freedom to* enjoy a minimum standard of material well-being, regardless of who will be forced to pay for it.

Any discussion of freedom is not complete without mentioning the issue of rights. Negative freedom implies the right to be left alone so long as one does not harm others. *Negative rights* mean the same thing. Accordingly, positive freedom implies *positive rights*.

Ultimately, we have to choose which type of freedom we prefer. "Being redistributive in character, positive rights interfere with and diminish negative rights. The government cannot simultaneously protect individual freedom and inject its coercive power to redistribute income from one group to another deemed more worthy."²²⁷ When we choose positive freedom, we exclude negative freedom. And should we elect to pursue negative freedom, we must let go of our quest for positive freedom.

Bridging the Chasm of "Ism":

Different Types of Government Considered

When it comes to differentiating between forms of government, there are three major guideposts to look for: *control of tools and other material property*, *policies relating to charity*, and *locus of power and authority*. When we use these concepts to analyze a government's type and function, it becomes apparent that there is not as much difference between governments as many would like to believe. Let us now look at them individually.

²²⁷ Gerald W. Skully, *Constitutional Environments and Economic Growth*(Princeton: Princeton University Press, 1992), p. 116.

Control of Tools and Other Material Property

Let's consider the issue of tools. "Capitalism" is a term used daily by politicians and the media. In *Chapter 2*, it was pointed out that we have three options for controlling tools: by *private ownership*, by *government ownership*, or by *government control* of citizens who hold title to tools. Also, the subject of capital-labor was explored in depth. One of the main conclusions arrived at was that any creature who uses some materials to modify other materials is a capitalist—a user of tools. From here it was deduced that the *control* of tools is the main issue, not the holding of a mere slip of paper.

Failing to discriminate between these three forms of tool-control can cause a lot of confusion in public debate (not to mention confusion in private thought). In America, "capitalism" is a term used daily by the politicians and the media. The primary concern of all this talk about capitalism seems to be about the failure of *free-market capitalism*.

In general, they are referring to the results of government policies controlling how American businesses use tools. By calling government-controlled capitalism "free-market capitalism," they then call for even more government intervention. Even conservative economist Paul Craig Roberts fell into this trap when he exclaimed that if government intervention in the marketplace continues to cause dislocations in the economy, it will prove to the world that "free-market capitalism" is a failure.²²⁸

Blaming one system for the consequences of using another system is very useful politically. In this sense, the words capitalism and love have much in common. A young man declares love, meaning he desires sex. The young woman hears adoration and celebration of her unique individuality and complies with his wishes. By the time the miscommunication is discovered, it is often too late.

Regarding capitalism, we need to ask this question: How can free-market capitalism fail when it is not even being tried? Of course, if the avowed defenders of free-market capitalism have fallen into this trap of definition-switching, what's to become of the rest of us?

What is capital? Capital is simply tools. Tools are created in moments when we are not engaged in consumable commodity production. (In terms of money, capital is that money not spent on consumption, and is therefore available for the purchase of tools.) With this in mind, every culture in the world is capitalist, as even the Aborigines use sticks and stones in lieu of fingernails and teeth.

As was mentioned earlier, there are three possible ways to control tools, and consequently, there are three types of capitalism: 1. tools are owned *and* controlled by private citizens—what is known as *Free-Market Capitalism*; 2. government owns *and* controls tools—*Government-Owned Capitalism*—International Socialism or Communism; 3. private citizens hold title to tools, *but* government controls them—*Government-Controlled Capitalism*—National Socialism or Fascism. (*Figure 5-1* on the next page gives a graphical representation of these three forms of capitalism.)

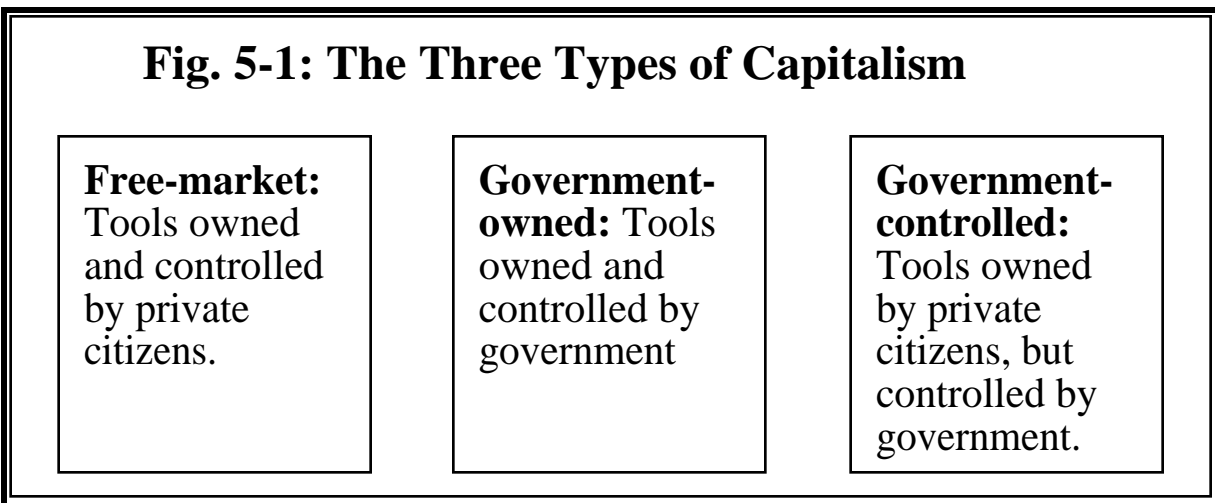
Now we are ready to consider each type of capitalism in greater depth.

Free-market Capitalism

²²⁸ Paul Craig Roberts, "Big world traders steering rest of us into recession," *Rocky Mountain News*, March 10, 1993.

Although there has never been a true free-market in history, the idea of a free-market still generates a lot of controversy. In modern times, the most popular use of the free-market is as a scapegoat to be used whenever something goes wrong in the economy. No matter how much an industry is shackled by regulation, when something goes wrong, it is declared to be a “failure of the free market.”

The former Soviet Union is by their own admission trying to change from Communism to “socialism with a human face.” While they have been paying lip-service to the free market, their policies betray a half-hearted commitment. They freed up the prices all at once but only freed a small portion of capital resources.²²⁹ Furthermore, they are using inflationary policies to keep state factories alive that should be allowed to go the way of the dinosaur. The resulting suffering may well be used as proof of the failure of the free market, should the Communist Party succeed in regaining power.



While it may be politically convenient to use the programs of one system, and then when they fail, to blame it on another system, the suffering for the common people remains the same.²³⁰ In Russia, it is little wonder that some people are remembering the Stalin era with a certain fondness. After 75 years of deadening the mind so as not to threaten the power elite (thereby escaping an early grave), it will be very tough to transition to a truly free market. That problem, plus the mirage of words which portray one system when in reality another system prevails, should be enough to bring the communists back in power in the next five to ten years.

²²⁹ I found it tragically amusing to hear reports of Russian officials declaring that they couldn't sell state enterprises to Russian citizens because they did not have enough money. Instead, foreign capital would have to be brought in to purchase the assets for their “true worth.” Given that their poverty was caused by government policies in the first place, it seems that justice would require state enterprises to be sold to them for whatever they could afford to pay.

²³⁰ Once again, it took two years for a newspaper columnist to call attention to that little discrepancy. A large portion of the inflation Russia is experiencing is due to subsidizing state factories that would have been sold for a few rubles if they were *truly* interested in trying the free market.

Now that we've looked at what a free market isn't, we should look at what a free market is. A free market is one where people are free to own property, to use that property as they wish, and to dispose of their property as they see fit. The free-market form of ownership is not without limitations. The owner of property not only enjoys the opportunity of using property according to her own judgment, but also accrues liability when others are harmed by those activities.

People who promote the ideal of the free market sometimes claim that economic growth would be unlimited because the creativity of millions of people would be unleashed. Many who oppose the free market, oppose it for the same reason. They fear it would unleash a plague of human locusts onto the planet which would devour all resources within a single generation. Actually, the real world results of a true free market are not so easy to predict.

Given that the moral/ethical underpinnings of the free-market are *free association* among people, which implies a prohibition on the use of coercion to facilitate exchange, it does not automatically follow that economic growth would be faster than growth currently takes place under other systems.

"The concept of free and open markets," say Richard B. McKenzie and Gordon Tullock, ". . . can be defended on fairness grounds."²³¹ The cold and impersonal nature of the market, which is abhorred by many who prefer the political allocation of resources, is the source from which a more level playing field is established. For instance, in a free market, *all* land would be privately owned. While "pride of ownership" would inspire people to work harder, that ownership would also come with responsibility.

As an example, let's say that someone wanted to build a factory whose design included dumping wastes in a river. In our current system, private ownership of land next to a river only extends to its banks. The river itself is considered *public property*. Control, and therefore *beneficial ownership*, thereby falls into the hands of a few politicians and bureaucrats. Consequently, we can expect more pollution simply because it is easier for a factory owner to buy a few politicians than it is to negotiate with a host of owners downstream. A few bribes or campaign contributions can do the job.

On the other hand, if hundreds of people had a property interest in the river, the costs to a factory wanting to dump chemicals or raw sewage into the river would become apparent very quickly. The multitude of owners downstream would require substantial compensation in exchange for the river's loss of value for other uses. In this case, the apparent costs would be known in advance and those wanting to build the factory would either have to find another use for the polluting materials, or they would have to forgo the project altogether.

Under a free market, development possibilities would not be foreclosed by legal fiat, but development would not be encouraged through legal fiat either. A free-market would also eliminate special privileges from government. Consequently, there would no longer be corporations in the sense that they enjoy limited liability or monopoly franchises. It would also mean that people who do not want to "progress" would not be forced to do so. (Without the power of "eminent domain," people could not be forcibly uprooted.)

²³¹ Richard B. McKenzie and Gordon Tullock, *The Best of the New World of Economics* (Homewood, Ill. : Irwin ,1989), p. 205.

In a free market, the first priority would be the requirement that transactions among people be voluntary, and from that ethical premise, growth may be facilitated on some occasions and limited on other occasions. It would certainly not be the function of government to either encourage growth or to stop it.

Were the property rights of natives in the rain forests respected, they and their habitat would not be disappearing so fast. Instead of burning out defenseless natives, those countries would have to look at the present system whose government policies disenfranchise all but a privileged few. (It is interesting to note that more concern is expressed for the flora and fauna than for the indigenous human beings who depend on the rain forest for survival. Were we to respect the rights of those people, the flora and fauna would benefit as a byproduct of our respect for human rights.)

For those to whom “growth is God,” more government involvement may accomplish their goals better. The mercantilist policies of 16th Century Europe and modern Japan bear testament to the power of government resolve. Today’s modern corporation and its limited liability owes its origin to the state’s desire to encourage capital formation. (The essential feature of limited liability is the use of the force of law to shift risk from corporate officers and investors onto the general public.)

As for those opposed to economic growth for environmental and other reasons, the use of government coercion is also a popular remedy. Environmental regulations often demand that the actions of man produce fewer toxins than is found in nature.

Ultimately, people in both the pro-growth and the anti-growth camps, while they might visualize different ideal ends, share in common their insistence on using forceful means. Whereas Mercantilist policies artificially encourage growth, environmental policies can be expected to accomplish the opposite.

For those who prefer to use government to solve our problems, the free market is too uncertain an approach. However, life is uncertain by nature, so instead of competing for the minds and hearts of people through reason and persuasion, they compete with each other for control of the government so they can impose their will on everyone else. Because both pro-growth and anti-growth advocates prefer to rely on force instead of reason, the popularity of government economic controls is not likely to fade anytime soon.

In any case, we do not have to worry about being “taken over” and “exploited” by free-market capitalism any time soon. “The one thing people tend to forget about a perfectly competitive, free-market economy is that *everybody participating in it hates it.*”²³² America may be fabled to be the land of the “rugged individual,” yet as early as 1835, Alexis de Tocqueville wrote, “Americans are so enamored of equality that they would rather be equal in slavery than unequal in freedom.”²³³ Much lofty talk about fighting for freedom is to be heard, yet, it often happens that “. . . their innermost desire is for an end to the ‘free for all.’ They

²³² William Tucker, *Progress and Privilege: America in The Age of Environmentalism*, (Garden City, NY: Anchor Press/Doubleday, 1982.), p. 68.

²³³ Alexis de Tocqueville, *Democracy in America*, 1835, volume II, part II, ch. I, quoted in Michael C. Thomsett, *A Treasury of Business Quotations* (New York: Ballantine Books, 1990), p. 80.

want to eliminate free competition and the ruthless testing to which the individual is continually subjected in a free society.”²³⁴ Consequently, if free-market capitalism is not appreciated in the land of the “free and the brave,” we can be certain that it will be liked even less throughout the rest of the world. (Of course, the free-market will still come in handy . . . whenever governments need something to blame for their failed policies.)

Government-Owned Capitalism

Throughout the centuries, philosophers have offered us a vision of an ideal world where people work, not to own things, but to serve the interests of the community (defined as the state, the nation, or the world). According to this theory, man living under the system of “public” ownership would become a transcendental creature. He would be free of petty personal concerns and would instead soar upward to the plane of the universal, with the good of humankind at large as his only concern.

To actualize this ideal, it was declared that it was only necessary for government to own the “means of production.” That way economic power would not concentrate in the hands of a few people at the expense of the masses. The notion perpetrated by Lord Action saying that “power corrupts and absolute power corrupts absolutely” was dismissed as applicable only to the bourgeois mind and its inherently deficient logical structure. The logical structure of the truly “proletarian” mind would not allow such an improper use of government force. Therefore, it was concluded that tools of destruction in the hands of the right people would create more benefits for humanity than tools of production in the hands of the wrong people.

Unfortunately, on the way to the “worker’s paradise,” something went wrong. Around the world, in the brief span of this century, it is estimated that at least 120 million people have gone to early graves as “necessary” sacrifices so the next generation could enjoy peace and prosperity.²³⁵ Of course, now there are some who are beginning to wonder if the sacrifice was worth it. Others, however, insist that government-owned capitalism is still a wonderful system. (Next time we simply need *true proletarians* to acquire power instead of *ersatz* proletarians like Lenin and Stalin.)

On the other hand, there was also a “benevolent” side to the oppression. Because people were relieved of the burden of property ownership, and they knew that they would be paid regardless of their level of production, they developed a clever saying: “We pretend like we are working and they pretend like they are paying us.” Having understood the folly of hard work, they went directly after what deluded Westerners hope to attain only upon retirement—leisure.

²³⁴ Eric Hoffer, *Op. Cit.*, p. 37.

²³⁵ “According to the estimates of emigre Professor of Statistics Kurganov, this ‘comparatively easy’ internal repression cost us, from the beginning of the October Revolution up to 1959, a total of . . . sixty-six million—66,000,000—lives. We, of course, cannot vouch for this figure, but we have none other that is official.” Aleksandr I. Solzhenitsyn, *The Gulag Archipelago Two* (New York: Harper & Row, 1975), p. 10. It has been further estimated that 50 million people have died in China since Mao Tse Tung came to power, and we can safely assume that at least 4 million more have died due to internal repression in the other various “people’s states” around the world.

Of course, Lenin and Stalin had declared they would change human nature. Human nature, however, did not change—it simply adapted. The focus of opportunity merely shifted from the arena of production to the arena of coercion. Recalling once again Max Eastman’s words: “It did not occur to me that the new goal might be power—still less that the new rulers by getting power would manage to get most of the money as well. I had to learn also that power directly exercised can be more hostile to freedom, more ruthless, more evil in its effect upon the character of the wielder, than power wielded indirectly through a preponderance of wealth. . . .”²³⁶ (If we *must* be abused, being abused by inexpensive, high-quality goods and services might be preferable to being abused by guns, clubs and forced-labor camps after all.)

Since the big experiment with government-owned capitalism didn’t work out as many had hoped, some people are now suggesting that government should not *own* the tools of production. Instead, government should *control* the tools of production. People will hold title to property, and the government will simply tell them what to do with that property. This leads us to the popular ideal of the “mixed-economy,” or *Government-Controlled Capitalism*.

One famous personage in recent history summed it up this way: “Our socialism is much deeper than Marxism. . . . It does not change the external order of things, but it orders solely the relationship of man to the state. . . . What do we care about income? Why do we need to socialize the banks and the factories? We are socializing people.”²³⁷

Government-Controlled Capitalism

Of the three types of capitalism, government-controlled capitalism is the most popular, and is today being held out to us as the hope of the future. It is now considered common knowledge that the “excesses of capitalism” need to be curbed by wise and judicious government restraint. This type of system is also called a “mixed-economy”—part private initiative and part “public” control.

A mixed economy is an interesting concept. Ostensibly, its purpose is to correct abuses and inequities that have developed or might develop if the marketplace is not closely monitored. However, it remains a puzzle how we can rationally expect bureaucrats with no personal investment at risk, and who, in addition, enjoy sovereign immunity, to mind the store better than a private person who is faced with possible losses and the threat of liability.

Both politics and religions are famous for their “articles of faith.” Some things apparently are not to be subject to logical scrutiny. In this case, the article of faith behind the mixed economy says, “people with guns (government power) always make better decisions than people with tools.” As so often happens, we find ourselves incurring *unintended consequences*. “In a mixed economy, one of the two elements gradually withers away. That element is not the state.”²³⁸

When government gets involved in the economy there develops the opportunity for “wealth without work.”²³⁹ James Madison, in Federalist Paper

²³⁶ Quoted in Susan Love Brown, et. al., *Op. Cit.*, p.118.

²³⁷ Adolf Hitler quoted in Mike W. Perry, “The Sound of the Machine,” *The Freeman*, June 1988, p. 259.

²³⁸ Leonard Peikoff, *Ominous Parallels* (Briarcliff Manor, NY: Stein & Day, 1982), p. 273.

²³⁹ One of Gandhi’s *Seven Deadly Sins*.

#62, develops this idea further: “Every new regulation concerning commerce or revenue, or in any manner affecting the value of the different species of property, presents a new harvest to those who watch the change and can trace its consequences; a harvest, not reared by themselves but by the toils and cares of the great body of their fellow citizens.”²⁴⁰

Of course, it doesn’t take long for others to catch on, and competition soon starts to shift from producing real goods and services to lobbying government for the power to write laws. In the words of Gerald Skully, “This is when the process of rule space change sets in and rent-seeking begins.”²⁴¹ This process is nothing new. In the 1840s Frederick Bastiat outlined this sequence of events as follows:

See if the law benefits one citizen at the expense of another by doing what the citizen himself cannot do without committing a crime.

Then abolish this law without delay, for it is not only an evil itself, but also it is a fertile source for further evils because it invites reprisals. If such a law—which may be an isolated case—is not abolished immediately, it will spread, multiply, and develop into a system.²⁴²

Since then, the world has seen this cycle many times. The most spectacular example being the German Weimar Republic, which transformed itself into Nazi Germany. At its peak, Weimar Germany was praised widely as the example of how the rest of the world should be. In this ideal society, people were expected to be wise enough to vote on each other’s lives, liberty and property, and still somehow remain at peace with one another. This policy created special interest warfare in the capitals, fighting on the streets, and finally the election of a man who promised everyone everything.

When the ideal of the mixed-economy starts to become popular, it is called “Democracy.” The wisdom of “the people” is held to be superior to the market. The market is denigrated because it only serves the needs of individual human beings while the vote is praised because it somehow serves the “common good.” Such thinking started Germany on its fateful journey. Bismarck initiated various social welfare programs in order to keep power out of the hands of the Socialist party. Nevertheless, government became accepted as society’s primary problem-solver. The Weimar Constitution was kept loose and flexible so government would have the power it needed to respond to emergencies, as, supposedly, only a government can.

This progression established both the ethical and legal framework that paved the way for what was to come. Hitler quickly created the emergencies that those “emergency provisions” had been designed for. Governments need problems in order to justify expanding their power, and he made full use of “the old trick of turning every contingency into a resource for accumulating force in government.”²⁴³ In this case, the German government acquired so much force that it took a world war to stop its further advance.

²⁴⁰ Roy P. Fairfield (ed.), *Op. Cit.*, pp. 186-187.

²⁴¹ Gerald W. Skully, *Op. Cit.*, p. 95.

²⁴² Frederick Bastiat, translation by Dean Russell, *The Law* (Irvington-On-Hudson: The Foundation for Economic Education, Inc., 1990), p.21.

²⁴³ James Madison quoted in Susan Love Brown, et. al., *Op. Cit.*, p. 57.

Today, Germany has decided to once again become a welfare state. This time for East Germany and for refugees from around the world. Not surprisingly, they are experiencing more contention among different groups. Hopefully, they will not start crying once again for a “good dictator”. (Although they express sincere regret over Hitler’s escapades, they still idealize the social policies that preceded his rise to power. Apparently, “A nation does not learn from disaster—only from discovering its cause.”²⁴⁴)

As was discussed earlier, America started with a minimum of regulation. However, even in the 1800s, various observers predicted eventual self-destruction. In 1857, Lord Macaulay predicted: “Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste as was the Roman Empire in the fifth century with this difference, that the Huns and vandals who ravaged the Roman Empire came from without, and that your Huns and vandals will have been engendered within your own country by your own institutions.”²⁴⁵ Frederick Bastiat also had some doubts:

“These are the only two issues where, contrary to the general spirit of the republic of the United States, law has assumed the character of a plunderer. . . . Slavery is a violation, by law, of liberty. The protective tariff is a violation, by law, of property. . . . It is a most remarkable fact that this double legal crime—a sorrowful inheritance from the Old World—should be the only issue which can, and perhaps will, lead to the ruin of the Union.”²⁴⁶

Today America is riddled with both special-interest warfare, and rising crime rates. Since the 1840s, Americans have embraced more and more ways of using government force in order to gain an advantage over their competitors. In the words of Jonathan R. T. Hughes: “Despite Fourth of July and political campaign oratory and the self-serving pronouncements of business leaders, the American distrusts the free market and accepts its decisions willingly only when they suit his needs.”²⁴⁷ Popular mythology might call America a free-market economy, but 1500-plus government agencies and millions of regulations suggest something different.

From a historical perspective, this is probably to be expected. In the next chapter, issues relating to constitutional functions and structures will be addressed. While it is generally accepted that a totally free market causes problems due to economic exploitation, and that totalitarian nonmarket controls cause problems due to political exploitation, we have yet to figure out what is the proper balance between freedom and coercion.

Which type of tool-control is best? It depends on which is more scary: money or guns. (Money facilitates voluntary transactions—guns facilitate involuntary transactions.) Of the three types of capitalism, guns win out two-to-one over money. Of the governments that have ever been on the planet, guns have won out many times for each time money has prevailed.

²⁴⁴ Leonard Peikoff, *Op. Cit.*, p. 315.

²⁴⁵ Quoted in Warren Hackett, *Op. Cit.*, pp. 53-54.

²⁴⁶ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p.19.

²⁴⁷ Jonathan R.T. Hughes, *The Governmental Habit* (New York: Basic Books, 1977), p. 8.

Policies Relating to Charity

The second defining feature of government is how it provides for the needy. There are two ways a government can provide for the needy. The first is to allow private citizens to make donations as they see fit. The second approach is for government to determine both how much and where charity will be given. Needless to say, the second approach to managing charity is most popular.

One irony of this situation is that “heartless and cold-blooded” societies which leave charity to the fate of individual compassion often end up with less poverty. On the other hand, government-managed charity systems, while promising to return us to the garden through forced virtue have consistently failed to deliver on that promise. Generally, these economic and political systems have only made poverty more widespread, and as America embraces coercive charity, it, too, finds itself in decline.

This paradox has put many well-meaning and idealistic people in a quandary. “Humanization is for capitalism an unintended by-product, while it is for socialism an expected goal. Solidarity is for capitalism accidental; for socialism it is essential. In terms of their basic ethos, Christianity must criticize capitalism radically, in its fundamental intention, while it must criticize socialism functionally, in its failure to fulfill its purpose.”²⁴⁸ Thus laments Jose Miquez-Bonino and others like him who do not realize that sweet words backed up by coercive measures can have no other outcome.

*** Charity has been held out to be the highest virtue since the beginning of civilization. Some people insist that charity should be a spontaneous expression of love and concern for the unfortunate. Others tend to follow the advice of Machiavelli, and insist on their right to engender fear in otherwise recalcitrant givers because fear is more reliable than love as a motivator for human action.

Earlier in this chapter, St. Francis was quoted. Nevertheless it is useful to review that quote again. “Charity is thus ‘the mother and the root of all the virtues’ and the moral life is really the life of charity. . . . Even theft must be seen in the full light of charity in order to determine which acts of appropriation are *morally* wrong. Inasmuch as material things are to be held in such a way as to be shared with others, the taking of the goods of another when one is in need is not really theft.”²⁴⁹ If this passage were taken literally, we could all claim the right to confiscate wealth from others so long as we demonstrated sufficient “need.”

So far, very few cultures have allowed a complete free-for-all in the wealth redistribution process. Instead, most have limited forced charity to the realm of government. If everyone were free to decide what constitutes need, society would quickly turn into a “war of all against all.”

Although most cultures have judiciously excluded individuals from legally using coercion to promote charity, limiting the legal use of coercion to government has not been a panacea either. Modern concepts of needs and rights have been expanded drastically, and those demonstrating ability are starting to feel oppressed by those who specialize in demonstrating need. In America, some

²⁴⁸ Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon & Schuster, 1982), p. 295.

²⁴⁹ William Augustus Banner, *Op. Cit.*, p. 83.

otherwise charitable souls are growing “weary of every desire and demand being elevated to a right—or, worse yet, a fundamental right.”²⁵⁰

Karl Marx touched the hearts of millions with this formulation, “From all according to their ability, to all according to their need.” It only seems fair that no one should ever be found wanting for at least the basic necessities of life. However, one must continue reading in order to discover the proposed means for achieving this ideal.

Throughout the centuries, arguments regarding the care of the poor have covered the range of possibilities. Having poor people languishing in the midst of active culture has never been comfortable. Throughout history we have had three ways to deal with poverty: accept that some people are poor, force people to stop being poor, or force those who are not poor to give enough so the poor will no longer be poor.

The first choice seems to be the hardest. Even though studies have pointed out that the bottom fifth quintile of the population will be poor regardless of whether a culture is free or totalitarian, many feel that *something* must be done to eliminate poverty. However, if poverty is a fact of life, as Christ indicated two-thousand years ago, would it be possible instead to simply avoid making their lives any worse? This, of course, would mean that we respect people’s choices by not shielding them from the consequences of their choices.

Two millennia ago, in response to Judas’ questioning his indulgence in high-priced foot-washes, Christ declared that “The poor always ye have with you; but me ye have not always.”²⁵¹ Judas thought Christ’s answer was pretty cold-blooded, so he ended up selling him for thirty pieces of silver. (This may be the origin of the ideal of coercive charity.) The story has it that because Christ was a divine being, Judas’ coercive charity scheme blew up in his face immediately. We will see later that when non-divine beings are sacrificed, the plan still backfires—it just takes longer.

While schemes to force those who are not poor to give to the poor have predominated, there have also been schemes to force the poor to stop being poor. In Sixteenth Century England, the Tudors outlawed begging and individual charity, in effect treating poverty as a crime. The Puritans even executed some traveling Quaker preachers, having branded them as “sturdy beggars.” In those times, the limits of wealth were very real. Writers like David Ricardo predicted the end of civilization if strict limits were not put on alms-giving: “If by law every human being wanting support could be sure to obtain it, and obtain it in such a degree as to make life tolerably comfortable, theory would lead us to expect that all other taxes together would be light compared with the single one of poor rates. The principle of gravitation is not more certain than the tendency of such laws to change wealth into misery and weakness, . . .”²⁵²

One can surmise that much of that harshness came from guilt. It was accepted that ideally the poor should be taken care of, but to honor the ideal faithfully would mean the destruction of society. Therefore, as is often the case,

²⁵⁰ Lee McClarran, of Barrington, R.I., quoted in Clifford D. May, “Readers name their least favorite phrases,” *Rocky Mountain News*, January 23, 1994., p. 3A.

²⁵¹ *John* 12:8

²⁵² Quoted in Jonathan R.T. Hughes, *Op. Cit.*, p. 45.

the sense of blame and failure that so often accompanies the acceptance of impossible ideals was projected onto the apparent cause of their discomfort.

Later, when the industrial revolution had started to offer conveniences to ordinary people which were previously unknown to even kings and pharaohs, the ideal of taking care of everyone began to appear possible. For some, however, wealth did not come fast enough. The wealthy sons of Europe, upon seeing the remaining poverty that the industrial revolution had not eliminated, declared that poverty was *caused* by the industrial revolution. (They apparently forgot that conditions were much worse for the common person prior to the industrial revolution.) Without understanding the process of wealth creation, they presumed that the problem was *distribution*, not production. From that assumption, they concluded that if people were too selfish to give up their possessions happily, they should be *forced* to do so.

Over the centuries attitudes have changed completely. Whereas people were formerly *forced to avoid poverty* so as not to become a burden on society, now people are *forced to subsidize poverty* in order to demonstrate the virtue of society. *The only thing that has not changed is the insistence on using force to create the ideal society.*

This brings us to the next question. Who, in reality, is helping whom? If the poor are lacking in productive skills, they will most likely be lacking in political skills as well. Consequently, someone has to decide that lobbying on behalf of the poor is either the “Christian thing to do” or that political advocacy of the poor is more lucrative than “working for a living.” While most advocates will no doubt claim the former motivation, the actual outcome suggests the latter. (This could also be another example of Adam Smith’s doctrine of “unintended consequences.”)

Advocacy for the poor has some interesting dimensions. Estimates on the cost of “administrative expenses” to manage the dispensation of charity range from 70–84%. Consequently, for every ten shirts taken off the backs of productive people, only two or three shirts actually make it to the poor. This is often overlooked because we are conditioned to perceive the *redistributor* of wealth as morally superior to the *creator* of wealth: those who shuffle the shirts around enjoy higher social esteem than those who make the shirts.

William Tucker summed up what happened in America:

Upper-middle-class people soon found out that, as government began to gear up to the needs of the poor and disadvantaged, positions in the bureaucracy began to open up. These jobs usually involved white-collar skills and bureaucratic abilities, often with special twists such as “poverty specialists” and “urban studies.” Educated, upper-class liberals were usually in the best position to fill them. A symbiotic relationship began to develop. What had already been done for the poor could be done for others as well. Different racial groups, linguistic minorities, the young, the elderly, the handicapped—almost anyone where some special need or difference could be identified, programs could be created. Liberal bureaucrats actually began to *seek out* such constituencies, knowing, however unconsciously, that as soon as some new physical or cultural “disadvantage” was discovered, it would be time to build a new wing on the bureaucratic establishment, and start filling new professional positions.²⁵³

²⁵³ William Tucker, *Op. Cit.*, pp. 24-25.

Today, in modern America, some economists are starting to think that Ricardo was right. Writers such as William Simon, former Secretary of the Treasury of the United States, have gone so far as to suggest that the goose that lays the golden egg of prosperity might already be in the oven. These authors point to the numbers in order to inspire political action to stop deficit spending. Given that few people are motivated by bookkeeping entries or capable of mentally charting out long-term cause-and-effect relationships, such arguments generally lack force. Consequently, those who call for extreme sacrifices still enjoy the upper hand.

Extreme advocates of universal charity insist that a society incapable of honoring the ideal of universal charity does not deserve to survive anyway.²⁵⁴ For them, collapsing a civilization through deficit spending is not an issue. (Advocates of sacrifice are motivated by a different psychology. For instance, when Hitler saw he was losing the war, he sent soldiers on suicidal missions because he concluded Germany did not deserve to exist because it had failed to accomplish the impossible task he had set before it.)

In this age, when prohibitions against forced charity and an unlimited license to compel charity are both considered too extreme, we must once again find some kind of middle ground. Somehow we need to find a formula that will unerringly guide us to use just the proper amount of coercion and no more. So far, I am unable to find any such measures, except possibly one. P.J. O'Rourke has developed the ingenious "gray-haired mother test":

The other secret to balancing the budget is to remember that all tax revenue is the result of holding a gun to somebody's head. Not paying taxes is against the law. If you don't pay your taxes, you'll be fined. If you don't pay the fine, you'll be jailed. If you try to escape from jail, you'll be shot. Thus, I—in my role as citizen and voter—am going to shoot you—in your role as taxpayer and ripe suck—if you don't pay your share of the national tab. Therefore, every time the government spends money on anything, you have to ask yourself, "Would I kill my kindly, gray-haired mother for this?" In the case of defense spending, the argument is simple: "Come on, Ma, everybody's in this together. If those Canadian hordes come down over the border, we'll all be dead meat. Pony up." In the case of helping cripples, orphans and blind people, the argument is almost as persuasive: "Mother, I know you don't know these people from Adam, but we've got five thousand years of Judeo-Christian-Muslim-Buddhist-Hindu-Confucian-animist-jungle-God morality going here. Fork over the dough." But day care doesn't fly. "You're paying for the next-door neighbor's baby-sitter, or it's curtains for you, Mom."²⁵⁵

Of course, even this idea has limits. First, we must determine who will use the "gray-haired mother test," and under what conditions the results of such a test should be binding. Maybe we could form a second Supreme Court composed of nine children, one child from each Supreme Court justice. The number of

²⁵⁴ "Is it possible that a society which boasts of its humanity and its Christian inspiration should ignore the challenge? Is it conceivable that such a society, having done so, should deserve to survive?" —Barbara Ward, "The Economic Revolution," *Adventures of the Mind from the Saturday Evening Post* (New York: Alfred A Knopf, Inc., 1959, 1960, 1961) , p. 264.

²⁵⁵ P.J. O'Rourke, *A Parliament of Whores: A Lone Humorist Attempts to Explain the Entire U.S. Government* (New York: The Atlantic Monthly Press, 1991), p. 100.

government programs would then be determined on the basis of whether the Supreme Court justices are loved or hated by their children.

Locus of Political Power

Possibly the most important consideration in defining government type is by determining where the locus of power lies. Throughout history, humans have experimented with different forms of government, and have enjoyed varying degrees of peace and prosperity as a consequence of their choices.

According to Aristotle, there are three primary types of government: 1. *Monarchy*—rule by one; 2. *Aristocracy*—rule by a few; and 3. *Democracy*—rule by many.²⁵⁶ To these three, I have added *Republic*, which may be either “rule by a few” or “rule by many” depending on the constitutional structure that guides it. This approach gives us four basic categories: 1. *Monarchy/Dictatorship*, 2. *Aristocracy/Oligarchy*, 3. *Republic*, and 4. *Democracy/Anarchy*. (For an overview, please consider *Figure 5-2*.)

In order for any political system to remain viable, it must be thought legitimate by the people. This legitimacy can come from God, *Geist*, the “infallible collective wisdom” of man, or the rights of the individual human being. Whoever is most successful in claiming legitimacy through any one or more of these sources of authority will end up as the leader.

Fig. 5-2: Types of Government		
Rule by One:	Rule by a Few:	Rule by Many:
1. Monarchy	1. Aristocracy	1. Republic
2. Dictatorship	2. Oligarchy	2. Democracy
	3. Republic	3. Anarchy

Monarchy/Dictatorship

The earliest forms of government, at least for the larger civilizations, were monarchies. Ancient Egypt’s pharaoh was the supreme representative of the other world. Because preparing for life after death was such an overwhelming preoccupation, the Pharaoh enjoyed a great deal of authority in the minds of the people. This was, in a sense, also a *theocracy* (although we are not accustomed to thinking of it in those terms). The Pharaoh not only controlled the people’s destiny in this world but in the next world as well.

History is replete with regimes where the locus of authority has rested in one person. “The most common form of government from ancient times to the

²⁵⁶ Thomas B. Hartmann, “Government,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

early part of the 20th century was monarchy, or rule by a hereditary king or queen.”²⁵⁷ Over time, the emphasis has shifted back and forth: from the ruler being a secular leader enjoying the sanction of spiritual authorities, to being a spiritual leader by a “Divine Right of Kings” doctrine who enjoyed secular power too. In recent centuries the notion of kingship has fallen into disrepute—in name, but not in form.

While many people thought monarchy was on its way out, a more comprehensive form of monarchy was being born—*dictatorship*. Hegel proclaimed the authority of *Geist*—“the state is the march of God through history.” Just as Neitschze was declaring that “God is dead,”²⁵⁸ Hegel and other German Metaphysical transcendentalist philosophers were creating a secular God for the masses to render sacrifices to. According to Hegel in *Philosophy of Right*, “A single person, I need hardly say, is something subordinate, and as such he must dedicate himself to the ethical whole. Hence if the state claims life, the individual must surrender it.”²⁵⁹ Thanks in part to his writings, two political systems have developed, and much life has been claimed indeed.

Ludwig von Mises described Hegel and his doctrine this way: “He was a profound thinker and his writings are a treasury of stimulating ideas. But he was laboring under the delusion that *Geist*, the Absolute, revealed itself through his words. There was nothing in the universe that was hidden to Hegel. It was a pity that his language was so ambiguous that it could be interpreted in various ways. The right-wing Hegelians interpreted it as an endorsement of the Prussian system of autocratic government and of the dogmas of the Prussian Church. The left-wing Hegelians read out of it atheism, intransigent revolutionary radicalism, and anarchistic doctrines.”²⁶⁰ The right-wing Hegelians evolved into the Third Reich, and the left-wing Hegelians developed the “people’s republics” around the world. In both cases, those who successfully claimed the closest connection to the “irresistible force of destiny” acquired such power as had not been known on Earth for a long time.

Aristocracy

Aristocracies have also been around for a long time. The term, “aristocracy,” dates back to ancient Greece, and originally meant rule by the best people of the country. Probably the best known administrators chosen by merit were the Mandarins in Imperial China who underwent rigorous testing in order to be admitted to their privileged positions. (As good as they may have been, some sources suggest that the Glass Bead Game was developed in order to distract the Mandarins long enough for the people to get some work done.)

²⁵⁷ *Ibid.*

²⁵⁸ In all fairness to Neitschze, the complete quote in Thus Spake Zarathustra goes as follows: “God is dead. Of his pity for man hath he died.” He was haranguing, and rightly so, at the degradation inherent in pity. The religious people who were horrified by that quote taken out of context would have been better off being alarmed at Zarathustra’s calls for ordinary mass-man to “go under” to make way for the Superman.

²⁵⁹ Quoted in Leonard Peikoff, *Op. Cit.*, p. 35.

²⁶⁰ Ludwig von Mises, *Human Action: A Treatise on Economics* (Chicago: Henry Regnery Company, 1966), p. 72.

In recent centuries, *aristocracy* has come to mean “rule by any privileged group, usually a hereditary land-owning nobility. In a broader sense, aristocracy may mean ‘a group that is superior in wealth, power, or intellect and is able to pass these on to successive generations.’”²⁶¹ Typically, aristocracies are associated with higher social, economic and political status, however, there have been occasions where their status has survived as a social and political force even after losing their legal and economic privileges.

Historically, an aristocracy was like a royal monarchy in as much as political power could be passed from generation to generation. The modern version of aristocracy is generally called *oligarchy*—an elite cadre of ruling bureaucrats. While children often replace their parents in power, family training and political connections must now compensate for the fact that political power is no longer included in the list of “property rights” that were common for earlier aristocracies.

Republic

A *republic* can assume either form—“rule of a few” or “rule of many”. In modern usage, the term *republic* can mean most anything, as the existence of the many “people’s republics” around the world will attest to. Even the dictionary indicates that a government is a republic if only those who form it say it is. Consequently, we are obliged to once again resort to the use of adjectives. I call the republics mentioned above the *other* republics. The second type of republic is often called a *constitutional* republic. In this kind of republic, “rule of law” prevails, and government is limited “by the chains of the constitution.”²⁶²

While it is true that the founders intended for people to have a vote—“No taxation without representation”—evidence indicates that they were not interested in pure democracy. When Benjamin Franklin left the Constitutional Convention someone asked him, “What have you given us.” Mr. Franklin replied, “A republic, if you can keep it.” While the long distances between states made consideration of public issues through elected representatives necessary, James Madison declared, “An elective despotism was not the government we fought for . . .”²⁶³ Further evidence suggests that they also envisioned a government that did not meddle in the daily affairs of the people. Thomas Paine summed it up: “The nearer any government approaches to a Republic, the less business there is for a King.”²⁶⁴

The term “republic” can easily be taken to be synonymous with “democracy.” The dictionary’s primary definition of a republic is, “A political order in which the supreme power lies in a body of citizens who are entitled to vote for officers and representatives responsible to them.”²⁶⁵ However, because the type of government the founders advocated so closely resembled the democracy that

²⁶¹ “Aristocracy,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

²⁶² Thomas Jefferson quoted in Fred Holden, *Total Power of One in America* (Arvada, CO: Phoenix Enterprises, 1991), pp. 311-312.

²⁶³ James Madison, “The Federalist #48,” Ed. by Roy P. Fairfield, *Op. Cit.*, p. 149.

²⁶⁴ Thomas Paine, edited by Moncure Daniel Conway, “Common Sense”, *Op. Cit.*, p. 83

²⁶⁵ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

many of them opposed, we should not be surprised to find that many changes have been made, all in the name of the original intent of the founders. What started out as the right to vote on a limited number of issues has expanded to the right to vote on our neighbors' lives, liberties, and property.

Democracy

This is the form of government that presently is being held out to the world as the hope of humankind. Ever since President Woodrow Wilson decided that Americans should fight World War I in order to “make the world safe for democracy,”²⁶⁶ wars have been justified on the basis of promoting this ideal. One would think, by listening to the propaganda, that merely calling a government a “democracy” will automatically solve our problems. As for those who might express skepticism, they are quickly reminded of the wisdom of Winston Churchill: “Democracy is the worst form of government, except for all the others.”

Democracy has not always been held in such high esteem. Plato described it as a “charming form of government, full of variety and disorder, and dispensing a sort of equality to equals and unequals alike.” Aristotle warned that democracy could degenerate into a form of “mob rule” if the political process be used to serve only selfish interests. James Madison warned that in a pure democracy, “there is nothing to check the inducements to sacrifice the weaker party or an obnoxious individual. Hence it is that such democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property; and have in general been as short in their lives as they have been violent in their deaths.”²⁶⁷

Like any other form of government, if there are no ethical or philosophical limits placed on what government is allowed to do, we become “exposed to the same miseries *by a Government*, which we might expect to suffer in a country *without a Government*, . . .”²⁶⁸ Once everyone's life, liberty and property is up for a vote, all in the name of the democratic process, the fields and factories lose their allure and the halls of power become the primary hope for personal betterment. Special interest groups form, and soon “special interest warfare” becomes necessary for survival because people who are not allied with a group become easy targets for legal plunder.

According to an encyclopedia published in a highly democratic country, “The worst defect of democracy is that politicians are under constant pressure from the lobbyists . . . to support particular public policies. Because their future depends on winning elections, . . . [t]his weights the legislative process in favor of interest groups, especially the well organized and well funded. The sum of the benefits granted to these groups may be more than the society can afford. These kinds of expenses have contributed to the downfall of democratic governments—as has happened in various regions in the second half of the 20th century.”²⁶⁹

²⁶⁶ Woodrow Wilson, *Address to Congress*, asking for a declaration of war [April 2, 1917]

²⁶⁷ Quoted in Leonard Peikoff, *Op. Cit.*, p. 109.

²⁶⁸ Thomas Paine, edited by Moncure Daniel Conway, “Common Sense”, *Op. Cit.*, p. 69.

[Italics original.]

²⁶⁹ William H. Riker, “Democracy,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993)

In the 1920s, Weimar Germany represented the hope for the world and was held up as a vision for the future. The kind, caring policies that the rest of the world only talked about were being implemented there. They did not hesitate to use the power of the state for the good of humankind. Frederick C. Howe explained their commitment to fulfilling their ideal this way: “In the mind of the Germans the functions of the state are not susceptible of abstract, a priori deductions. Each proposal must be decided by the time and the conditions. If it seems advisable for the state to own an industry it should proceed to own it; if it is wise to curb any class or interest it should be curbed. Expediency or opportunism is the rule of statesmanship, not abstraction as to the philosophic nature of the state. . . .”²⁷⁰ Without the impediments of moral prohibitions or constitutional restraints standing in the way, nothing was going to stop Germany from creating the long-awaited Utopia.

Unfortunately, on the way to paradise, something went wrong. Citizens who were expected to bow to government coercion (meant to make them virtuous), instead found ways to co-opt it for their own purposes. More and more people shifted their focus from working the factories and farms to lobbying the halls of political power. One consequence of this was the massive inflation of 1923. (When programs outdistance production, inflation is the natural result.) In time, some people who were afraid that special interest warfare might tear Germany apart started calling for a good dictator: “[This is a] robbers’ state! . . . [W]e will no longer submit to a State which is built on the swindling idea of the majority. We want a dictatorship. . . .”²⁷¹ As it turned out, Germany found a good dictator—Adolf Hitler. History does not speak kindly of Mr. Hitler, but he was *good* at doing what dictators usually do.

To some, this sequence of events comes as no surprise. C. Northcote Parkinson observed that the democratic process is “a more orderly process than rioting, but has only an even chance of producing the right answer.”²⁷² If we accomplish the shifts in wealth we believe should take place with ballots instead of bullets, what’s to stop the bullets from coming out later.

Without referring to the moral or philosophical implications, Mr. Parkinson describes the expected outcome of Democracy: “. . . various forms of rule have tended to succeed one another in what might seem to have been a significant sequence, democracy showing a tendency to collapse into chaos from which dictatorship offers the only escape.”²⁷³

What does this portend for the future of democracy? The United States is famous for saying, “it could never happen here.” Yet, some observers have already noted similarities between Weimar Germany and America in recent decades. This leads us to another question. If democracy has a tendency to self-destruct, what is America doing trying to force other cultures to replace their dictatorships with democracy, which is only a brief respite between dictatorships?

²⁷⁰ Quoted in Richard M. Ebeling, “National Health Insurance and the Welfare State,” *Freedom Daily*, January 1994

²⁷¹ Quoted in Leonard Peikoff, *Op. Cit.*, p. 176.

²⁷² C. Northcote Parkinson, “Can Democracy Survive?,” *Adventures of the Mind from the Saturday Evening Post* (New York: Alfred A Knopf, Inc., 1959, 1960, 1961), p. 493.

²⁷³ *Ibid.*, p. 493.

Before we worry about “making the world safe for democracy,” maybe we need to consider whether or not democracy is safe for the world.

Anarchy

There is a brief period that exists between the fall of a democracy and the founding of a new dictatorship. That period is called “anarchy.” Unfortunately, we usually recognize phenomena only when it reaches its most blatant extremes. If we plunder each other with ballots, that is heralded as democracy. We do not call it anarchy until the bullets start to replace the ballots.

The dictionary offers these definitions of anarchy. The first two definitions are, “1. Absence of any form of political authority,” and “2. Political disorder and confusion.” The third definition is, “3. Absence of any cohering principle, as a common standard or purpose.”²⁷⁴ In my mind, the third definition should be first because it is the *lack of principle* that leads to the chaos, not the other way around. It is the absence of principles that often cause cultures to be “exposed to the same miseries *by a Government*, which we might expect to suffer in a country *without a Government*, . . .”²⁷⁵

While we are on the subject of *political* anarchy, we might do well to consider the concept of *metaphysical* anarchy. Given that humans are basically free to do as they please, one could say that *anarchy is reality*. We are mortal beings, living for a brief time under the conditions of nature in cooperation with other creatures like us, period. What we do with these basic facts is up to us. What gives us the illusion of a *natural* political order is that we are familiar with the system we are born under, and we believe, or at least hope, that the adults who are raising us have it all figured out. In time we discover, if we are lucky, that they do not have an instruction book either, and that our elders have been thrown onto this planet to survive on their own resources just as we have. This presents many of us with a crisis as we realize that our parents are simply who they are—not the infallible beings we imagined them to be in our childhood fantasies. (One of our major hurdles toward becoming happy and autonomous adults is learning to forgive our parents for not measuring up to our illusions, and to instead thank them for the gifts they gave in spite of their limitations.)

It is common for children to grow up questioning the wisdom of their parents, but they are not as likely to question the wisdom of their parent’s parent—government. Adults, like children, often need to feel secure and isolated in a buffer zone from the harsh laws of life and nature. Consequently, when people suffer, they simply assume that government is not doing enough, and seldom does it occur to them that they might suffer because government is doing too much.

Nevertheless, if we can scrape away the illusions and buffers that give us that cocoon-like feeling, we will see that, ultimately, it is us and reality, period. Were everyone dropped on the planet at the same time, the nature of our situation would be immediately apparent. We would be tasked to study phenomena, chart cause and effect relationships in both the world of physics and the world of

²⁷⁴ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

²⁷⁵ Thomas Paine, edited by Moncure Daniel Conway, “Common Sense”, *Op. Cit.*, p. 69.

human relationships, and develop a code of ethics that embodies and encourages the types of behavior needed for survival on this planet. From there, political systems would be developed accordingly.

Rational Anarchy verses Irrational Anarchy

When we understand that metaphysical anarchy is inescapable, our choices will become more apparent and conscious. Without euphemisms to hide behind, we will have to decide openly whether to confront the demands of nature directly, or to enslave others and force them to confront nature on our behalf. Implicit in this choice is the choice between two types of anarchy: *rational* and *irrational*.

Earlier in this book, we considered the idea that as more people do their own work, and as fewer people try to enslave others, life in general gets better. However, it takes long-term vision to see the wisdom of refraining from seeking the short-term gains available through coercion.

If the people of a community elect to only use coercion against the predators in their midst, one can say that that community is a “rational anarchy.” On the other hand, if a community elects to live by predatory standards, it is an “irrational anarchy”—whether or not it has a government.

Essence of Government Is More Important than Label

Very often words such as “democracy” and “communism” elicit an instantaneous response in the listener. These people assume that a simple label defines all that is either good or evil in government. Unfortunately, language used in this way generates confusion instead of understanding.

To keep it simple, it is good to remember that we are simply human creatures existing in nature with two choices: work, or force others to work for us. Regarding government, we can choose any label we like. Ultimately, government is what government does. As long we do not forget this, we will not be sidetracked by mere words.

To better understand government, we need to focus more on principles and less on words that are used loosely and/or interchangeably. The basic principle of government is the principle of force. The reason we have different types of government is that there are divergent opinions regarding how force should be used in society.

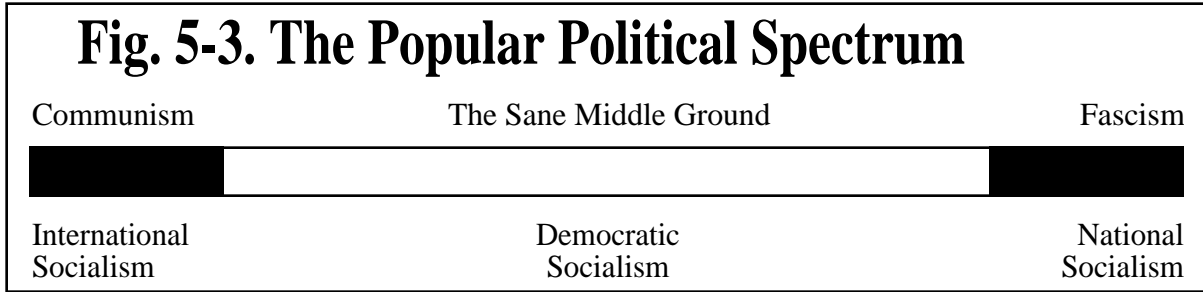
The Political Spectrum

In the final part of this chapter, we will consider the range of choices of government available to us. First, we will consider the spectrum presented by the media and education. Then we will consider a spectrum that includes even more choices.²⁷⁶

According to media and public education sources, our range of choices is defined within a spectrum of *far left*, *far right*, and the *rational middle ground*. The diagram looks something like this:

²⁷⁶ Fred Holden, *Total Power of One in America* (Arvada, CO: Phoenix Enterprises, 1991), pp. 311-313.

²⁷⁷ *Ibid.*



The far left is where those idealistic, but misguided communists hang out, and the far right is the dwelling place of those evil fascists. (Both of them use bullets as their primary means of directing public policy.) On the other hand, those in the “sane middle ground” seek many of the same ends as do the communists and fascists, but they are wise enough to use ballots instead of bullets. In theory, this prevents massive blood-letting every time political power changes hands. As long as the losers believe that they can regain power later by using the system, ballots will not be replaced by bullets.

What is interesting about this political spectrum is that all the choices presented imply some form of socialism. It is truly a masterpiece of debate strategy because it frames the debate in such a way that only one rational choice can be made. With all other choices excluded from consideration, the debate has been framed in advance and the conclusions are fore-ordained.

Another way of looking at our range of choices is in terms of the portion of government control of peoples’ everyday lives:



In this figure, our range starts with *total government* on the left and ends with *no government* on the right. Like the other diagram, this diagram indicates that there is plenty of misery to be found on both ends of the spectrum. (Fred Holden suggests that the straight line should be changed to a horseshoe to reflect the misery that is the natural result of both extremes.²⁷⁷)

Unlike *Figure 5-3*, *Figure 5-4* dramatically expands the conceptual framework by including more types of government. This is important because it is hard to make wise choices when we do not fully understand what our options are.

The Next Step: “There Oughta Be A Law”

The next subject that needs to be looked at is *law*. Law is the primary tool that the government uses to restrain the people. Conversely, a device called a

constitution has been developed to help citizens restrain their governments. In practice, it often becomes difficult to tell the difference between them, and as governments become more totalitarian, the difference becomes ever more obscure.

While *law* and *government* are virtually synonymous, they need to be addressed separately because this chapter has already become one of the largest chapters in the book. Consequently, legal and constitutional issues have to be carried forward to the next chapter. See you there . . .

Chapter 6: Legal and Constitutional Concepts

In the last chapter, we explored the concept of *law* indirectly as a result of considering the nature and functions of government. This was necessary because law is the primary tool that government uses to control people. However, the chapter on government was becoming too long and there was still more to be said. Consequently, this chapter has been written to finish the job. There may be some repetition or overlapping of ideas, but because some of these ideas are unique, a little repetition shouldn't hurt.

What is Law?

Like most subjects of import, intellectuals find it hard to define law. As evidence: "The question 'What is law?' has elicited a myriad of answers throughout human history, ranging from the Old Testament's assertion of law as the will of God to the thesis of Karl Marx and Friedrich Engels that law is an expression of class ideology."²⁷⁸

For the most part, law is what those in power say it is. This might seem harsh, but it is basic reality. Whoever has the power gets to tell everyone else what to do. Of course, brute force is seldom enough to maintain power by itself, so some form of justification is required in order to hold authority in the minds of those being governed. This is where tricky word-play comes in handy. As Bismarck once observed, "It is just as well not to know too much about how laws or sausages are made."

Bismarck's advice would be good, except for the fact that what we do not know *can* hurt us. Keeping issues hidden in a fog of euphemization works in the best interests of those in power. And because intellectuals generally fare better under political patronage than they do in a free market, we can be sure they will avoid "simplistic" definitions. This means that it is the responsibility of those who suffer at the hands of the law to cut through this fog of euphemism.

Law is simply force or the threat of force. If people do things which are prohibited by law, or if they fail to do what is mandated by law, they risk losing their property, their freedom, and in some cases, even their lives. Of course, this definition is too cut and dry for some, so they will object by saying as much.

The most popular objection says that *law is persuasion so long as people obey the law—it only becomes coercion when they do not obey the law.* That objection is useful for people who want to feel good by softening the hard edges of

²⁷⁸ Reviewed by Nicholas D. Constan, Jr., "Law," *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

reality with words. But from a logical standpoint, they are, in effect, saying the equivalent of “an engine is an engine only when it is running.” In reality, an engine remains an engine regardless of whether or not it’s running.

In fact, the engine analogy can offer us even more understanding about the workings of law. Engines are respected as engines only when the people know that all you have to do to start it is to turn the key. The same is true for law. Law is respected only when there is sufficient force behind it to make it meaningful. When engines can no longer offer motive power, they run the risk of going to the scrapyard. When laws cease to guide human passion, they and the societies guided by them run the risk of ending up in the dustbin of history.

Of course, lack of power is not the only way a vehicle can end up in a scrap yard. If that power is used carelessly, or at the wrong times, disaster can strike. In America, for instance, thousands of people die every year when their vehicles go out of control. Regarding law, millions suffer yearly at the hands of laws that are arbitrarily written and arbitrarily enforced. In fact, history is little more than a record of civilizations that have gone to the scrapyard because of the misuse of force—most often by force which was sanctioned by and embodied in law.

What are we saying when we declare that “there ought to be a law”? We are saying that we believe a problem cannot be solved through voluntary cooperation and that coercion is the superior method. Sadly, this truth is seldom admitted to directly by either the proponents or opponents of new laws.

When we take away the euphemistic language, we raise the debate to a new level. It would be very useful if both proponents and opponents of laws would ask, “does this problem justify the use of coercion in order to solve it?” From there, the opposing sides of the debate share a common language.

Types of Law

Overall, law can be divided into two basic categories: private law and public law. Private law is aimed at settling disputes among citizens, and public law is aimed at defining the private citizen’s relationship with the government.

Private Law or Civil Law

Private law, through the civil courts, arbitrates disputes between “sovereign” citizens. The primary focus of civil law is to settle claims and recover damages. Although in recent years extremely punitive damage awards have been made by civil courts, the primary purpose of civil law is to help citizens seek recompense from one another without the retribution of fines and jail time associated with criminal law.

Another confusing development that has taken place in recent decades is that government agencies will often take people to either civil or criminal courts according to their best advantage. The best known example is the Internal Revenue Service in the United States, which performs audits in a civil law framework, but if the audit reveals any transgressions against the code that is subject to criminal penalties, the jurisdiction changes immediately from the civil courts to the criminal courts.

Public Law

Public law is that part of law which defines the relationship between citizens and their government. Through public law, government leaders hope to

impose costs on people in order to *discourage* some types of behavior, or to confer benefits to *encourage* other types of behavior. Public law, in addition to demanding payments for damages, also imposes fines and jail time when it believes the transgression against “society” is serious enough.

Public law can be divided into four types: (1) criminal law, (2) administrative law, (3) constitutional law, and (4) international law.²⁷⁹

Criminal Law

Criminal Law is that law which defines transgressions against the state and prescribes punishments for those transgressions. While many transgressions of criminal law are in fact violations of one citizen’s rights by another citizen, they are dealt with primarily as offenses against the state. This approach makes the state the primary victim and places the suffering individual in a secondary position. Consequently, the emphasis of criminal law tends to be more on punishment than on compensating victims.

Crimes, as defined by the state, are of two predominant types. First, we have crimes against people and property. These crimes usually afford the suspect protections as provided for in the constitution. The second type of crime is defying the edicts of “moral guardians” and “economic planners.” While defying the edicts of moral guardians will most often place one in criminal jurisdiction, being accused of an economic crime will not allow one any protection by the constitution. However, with the new tool of “civil asset forfeiture,” the moral guardians are enjoying even more freedom from constitutional restraints.

Because the line between civil and criminal law is becoming hazy, a new form of law is gaining force in America. Indications are that administrative law has been going strong in many places around the world for some time.

Administrative Law

Administrative Law is popular in societies where legislators have written so many laws that they cannot even define their application to individual cases—much less enforce them. “Administrative law is a response to the growth of the governmental administrative process . . . ”²⁸⁰

Administrative law is generally justified on the basis of efficiency. In a sense, administrative law has been the most prevalent kind of law throughout history. Around the world, large bodies of “efficient” laws have been developed by regulatory agencies in order to anticipate every possible contingency. Possibly the highest possible expression of administrative law was developed by one Mr. Krylenko of Bolshevik fame. According to him, humans were simply “carriers of specific ideas. . . . No matter what the individual qualities [of the defendant], only one method of evaluating him is to be applied: evaluation from the point of view of *class expediency*.”²⁸¹

In America, administrative law is blurring the line between private and public law. Agencies such as the IRS can attack a citizen in civil court, and then

²⁷⁹ *Ibid.*.

²⁸⁰ James O. Freedman, “Law, Administrative,” *Ibid.*

²⁸¹ Quoted in Aleksandr I. Solzhenitsyn, *The Gulag Archipelago* (New York: Harper & Row, 1973), p. 308.

if it suits their convenience, they can switch a case over to criminal jurisdiction in order to assess criminal penalties. While this is inconvenient to individuals and tends to erode their rights, it is consistent with a philosophy that declares: “Expediency or opportunism is the rule of statesmanship, not abstraction as to the philosophic nature of the state. . .”²⁸²

One example of such efficiency is the case of “a deputy fire marshal in Ohio who sentenced a man to jail after holding a secret inquisitorial proceeding. The defendant was not even allowed to have his own attorney present. The Supreme Court upheld the sentence because the trial ‘was not a criminal trial’; it was ‘an administrative investigation of incidents damaging to the economy.’”²⁸³ The poor man apparently should have killed someone so that he could enjoy the protection of the constitution.

More recently, administrative law has been perfected to a new level unknown in the United States previously. Civil asset forfeiture has become the new rage. “In 1990, a Justice Department bulletin was sent to U.S. Attorneys, urging them to seize more property in order to meet budget projections. ‘Every effort must be made to increase forfeiture income during the remaining three months of 1990.’”²⁸⁴ How is this justified? “The law pretends that the property, not the person, is the defendant. By going after a person’s property, government agents can bypass protections afforded criminal defendants under the Bill of Rights. Moreover, the government cannot arrest a person before a crime is committed, but it can arrest the person’s money or car.”²⁸⁵

Today, “the administrative process has become a fourth branch of government, comparable in the scope of its authority to the three traditional branches—the executive, the legislative, and the judicial. In fact, the decisions of administrative agencies probably affect the lives of ordinary citizens more pervasively and more intimately than the decisions of the federal courts.”²⁸⁶ How did it get this way? “The small beginnings of the Populist era have yielded a fulsome harvest of bureaucracy blessed by the older traditions of colonial America and its mercantilist and Britannic parent.”²⁸⁷ That’s a nice way of saying people have more faith in force than they do in voluntary trade.

Constitutional Law

Until now, we have discussed different types of law which are supposed to place limits on the use of illegal coercion. On the other hand, constitutional law is supposed to place limits on the use of legal coercion. According to Fred Holden, “Law is where the government tells the people what to do—constitutions are where the people tell the government what to do.”

²⁸² Frederick C. Howe quoted in Richard M. Ebeling, “National Health Insurance and the Welfare State,” *Freedom Daily*, January 1994.

²⁸³ Dan Smoot, *The Business End of Government* (Belmont, MA: Western Islands, 1973), p.

39.

²⁸⁴ Paul Craig Roberts, “The State as a Lawful Banditto?” *The Washington Times*, November 1, 1993.

²⁸⁵ *Ibid.*

²⁸⁶ James O. Freedman, “Law, Administrative,” *Op. Cit.*

²⁸⁷ Jonathan R.T. Hughes, *The Governmental Habit : Economic Controls from Colonial times to the Present* (New York: Basic Books, Inc., 1977), p. 217.

“The idea of a fundamental law, a law so fundamental that it limited even the King’s power, runs far back into English history. The common law and the coronation oath limited the power of the Anglo-Saxon Kings. Henry First’s Charter 1100 A.D. and the first and second charters of Stephen 1135, and 1136 A.D. placed definite, written limitations on the royal power.”²⁸⁸ Following those oaths came the *Magna Carta* in 1215. While none of these documents were given the title of *constitution*, they did have the effect of limiting political power.

In the last two centuries, nations having written constitutions have almost become a fad. Even the former Soviet Union had a written constitution, which was quite remarkable given that the only true limitation on power was their leaders’ “proclivity to shoot each other.”²⁸⁹ This means that constitutions come in all forms. “Between the regimes of anarchy and equal rights there are many constitutional contracts or institutional frameworks in which rights are distributed asymmetrically among the parties.”²⁹⁰ Consequently, simply saying that a nation or society has a constitution is not particularly informative. One must still inquire as to the nature of actual limits being placed on that government.

International Law

Finally, we have international law. “One of the first jurists to produce a systematic treatise on international law was the Dutch philosopher Hugo Grotius” in 1625.²⁹¹ Other philosophers also contributed to the development of the concept of international law. “In the 17th century the Society of Friends, the Quakers, with their feeling against the use of arms which amounted to what we now call pacifism, had an undisputed influence on the currents of thinking, both in Great Britain and America. William Penn, in his ‘Essay toward the Present and Future Peace of Europe’ (1693), developed the concept of an international court of arbitration. And then there were men like Jeremy Bentham and Immanuel Kant. Bentham (1789) followed Penn’s idea, but called it an ‘International Court of Judicature.’ Kant (1795) suggested a ‘Federation of Free States’ to maintain peace.”²⁹² Since then, many more legal and philosophical theorists have contemplated the development of international law.

To be effective, law must have force available to back it up. Along with the development of theories of international law and world government, there have been attempts to bring the world closer to that end. In a sense, every world leader throughout history who tried to conquer the world has sought to create a world government—his government.

More recently, there have been collaborative attempts to unite nations in the cause of peace. “Beginning with the efforts of Tsar Alexander I of Russia, the

²⁸⁸ David Hutchinson, *The Foundations of the Constitution* (Secaucus, NJ: University Books, Inc., 1975), p. 5.

²⁸⁹ John Scott, *Political Warfare* (New York: The John Day Company, 1955), p. 69.

²⁹⁰ Gerald W. Skully, *Constitutional Environments and Economic Growth* (Princeton: Princeton University Press, 1992), p. 58.

²⁹¹ Andrew R. Willard, “International Law,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

²⁹² Raymond B. Fosdick, *The League and The United Nations After Fifty Years: The Six Secretaries-General* (Newtown, CT: Raymond B. Fosdick, 1972), p. 11.

nineteenth century witnessed a number of attempts to organize the principal powers to provide for peace and international security. A number of high-level conferences — notably those at Vienna in 1815, Verona in 1822, London in 1832 and 1871, Paris in 1856, and Berlin in 1878 and 1885 — laid valuable ground work for international cooperation for peace. A further impetus toward a viable institutionalized way of promoting world peace was provided by the Hague conferences of 1899 and 1907, which emphasized arbitration and juridical settlements of international disputes.”²⁹³ After these attempts had fallen by the wayside, the League of Nations was created in 1919, and later the United Nations was created in 1945.

The first international law to be accepted was the law of the seas, which dates back more than three hundred years.²⁹⁴ In this century, the most well known international laws are the UN Charter, The Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights.

Opinions vary regarding where the most international law is derived from. According to Robert Muller, “the UN has created and codified more international and world law than the entire previous human history.”²⁹⁵ According to the encyclopedia, “Some people equate international law with the United Nations and its component institutions such as the International Court Of Justice (ICJ). In fact, only a very small proportion of international law is generated by such institutions. Most is created from three generally recognized sources: treaties, custom, and ‘general principles of law’.”²⁹⁶ Regardless of where most of the international law is coming from, its development indicates that we are living in a world that keeps getting smaller.

Thus far, it appears that the most effective form of international law is treaties formed among sovereign states. The treaty is generally considered superior to even the constitutions of the respective states. This necessity is explained well by John Jay in *Federalist Paper #64*: “Others, though content that treaties should be made in the mode proposed, are averse to their being the *supreme* law of the land. . . . These gentlemen would do well to reflect that a treaty is only another name for a bargain; and that it would be impossible to find a nation who would make any bargain with us, which should be binding on them absolutely but on us only so long and so far as we may think proper to be bound by it.”²⁹⁷ In other words, when we, either as individuals or as nations, violate contracts, we teach others that we cannot be trusted, which in turn limits the possibility of future joint ventures for mutual benefit.

A major frustration to those who look to international law for world peace is the fact that the law must be enforced by those who routinely violate it. This has

²⁹³ E. Berkeley Tompkins, “Introduction,” E. Berkeley Tompkins (ed.), *The United Nations in Perspective* (Stanford, CA: Hoover Institution Press, 1972), p. xvi.

²⁹⁴ Andrew R. Willard, “International Law,” *Op. Cit.*

²⁹⁵ Robert Muller, *My Testament to the UN* (Anacortes, WA: World Happiness and Cooperation, 1992), p. 20.

²⁹⁶ Andrew R. Willard, “International Law,” *Op. Cit.*

²⁹⁷ Roy P. Fairfield (ed.), *The Federalist Papers* (Garden City, NY: Doubleday & Company, Inc., 1961), p. 190.

led to calls for an independent United Nations military force with the power to back its resolutions.

Origins and Justifications of Law

Since humanity's arrival on this planet, people have had to convert raw materials into life-sustaining commodities in order to exist. This process is better known as production. However, a second alternative also existed then as it does now. That alternative is to use force to take the fruits of other peoples' production so that one does not have to be productive personally.

In short, one is either producing goods and services for voluntary exchange, or one is forcing people to make involuntary exchanges. Therefore, if humanity is to be divided along class lines, the distinction between *producers* and *predators* might be more useful than the usual approach of inciting war among the different components of the production process.²⁹⁸

In any case, if the predators were not going to kill all the producers, some means of protection had to be devised. Two possible theories can be developed to explain why law first came into being. Both scenarios have probably taken place at some time in history.

The first scenario suggests that the producers got tired of being plundered and organized a means of common defense against the predators. In rare instances, otherwise peaceful working people have joined together to take their oppressors into account. For the most part, however, governments are usually the result of the strongest gang of thugs claiming to be a legitimate government. This, of course, leads us to the second option.

The second scenario is where a very powerful predator who did not like competition from other predators decided to organize a system of defense. By protecting the producers from other predators, much like a farmer would build a fence to keep livestock from falling into the hands of other farmers or stray travelers, the predator started to enjoy greater profit.

Ultimately, the purpose of law is to foster peaceful productivity in the society for which the law is developed. The effectiveness of a system of law can be gauged by looking at how a society develops in response to the incentive structure provided by that system.

Philosophical Basis for Law

To be effective, law must also carry moral and philosophical authority in the minds of those subject to the law. There are two reasons why law must successfully claim the moral high ground. The first reason is that law must "morally disarm" the majority of people. Otherwise, there is no way a small minority of people (who call themselves a government) can control a large mass of citizens. The second reason was stated best by Frederick Bastiat, "The safest way to make laws respected is to make them respectable."²⁹⁹ Those who aspire to

²⁹⁸ In Chapter 2 we explored the four components of the production process, and concluded that people who need to work together are not natural enemies, and that Marx's class warfare theory is an artificial construction. Producers and predators, on the other hand, *are* natural enemies.

²⁹⁹ Frederick Bastiat, translation by Dean Russell, *The Law* (Irvington-On-Hudson, NY: The Foundation for Economic Education, Inc., 1990), p.12.

remain in power for a long time must appeal to a “higher principle” that legitimizes their authority in the eyes of the general population.

Another reason for basing law on a set of rational principles is that it fosters consistency in its application. Not everyone can be philosophically neutralized, so a “tax” in the form of legal penalties needs to be placed on people who are only motivated economically. Some stop plundering only when it “becomes more painful and more dangerous than labor.”³⁰⁰ Hopefully, between moral disarmament and the threat of punishment, all but a few recalcitrant souls will be brought in line.

According to Machiavelli, morally disarming the majority is not too difficult: “A prince must take care that nothing goes out of his mouth which is not full of the above-named five qualities, and, to see and hear him, he should seem to be all mercy, faith, integrity, humanity, and religion. And nothing is more necessary than to seem to have this last quality, . . . the world consists only of the vulgar, and the few who are not vulgar are isolated when the many have a rallying point in the prince.”³⁰¹

In short, the larger portion of law acquires its power and authority from four sources: 1. revelation from God, 2. the incontestable wisdom of community leaders, 3. the establishment of legal precedent, and 4. natural law—“True law is right reason in accord with nature; it is of universal application, unchanging and everlasting. . . .”³⁰²

A Brief History of Law

The development of law can be traced back to 4000 B.C. and the courts of ancient Egypt. In this early system of law, the law of the land and God’s edicts were one and the same. While it may be hard to argue with a man who can assess penalties both in this life and in the next, the succession of thirty dynasties indicates that there was competition even for the control of God (and in turn for control of the community).

The first attempt at codifying law took place in Rome with the Twelve Tables (451-450 BC) and from there evolved to the Justinian Code (533-534 AD) which is the basis of much of civil law even today.³⁰³ The judgment of wise men and the impartiality of a written code replaced religion as the main source of legal authority.

After the fall of Rome, power diffused among many different leaders in the feudal states. Law was then formulated primarily in terms of customary practices, some of which were eventually codified in an effort to eliminate contradictions (and to consolidate the power of the king over feudal land owners.) Out of the middle ages came two types of law that even today influence most of the world: Common Law and Romano-Germanic Law.

In addition to the above secular approaches to law, religious laws have also developed over the centuries. However, Islam has been the most successful in

³⁰⁰ *Ibid.*, p.10.

³⁰¹ Niccolo Machiavelli, *The Prince* (New York: Oxford University Press, 1952), p. 94.

³⁰² Marcus Tullius Cicero Quoted in Reviewed by Nicholas D. Constan, Jr., “Law,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

³⁰³ Stuart M. Speiser, “Law, History of,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

offering a comprehensive system of law that included relations among people in everyday life. Canon law deferred to the state by giving “unto Caesar that which is Caesar’s”. Hindu law offered a great deal of guidance, but it has since been modified considerably by the English occupation. In recent times, even Muslim law has had to find creative work-arounds in order to address modern commercial issues. This new development has also affected marriage contracts which were previously under the pervue of religious law.

Most recently, we have seen the development of Socialist Law. Socialist Law eliminates private law and replaces it with public law because the means of production is owned by the state (which is in turn owned by the bureaucratic elite). While it prides itself on being a total departure from any law that has heretofore oppressed mankind, observers have noted some similarities to Romano-Germanic Law. While its goals are different, it has retained the trappings of courts and rules and defends itself through an elaborate system of legal logic.

Considering the Different Legal Systems

According to Rene David and John E. C. Brierley, there are four families of law: Romano-Germanic Law, Common Law, Socialist Law, and Religious Law.³⁰⁴ For their authority, Romano-Germanic Law looks to legislators, Common Law looks to judges, Socialist Law looks to “the people”, and Religious Law looks to God.

Of course, theirs isn’t the only system for defining the different types of law. For instance, it has been stated that Roman Law was greatly influenced by Greek philosophy which shifted the focus from legal status (slave or free man) to the nature of contractual arrangements.³⁰⁵ Another author approached the divisions thusly: “Modern civil law is sometimes divided into two families. French law and the systems allied to it form the Romanistic legal family; the Germanic legal family is the other division.”³⁰⁶

Given that the authors in the first book cited above are French, and that they have submerged themselves into the Romano-Germanic Law category, I vote on using their system simply in deference to their humility.

Romano-Germanic Law

Romano-Germanic Law is noted for its insistence on codification. Referring back to the Twelve Tablets, codification is useful because it limits those enforcing the law by making those laws more widely known to the citizenry. Of course, that assumes that legislators have not made so many laws that no one can know them all. Because laws are made by legislators in response to problems of the day, and the decision of one legislature is not binding on the next, the political and economic ground can shift rapidly under people’s feet. While this has the

³⁰⁴ Rene David and John E. C. Brierley, *Major Legal Systems in the World Today: An Introduction to the Comparative Study of Law* (London: Collier-MacMillan Limited, 1968), p. 14.

³⁰⁵ Frank Bourne, “Roman Law” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

³⁰⁶ W.A.J. Watson, “Civil Law,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

advantage of eradicating injustices more quickly, it also allows for injustices to be done just as quickly.

The Romano-Germanic system also draws a clear distinction between public and private law. Public law governs relations between citizens and the state, while private law governs relations among citizens. The idea of limiting state power is not a compelling theme for those who support a system of legislative law. In mild form, advocacy of legislative law takes the form of statements like: "The growth of the law is legislative. . . . And . . . law is administered by able and experienced men, who know too much to sacrifice good sense to a syllogism, . . ." ³⁰⁷ Further developed, advocacy of legislative law starts to sound like, "the functions of the state are not susceptible of abstract, a priori deductions. Each proposal must be decided by the time and the conditions. If it seems advisable for the state to own an industry it should proceed to own it; if it is wise to curb any class or interest it should be curbed. Expediency or opportunism is the rule of statesmanship, not abstraction as to the philosophic nature of the state. . . ." ³⁰⁸

Obviously, the judgment of legislators can only be as good as the philosophies that guide them. And of course, those who are most successful at advancing to the top of the political ladder are not always the wisest.

Common Law

Common Law is associated with England, the Commonwealth countries, and the United States (except for Louisiana). A key feature of common law is the notion of placing limits on government power. "The common law and the coronation oath limited the power of the Anglo-Saxon Kings. Henry First's Charter 1100 A.D. and the first and second charters of Stephen 1135, and 1136 A.D. placed definite, written limitations on the royal power. Then Magna Carta 1215 imposed a written limitation on the crown." ³⁰⁹ With the help of Natural Law theory, Common Law undermined the sharp distinctions between public law and private law. ³¹⁰ In recent years, Common Law countries are losing their distinction as they rely more and more on legislative law where edicts of one legislature are not binding on the next.

Common law relies heavily on precedent, making the decisions of today's judges binding on future judicial decisions. Making laws harder to change has the positive attribute of leaving people more secure in their property. According to Gerald Skully, legal change under civil law is approximately twice as fast as change under common law. "In general, law that arises from the custom of exchange and human intercourse (common law) fosters private wealth maximization and minimizes rent-seeking (income distribution). . . . Civil law (statutes and administrative rules) is crafted in a political market." ³¹¹

Common law systems generally are more conservative, and today people advocating the return to common law generally come from the conservative side

³⁰⁷ Oliver Wendell Holmes quoted in V.T. Thayer, *Formative Ideas in American Education* (New York: Dodd, Mead & Co., 1967), p. 245.

³⁰⁸ Frederick C. Howe quoted in Richard M. Ebeling, "National Health Insurance and the Welfare State," *Freedom Daily*, January 1994.

³⁰⁹ David Hutchinson, *Op. Cit.*, p. 7.

³¹⁰ Rene David and John E. C. Brierley, *Op. Cit.*, pp. 48-49.

³¹¹ Gerald W. Skully, *Op. Cit.*, p. 57.

of the political landscape. Historically, societies have prospered economically under common law, but not everything has been sweetness and light. Unfortunately, much oppression in the form of pushing religious mores also came with common law. “Common Law itself was distasteful to the colonists because in many cases they had been forced to emigrate to escape persecution in England and they were not at all ready to share the English view that the Common Law was the bastion of personal liberties.”³¹²

Looking back, not everyone was thrilled with precedent. Jonathan Swift, for one, was not enamored with the rule of precedent. “It is a maxim among lawyers that whatever hath been done before may legally be done again: and therefore they take special care to record all the decisions formerly made against common justice and the general reason of mankind. These, under the name of *precedents*, they produce as authorities to justify the most iniquitous opinions; and the judges never fail of directing accordingly.”³¹³ On a lighter note, Gurdjieff described law based on precedent in this way: “a code of laws collated on the basis of former similar ‘puppet plays’ by beings called ‘old fossils.’”³¹⁴

Due to some philosophical weaknesses underlying Common Law, Courts of Equity were developed in order to increase the fairness of judicial decisions. Most notably, the Common Law concept of duress “covered only physical violence and not moral coercion.”³¹⁵ In *Chapter 3*, a lot of energy was put on exposing guilt as a form of coercion and how it can be used both defensively and offensively. While we can be sure that Courts of Equity were not always equitable, its development demonstrates that Common Law judges did not have a monopoly on good judgment.

Summed up, Common Law has the virtue of maintaining good laws that protect people for a longer period of time than does legislative law, but it also carries the risk of perpetuating injustices for a longer time as well. Once again, the law is only as good as the philosophies and the motives of those writing it.

Socialist Law

Socialist Law is the third family of law. “While it is distinct from the previous two . . . members of the socialist camp are those countries which formerly had laws belonging to the Romano-Germanic family, and they have preserved some of the characteristics of Romano-Germanic law.”³¹⁶ Although socialist laws share some things in common with other types of law, such as the use of trials, courts and legal argumentation, it is unique in openly declaring that the state should own everything. It also greatly narrows the scope of law. No less of an authority than Lenin declared: “We have no more private law, for with us all has become public law.”³¹⁷

³¹² Rene David and John E. C. Brierley, *Op. Cit.*, pp. 336-337.

³¹³ Quoted in Bergan Evans (ed.), *Dictionary of Quotations* (New York: Avenel Books, 1978), p. 552.

³¹⁴ G.I. Gurdjieff, *Beelzebub's Tales to His Grandson* (New York: E.P. Dutton, 1950), Vol. 1, p. 96.

³¹⁵ Rene David and John E. C. Brierley, *Op. Cit.*, p. 289.

³¹⁶ *Ibid.*, p. 18.

³¹⁷ *Ibid.*, pp. 157-158.

Soviet Law has an abiding faith in the wisdom of political leaders. "Soviet leaders are placed above law by Marxist doctrine itself, for law is considered simply as a means at their disposal, not as an absolute value dictating their conduct."³¹⁸

Once again, however, we are faced with the problems that attend blind faith in the wisdom of those who successfully muscle their way to the top of the political pyramid. Common Law is the slowest at making changes, Romano-Germanic Law is faster, and we can expect Socialist bureaucrats to change the law very quickly, given that there is no public censure, electoral process or constitutional restraints on their decision-making powers.

Religious Law

One can speculate with reasonable certainty that the earliest forms of law were based on religious teachings. Although Religious Law is not as powerful as it was in earlier centuries, it is still a force to be reckoned with. Religious Law, by claiming divine inspiration, enjoys the advantage of claiming the moral high ground in the minds of its adherents.

"The Hebrew, Islamic, Hindu, and Roman Catholic canon legal systems. . ."³¹⁹ are the major systems of religious law. According to David and Brierley, "Muslim law is the most important of these systems."³²⁰ Muslim law, as was mentioned earlier, is the most complete and self-contained of all the systems of religious law. Being divinely inspired, only *interpretations* are supposed to be made by scholars. No new law is supposed to be written. In addition, it is supposed to be a limiting force on the use of political power.

Of course, there are problems that arise from the limits of Muslim law. For instance, wives and their property are supposed to become the property of their husbands. However, through the use of a contract, a couple can "stipulate at marriage that the wife will be allowed to exercise her husband's prerogatives and, therefore, will be at liberty to repudiate herself, or that she will be able to do so if the husband does not remain monogamous."³²¹ Also, it is not legal under Muslim law to charge interest. However, there are several ways to get around that requirement.

Fortunately, religious laws have been somewhat responsive to the changing needs of the societies they dominate. However, religious leaders suffer from the same frailties as do legislators, judges and commissars. Their laws can only be as good as the "divine inspiration" that guides them.

Basic Issues Regarding Law

There is still a great deal of debate about whether law is simply the subjective expression of the will of the leader or whether there are boundaries set by nature and reason which should serve as a guide. Also, there is another question to be addressed: should law follow a certain set of principles, or should it be malleable in order to pursue the expedience of the moment?

³¹⁸ *Ibid.*, p. 158.

³¹⁹ Stuart M. Speiser, "Law, History of," *Op. Cit.*

³²⁰ Rene David and John E. C. Brierley, *Op. Cit.*, p. 19.

³²¹ *Ibid.*, p. 398.

Natural Law and Manmade Law

The debate between natural law theorists and legal positivists has been raging for thousands of years (as usual). “In the 5th century BC the Sophists and Socrates, along with his followers, took up the question of the nature of law. Both recognized a distinction between things that exist by nature (physics) and those that exist by human-made convention (nomos). The Sophists, however, tended to place law in the latter category, whereas Socrates put it in the former, as did Plato and Aristotle.”³²²

With the onset of the Dark Ages and the Middle Ages, it appeared that Legal Positivism was winning. Law was certainly nothing more than the opinion of whoever held power at that moment. However, Saint Thomas Aquinas revived the idea of Natural Law just in time for the Renaissance. The honeymoon with Natural Law lasted a couple of centuries, assisted in the forming of the United States Constitution, and provided the legal framework for the beginning of the industrial revolution. By the 19th Century, Legal Positivism made a comeback. Once again, law became whatever the temporary sovereign said it was. After the massive blood-letting that has been the hallmark of the 20th Century, some philosophers are taking another look at Natural Law.

A central point of disagreement is to be found over the issue of “unjust laws.” The Legal Positivist hold that “an ‘unjust law’ is a contradiction in terms because the existing law is itself the standard of justice.”³²³ In opposition, the Natural Law theorists declared that “an unjust law was not a genuine law but rather an act of violence.”³²⁴ Underneath these debates lies an even more fundamental question: is life, law and relationships simply what we say they are, or is there a world out there that makes demands on us as the price of a good life?

Principle verses Precedent

At this point we are faced with a dilemma. On the one hand, precedent has been shown to create a more stable social and economic environment, and yet it has not been free from weakness and ridicule. On the other hand, those who would write the law according to some form of principle have only succeeded in making the law even more changeable and capricious.

Two such examples are the principles of Socialist Law espoused by Karl Marx which was supposed to transform human nature, and “social engineering” laws such as those promoted by Roscoe Pound and other American sociological jurists who sought the same ends through gentler means. Given that the former Soviet Union is called “former” and that America is besieged with most of the symptoms of a declining civilization, we can conclude that merely calling ideas principles does not necessarily make them so.

Generally, the principles that these left-leaning intellectuals referred to were the principles of coercive charity, or what Frederick Bastiat called “false Philanthropy.” As for procedural principles, they could best be described as “the expediency of the moment.”

³²² Reviewed by Nicholas D. Constan, Jr., *Op. Cit.*

³²³ *Ibid.*

³²⁴ Reviewed by Nicholas D. Constan, Jr., “Law,” *Op. Cit.*

Some Thoughts about Principled Law

What is the nature of a principle? A principle is either an inescapable fact of nature or a consistent logical thought construction. The first part is a given, but principles as defined by thought may or may not be useful. It is possible to develop elaborate maps of reality that are logically consistent within their own framework, and still have no relation to our physical or psychological world. Consequently, such maps often have us trying to cross California with a map of South Dakota as our guide, figuratively speaking, leaving us in the ditch much of the time. Ultimately, law and ethics must work together if it is to be a benefactor for humanity rather than a slavemaster. If the goal of law is to support human life, it must be compatible with a system of ethics that holds life as its standard of value.

In *Chapter 3*, I suggested that I would capitulate to ethical relativism in as much as not everyone holds life as the supreme goal. For a person who holds death as the highest goal, an ethical system that encourages destructive behavior is an appropriate system. On the other hand, I also said I would not support the next step that often follows tirades about ethical and moral relativism—metaphysical relativism.

The difference between food and poison is not simply a matter of opinion. Constructive activity begets constructive results no matter the justification, and destructive activity begets destruction. A weightlifter with a goal of bench-pressing 400 pounds does not accomplish that goal by cutting off his arms, no matter how “positive” his thoughts are about it.

The same holds true with law. Law that interferes with destructive behavior favors the producer while law that interferes with production favors the destroyer.

Because we live in nature and are obliged to support bodies that must consume the products of nature, law, if it is to be life-supporting, must recognize that fact. Law that is to be life-supporting must interfere with destructive behavior and stay out of the way of productive behavior.

Resource Control, Property Rights, and Law

In the introduction, a lot of energy was spent emphasizing that survival in material bodies requires access to material resources. In this debate, people have taken two basic positions. The most common position has been that resources should be the common property of all, with community leaders directing their use for the good of all. The other position insists that individuals should have the right to acquire and control the means of their subsistence because, “Give me control over a man’s economic actions, and hence over his means of survival, and except for a few occasional heroes, I’ll promise to deliver to you men who think and write and behave as you want them to.”³²⁵

In the 17th century, John Locke suggested that the right to own property comes from mixing labor with land. This theory became the guiding principle behind the “homesteading” acts of 19th Century America during the westward expansion. (In their zeal over “Manifest Destiny” they conveniently overlooked the labor that the Indians’ had already mixed with the land.)

³²⁵ Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974), p. 152.

However, once all of the land has been claimed, we have a new problem. Instead of mixing labor *with* land, the next generation must be prepared to exchange labor *for* land. This brings up some difficult problems that must be resolved. After all, if we fail to demonstrate a more universal application of this principle, we will be hard pressed to explain how property is created or to justify the right to defend property.

Generally, the first person who mixes their labor with the land will have done some work to improve it. That work will not have to be done by the next person. Consequently, the next person will at least be paying in part for the labor of the first person when they purchase that land and any improvements. Of course, there are factors that affect the value of the land apart from what the former owner has done for it. However, if the former land owner should not enjoy an additional windfall due to factors such as favorable location, the question then becomes, “who should?” Should the seller be forced to sell it to a buyer for a lower price than the buyer will willingly pay, or should the government take the windfall for some other purpose?

Hopefully, chapters 2 and 4 have made a substantial case in favor of people acquiring the right to control resources/own property as a result of voluntary transactions with others. If people cannot control the resources on which their subsistence depends, they are the vassals of those who can. Also, without individual property ownership, with its attendant opportunities and liabilities, we find ourselves faced with the *tragedy of the commons*—that which is owned by everyone is taken care of by no one.

Legal positivists have a point when they assert that individual property ownership is simply a mental construct with no basis in reality. However, the same can be said for communal ownership as well. While both theories may be mental constructs, we must still account for the inconvenient fact that cultures who entertain the “individual property” notion tend to generate wealth more effectively than cultures who cling to the “communal property” notion.

Joining Together Legal Issues and Ethical Issues

Earlier, law was defined as the threat of force made by government for the purpose of either encouraging or discouraging various types of behavior. Our question then, is what types of behavior should be discouraged? Stated differently, which social problems require the use of coercion and which ones are better left to those concerned?

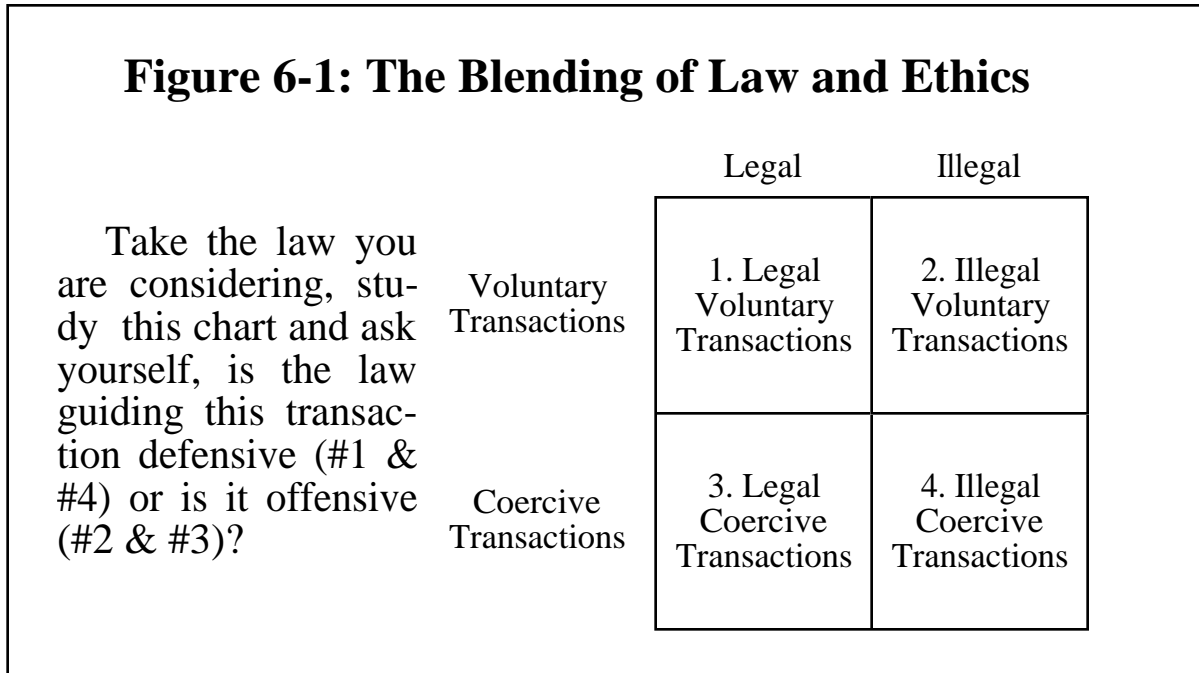
Chapter 3 introduced a new approach to evaluating ethical issues. Instead of looking toward political or religious dogma as a guide, it suggested we use behavioral descriptions. While this system does not clear up every problem or disagreement, it does offer the possibility of helping people with different perspectives speak a common language. The “ethics chapter” went into great detail about the nature of voluntary association and many of the subtleties of coercion strategies.

This chapter will only address the major categories of voluntary and coercive transactions, and how they are juxtaposed to the categories of “legal” and “illegal.” (*Figure 6-1* below illustrates the resulting four categories of law.)

Let’s look at each of these four categories:

1. Legal Voluntary Transactions

A *legal voluntary transaction* is a transaction that the government has decided to leave completely to the discretion of those making the agreement. As long as each party fulfills their end of the bargain, there is no call for intervention. Of course, should someone renege, then suit is filed for breach of contract (which fits under category #4).



2. Illegal Voluntary Transactions

Every society has some voluntary transactions that are held to be illegal by those who control the “rule space.” Drugs, gambling and prostitution are three common examples where it is possible for citizens to make a voluntary transaction were it not prohibited by the government. Those opposed to such rules speak of “victimless crimes,” while those who advocate prohibition point to occasions when someone is hurt by someone who had just made the “immoral” transaction.

Along with morality crimes, we have economic crimes. Minimum wage laws prohibit employees from accepting a lower wage, which would enable employers to provide on-the-job training. If an orange grower wishes to sell a fresh orange under a certain size to someone who wishes to purchase it for a cheaper price, they are prohibited from making that transaction. (In both cases, the poor person is then told to go to the government for both their training, so they can hopefully get a job, and for money, so they can afford the higher prices that have been mandated for anyone wanting to eat oranges.)

3. Legal Coercive Transactions

Along with prohibitions of voluntary transactions, governments frequently pass laws mandating transactions people would not agree to otherwise. Taxation

is the most common form of coercion. Those opposed to any form of taxation insist that enough people would contribute voluntarily in order to provide for common defense against both domestic and foreign predators. Others are not so idealistic. Finally, there are vast differences among people's definitions of what constitutes "common defense."

For some people, "common defense" simply means having enough government force available to enforce sanctions against coercive transactions. In other words, enough laws to protect people from murder, rape, burglary and violations of contractual agreements. Other people, like our friendly orange growers mentioned above, add to the definition of "common defense" protection from domestic and foreign competitors who would threaten their profit margin. Consequently, "Orange juice is cheaper in Canada than in the U.S. largely because the Canadians do not have any orange growers—and thus have no tariff on orange juice imports."³²⁶

Another popular form of legal coercion is funding charity through taxation. Add to that education systems that are funded by taxes and find customers with the help of compulsory education laws. Around the world, it is considered common wisdom that people will neither give to the poor nor will they educate themselves unless they are forced to do so. For instance, Horace Mann declared, "a republican government, without well-appointed and efficient means for the universal education of the people, is the most rash and foolish experiment ever tried by man."³²⁷

Ironically, there are nations around the world where common wisdom has decided that people will not make food unless they are *forced* to do so. Coincidentally, they also have the least food.

4. Illegal Coercive Transactions

This is the category of laws against common crime—where one person seeks a gain from another person without the other's consent. Murder, rape, robbery, theft and breaches of contract fit this category. It is in this category of law that government finds its primary purpose for existence. Unfortunately, as government finds itself embroiled in mandating coercive transactions and in prohibiting voluntary transactions, the people find themselves proportionately less protected against common crime.

Fundamental Ethical Issues and the Law

Ultimately, designers of laws and regulations need to ask themselves; what ethical category does this proposed law fit under. If we can agree that law is itself the threat of force against those who fail to comply, both sides of the debate can at least start with a common language. Unless we are simply self-absorbed opportunists, we need to be careful of our rhetoric as we advocate welfare for either the poor (distributive justice) or welfare for the rich (tariffs and subsidies). The more functions government performs which are still considered crimes for

³²⁶ James Bovard, "The United States: A Protectionist Nation," *Freedom Daily*, October 1994,

p. 23.

³²⁷ V.T. Thayer, *Op. Cit.*, p. 96.

anyone else, the more it encourages boldness in “criminal imitators engaging in individual ‘redistribution.’”³²⁸

Some Additional Thoughts on Government and Law

If people have a right to life, a right to the bodies that sustain their life, and a right to the property which sustains those bodies, then it follows that they have a right to defend themselves when attacked by those who seek a value without offering anything in return. “Law is solely the organization of the individual right of self-defense which existed before law was formalized.”³²⁹ From there governments gain their legitimacy and functionality. “Force has been given to us to defend our own individual rights. . . . Since no individual acting separately can lawfully use force to destroy the rights of others, does it not logically follow that the same principle also applies to the common force that is nothing more than the organized combination of the individual forces?”³³⁰

Productive people are often not skilled in the art of violence. Consequently, it is prudent to hire professionals who are adept in the art of violence just the same as it is prudent to hire other people to make cars, build houses or to perform a host of other specialized functions. In this way we benefit from economies of scale.

Hiring protective services carries risks uniquely its own. If we are not careful, our protectors can quickly become our oppressors. One reason this happens so often, is that the term “government” tends to be shrouded with a mystical aura. In the minds of many, government and God are the two entities which are never to be questioned.

In contrast, try to imagine contracting with the *Human Predator Control Division of Farm Boy Pest Control, Inc* In this case, we would be more clear about the nature of the services being purchased. (See *Figure 6-2* on the following page.) Unfortunately, because our vision is clouded, we allow government to accomplish legally many goals that private citizens would be assessed criminal penalties for.

This brings us to the question. Is it possible to combine the ethical with the legal? From the viewpoint of “behavioral ethics” discussed in *Chapter 3*, it is possible. According to the chart of “Available Relationship Strategies,” law falls into the category of force. That force can either be defensive or offensive. Law can work simply to protect people from the predators, or it can be co-opted by the predators, leading to a situation described by Frederick Bastiat. “The law has placed the collective force at the disposal of the unscrupulous who wish, without risk, to exploit the person, liberty, and property of others. It has converted plunder into a right, in order to protect plunder. And it has converted lawful defense into a crime, in order to punish lawful defense.”³³¹ Without the masses having a clear comprehension of ethical principles, it is the easiest thing in the world for shrewd predators to take over the reigns of political power.

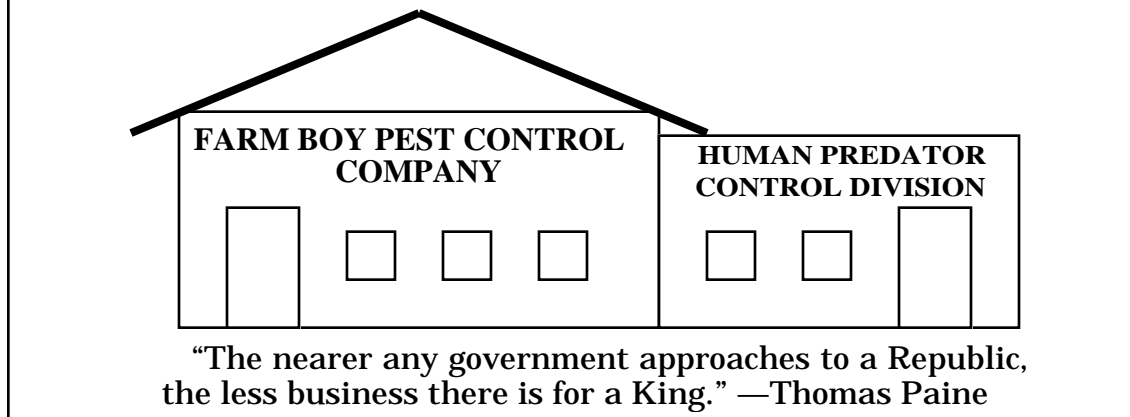
³²⁸ Hans F. Sennholz, “The Costs of Crime,” *The Freeman*, September 1994, p. Center Insert.

³²⁹ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p. 68.

³³⁰ *Ibid.*, p.7.

³³¹ *Ibid.*, p. 9.

Figure 6–2. De-mystifying Government



Making Work More Attractive Than Crime

From the viewpoint of supporting life, law must support the lives of honest and productive people. Also, by imposing penalties on predatory behavior, it can be expected that many would-be predators will find work more lucrative. Contrary to the glorious myths of the noble “shock workers” of Bolshevik fame, work for most people is anything but glorious. In the language of economists, work is a disutility that must be compensated for by the rewards of work if people are to turn leisure time into work time.

Many moralists object to utilitarian attitudes toward work by pointing to the spiritual value of work. “Through work man not only transforms nature, adapting it to his own needs, but he also achieves fulfillment as a human being and indeed, in a sense, becomes more a human being.”³³² “One of the main dogmas of socialism is that labor has disutility only within the capitalistic system of production, while under socialism it will be a pure delight.”³³³ E.F. Schumacher noted that people do not only work for money. “[W]hen a worker, asked why he only worked four shifts last week, answers: ‘Because I couldn’t make ends meet on three shifts’ wages,’ everybody is stunned and feels check-mated.”³³⁴ In short, people work for their own very individual reasons, including reasons that are unfathomable to even politicians and intellectuals.

Once again, if we look for the one formula that fits all people, we are in trouble. For some people, work is so valuable in itself that they will accept high taxes and other such disincentives in exchange for the privilege of working. Other people will go to great lengths to lower their standard of living in order to reduce their need to work to a minimum. Most people will be found somewhere in between.

This leads us to a simple question? Why not simply reduce the number of disincentives attached to labor and then let everyone sort themselves out? Isn’t

³³² Pope John Paul II Quoted in Sylvia A. Law, “Economic Justice,” Norman Dorsen (ed.), *Our Endangered Rights: The ACLU Report on Civil Liberties Today* (New York: Pantheon Books, 1984), pp. 147-148.

³³³ Ludwig von Mises, *Human Action: A Treatise on Economics* (Chicago: Henry Regnery Company, 1966), p. 137.

³³⁴ E.F. Schumacher, *Small is Beautiful* (New York: Harper & Row, 1973), p. 249.

requiring everyone to be a spiritual adept before any work gets done kind of extreme?

Criminalizing Crime (What a Concept!)

How do we tell when the law is acting like a predator instead of a protector? Once again Frederick Bastiat comes to our rescue: “See if the law takes from some persons what belongs to them, and gives it to other persons to whom it does not belong. See if the law benefits one citizen at the expense of another by doing what the citizen himself cannot do without committing a crime.”³³⁵ This suggests that lawmakers need to “[a]ct only according to that maxim by which you can at the same time will that it should become universal law.”³³⁶ If the ruled and the rulers live under different laws, one can be certain that the law has become a predator.

This is why philosophers like John Locke appealed to *natural law*. “Locke argued that the political state is created by a Social Contract in which individuals give up their personal right to interpret the laws of nature in return for a guarantee that the community (or state) protect their natural rights of life, liberty, and property. If the state does not fulfill that guarantee, the people have the right to overthrow the government.”³³⁷ If the Ruler is violating the very right of self-defense which he is on the payroll to protect, the citizens have a right to fire him.

Of course, it is easier to determine when a monarchy or an oligarchy is using the law to violate people’s rights rather than to protect them. In a democracy it is not so easy. When totalitarian governments embrace the principle of legal positivism, they are generally condemned by other freer societies. However, if legal positivism is embraced by a democracy, it is considered enlightened government. Of course, we are still hard-pressed to explain what is so enlightened about putting everyone’s life, liberty and property up for a vote.

The Constitutional Structure and the Life-Cycle of Cultures

“As long as it is admitted that the law may be diverted from its true purpose—that it may violate property instead of protecting it—then everyone will want to participate in making the law, either to protect himself against plunder or to use it for plunder. Political questions will always be prejudicial, dominant, and all-absorbing. There will be fighting at the door of the Legislative Palace, and the struggle within will be no less furious.”³³⁸ As a culture becomes more political, the focus of attention shifts for competition in the marketplace to control the “rule space.”

If people desire a peaceful society and an ascending culture over the long run, it is important that laws be limited to defensive force. However, this has never happened in history. “In *Continuum of a Civilization*, Dean Russell shows how societies begin and end. Nineteen of the world’s greatest civilizations have died, not as a direct result of destruction by an outside enemy, but from internal decay. The average age of these civilizations was about 200 years. Each

³³⁵ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p.21.

³³⁶ Quoted in William Augustus Banner, *Ethics: An Introduction to Moral Philosophy* (New York: Scribner, 1968), p. 102.

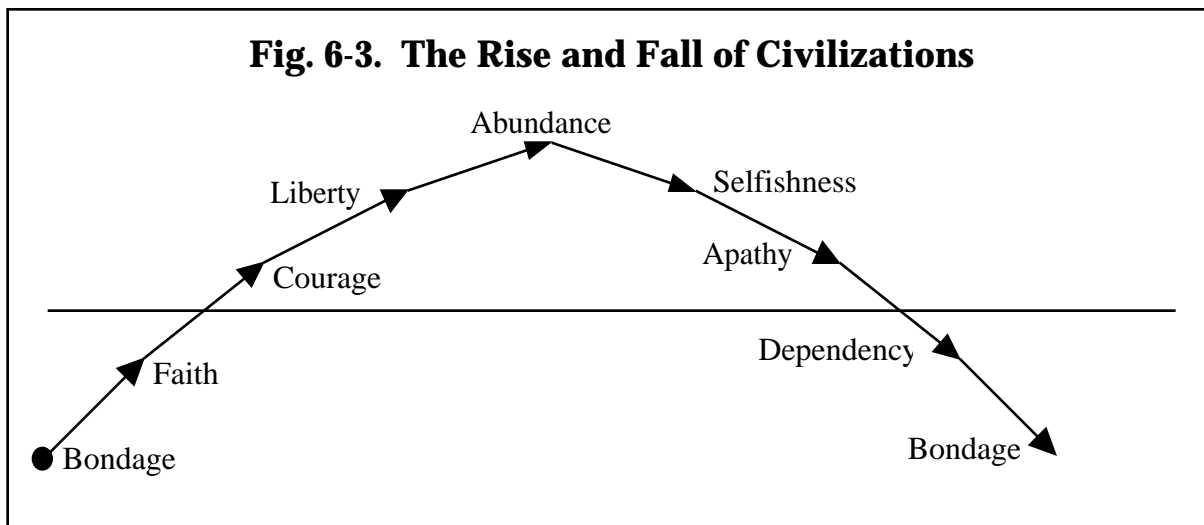
³³⁷ William H. Riker, “Democracy,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

³³⁸ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p.18.

civilization's lifetime, with few exceptions, passed through this sequence of conditions: . . . From Bondage to Spiritual Faith, From Spiritual Faith to Great Courage, From Great Courage to Liberty, From Liberty to Abundance, From Abundance to Selfishness, From Selfishness to Complacency, From Complacency to Apathy, From Apathy to Dependency, From Dependency back to Bondage."³³⁹

What is interesting to note is that these nine steps take place over a span of eight or nine generations, each generation being 25 to 35 years long. Add to that observation a bit of wisdom etched over the archway of the main library at the Colorado University at Boulder, and we have another clue about why this cycle is so hard to break: "Who knows only his own generation remains always a child."³⁴⁰

Without an historical perspective, people do not learn from their ancestors because the knowledge of previous generations dies with them. In the words of Willa Cather, "The dead might as well try to speak to the living as the old to the young." Consequently, as long as we lack an inter-generational perspective, we are obliged to fulfill George Santayana's famous prophesy: "Those who cannot remember the past are condemned to repeat it." Hence, *Figure 6-3*.



Constitutional Structures and Economic Performance

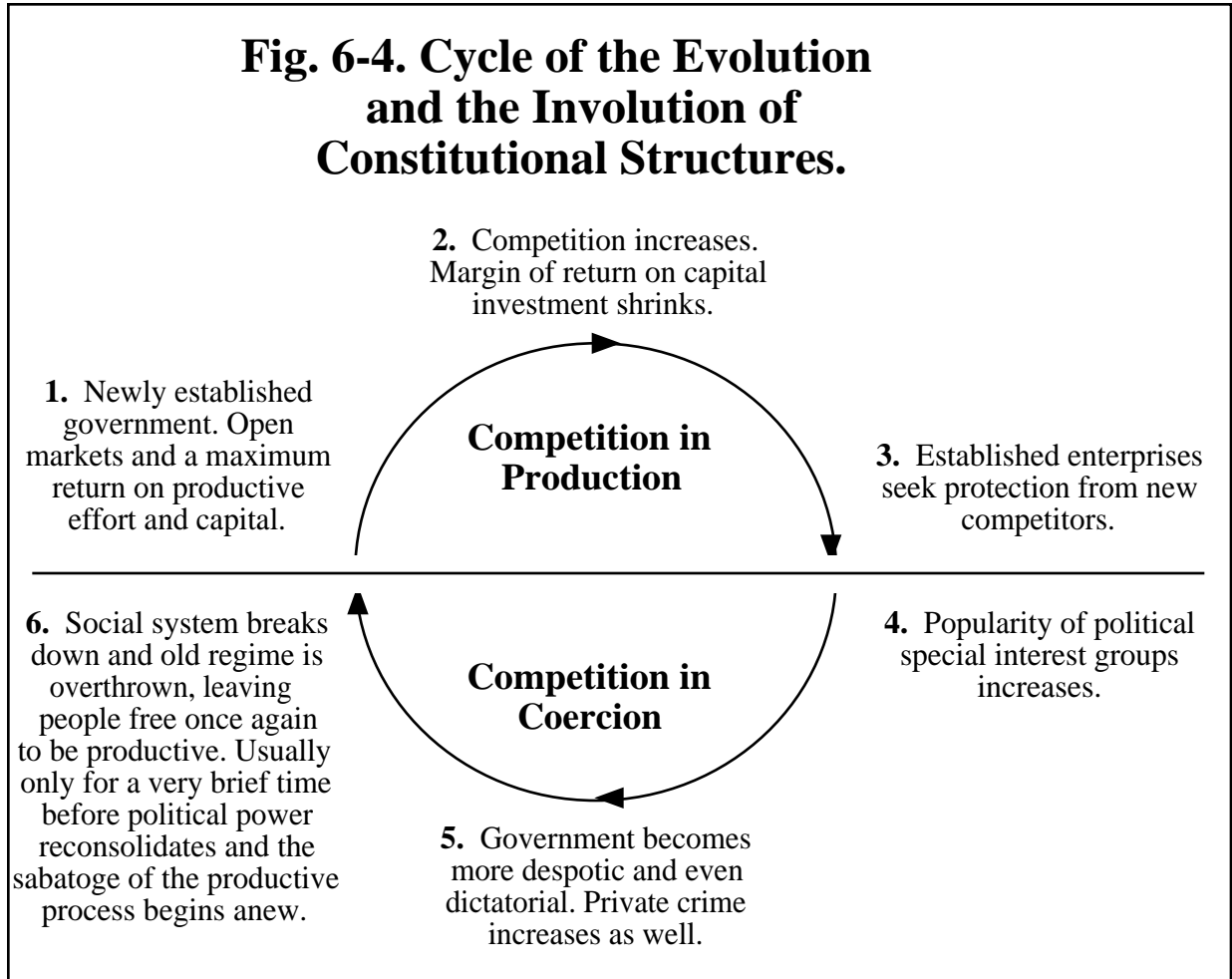
Gerald Skully explains the cycle of the birth and death of cultures through an analysis of constitutional environments. According to him, "The constitutional setting is the economic, legal, and political environment in which production, exchange, and human intercourse occur. The rules of the game, under which citizens live and work, give rise to the production of income in the private sector and determines who gets to compete for income streams and who does not."³⁴¹ Furthermore, constitutional settings are not static. "In the early stages of the constitutional setting, the returns from legally sanctioned activities are high. As

³³⁹ Fred Holden, *Total Power of One in America* (Arvada, CO: Phoenix Enterprises, 1991), pp. 14-15.

³⁴⁰ Dr. George Norlin quoted in Elizabeth F. Selleck, "Who knows only his own generation remains always a child," *University of Colorado Library Inscription*, University of Colorado Libraries, Boulder, Colorado.

³⁴¹ Gerald W. Skully, *Op. Cit.*, p. 56.

capital and labor accumulate, marginal returns fall. At some point in time, the returns from change in the rule space become competitive with the returns from legally sanctioned activities. This is when the process of rule space change sets in and rent-seeking begins.”³⁴² To illustrate this point, I have developed *Figure 6-4*:



Step One in the diagram depicts a society that has suffered from despotism (at the hands of one, a few, or many), and has learned the value of order and peace. Suffering tends to be a subtle reminder that consumption is possible only *after* production, and that as more people take to fighting, less wealth exists to fight over.

When people stop fighting and go back to work, life gets better rapidly. When the old government becomes history, massive amounts of creative energy are released. Entrepreneurs work hard and discover creative ways to create better and cheaper goods and services. (Keynes was right that war can be good for the economy, but not because destruction creates work. Rather, it is because the constrictions caused by massive regulations are lifted when a government collapses.)

³⁴² *Ibid.*, p. 95.

Step Two indicates that as people become more productive, competition increases. This, in turn, reduces the rate of return on investments of labor and capital. Of course, when profits sag, and the competition is threatening, it becomes desirable to start competing “by other means.”

By *Step Three*, the first wave of entrepreneurs shifts from being innovative to seeking protection from the next generation of talented innovators. These business leaders, in a typically short-sighted view, decide that investing in government coercion is more profitable than investing in research and development.

Controlling the market through government coercion is not that difficult. As we discussed in *Chapter 4*, regulation that is intended to help the consumer, or even regulations that are plainly hostile to business interests, in the end help the established firms while hurting any newcomers.

Then comes *Step Four*. Like any new field of opportunity, the advantages of government regulation does not escape notice by those who lack that advantage. Over time, as more and more people decide that it is futile to compete in the arena of production, the whole culture’s focus shifts toward competing in the arena of coercion. Or, as Gerald Skully says in semi-euphemistic language, people start putting more energy into controlling the “rule space”.

Unfortunately, when a culture decides that coercion should be the primary arena of opportunity, the cycle does not stop until it collapses completely. For a long time the whole process seems legitimate as leaders strive to “make plunder universal under the pretense of organizing it.”³⁴³ If the cycle is allowed to go far enough, millions suffer and die miserable deaths. Why? Because, “[w]hen force is the standard, the murderer wins out over the pickpocket.”³⁴⁴

Some Final Thoughts

In *Chapter 4* I deferred to advocates of ethical relativism in as much as we are all entitled to our opinions. I even went so far as to agree that we are in fact free to do anything we want—all we have to do is pay the consequences. Nevertheless, I stopped short of granting them the idea that the physical world will conform itself to their fantasies. Life-supporting behavior increases the quantity and quality of life, and life-destroying behavior does the opposite no matter how eloquently we might assert the contrary.

The same is true for law. Life-supporting laws make for healthy and growing cultures, and life-destroying laws make for sick and dying cultures. Once again, we are free to do anything we want—all we have to do is pay the consequences. Happy decision-making!

³⁴³ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p.21.

³⁴⁴ Ayn Rand, *Atlas Shrugged* (New York: Random House, 1957), p. 390.

³⁴⁵ Robert Muller, *Most of All, They Taught Me Happiness* (Garden City, NY: Doubleday & Company, Inc., 1978), p. 133.

Chapter 7: Religion, Spirituality, and World Peace

In a world where reason seems to have failed, many are calling for a planetary spiritual rebirth. Faith, it is hoped, will accomplish automatically what leaders have failed to do intentionally over the centuries. U Thant, for one, suggested that: “One of the troubles of our times is that scientific and technological progress has been so rapid that moral and spiritual progress has not been able to keep up with it. . . . What is necessary in these tense times is to try to develop our moral and spiritual values in order to catch up with the technological and scientific advances.”³⁴⁵

While religious sentiment has many positive aspects, it has also revealed a dark side (as history will attest). Therefore, if religion is to be an effective force for supporting humanity’s evolution toward peace, the positive aspects of religion need to be accentuated and the negative aspects need to be recognized for what they are so they can be minimized, if not eliminated altogether.

The Beginnings of Religion

It is speculated that religion arrived on the planet very soon after humans arrived. Soon after becoming conscious of being alive, early man also became conscious of inevitable death. (Intellectual awareness, with its ability to help us anticipate problems, has been both a blessing and a curse. A blessing because it helps us compete effectively for survival. A curse because no matter how successfully we compete, we know that in the end we must die.)

Religion has helped millions of people cope with this unhappy prospect by promising another life beyond this one. On the positive side, belief in an afterlife can help people be more at peace. However, if they don’t quite succeed in believing, and decide that they require the agreement of others before they can *truly* believe, holy wars and other less-than-civil events unfold.

Ever since I was a child, I have often heard people say, “this would be such a peaceful world if everyone believed the way I do.” And then their actions would go on to say, “and until they do, I will personally make sure there is no peace!” This made me very skeptical of religion, but I didn’t give up hope. For a long time I studied religions around the world, looking for the thread of truth that united all the world’s religions.

Two Primary Components of Religious Belief

My studies and deliberations thus far have led me to divide religion into two basic components: *cosmological speculation* and *ethics*. *Cosmological speculation* consists of ideas about the world beyond our senses, and ideas regarding our place

in it. *Ethics*, as we considered in *Chapter 3*, is simply a prescription for types of behavior which humans ought to aspire to.

Cosmological Speculation

Thus far I am familiar with six cosmological theories, or speculations. They are as follows:

1. The Heaven and Hell theory

This speculation is usually associated with Christianity, but the belief in heaven and hell is not held exclusively by Christians. According to this theory, people who live according to the requirements of their religious leaders are promised that they will spend an eternity in heaven with God after they die. On the other hand, people who do not conform are threatened with eternal torment by the flames of hellfire. In short, if you agree with the person who is trying to sell you their speculation, you get to go to heaven, and if you disagree, you are invited to go to hell.

2. The Theory of *Reincarnation*.

This speculation can be useful in assuaging our frequently wounded sense of fair play. In this life we often witness the triumph of the brutal and the defeat of the virtuous. Machiavelli tells us that, “A man who wishes to make a profession of goodness in everything must necessarily come to grief among so many who are not good.”³⁴⁶ The theory of reincarnation allows us to concede to The Marquis DeSade that virtuous people often come to terrible ends while tyrants die in peaceful old age with great honors in this life, and yet we can still feel assured that “the universe” will make it right in the end (i.e. the next life).

Reincarnation offers us another luxury. When our lives are out of control, instead of thinking about what we are doing now to contribute to the problem, we can speculate about how we are paying for some foolishness we did in a previous life. (I couldn't possibly be dumb enough to cause these problems in this life!) This, of course, may make us feel better, and good feelings are a necessary start for change, but in many cases change takes more than just good feelings.

An aspect of this theory that has interested me is the promise that if we develop sufficient detachment, we will escape the cycle of reincarnation and be able to blend in with the Godhead. By doing so, it is promised that we will be relieved of the suffering that supposedly accompanies an autonomous existence. After watching some seekers lust after detachment, I couldn't help but wonder if their search wasn't backfiring, costing them even more cycles around the wheel of karma. It seems to me that it might be more productive to make this life such that we would not fear a return performance.

3. *Eternal Recurrence*.

This theory is neither well known nor very popular. In this scenario, we repeat the exact same lifetime every cycle of the universe—about three trillion years—and our challenge is to simply see if we can close an eyelid at the precise moment that we opened that eyelid in the last cycle. For an experience of what

³⁴⁶ Niccolò Machiavelli, *The Prince* (New York: Oxford University Press, 1952), p. 84.

this cosmological approach is like, I recommend reading *Strange Life of Ivan Osokin* by P.D. Ouspensky.³⁴⁷

4. Paradise Earth/Eternal Death.

This system suggests that those who fall short of the glory of God will merely be dead for eternity, while the righteous will rise once again to reclaim the lost Garden of Eden. Even though eternal death is not as scary as burning in hell, I have seen elders in the Jehovah's Witness community effectively set up "toll booths" in their little religious communities, thereby enjoying lots of power and control over their congregations.

5. Atheism.

Atheists generally declare that this life is it. We have only one chance to live a good life, so let's make the most of it. Some atheists become atheists because they have been turned off intellectually by the notion of an anthropomorphic god and an all-too-human afterlife. Other atheists were turned off emotionally because of the breaches of ethics they have seen done by believers in the name of religion. In any case, there can often be a surprising amount of fanaticism on the part of an atheist who presumably has little to look forward to. (On the other hand, some righteous indignation might be in order. The voice mail message for the Freedom From Religion Foundation in Denver ends with, "And remember. There once was a time when religion ruled the earth. It is called the Dark Ages.")

6. Agnosticism.

The agnostic just lives, making the best use of what can be known and not worrying about what cannot be known. As for cosmological speculation, the agnostic simply says, "I do not presume to know." For an agnostic, it requires as much knowledge of the world beyond the senses to declare that there is no God as it does to declare that there is a God.

Agnostics have been known to draw criticism from both believers and atheists. According to the believers, "outright atheism is more to be respected than worldly indifference . . . the complete atheist stands on the penultimate step to most perfect faith, . . . but the indifferent person has no faith whatever except a bad fear."³⁴⁸ From the atheists we hear, "[t]he agnostic . . . thinks he is avoiding any position that will antagonize anybody. In fact, he is taking a position which is much more irrational than that of the man who takes a definite but mistaken stand on a given issue, because the agnostic treats arbitrary claims as meriting cognitive consideration and epistemological respect."^{349 350}

According to the believer, the agnostic lacks faith, and according to the atheist, the agnostic lacks reason. However, their statements, when juxtaposed to

³⁴⁷ P. D. Ouspensky, *Strange life of Ivan Osokin* (New York: Hermitage House, 1955 [c.1947]).

³⁴⁸ Dostoyevsky quoted in Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 148.

³⁴⁹ Leonard Peikoff quoted in Harry Binswanger (ed.), *The Ayn Rand Lexicon* (New York: New American Library, 1986), p. 4.

³⁵⁰ Skepticism about projecting what is known in this world onto the next does necessarily mean skepticism about the efficacy of the mind for comprehending this world.

one another suggest that “[t]he opposite of the religious fanatic is not the fanatical atheist but the gentle cynic who cares not whether there is a God or not.”³⁵¹

To the agnostic, it makes little sense to trash this life over disagreements about the next one. The Supreme Power of the Universe will be what it is, whether or not we kill each other in our desperation to find out.

7. Fill in the Blank.

There are probably more cosmologies that I am not aware of. Nevertheless, they, too, are *speculations* about what is to become of us once our bodies go on strike and refuse to breathe air any more. What is probably more important than having the “correct” speculation is how we use our chosen speculation as a guide for everyday living.

The Emotional Need for Cosmological Speculation

Fortunately, some religious leaders are beginning to reconsider the folly of “cosmological-speculation-jealousy.” The First World Parliament of Religions was held in Chicago in 1893 and the Second meeting was held in Chicago, Vancouver and Bangalore in 1993.³⁵² U Thant summed up the sentiments of enlightened believers very nicely: “I believe that Buddhism as a religion is superior to other religions, but this conviction does not blind me to the fact that there are hundreds of millions of people who believe otherwise. I understand this, and because of this understanding I believe in peaceful coexistence.”³⁵³

The task of considering and acknowledging the subjective nature of cosmological speculation will not be an easy one. The conviction that we possess ultimate truth for all times is a seductive notion. Unfortunately, the demand for such knowledge says more about our inability to accept our finite selves than it says about our ability to actually acquire such an all-pervading awareness.

Faith, by its very nature is an emotional act. *Its purpose is to calm us down and to protect us from being overwhelmed by the fleeting nature of our existence.* (I have found it useful to mentally project myself to the other side of the grave and then look back on my life. Such a perspective tends to shrink the pressing problems of the moment significantly. However, this doesn’t require cosmological speculation. The knowledge that we will all die someday is sufficient.)

Ultimately, in matters of cosmological speculation, any answer will do. To spend an excessive amount of time using our intellects to count angels standing on the head of a hypothetical pin is to divert valuable time and resources away from an aspect of religion we *can* do something about—ethics. Ethics is our more immediate concern because specific behavior always has corresponding consequences regardless of the picture we hold in our mind’s eye about the world beyond.

Spirituality and Religion

In recent years I have been hearing more people say, “I’m not a religious person, but I am a spiritual person.” Although the dictionary tends to lump

³⁵¹ Eric Hoffer, *Op. Cit.*, p. 81.

³⁵² Dr. Robert Muller, speech at University of Denver College of Law, Sept, 24, 1992.

³⁵³ Raymond B. Fosdick, *The League and The United Nations After Fifty Years: The Six Secretaries-General* (Newtown, CT: Raymond B. Fosdick, 1972), p. 146.

religion and spirituality together, I shall attempt to draw a distinction between the two. At first, this distinction may seem arbitrary, but over the course of the next couple of paragraphs, my point should become more clear.

Throughout my life, I have heard *spirituality* referred to more in terms of a person's heart and his or her overall relationship to life, whereas *religion* tends to focus on divining the one correct cosmological truth. Typically, a spiritual person is thought of as one who is at peace with herself or himself and at peace with the rest of the world. A religious person is as likely as not to start a conflict because someone else does not share the same cosmological vision.

Over the years, I have met many spiritual people. Their choice of cosmological speculation mattered little. People with gentle spirits are at peace with themselves and the world whether they be Christian, Buddhist, Atheist, Agnostic or whatever. Of course, this means sharing the vision of U Thant: preferring one's own faith and staying true to it while allowing others the right to their own beliefs.

The possibility of different faiths tolerating each other may be quite new. "In the past, the larger proportion of religions has helped only select groups of people, fostering harmony and friendship within that group, but greeting others with hostility. This is why religion has been such a divisive force in human history, a catalyst for war and destruction."³⁵⁴ Religious doctrine offers a powerful conduit for bringing smaller groups of people together, but spiritual development is the key to both inner and outer peace. It is at once a very individual journey and our best hope for people to identify with humanity as a whole.

To me, the essence of spiritual development is the recognition that we are *interconnected* with everything around us. Furthermore, we do not have to look beyond our own experience to figure out that we did not create ourselves. A person can come to that awareness of our interconnectedness by studying any discipline of knowledge in depth. Biology can help us comprehend the "reciprocal-feeding-and-maintenance-of-everything-existing-in-the-universe." Economics convinces us that an interdependence among many people is necessary for the full enjoyment of a peaceful and prosperous journey between the cradle and the grave. And the list goes on. . . .

Eric Fromm speaks of two types of faith. "Psychologically, faith has two entirely different meanings. It can be the expression of an inner relatedness to mankind and affirmation of life; or it can be a reaction formation against a fundamental feeling of doubt, rooted in the isolation of the individual and his negative attitude toward life."³⁵⁵ Naturally, I advocate the former.

In my cassette tape series titled *Your Power to Create Love*, I introduced a concept I call "Using the Slide Rule of Sanity." In the tape I made the following comments:

The term, *slide-rule of sanity*, is probably new to you because I coined that term myself. In a nutshell, this concept refers to our ability to acknowledge our interconnectedness with everything else. One important characteristic of insanity is that the person suffering from it

³⁵⁴ Bhikkhu P.A. Payutto (Pra Debvedi), *A Buddhist Solution For the Twenty-first Century* (for 1993 Parliament of the World's Religions, Chicago, Illinois, U.S.A., August 28—September 4, 1993), p. 11.

³⁵⁵ Erich Fromm, *Op. Cit.*, p. 97.

believes they are alienated and separate from everyone and everything else. It is really scary to believe that everyone is out to harm us, and if we make the slightest misstep we are done for. . . .

As we become more sane, we focus on creating value instead of confiscating value created by others. As we become more sane, we encourage people instead of putting them down. As we become more sane, we recognize that we are a part of something larger in which we participate. Sanity means recognizing that we are not alone, and that “life is a gift to be enjoyed—not a sentence to be served.”³⁵⁶

From this perspective, spiritual development has more to do with becoming sane than it has to do with choosing the “right” cosmological speculation from one of a number of “roulette wheels” of religion.

The Roulette Wheel of Religion

This section is a side-trip from our exploration of religion and ethics, but I cannot throw out a term like *roulette wheel of religion* without explaining it. To my knowledge, both Christian and Moslem religions have around 500 denominations each. I know there are “sects” within Buddhism and Hinduism, but I don’t think they have quite as many divisions religiously. (Their fights seem to be more motivated by nationalism—a secular religion, if you will.³⁵⁷) In any case, the scenario goes something like this:

“Ladies and gentlemen, step right up! Your challenge is to pick the one true faith that Mr. God approves of—to pick the one peg of truth from a number of wheels of religious experience! If you make the right choice, Mr. God will forever celebrate your name in paradise where the weather is always 70 degrees, where there are mountains of sweet meats to gorge on, and beautiful maidens will be available simply for the taking. (Unless, of course, you *are* a beautiful maiden.) But . . . if you lose . . . you will be forever cast into a lake of fire where the air reeks of sulfur and you will be given no water to drink and only one heavily salted cake each day. Now that you know how serious the stakes are, are you excited yet?”

The typical believer is fated to have access to only one wheel of religion to begin with. Then that person is likely to have studied only five religions (pegs) to any depth. With such scant knowledge, the believer must make three assumptions. First, the one true faith is to be found on the one roulette wheel of religion presented by fate. Second, the one true faith is to be found among the five pegs that were available for in-depth study. And third, that their own personal nature and inclinations will somehow mystically guide them toward choosing the one correct denomination out of the five. Given the statistical improbability of finding that one true faith, this might be why we call it *faith*.

It has amused me for some years now to hear people try to convince others to share their particular brand of cosmological speculation. These people offer directions for safe passage to the world beyond the grave with greater certainty than they would give for a trip to a store three blocks away. When we consider the odds of finding the one and only faith Mr. God approves of, given the number of

³⁵⁶ Larry L. Barnhart, *Your Power To Create Love*, Side 2.

³⁵⁷ Ludwig von Mises, *Human Action: A Treatise on Economics* (Chicago: Henry Regnery Company, 1966), p. 148.

faiths to choose from and the limitations of our senses, such claims can appear quite presumptuous.

This brings to mind an experience I had during breakfast at a restaurant some years back. While I was sitting at the counter, sipping my cup of caffeine³⁵⁸ and studying, a man came in and sat down next to me. Pretty soon he feigned an interest in the book I was reading. This turned out to be his opening to start a conversation that was intended to bring me into his fold. He was an interesting young man, so I took time away from my book to ask him some questions—most of which he answered with clichés that I was already familiar with. Nevertheless, even though he was not faring well in the discussion/debate, he decided to “close the sale” with a story. He said something to the effect of, “You know, Larry; every morning I get up and pray to the Lord: ‘Send me where you would have me go.’ This morning I made that daily prayer, and lo and behold, here I am talking with you.” I thought for a second and then replied: “That is interesting. I wonder who was sent here to save whom?” Much to my amazement, he stopped cold, thought for a long moment, and said, “You might be right.”

I never saw him again after that morning. Hopefully, he did not give up his faith because he caught a glimpse of its subjective nature. The best outcome would be for him to carry his faith a little lighter. I do not advocate that people give up their faiths. Rather, I advocate what I call *mature faith*. By mature faith, I mean a faith that is self-sufficient. People with mature faith do not have to go on crusades in pursuit of agreement from others.

The more we try to justify our faith the weaker we reveal it to be. If one’s faith can engender a sense of peace and purpose, that is sufficient. In the end, the best we can hope to gain is “the peace that passeth all understanding.”³⁵⁹ (And that is no small accomplishment.) This life offers us plenty of challenges to use our intellects to map out the cause and effect relationships that guide nature and human relations. Just think of all the possibilities that would be available for humanity were we to stop using our intellects to figure out what is beyond the reach of our senses, and instead started using them to solve pressing everyday problems?

Once again, there is a big difference between religion and spirituality. Just because a religion claims to know the absolute truth for all time doesn’t mean that the people who ascribe to that belief are peaceful. Religions often use coercion in order to win converts and/or to control the lives of others. They are anything but spiritual. On the other hand, people who are at peace with themselves and the world are spiritual even if they do not entertain any cosmological speculation.

The Psychology of Religion

After my initial disaffection with religion eased up, I started to wonder what psychological needs religion could fulfill. Earlier I mentioned that religion can offer a sense of knowing about what’s to become of us after we die. While this promises to make our fleeting existence more meaningful, common traps such as confusing faith with knowledge carry their own hazards.

Eric Fromm suggests that “If we analyze religious or political doctrines with regard to their psychological significance we must differentiate between two

³⁵⁸ I hate needles, so I have elected to stick with oral caffeine.

³⁵⁹ *Philippians* 4:7.

problems. We can study the character structure of the individual who creates a new doctrine and try to understand which traits in his personality are responsible for the particular direction of his thinking. . . . The other problem is to study the psychological motives, not of the creator of a doctrine, but of the social group to which this doctrine appeals. . . . Only if the idea answers powerful psychological needs of certain social groups will it become a potent force in history.”³⁶⁰

Thus far, I can think of four reasons why religion is both popular, and is in some cases useful. They are *projection*, *certainty* about the future, *belonging* to a group, and *power*. In this section, the motive of the followers (projection, certainty, and belonging) will be considered first, and then the motives of the leaders (power) will be looked at.

Projection

The first, and most subtle motive is *projection*. According to the Dictionary, *projection* is, “[t]he naive or unconscious attribution of one’s own feelings, attitudes, or desires to others.”³⁶¹ Projection is most commonly identified as a *defense mechanism* people use to deny their own faults by insisting that those faults belong to someone else. However, people can project their *virtues* as well as their faults onto other people *and* things. (Besides, it would be philosophically inconsistent to have only a devil to take the blame for our weakness and/or depravity.)

Once, while I was at a public art exhibit held by a Denver art school, I saw a series of pictures showing humorous similarities between people and the pets they were walking. The one I most clearly remember was a white, fluffy poodle being walked by a woman who was wearing a white, fluffy fur coat. It was a wonderful example of how people choose things and relationships that are reflections of themselves.

Some years back I heard a radio interview with a leader of a humanist group. During the interview, the representative commented: “We have noticed that nice people worship nice gods and angry people worship angry gods. We are not worried about gods as such. We would just like to see more nice people.” This struck a chord in me for I had observed the exact same thing. It is as if people have projected a blown-up image of themselves onto the sky and then proclaimed, “Behold, God!”

This brings to mind the story of a man who dreamed he was an ant. He quickly ran over to another ant and asked, “Quick. Tell me! Is God anything like you?” The other ant replied, “Oh, no. God is nothing like us. God has two stings.” In other words, “If you think I am angry, you should see my God!”

While this next story only deals indirectly with the topic at hand, I must tell of a fun experience I had when a couple of Jehovah’s Witness ladies cornered me on my apartment parking lot.

They first offered to give me a couple *Watchtower* magazines, which I politely refused. Then one of the ladies asked me if I wanted to learn about God’s plan for man. I replied that I was familiar with a number of cosmological speculations, and that I believed that one speculation was good as the next.

³⁶⁰ Erich Fromm, *Escape From Freedom* (New York: Avon Books, 1941), pp. 82-83.

³⁶¹ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

Then the other lady asked me if I had children. I said, “no.” She then informed me that if I had children, I would want them to obey me. And because we are God’s children, it only stands to reason that God would want me to obey her. I was kind hearted that day, so I refrained from performing Kahlil Gibran oratory³⁶² right there on the parking lot.

Finally, one of them asked me if I accepted the belief that humans sinned and were cast out from the Garden. I couldn’t resist the temptation, so I countered, “If the forbidden fruit had been broccoli, we would still be in the Garden.” Immediately, they broke out laughing. Lacking the necessary lung-power to support further debate, they just walked away. Obviously, no opinions were changed as a result of our debate. Nevertheless, it turned out to be fun for me, and I suspect it was fun for them also.

It is very difficult to imagine a God without making God a big human. That may be why the Hindus have said, “to define God is to deny God.” When we think about God, we can only shrink God into a conceptual framework that is no larger than the limitations of our minds. Nevertheless, if we must think about God, I would suggest that by learning to be happier and more caring, God will become happier and more caring too.

Certainty About the Future

As individual human beings, we are not able to know what our individual destiny will be. Mortality tables can tell about how many people of a certain age will die each year, but it cannot tell which ones will die. Even though we can feel like the odds are on our side, we still have no guarantee. Naturally, we are bound to feel a certain nervousness about our precarious position in life.

For some people, the dread of not knowing the future is extremely painful. Even philosophers have had a fetish for declaring that anything that is temporary is not as valuable as that which is permanent. Between the common dread of death and philosophical assumptions that devalue the temporary, the demand for certainty has increased to the point that people will pay dearly for it. This means that anyone who convincingly declares that they know the future will enjoy a large, ready-made market.

Knowing the future with total certainty can be heady stuff. Whether certainty is gained through belief in God’s revelation or through understanding the unstoppable “march of history”, the psychological result is the same. People shift their identity from their puny flesh and blood selves and identify with a much larger force. Of course, the ultimate climax heralded by the vision does not take place until another life or at least until a future generation. “In all ages men have fought most desperately for beautiful cities yet to be built and gardens yet to be planted.”³⁶³

Tragically, it does not seem that people can simply know the absolute truth and let it go at that. Increased certainty in the next life, or for the next generation, seems to come at the price of increased *uncertainty* in this life. During the inquisition, the religion of Christianity killed thousands of bodies in order to save the souls residing within them. The religion of Dialectical Materialism hastened

³⁶² “Your children are not your children. . .” Kahlil Gibran, *The Prophet* (New York: Alfred A. Knopf, Inc., 1986, 115th printing, published 1923), pp. 17-18.

³⁶³ Eric Hoffer, *Op. Cit.*, p. 73.

the return of millions of “soulless” bodies back to the earth so the molecules and atoms composing them could be “recycled” more quickly. This, of course, was necessary in order to speed up the arrival of paradise on earth. Today, the Middle East is a hot-bed of religious activity. And of course, we know that their violence will stop just as soon as everyone around the world starts agreeing with them. (Prudence suggests I not hold my breath in anticipation of that grand day.)

Belonging

The need to belong to a group and to be cared for and respected by others is very strong. As was mentioned in the chapter on economics, there is practical value in forming associations with other people. Through the principle of “economy of scale” people can increase their productivity through specialization. Of course, nature has also given us the need for companionship, nurturing, touch and sexual union. This way, when we get what we want, nature gets what she wants. To enjoy all of these advantages, we must associate with other people.

Of course, simply associating with a group of people is not as effective as identifying with them. “An individual may be alone in a physical sense for many years and yet he may be related to ideas, values, or at least social patterns that give him a feeling of communion and “belonging.” On the other hand, he may live among people and yet be overcome with an utter feeling of isolation, the outcome of which, if it transcends a certain limit, is the state of insanity which schizophrenic disturbances represent.”³⁶⁴ This has proven especially true in the case of prisoners of war. Those who identified strongly with their homeland held up much better under concentration camp conditions than those who did not feel that bond.

Once again we must ask what price is rational to pay for the privilege of belonging. We have already considered the high price many have paid in the section on certainty. Even so, there is still a big demand for belonging. According to Charles Malik, “The dialectical, polemical, and forensic skills of the communist representatives at the United Nations are on the whole quite outstanding. With notable exceptions—and the exceptions are quite important—the representatives of the West are not as gifted or as trained.”³⁶⁵ This has been one of the major selling points of communism and socialism since its inception. In America, conservatives are attempting to use fundamental Christianity as a means of countering socialism’s advantage.

Possibly because of this need for belonging, there is not much demand for philosophies that promote individual autonomy. “The majority of men have not yet acquired the maturity to be independent, to be rational, to be objective. They need myths and idols to endure the fact that man is all by himself, that there is no authority which gives meaning to life except man himself.”³⁶⁶

As was stated earlier, the need for belonging is not destructive in and of itself. However, when people so strongly identify with their little group that the word “stranger” is automatically equated with the word “predator,” the scene is set for less peace and prosperity. One reason for the increased prosperity of the

³⁶⁴ Erich Fromm, *Op. Cit.*, p. 34.

³⁶⁵ Charles H. Malik, “The United Nations as an Ideological Battleground,” E. Berkeley Tompkins (ed.), *The United Nations in Perspective* (Stanford, CA: Hoover Institution Press, 1972), pp. 23-24.

³⁶⁶ Erich Fromm, *Op. Cit.*, p. xiv.

Western world in the last two centuries has been the increased “radius of trust” resulting from the formation of larger societies. Unfortunately, nationalism, coupled with technology, has created some gruesome spectacles as well.

Ultimately, if we are to have a feeling of belonging, it needs to be an identification with humanity as a whole. This is not to belittle the truth that predators are out there. Nevertheless, it is best to judge individuals on their own merits. The most we should do is to note that some cultures have a higher percentage of predators than other cultures, but even then we should hesitate to brand *everyone* within those culture as predators. (If they are surviving at all, *someone* is taking time out from predation in order to do some work.)

The final need people seek to meet through the feeling of belonging is the need for a sense of personal worth. Many people fail to find meaning in their own personal lives, so they attach themselves to their group with such ferocity that they exclude and condemn other groups. “The less justified a man is in claiming excellence for his own self, the more ready is he to claim all excellence for his nation, his religion, his race or his holy cause.”³⁶⁷ We are in a sad mental state when we must validate ourselves through accidents of birth, or through the accomplishments of those we esteem.

Many religions and other societies thrive on feeling persecuted. To an extent, this becomes a self-fulfilling prophecy. When people go into the world expecting to be abused, there will always be someone who will try to knock the chip off their shoulder. (Which indicates insecurity on the part of both parties.) Every persecution that has been suffered by the Jewish people, for instance, has only strengthened their resolve to remain cohesive. On the other hand, some intellectuals have expressed concern that they might be “loved to death” in America, because without persecution, younger generations are blending in with the larger culture.

In short, we need to try to keep our need for belonging down to a healthy level. A certain level of belonging is essential to survival, but beyond that, it is often counterproductive. Fortunately, we have two additional ways of establishing our value as autonomous human beings. First, we can acknowledge our intrinsic value—we have a right to be here, like the trees and the stars, otherwise we would not be here. Second, there are ways we can be productive in the service of our fellows. We do not have to be the *best* at something in order to be *good*. With at least this minimum amount of autonomy, we can love our God, love our family, and love our culture without having to declare war on the rest of the world.

Richard Ebeling probably sums it up best: “The idea of tolerance means that we recognize that not all that is good only belongs to ourselves, and that only reason and experience can teach us and others which ways of life are most beneficial and desirable. And the principle of individual liberty means that we respect each man’s right and responsibility to choose his own way of living, speaking, and acting, though we may not share his choices and beliefs or always agree with all of his forms of conduct.”³⁶⁸

Power

³⁶⁷ Eric Hoffer, *Op. Cit.*, p. 23.

³⁶⁸ Richard M. Ebeling, “Nationalism: Its Nature and Consequences,” *Freedom Daily*, June 1994, p. 16.

Now we are ready to look at the motives of the leaders—the people who collect the sacrifices offered by the believers. This is not to say that the leaders are not also believers, but they do enjoy certain advantages unavailable to the rank and file.

Eric Hoffer suggests that most mass movements start as a result of *men of words*—intellectuals whose writings undermine the current regime’s authority in the minds of the populace. After the men of words have done their work, *men of action* take over and spearhead the movement.³⁶⁹ Sometimes the men of words also fill the role of men of action, but most often they do not.

Many leaders start out with the purest of intentions, but when they actually achieve power, their hearts change. “A Luther, who, when first defying the established church, spoke feelingly of ‘the poor, simple, common folk,’ proclaimed later, when allied with the German princelings, that ‘God would prefer to suffer the government to exist no matter how evil, rather than to allow the rabble to riot, no matter how justified they are in doing so.’”³⁷⁰ Other intellectual leaders find themselves horrified with the results of their ideas when they have been interpreted by the men of action. These distressed souls end up as outcasts from the very movements they inspired. Unfortunately, when a philosophical system calls for the use of force in order to create paradise on earth, most leaders who acquire power will take the use of force to its extreme.

Religion and politics have worked together and/or fought each other for a long time. “Throughout history the relationship between religious leaders and political leaders has varied from open conflict to collusion.”³⁷¹ In *Chapter 5*, we explored the symbiotic relationship between religion and politics. With this in mind, we should not be considered too rash if we conclude that the pursuit of power is a strong motivation behind many religious philosophies and practices.

Ethics and Religion

One of the major problems of religion throughout history is that it has often promoted dual ethical systems: one code of behavior for relations with fellow believers, and another code of behavior for relations with outsiders. As was discussed in *Chapter 3*, double ethical systems reduce the size of the “radius of trust,” and in turn lead to less happiness and prosperity for cultures and communities who adopt such ethical norms.

Gurdjieff described the ascendancy of religions this way: “[T]he adherents of any sect are sectarian for other beings as long as they have no ‘guns’ and ‘ships,’ but as soon as they get hold of a sufficient number of ‘guns’ and ‘ships,’ then what had been a peculiar sect at once becomes the dominant religion.”³⁷²

In other words, we only have to look at history and the world around us to know that religious faith alone does not guarantee peaceful relations among people. While I know religious people from various faiths who are truly peaceful,

³⁶⁹ Eric Hoffer, *Op. Cit.*, pp. 120-127.

³⁷⁰ *Ibid.*, p. 122.

³⁷¹ Dean M. Kelley, “Church and State,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

³⁷² G.I. Gurdjieff, *Beelzebub's Tales to His Grandson*, Vol. 1 (New York: E.P. Dutton, 1950), p. 256.

³⁷³ Ludwig von Mises, *Op. Cit.*, p. 148.

I also know others who ascribe to the same faiths who are anything but peaceful. Therefore, a factor other than cosmological speculation must be the crucial factor for determining whether or not “faith” will lead to inner and outer peace.

One major reason why ethics is hard to understand is because religion has set itself up as *the* authority on ethics, and it has enjoyed a virtual monopoly in defining ethical norms. As we considered in *Chapter 3*, defining ethical behavior in terms of relationship dynamics is a more universal framework than ethical systems that require agreement regarding cosmological speculation.

Ever since childhood, I have often heard the wise refrain: “Never talk about religion or politics.” Like most such truths, it was presented as self-evident, with little thought given as to why that bit of advice was, in fact, true. In recent years, however, the reason why we are wise to avoid these subjects has become obvious to me.

Religion and politics have been the two primary institutions that have, throughout history, asserted that some people have the “right” to live at the expense of the rest. Furthermore, those living at the expense of others demanded to be worshipped as part of the bargain. Consequently, people are wise to get concerned when religious and political debate takes place, because whoever loses the debate may lose their property, their freedom, or maybe even their lives. (When the talking stops and the guns come out.)

Religion as a Tool of Oppression

In the last two chapters, I have suggested that the proper role of government is to exercise defensive force on the behalf of productive citizens (who live by creating positive value for voluntary exchange). Of course, we know that governments routinely use force, fraud, and guilt to attain ends that are anything but defensive in nature. Religion has operated in much the same way, only it has been obliged to be more subtle in the Western world in recent times.

Whereas government has access to the tools of force, fraud and guilt, religion is limited to using guilt, with an occasional bit of fraud thrown in. (Jimmy Bakker, for one, tried selling real estate on earth using the same principles he had used for selling real estate in heaven. When people caught on, he ended up in jail.) Of course, the game is not over yet. We can anticipate that religions will work hard to regain control of the government. In the Middle East, for instance, Khomeini took over Iran and ushered in what appears to be a new Dark Age.

In America, there is a growing political activism of the “religious right” in order to escape abuses from the current liberal government. (David Koresh may have suffered from many delusions, but his fear of the government proved to be well-founded.) While many complaints by conservatives about the injustices brought about by the secular state are accurate, I doubt they would create a world I would want to live in. Oppression would not be lifted—only shifted.

In a sense, the ongoing battle between materialist liberals and religious conservatives could be seen as a holy war. Cosmological speculation does not have to include an anthropomorphic God, nor does it even have to promise an afterlife for the individual. Ludwig von Mises offered a new perspective when he wrote, “The history of the world’s great religions is a record of battles and wars, as is the history of the present-day . . . religions, socialism, statolatry, and nationalism.”³⁷³

This century has seen the grisly deaths of millions upon millions of people in the name of the inevitable workers' paradise.

Guilt as Religion's Prime Control Strategy

In *Chapter 3*, I explored "The 5,000 Year-Old Con Game," how it has caused so much misery throughout history, and how even today it divides the world into two camps: *givers* and *takers*. Sacrifice is offered as the ideal and it is assumed that exploitation is the only alternative. The principle of voluntary exchange among people is regarded with disdain or disbelief because the dominant world view says that one person can gain only at the expense of another.

As a coercion strategy, guilt is as effective as it is subtle. Guilt can be used either offensively in the pursuit of involuntary transfers of wealth and power, or it can be used defensively as a means of slowing down the predators. Religion also has the potential to use this powerful weapon either way.

The primary negative use of guilt is to promote ideals that denigrate the survival instincts of humanity. Kierkegaard, for instance, offers this prescription for the ethical life: "The genuine tragic hero sacrifices himself and all that is his for the universal, his deed and every emotion with him belongs to the universal, he is revealed, and in this self-revelation, he is the beloved son of ethics."³⁷⁴ These words can be quite heady for someone who believes their life is irretrievably spoiled, but humanity would become simply another extinct specie were everyone to successfully fulfill these ideals.

Given that anyone who is alive has fallen short of these ideals, there is another possibility that might explain why such ideals are so popular. "Every system of ethics that preached sacrifice grew into a world power and ruled millions of men. Of course, you must dress it up. You must tell people that they'll achieve a superior kind of happiness by giving up everything that makes them happy. You don't have to be too clear about it. Use big vague words. 'Universal Harmony'—'Eternal Spirit'—'Divine Purpose'—'Nirvana'—'Paradise'—'Racial Supremacy'—'The Dictatorship of the Proletariat.' . . . The farce has been going on for centuries and men still fall for it. . . . It stands to reason that where there's sacrifice, there's someone collecting sacrificial offerings. . . . The man who speaks to you of sacrifice, speaks of slaves and masters. And intends to be the master."³⁷⁵

Very often the whole scheme backfires. Dr. Peter Breggin has observed: "Typically, a person disillusioned with life has been pursuing some variation of the ethics of altruism, with a heavy dose of self-righteous self-sacrifice. The individual learned self-sacrifice at the hands of parents who taught the child that 'selfishness' is wrong and that the needs of others come first. This was then reinforced by church, school, and government propaganda, all aimed at getting the individual to pursue the self-interest of others at the sacrifice of his or her own interests. When others then fail to repay in kind with sacrifices for the altruistic

³⁷⁴ William Augustus Banner, *Ethics: An Introduction to Moral Philosophy* (New York: Scribner, 1968), p. 136.

³⁷⁵ The character Ellsworth Tooley in Ayn Rand, *The Fountainhead* (Indianapolis: Bobbs-Merrill Company, Inc., 1943), p. 638.

individual, and when altruism *per se* fails to bring joy, the individual can become embittered, disillusioned, and very vengeful.”³⁷⁶

Not only does the morality of sacrifice kill the joy in personal relations, it has an impact on how the larger world works as well. In the early stages, sacrifice as an ideal is expressed with words like, “Today resources exist in such abundance that a world-wide extension of the principle of welfare is physically possible. All that is lacking is the political decision to do so. Is it possible that a society which boasts of its humanity and its Christian inspiration should ignore the challenge? Is it conceivable that such a society, having done so, should deserve to survive?”³⁷⁷ What makes these presumptions of moral superiority even more interesting is that “advocates of aid do not spend their own money; they advocate taxes.”³⁷⁸

At the later stages, “. . . a nation brought up to regard the principles of duty and sacrifice as cardinal virtues will be helpless when confronted by a gang of thugs who demand obedience and self-sacrifice.”³⁷⁹ And finally, the orgy of sacrifice comes to its logical conclusion. “‘To be a socialist,’ says Goebbels, ‘is to submit the I to the thou; socialism is sacrificing the individual to the whole.’ . . . By this definition, the Nazis practiced what they preached. They practiced it at home and then abroad. No one can claim that they did not sacrifice enough individuals.”³⁸⁰

Dual Ethical Systems and the Radius of Trust

Killing and stealing are held to be bad by the majority of religions—at least from fellow members of the religious community. Unfortunately, it often happens that people will be honest and faithful to members of their own religious community, but everyone else is considered fair game.

Extensive studies have been made comparing the difference between the Protestant and Catholic traditions and how their different assumptions have led to two totally different outcomes. According to Max Weber, “The God of Calvinism demanded of his believers not single good works, but a life of good works combined into a unified system. There was no place for the very human Catholic cycle of sin, repentance, atonement, release, followed by a renewal of sin.”³⁸¹ Lawrence E. Harrison suggests that Iberian cultures are hostile to economic advancement because the people within them only trust their family circle. That, coupled with a “winner take all” code of honor, greatly reduces the radius of trust, and in turn reduces the amount of prosperity that can be developed through trade. (This

³⁷⁶ Peter R. Breggin, *The Psychology of Freedom* (Buffalo, NY: Prometheus Books, 1980), p. 108.

³⁷⁷ Barbara Ward, “The Economic Revolution,” *Adventures of the Mind from the Saturday Evening Post* (New York: Alfred A Knopf, Inc., 1959, 1960, 1961), p. 264.

³⁷⁸ Peter T. Bauer, “The United Nations and International Development Assistance,” E. Berkeley Tompkins (ed.), *The United Nations in Perspective* (Stanford, CA: Hoover Institution Press, 1972), p. 41.

³⁷⁹ Leonard Peikoff, *Ominous Parallels* (Briarcliff Manor, NY: Stein & Day, 1982), Introduction.

³⁸⁰ *Ibid.*, p. 19.

³⁸¹ Max Weber quoted in Lawrence E. Harrison, *Who Prospers?: How Cultural Values Shape Economic and Political Success* (New York: BasicBooks, 1992), p. 12.

explanation goes a long way toward explaining the chronic poverty that is characteristic of Latin America.)

Fortunately, positive forces are at work in the international religious community seeking to promote tolerance among people who entertain different cosmological speculations. If they are successful, we can hope to see the day when the power of religion will aid in predator control instead of being just another vehicle for the predators to use.

Separation of Church and State

The notion of separating religion from politics has been a fairly recent development in history. Before that innovation, religion and politics were generally one and the same, with the king or emperor being either God or God's representative on earth. Of course, any device that would help these rulers stay in power was employed. Generally, religion and politics worked together. Faith and mysticism was used to calm the masses by offering them justice in a future life, and force was used to subdue the remaining few who refused to be calmed.

The separation of church and state was a significant step toward freeing individual productive human beings. Nevertheless, there remains much yet to be done. Some would go so far as to suggest the elimination of both church and state. However, that will probably never be feasible. People are always going to fear the unknown world beyond the grave that awaits them, and there will always be a certain portion of the population that is predatory by nature. Religion will always be useful in salving people's fears about death, and government will always be necessary for subduing predators. Our challenge, then, is to keep those crafty predators from gaining control of both the church and the state.

The Positive Use of Guilt

It has already been mentioned in *Chapter 3* that guilt has positive possibilities as well as negative possibilities. Guilt is the feeling of regret we experience when we have fallen short of an ideal we have accepted. (It makes no difference whether we accept our ideals consciously or unconsciously.)

To be fair, religion has offered injunctions against predatory behavior with commands such as "Thou shalt not kill" and "Thou shalt not steal." Were it not for these prohibitions, there might be even more predators than we now have.

Religion, then, offers a positive and practical service to humanity to the extent it attempts to plant these prohibitions deeply into the "operating program" of the human psyche. To an extent, religion has done this. Otherwise its value to people in everyday life would be nil.

Other Considerations

Thus far, this chapter has focused on cosmological speculation and ethics. Two additional issues need to be explored: *epistemology* and *metaphysics*. This section will only consider each issue briefly, given that a more in-depth study will be made in *Chapter 10*.

Epistemology

From an epistemological perspective, our confidence in the value of our minds has been attacked consistently by religious leaders who do not want people

to think for themselves. This attack has been precipitated on the notion that because our minds are powerless to understand God, they are powerless to understand the rest of the world as well. While it is true that our minds are limited when it comes to considering unlimited concepts such as God and eternity, our minds are not totally useless. Otherwise, our species would have gone extinct long ago.

Just because we cannot understand everything, that does not mean we should not try to understand anything. “An acre of Middlesex is better than a principality in Utopia. The smallest actual good is better than the most magnificent promises of impossibilities.”³⁸² In some respects, people who seek to totally devalue the mind because it is not omniscient may have an investment in failure. “In their fanatical cry of ‘all or nothing at all’ the second alternative echoes perhaps a more ardent wish than the first.”³⁸³

Metaphysics

Regarding metaphysics, religion has painted a picture of the world in the minds of millions that depicts a hostile universe—a universe ready to crush anyone for even the slightest mistake. (The fact that 6 billion “raving maniacs” are still surviving on the planet in spite of ourselves suggests a nurturing universe that has an investment in our being here.) Such a frightening world view is bound to cloud peoples’ judgment, inspiring them to react with hostility out of proportion to the size of the problems they face. In many cases, calm deliberation is more productive.

Starting the adventure of life with a negative mind set cannot be an asset if we aspire to live a peaceful and abundant life. Many prophecies become self-fulfilling prophecies, and religious prophecies are no different. It is common for people who expect a calamity to create it in order to get it. Often the pain of anxiety is worse than the calamity itself. As Job said in the Bible, “That which I have feared most has come upon me.”

Consequently, painting a mental picture of a nurturing universe is bound to be more helpful. Besides, when people insist on God being cruel and vengeful, we need to ask: is cruelty and vengefulness a description of God, or is it a Rorschach test that reveals the disposition of the believer?

Summary

Religion is composed of two primary parts—*cosmological speculation* and *ethics*. Some people hold cosmological speculation to be the primary concern, while others consider ethics to be the first priority. The first group can be defined as “religious,” while the second group can be defined as “spiritual.” Throughout history, people in the first group have often breached basic ethical principles in the name of spreading the faith. Others, being appalled by such behavior wish to distance themselves from religion, so they define themselves as spiritual (or atheist) instead.

By separating religion from spirituality, we now have the means of drawing ethical boundaries around religion, keeping it from exempting itself

³⁸² Macaulay Quoted in Bergan Evans (ed.), *Dictionary of Quotations* (New York: Avenel Books, 1978), p. 3.

³⁸³ Eric Hoffer, *Op. Cit.*, p. 73.

from codes of behavior expected of everyone else. If believers and non-believers alike can use an earth-based code of behavior as guidance, we will be more successful in creating a peaceful planet.

Although cosmological speculation is often an effective means for allaying fear in the face of our inevitable death, it sometimes backfires, making the cure worse than the disease. Killing the body to save the soul is neither healthy nor does it facilitate either peaceful relations or an improved standard of living.

Because of the many breaches of ethics perpetrated by religion over the centuries, it is necessary to question its self-proclaimed monopoly on the subject of ethics. From the viewpoint of *Behavioral-Analysis Ethics*, religious people are encouraged to believe whatever cosmology makes them feel good, but using force, fraud and guilt to gain converts needs to be discouraged.

In everyday life, people find it hard enough to agree on cause and effect relationships that operate *within* the world of the senses. That being true, we should expect an even greater divergence of opinion concerning cause and effect relations that operate *beyond* the world of the senses. Therefore, if in everyday life the solution to many of our problems is found in giving each other as much space as possible, how much more should that be true regarding issues of religious faith?

I would like to finish with a quote from Hugh Ripman, “First, God created the angels and gave them reason; then God created the animals and gave them lust; finally God created Man and gave him both; so that the man whose reason overcomes his lust is higher than the angels, and the man whose lust overcomes his reason becomes lower than the animals.”³⁸⁴ Let’s not let our lust overcome our reason—not even for the sake of religion.

³⁸⁴ Quote by Hugh Ripman who attributed it to the Talmud. Regretfully, I have not been able to find a more definitive source for this quote thus far.

Chapter 8: Environmental Issues Considered

Over the last twenty years environmental issues have been a hot topic. With toxins everywhere we turn, and the simultaneous threats of global warming and a descending ice age, drastic solutions are being offered.³⁸⁵ We are being told that if we do not radically alter our lifestyles immediately, it may be too late for the future of humanity on this planet.

This chapter has been placed after the chapter on religion for a specific reason. While we no doubt face some serious environmental problems, there is a certain hysteria that surrounds much of today's debate. Many of the solutions proposed offer doubtful outcomes, except for one. The environment may or may not improve, but should we accept their solutions, massive increases in political power for these environmental activists is certain.

Suicide has been referred to as "a permanent solution for a temporary problem." In life we are faced with trade-offs. E. F. Schumacher puts people's calls for solutions in perspective: "They always tend to clamor for a final solution, as if in actual life there could ever be a final solution other than death."³⁸⁶ Consequently, we should take pause when someone offers us the problems of lifestyles that promise death by age 35 or 40 in exchange for the problems of lifestyles that promise death by age 70 or 80.

In short, while environmental issues are not to be trivialized, they must be addressed rationally if we are to live better lives. The purpose of this chapter will be to approach these issues from a perspective that considers the needs of the people instead of the needs of leaders who are generally protected from the consequences of their policies by political power.

A Brief History of Environmental Thought

Concern for the environment goes back many centuries. In early times, people were attacked daily by forces they did not understand, so their natural inclination was to give the elements personalities—personalities much like their own. From this perspective, all events were interpreted as a personal reward or as a personal attack. A fortuitous event meant they were liked by the god of whatever, and an unhappy event meant the opposite.

³⁸⁵ "World Legislative Bill Number Six: Emergency Earth Rescue Administration," Provisional World Parliament, *Design and Action for a New World* (Lakewood, CO: World Constitution and Parliament Association, 1988), p. 14.

³⁸⁶ E.F. Schumacher, *Small is Beautiful* (New York: Harper & Row, 1973), p. 66.

This attitude toward nature and understanding of life is called animism: “Any of various primitive beliefs whereby natural phenomena and things animate and inanimate are held to possess an innate soul.”³⁸⁷ According to a professor of the history of science at UCLA, “In antiquity every tree, every spring, every stream, every hill had its own guardian spirit . . . Before one cut a tree, mined a mountain, or damned a brook, it was important to placate the particular spirit in charge of that particular situation, and keep it placated.”³⁸⁸ Being nice to nature wasn’t simply a matter of disinterested people doing the right thing. “Worship of nature may be ancient, but seeing nature as cuddlesome, hug-a-bear and too cute for words is strictly a modern fashion.”³⁸⁹ (And a strictly Western, industrial nation fashion.)

The earliest development of today’s modern environmental ethos is thought to trace back to Saint Francis of Assisi, who lived from 1182–1226 A.D. At the age of 24, he took a vow of poverty and extolled the virtues of the simple life. In the remaining 20 years of his life he was successful in attracting a large following, and today, some groups see him as the patron saint of ecologists because he advocated the idea that all creatures are equal—a sharp contrast to the notion that human creatures should be the rightful rulers of the planet and everything on it.

Although Saint Francis’ ethic of poverty and simplicity attracted a substantial following, the Reformation, along with the Protestant Ethic, created a whirlwind of economic activity that led to the Renaissance and the Industrial Revolution. During these years the only people who complained about the advances were those who were being left behind because their skills did not keep pace with changes in technology, and a few philosophers from well-off families. People in general were inspired by the prospect of improving their nutritional intake and creature comforts. And if anyone were to question their right to do so, they would have considered that person insane.

Then came sturdy souls like Jean Jacques Rousseau who called attention to the beauty of wild landscapes and majestic mountains.³⁹⁰ His words were destined to fall upon receptive ears, for the age of technology was rapidly taking the drudgery out of travel, thanks to improved roads, the development of carriages, and not long after his death, the introduction of motorized vehicles. A century earlier, mountain ranges were viewed as obstacles to travel, and the flatlands were considered a relative blessing.

Once the industrial revolution started gaining momentum, many people started to worry about humanity self-destructing because of massive alterations of the landscape and the possibility that resources would be used up. From this

³⁸⁷ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

³⁸⁸ Lynn White quoted in William Tucker, *Progress and Privilege: America in The Age of Environmentalism*, (Garden City, NY: Anchor Press/Doubleday, 1982.), p. 147.

³⁸⁹ P.J. O’Rourke, *A Parliament of Whores: A Lone Humorist Attempts to Explain the Entire U.S. Government* (New York: The Atlantic Monthly Press, 1991), p. 196.

³⁹⁰ The irony implicit in these philosophers praising the rugged beauty of nature did not escape everyone. “Jean Jacques Rousseau and Frederick Engels, if they had lived in the primitive state which they describe with nostalgic yearning, would not have enjoyed the leisure required for their studies and for the writing of their books.” Ludwig von Mises, *Human Action: A Treatise on Economics* (Chicago: Henry Regnery Company, 1966), pp. 165-166.

concern developed the conservation movement, which got its strongest push from Theodore Roosevelt and some of his aids and cabinet members such as Gifford Pinchot. Advocates of *conservationism* still believed in the supremacy of the human species, but they also believed that massive government intervention was necessary to keep the great unwashed from depriving future generations of nature's abundance and beauty.

Conservationists not only believed that government officials were better qualified to manage resources, they also believed that through a "multiple-use" approach to managing dwindling resources, conflicting interests could be mediated and thereby the best of both worlds could be achieved—resource conservation *and* an improved standard of living for the masses. (Along with direct resource management, they also favored monopolies in the business world because only monopolies have sufficient resources for long-term planning. Also, they figured that the higher prices monopolies could charge would force consumers to use fewer resources.)

About this same time, another philosophy of resource use was developing. This philosophy has come to be called *preservationism*, and its origin is credited to John Muir, the founder of the Sierra Club. A popular saying that well describes the ethic of preservationism is, "It's really a beautiful spot where the hand of man has never set foot." Along with this disdain for vain human creatures who beat their breasts while proclaiming species superiority came the doctrine of the *intrinsic value of nature*. Nature, without human beings, is natural. Enter humans into the equation, and all of a sudden, we are plagued with artificiality. As the population of humanity increases, so does the artificiality. "The problem is that nature, the independent force that has surrounded us since our earliest days, cannot coexist with our numbers and habits. We may be able to create a world that can support our numbers and our habits, but it will be an artificial world . . ." ³⁹¹

In the battle between conservationism and preservationism, the preservationists seem to be winning. At least they are the ones who have captured the imagination of the public, pulling both their heart strings and their purse strings. Of course, support or resistance does appear to follow class lines, with old wealth and professionals actively supporting preservation goals, and blue-collar people and business leaders being most resistant. "Every survey that has ever been taken (including the Sierra Club's extensive polling of its own membership) has shown that support for environmentalism has been concentrated in the upper-middle-class, professional segment of society. . . . One extensive polling showed that support for environmental causes picks up strongly when income levels reach about \$30,000, and then tails off again significantly above \$70,000. It is about this level that the salaries of upper-echelon business executives usually begin." ³⁹² (This brings to mind a newspaper commentary some years back about the battle between the YUPPIES and the MARFIES: "young urban professionals" verses "middle-aged rural failures" in the Northwest.)

This disdain for the human species is not without some contradictions. If we are truly serious about ridding ourselves of this scourge on the planet, the remedy is simple. According to one commentator, "It's a morbid observation, but

³⁹¹ Bill McKibben, *The End of Nature* (New York: Random House, 1989), p. 170.

³⁹² William Tucker, *Progress and Privilege: America in The Age of Environmentalism*, (Garden City, NY: Anchor Press/Doubleday, 1982.), pp. 31-32.

if everyone on earth stopped breathing for an hour, the green house effect would no longer be a problem.”³⁹³ Some environmental advocates are quite direct about their demand for population reduction. For instance, “An ice age is coming, and I welcome it as a much needed cleansing. I see no solution to our ruination of earth except for a drastic reduction of the human population.”³⁹⁴ Other environmental advocates are threatening us with global warming and with being washed away when the polar ice caps melt. In either case, it is agreed that the industrial revolution must be shut down, technology must be abandoned, and we must embrace an economic system that will not support such large numbers of people.

For many, environmentalism is like a religion. The faithful fill the “collection plates” and then return to their environment-destroying jobs with full faith that these leaders cannot err. “Somehow” these leaders will eliminate the many threats to environment without causing them to become unemployed and homeless in the process.

Some environmentalists are reviving pagan religions and the animism that goes with them. Others listen spellbound to apocalyptic speakers like Barbara Marx Hubbard while they predict a coming cataclysm (which will wipe out all except the enlightened souls who happen to be in the audience that day). While anti-intellectualism seems to be a rational answer to today’s problems which are allegedly the result of previous intellectual efforts, this solution is not without costs. One’s guilt might be relieved, but the inability to perceive contradictions can place even one’s physical existence in peril.

Many of the problems we have today, motivating environmentalists to want to shut down the industrial revolution with the aid of government force, are the result of government force which was used by earlier generations who were *also* concerned about the well-being of humanity. These people believed that industrialization was the answer, and they set about to promote development—by force. Even today, there are adherents to the philosophy who see industrialization as the panacea to the problems of humanity.

Whatever the differences in opinion pro-growth and anti-growth groups might have about the ends, they seem to be in agreement about the means. Both groups see gaining political power as the primary tool for gaining their objective. (The United Nations has administrations within it representing both opinions.) Very little thought is given to the idea that resources might be better controlled by people whose well-being depends on the outcome of their decisions and who are liable for any harm done to others as a result of the way they use those resources.

Major Environmental Issues

Before considering some little-known middle-of-the-road suggestions, there are some issues that need to be explored in greater detail. Environmentalism ultimately deals with two primary issues: *safety* and *ethics*. Safety concerns are directed mainly toward the problems of toxicity in the environment—especially toxins that are man-made. Ethical concerns are discussed primarily in terms of preserving endangered species, with animal rights arguments offering a logical

³⁹³ *Newsweek*, December 30, 1990.

³⁹⁴ David Foreman quoted in Gregg Easterbrook, “Everything You Know About the Environment is Wrong,” *The New Republic*, April 30, 1990, p. 18.

extension to any arguments the endangered species protection advocates might want to present.

Safety: Toxicity in the Environment

Everyone wants a clean and pristine environment to live in, but we have one little problem. To live, we must produce. In the conditions of the fabled heaven or paradise, there is rumored to be infinite consumption and no production. (Hell, by this definition, would mean infinite production and no consumption.) Because we are located somewhere between heaven and hell, production is necessary if we are going to meet our needs. This production, in turn, creates *pollution*.

Because pollution is a byproduct of human productive activity,³⁹⁵ we are challenged with two questions: 1. How much pollution is acceptable, and 2. once an acceptable level of pollution has been determined, how should these limits be enforced?

While growing up in the Northwestern part of the United States, I had somehow developed a picture of the East Coast as being one large, oil-stained concrete block stretching from Maine to Florida. Later, when I was stationed at Andrews Air Force Base in Maryland, I was actually shocked to see miles and miles of beautiful forests. During a long weekend trip to Connecticut, I was awed by Bashun Lake, the cleanest lake I had ever seen—I could see even deeper into the water there than I was able to see into John Henry Lake in the Oregon wilderness area. Granted, I also saw some dirty places in the East, but over all, the problems seemed to have been over-dramatized.

Another event that aroused my suspicion was my first time being up close to an oil well. After all the horrible things I had heard about “evil oil,” I had expected that nothing living could exist within a considerable radius from an oil well. Much to my surprise, a cow was grazing within fifteen feet of the well. Of course, I am sure that things sometimes go wrong, that wells break and the ground gets covered with oil, but to portray those events as the general rule, rather than as a percentage, suggests an agenda that holds truth as a secondary priority.

As long as humans exist on the planet, some form of production must take place, and because production creates pollution, zero pollution is *not* an option unless, of course, human extermination *is* an option. On the other hand, total pollution is not acceptable either. Too much of anything—even too much distilled water can be dangerous. Besides, “There is no human ‘waste,’ only a stage in a cycle.”³⁹⁶ Much of what we call pollution today could be yet another opportunity in a social system that provided the proper incentives.

Recent years have seen growing hysteria about “toxic” substances. (If our media can be used as a guide, we no longer have problems in general—we only have crises!) In keeping with the general hysteria, if a risk is determined to cause one fatality out of one million people, some authorities insist that the resources and labor of a thousand people must be redirected in order to combat this newly discovered threat. No thought seems to be given to the possibility that such a

³⁹⁵ Even more pollution is created by human *destructive* activity, but little mention is ever made of this fact.

³⁹⁶ John Lobell, *The Little Green Book : A Guide to Self-Reliant Living in the 80's* (Boulder CO: Shambhala, 1981), p. 321.

draconian redirection of resources might cause hazards of its own. (In *Chapter 4*, we noted that poverty is also a health hazard.)

How these risks are determined can be quite amusing. For instance, an artificial sweetener was taken off the market because of a study done on mice who were fed the equivalent of 800 cans of soda a day. We can be assured that any ingredient consumed in the amount of 800 cans a day will be toxic simply because of the excessive proportions.

Risk Management and Environmental Policy

A reporter once interviewed an old timer in a mountain community. He asked the old man, "What is the mortality rate around here?" The old man replied, "One death per person." The minute we are born we start running the risk of dying, and in the long run, our mortality rate is one-hundred percent! Between birth and death, the best we can do is to reduce our risk, but no matter what we do, we can never totally eliminate it. Therefore, we should not fool ourselves into believing that all problems can be solved, and we should not be surprised if each new solution brings with it new problems.

To put this issue in a different perspective, let's consider the principles of insurance. Insurance as a concept is said to date back to Ancient China. Before the concept of risk-management arose, merchants would load all their goods on a single boat for shipment to market. (Risk management is another term for insurance.) As long as the boat did not sink, all was well. However, if the boat sank, the merchant's business was also "sunk." Then someone had a brilliant idea about how to lower the risk to any one merchant by spreading out the risk among a number of merchants. The idea was to organize a group of ten merchants who had a boat-load each to ship, and divide the freight up into ten separate boats. Then, if one boat sank, each merchant only lost ten percent of her shipment—the loss for any one merchant would not be so severe as to require going out of business.

Today these same principles are applied with the aid of the exchange commodity we call *money*. Like then, we cannot eliminate risk, we can only manage it. Going out of business might eliminate the risks associated with commercial enterprise, but not eating or living indoors carries hazards of its own.

Before the industrial revolution, eating and staying warm was humanity's major challenge. Europe, before the 18th century, only had population increases of three-percent per century. After the Industrial Revolution, thanks to increased productivity, population increased 300% in one century. There is no denying that life in the factories was difficult, but at least it was *possible*.

Now that we have the luxury of worrying an average of 70-plus years, every slight toxin risk is offered as a reason to return to the Dark Ages, if not to the Stone Age. However, before we rush back to the Dark Ages, we should remember that the life-expectancy then was 35 to 40 years due to disease and hard work. The short life-spans of those "lucky" souls who lived in "pure" nature should give us cause for pause before we frantically try to shut down all productive enterprises.

This is not to say we do not have problems, but less blind terror and more balance is needed. If we continue to overreact to these problems, we may undo many of the positive developments of the last two centuries, making ourselves worse off in the name of solving environmental problems.

The asbestos scare is a case in point. Based on predictions of a low rate of mortality from breathing asbestos particles that remain in the air after installation, billions of dollars and thousands of man-years have been spent removing asbestos from thousands of buildings. The result? Increased fire hazards from other more flammable types of insulation. Also, new studies are suggesting that the process of removing asbestos puts more fiber in the air than simply leaving it alone would have done. (New York City, in a fit of political terror, shut down its schools in response to asbestos fears, and only after being embarrassed by the long time it took to remove asbestos did they discover that the asbestos level of the outside air was in some cases higher than the asbestos level in many of the school buildings.³⁹⁷)

If we are not careful, we may end up being what country folk call “insurance poor.” This brings to mind a story. One day an insurance salesman came to the farm to sell my father some insurance. After the salesman made his initial pitch, my father asked him, “See this place? It goes from that corner, to that corner, and to this corner to that corner over there. Now, this place is completely paid for. Do you know how I paid for it?” The salesman replied, “No.” “With the money I didn’t spend on insurance.” Rumor has it that the salesman never returned.³⁹⁸

Surveying the Hysteria

Environmentalists seem to be doing their best to cause us to become “insurance poor.” Many of the same people who disparage the McCarthyite scare tactic of a “commie under every bed” seem to have no qualms about trying to scare us into submission with threats of a “deadly toxin under every bed.” (In the 1950s, conservatives abused liberals by taking away their government and university jobs. In the 1990s, liberals are abusing conservatives by confiscating the use-value of their property.)

It is worth noting that this hysteria over toxins is focused on industrial economies in the less-regulated parts of the planet. Little mention is made of pollution in the former Soviet Union and its satellites, pollution in non-industrial countries, or of the toxins that exist in nature. Because of this selectivity, it has been suggested that their true goals might be political, not environmental. For now, let us simply consider these three little-talked-about sources of pollution.

Pollution in Nature

First, let’s consider nature’s pollution. While many toxins are man-made, most are to be found in nature. In the words of one skeptic:

If environmentalists did not close their eyes to what exists in nature, if they did not associate every negative exclusively with man, if they applied to nature the standards of safety they claim to be necessary in the case of man’s activities, they would have to run in

³⁹⁷ “A \$4 million EPA review of asbestos data, including a survey of 170 schools published in 1991 by the Health Effects Institute-Asbestos Research, found indoor asbestos levels to be lower than that outside buildings.” Tim Brown, “The New York Asbestos Debacle,” *The Freeman*, February 1994, p. 92.

³⁹⁸ In the last year, another hapless insurance salesman fell into my father’s trap: “Why should I buy insurance if I have to hire a lawyer when I need to collect on a claim?”

terror from nature. They would have to use one-half of the world to construct protective containers or barriers against all of the allegedly deadly carcinogens, toxins, and radioactive material that constitute the other half of the world.³⁹⁹

Since humans first arrived on the planet, they have had to learn how to work with toxic substances. Pick the wrong kind of mushroom and . . . you know the rest. Furthermore, people have figured out that some toxins, applied in proper quantities, at the right place, at the right time, can actually offer an improvement over not using them at all.

Thousands of years have been spent trying to learn balance in making use of both toxic and non-toxic substances. However, if we keep pulling products off the market because, as in the case of one brand of bottled water, 35 *parts per billion* of a toxin had been found in it, we may soon have to convert microchip factories into food processing plants in our quest for purity. This, in turn, could greatly increase the cost of food, exposing all but the most wealthy to the hazards of malnutrition.

Pollution in Undeveloped Nations

The next category of pollution we hear little about is the pollution problems that plague less developed nations. In those countries, raw sewage is a serious toxin. That, combined with poor nutrition, can make for a life that is short, nasty, and in many cases, brutish.

While many people assume that advances in medicine are the primary reason we live longer, it has been discovered that improvements in what we call “infrastructure” have done more to increase the average life-span than developments in medicine. For this beneficence, we can thank such industrial creations as sewage systems, water treatment plants, electricity, central home heating, improved transportation and communications, and so on and so forth.

A certain amount of development is necessary before people can control the most obvious toxins and disease carrying organisms. People in many parts of the non-industrial world would love to only have to worry about contaminants in quantities of 35 parts per billion.

A common complaint from undeveloped nations is that the developed world has already enjoyed the benefits of industrialization, but environmental activists from the developed world want to deny them the same benefits. While the environmentalists’ motive may in fact be pure, it appears as though they are saying, “I’ve got mine, what’s your problem.” In reply, leaders from developing nations say something to the effect of, “We’ve got lots of clean air; what we want is more smokestacks.”⁴⁰⁰

A study which compared the American view of environmental problems with the Ethiopian view of environmental problems is a case in point. American environmental problems were “hazardous waste sites, water pollution from industrial wastes, occupational exposure to toxic chemicals, oil spills, and the destruction of the ozone layer.” In contrast, Ethiopian environmental problems

³⁹⁹ George Reisman, “The Toxicity of Environmentalism”, *The Freeman*, September 1992, p. 340.

⁴⁰⁰ The head of the Swedish delegation quoted in Shirley Hazzard, *Defeat of an Ideal: A Study of the Self-Destruction of the United Nations* (Boston, MA: Little, Brown and Co., 1973), p. 233.

consisted of “diseases (such as sleeping sickness, malaria, and dysentery), soil erosion, loss of soil nutrients (primarily due to lack of fertilizer), lack of sewage disposal and contamination of water by human bodily wastes, insufficient facilities for treatment of drinking water, and lack of refrigeration.”⁴⁰¹

This brings to mind the old saying, “Everyone to their own poison.” In this case, people from undeveloped countries are saying, “I’ll trade my poison for yours.”

Former Soviet Union and Satellites

To hear some activists speak, one would think that pollution only comes from nations that allow private property. P. J. O’Rourke, however, offers this reply: “And if the Perennially Indignant think pollution is the fault only of Reaganites wallowing in capitalist greed, then they should go take a deep breath in Smolensk or a long drink from the river Volga.”⁴⁰² In fact, some of the worst polluted places on the planet are to be found in the former Soviet Union and its satellites. After all, state-mandated industrialization was the primary goal of the leadership for quite a few years.

Of course, such extreme pollution is not only the handiwork of Communist government officials—America government installations are popular havens for pollution as well. The primary difference between the two countries is that the whole Soviet block was one large government installation for over seventy years.

The Fear of Technology

Ultimately, when it comes to combating pollution in the environment, we shouldn’t be too quick to scrap the scientific and technological developments that have helped us get where we are today. Granted, we now die in our sixties and seventies due to cancer and heart attacks, but returning to an age when people died between 35 and 40 due to overwork and disease is not a rational alternative.

This brings us to yet another contradiction. On one hand, technology cannot be trusted to make incremental progress in solving environmental problems, but MIT computers can predict the weather one-hundred years in advance with sufficient accuracy to justify shutting down industry around the whole world. In other words, although technology that supports production is guaranteed to destroy the world, technology that supports political agendas for eliminating technology is somehow sacrosanct.

A popular example of doom and gloom brought on by the technological excesses of the free market is the issue of nuclear power. In the 1950s it was determined that nuclear power must be developed at all costs. When it was learned that private insurance companies could not insure the new power plants at affordable rates, the Atomic Energy Commission did a study which culminated in the Brookhaven Report. This report estimated potential losses at 3,400 lives, 43,000 injuries and \$7 billion in property. The problem of liability was solved on September 2, 1957 by the Price-Anderson Amendment to the Atomic Energy Act. The Nuclear Energy Liability Association (NELIA) and the Mutual Atomic

⁴⁰¹ James R. Dunn and John E. Kinney, *UNCED: Environmentalists vs. Humanity?* Unpublished paper, May 28, 1992 (available from PERC). Cited in Jane S. Shaw, “Things Are Better Than We Think (And Could Be Better Yet),” *The Freeman*, June 1994, pp. 276-277.

⁴⁰² P.J. O’Rourke, *A Parliament of Whores: A Lone Humorist Attempts to Explain the Entire U.S. Government* (New York: The Atlantic Monthly Press, 1991), p. 196.

Energy Liability Underwriters would pay the first \$60 million of liability, the taxpayers would carry the next \$500 million of liability, and the victims would happily carry the rest.

In retrospect, we now know that more Americans have died in media-inspired panics to escape the scene of a nuclear accident than have died in nuclear accidents themselves.⁴⁰³ Nevertheless, we still must admit that the free market would not have permitted nuclear power without additional advancements in technological development. It took a lot of government force to unleash nuclear power upon the world at that stage of development.

Whereas politicians once used the force of government to promote the development of nuclear power at all costs, people are now calling for politicians to use that same force to ban nuclear energy, thereby foreclosing the possibility of it becoming a viable technology at some future time. Somewhere between forcing technology into use before it is ready to support itself and banning technological development altogether there must be a middle ground. Between the extremes of prohibition and subsidy there is still plenty of room for innovation. In fact, our hope for a better future lies in that area between these two extremes.

Environmental Ethics and Human Survival

In recent decades, new questions have been raised that fall under the heading of *environmental ethics*. The two primary issues these debates have raised are *species protection* and *animal rights*. In this section we will look at these arguments. Also, we will consider the ethics of the environmental movement itself.

Proponents of protecting “endangered species” insist that humans have no right to use resources to the extent that any species should go extinct. Some even insist that human intervention should be made regarding species that are going extinct due to natural causes. Finally, to insure that non-believers conform, using government power to support these ends is frequently advocated.

The next aspect of this debate is *animal rights*. Proponents of animal rights insist that it is immoral for humans to consume meat and animal products. There are two basic premises from which this assertion is made. The first is that all species are of equal value, and that for humans to aggress against animals in the pursuit of survival is just as morally reprehensible as it is for humans to aggress against one another.

The second argument suggests that animals feed on one another because that is their nature. Humans, on the other hand, have the capacity to feel guilt, and because of that, they should withdraw from the competition for survival. Some animal rights activists are content to honor their ideals by being vegetarians, and are willing to let their actions speak for them. Others insist that people should not even have pets because any kind of relationship with animals automatically constitutes exploitation, and they feel justified in using the full force of government to insure conformity.

Thus far, animal rights sympathizers are still limited to debate in order to persuade others to join their ranks. Occasionally there are a few extremists who sneak out in the middle of the night and castrate a prize bull to liberate it from

⁴⁰³ Thomas Sowell, “Trying to eliminate all risks is dangerous way to go”, *Rocky Mountain News*, Oct. 13, 1993, p. 35A.

“exploitation” by its owner. Luckily, they have not yet suggested that humans should commit mass suicide in order to free up resources for all the other species who are “equally” valuable. (Even vegetable gardens take precious space that could be used to feed other species.) That job is being handled by the “endangered species” camp.

I have grouped both camps together because each, in their own way, are saying that humans have an unfair advantage in the competition for survival and that we should offer other species a handicap. On the surface, this might sound like the caring thing to do. However, there are a few assumptions that deserve scrutiny.

First, they declare that all species are of equal importance in the larger scheme of things. From the perspective of “the universe” or God, humans may be relative micro-organisms and hard to distinguish from other creatures. In truth, humans might not be important to the larger universe, but does that mean we should not be important to ourselves?

The second assumption is that *humanity qua humanity* is hostile to *all* other species. In fact, like other creatures, humans find some species useful and other species threatening. Useful species find themselves nurtured and hostile species find themselves abused. Even the most chauvinistic specieist is not in favor of eliminating all other species. Therefore, the endangered species debate is really about protecting species that are either hostile to human life, or at least do not support human life directly. We are not likely to see activists laboring feverishly to keep cows, sheep, cats and dogs from going extinct. Common people actively labor everyday to preserve those species.

The next argument declares that all species have a right to survive according to their nature, with the one notable exception—human beings. It is here that the logic breaks down, because if humans do not have the right to survive according to their nature, that means not all species are equal after all. To quote Orwell, “All animals are equal but some animals are more equal than others.”⁴⁰⁴

Another dimension of the endangered species debate is its effectiveness in stopping development. Consider environmentalism of the suburban variety:

Nor does one have to be *absolutely* privileged in order to find environmentalism useful. It need only be a matter of relative privilege. I have often felt that the conversion to environmentalism occurs shortly after an urban, middle-class family finally purchases its first suburban home in, let us say, Maple Grove acres. The family looks out the window at a beautiful field next door and exclaims, “At last, we’re living in the country.” Two months later, however, a nearly hysterical neighbor arrives with the bad news: “Do you know our beautiful field next door? Well, it’s actually Maple Grove Acres II, and the builder is going before the planning board tomorrow night to get final approval on construction. We’ve got to go down and stop him.” It is at this moment that an environmentalist is born. The problems of endangered species, overpopulation, and the deteriorating quality of life become startlingly real. It is time to stop development and start worrying about fragile ecosystems.⁴⁰⁵

⁴⁰⁴ George Orwell, *Animal Farm* (New York: The New American Library, 1946), p. 123.

⁴⁰⁵ William Tucker, *Op.Cit.*, p. 38-39.

In other words, these people are saying, “I’ve got mine, what’s your problem?” Occasionally, there is an honest soul among them such as the New Jersey town mayor who confessed, “I agree it’s somewhat ludicrous that we had to go to a blue-spotted salamander to fight this, but what we’re really talking about is human critters.”⁴⁰⁶ Environmental laws are replacing zoning laws as the weapon of choice in controlling our fellow “human critters.”

Of course, not all advocates of animal rights and environmentalism use coercion to get their way. In fact, a movement for voluntary environmentalism is growing. Nevertheless, the environmental movement enjoys a great deal of political power, and that power needs to be understood.

Coercive Approaches to Solving Environmental Problems

In *Chapter 3*, we surveyed the three types of coercion people use against one another: force, fraud and guilt. In this section, each strategy will be considered, starting from guilt, which is the most subtle, to force, which is the least subtle.

Guilt

In the last chapter we explored the technique of promoting impossible ideals for people to aspire to, and how this strategy has given incredible power to religious and political leaders over the centuries. Much of environmentalism, like many religions, promotes “survival guilt,” and it has so far, proven very effective at filling its “collection plates.” This same guilt has also proven extremely effective for removing obstacles to lobbying for political action designed to separate resources from the people whose livelihoods depend on them.

Of course, lust for power isn’t the only motivation. This might come as a surprise, but there are people out there who don’t like humans. John Muir, founder of the Sierra Club, once mused, “Honorable representatives of the great saurians of older creation, may you long enjoy your lilies and rushes, and be blessed now and then with a mouthful of terror-stricken man by way of a dainty.”⁴⁰⁷ That is truly a slow and painful way to cure the population problem. (But no doubt a tasty idea from an alligator’s viewpoint.) Other environmentalist dream of more efficient ways to solve the population problem. “Until such time as *Homo Sapiens* should decide to rejoin nature, some of us can only hope for the right virus to come along.”⁴⁰⁸

What was once a demand for productive people to sacrifice themselves in order to insure that hapless humans were taken care of has now been expanded to include hapless species as well. Of course, productive people will naturally continue to fight for survival even if they accept an ethic that suggests that they become extinct in order to give other species a “fair chance.” And like religious leaders have done throughout history, environmental leaders of today are collecting a hefty ransom on people’s guilt.

⁴⁰⁶ *Ibid.*, p. 184.

⁴⁰⁷ John Muir quoted in Bill McKibben, *Op.Cit.*, p. 176.

⁴⁰⁸ David M. Graber, book review of Bill McKibben’s *The End of Nature*, *Los Angeles Times Book Review*, October 22, 1989, p. 9.

Fraud

Some environmental leaders have insisted that the end justifies the means. For instance, Stephen Schneider was quoted in the October 1989 issue of *Discover* magazine as follows: “. . . To do this, we need to get some broad-based support, to capture the public’s imagination. That, of course, entails getting loads of media coverage. So we have to offer up scary scenarios, make simplified, dramatic statements, and make little mention of any doubts we might have. This ‘double ethical bind’ we frequently find ourselves in cannot be solved by any formula. Each of us has to decide what the right balance is between being effective and being honest.” Maybe this explains why problems are a thing of the past. They have been replaced by crises!

Every now and then we hear religious leaders proclaim that the world is ending. Their followers quit their jobs, give away everything they own, move to a place of rapture, and wake up the following morning, homeless and broke. Making dramatic changes based on spurious claims tends to make life harder whether our goal is to live better in this world or to prepare for the next.

Force

The first two forms of coercion have gathered momentum and have coalesced into large government agencies, giving bureaucrats the power to substitute their judgment for the judgment of those depending on resources directly for survival. There is a growing list of cases where people are going to jail for violating those bureaucratic edicts. Not just ordinary people, but environmental consultants as well. According to *The New American*, “The EPA’s most recent prisoner is Bill Ellen of Virginia, a conservationist and environmental consultant who is now serving time for ‘destroying wetlands’ by constructing duck ponds on previously dry land!”⁴⁰⁹ As is true of much administrative law, the citizen is at the mercy of the whim of the administrator. And of course, when law is no longer objective, the lives of the common people become a “crap shoot.”

This is not to say that the majority of people sympathetic to “endangered species” and who want to live in a clean environment are foaming at the mouth fans of oppression. But oppression is the goal of some environmental leaders: “Coercion is a dirty word to most liberals now, but it need not be forever so. As with the four-letter words, its dirtiness can be cleansed away by exposure to light, by saying it over and over without apology or embarrassment.”⁴¹⁰ As with any holy cause that claims it is more important than human life, the lavish use of coercion to support that end is justified in the minds of the true believers.

The Failure of Coercion

Before we decide that the environment is best protected by coercive means, we need to remember that the most polluted places on the planet are those very places where governments enjoyed total control. In the United States, for instance, the most polluted areas are found either on government installations or

⁴⁰⁹ William F. Jasper, “Environmental Police State,” *The New American*, May 17, 1993., p.11.

⁴¹⁰ Garrett Hardin quoted in Leonard Peikoff, *Ominous Parallels* (Briarcliff Manor, NY: Stein & Day, 1982), p. 290.

on “public property.” Yet most environmentalists’ suggestions call for strengthening the power of government in order to solve the problems of the Western industrial world. (It worked so well in the Soviet Union!) These activists demand virtually unlimited political power on both the national and international level. No doubt, the intentions of most activists’ are noble, but the Bolsheviks promised Russia a “worker’s paradise” too.

The Tragedy of the Commons

That which is owned by everyone is taken care of by no one. “Garrett Hardin gave the problem its best definition in his famous 1968 essay, ‘The Tragedy of the Commons’: . . .” In general, people take better care of what they own personally than they do of things they share in common with others. While some philosophers decry the self-absorption that such behavior represents, those rebukes have done little to change anything. (Besides, the philosophers and politicians who exhort the masses to sacrifice for the “common good” are usually the administrators of the programs. Close scrutiny will also reveal that few politicians manage their personal lives according to the principles they impose on others.)

In addition to selfishness, there is yet another reason why people will use resources as quickly as possible before anyone else gets the chance to use them. “Poor but secure smallholders rarely overburden their land; dispossessed and insecure rural households often have no choice but to do so. Access to a resource without control over it can be equally harmful. Nothing incites people to deplete forests, soils, or water supplies faster than fear they will soon lose access to them. Neither hired workers, nor hired managers, nor tenant farmers care for land as well as owners do. In Thailand’s forests, squatters given long-term rights to use their plot care for the land better than squatters with no legal standing, but not as well as those who own their plots outright.”⁴¹¹ With no rights to future control of the resources on which our survival depends, we can only live for today.

Some time ago I attended a meeting of water engineers and consultants who volunteer to help villages in Africa solve their water problems. The speaker showed us an excellent slide presentation of his last trip. It was apparent that they were doing some good, but they also admitted that they would like to have done more. For one thing, they had problems with livestock polluting the water collection ponds with feces, which in turn attracted disease organisms.

After the presentation I asked the speaker how property was managed. He indicated that it was communal. I then suggested that communal property may well be the problem. In that setting, the only decision makers are the village chief, and possibly the young village college graduate who comes back and plays the role of social worker and advisor. The rest of the village must do basically what they are told. On the other hand, if people had their own little plots of land, one could start a water-capture company, another could specialize in beef, and other people could specialize in other areas as well. This would increase the number of people who were actively creative, and it would encourage long-term planning as well.

⁴¹¹ Alan B Durning, “Ending Poverty,” *State of the World 1990* (New York: W.W. Norton & Co., 1990), p. 145.

Speaking of water, a well-known “tragedy of the commons” is found on most rivers and waterways in the industrial nations as well. These important resources are managed politically because they have been deemed “public property.” Of course, we know differently. In reality all property is owned, simply because *control is the essence of ownership*. Therefore, a river, for instance, is the property of whatever politician happens to be in office at the time. An industry that wants to escape the true cost of disposing of their byproducts will find it easier to influence several politicians, whose interests in the river are minimal, than to negotiate with a host of citizens down-river who owned the river from the banks to the center. Were the rivers owned to the center by private citizens, the true costs of production would be known up front and businesses would have to devise more thorough business plans before they commenced operations.

Subsidies for Destruction

One issue that has been popular for years is the cutting of the rain forests in Brazil. This whole debacle is being made out to appear as if “greedy peasants” are wantonly destroying forests even to their own long-term disadvantage. We would do well to ask, even if these people are greedy, and their vision is short-term, why has this operation been able to persist for so long? (It is widely acknowledged that cutting down the forests cost more than the exposed soil brings back in revenue.) The reason this tragic enterprise hasn’t gone bankrupt long ago is because the Brazilian government is subsidizing the building of roads, and over all, for every dollar invested in this venture, it is estimated that only fifty-five cents in revenue is generated. “In one area, Brazil gives settlers 100-hectare (247 acres) farms for only a nominal title fee. Settlers can recover their relocation costs by selling timber and then become eligible for agricultural credits on the cleared land. The government spends heavily to build roads and other infrastructure to support the immigration, up to an estimated \$12,000 per family.”⁴¹² In addition, the Brazilian government, “supported by World Bank loans—ha[s] sponsored resettlement programs that encourage people to clear tropical forests to create new cropland, even though that land will only sustain cropping for a few years.”⁴¹³ Needless to say, only a government, or in this case, a couple of governments, can sponsor such a losing venture for any length of time.

To sum up the fiasco, “Many so called land reforms in Latin America have simply exported the rural underclass to a fragile rain forest frontier, where new settlers lay waste to ecosystems previously harvested for generations by tribal people. Almost without exception, the net effect of state land policies has been to curtail drastically common property resources open to the poor without expanding their private property resources commensurately.”⁴¹⁴

Since the date of the above article, good news has been announced. “Brazil, responding in part to international criticism of the burning of the Amazon rain forest, withdrew tax incentives from ranchers doing much of the burning.”⁴¹⁵ Of

⁴¹² “Forests Felled by Economic Policies,” *Rocky Mountain News*, June 6, 1988, p. 42.

⁴¹³ World Watch Institute, *State of the World*, 1989 (New York: Norton, 1989), p. 29. Quoted in J. Wilson Mixon, Jr., “Keeping Bad Company?,” *The Freeman*, April 1994, p. 190.

⁴¹⁴ Alan B Durning, *Op.Cit.*, p. 147.

⁴¹⁵ Lester R. Brown, “The Illusion of Progress,” *State of the World 1990* (New York: W.W. Norton & Co., 1990), p. 15.

course, this doesn't say that all road building and the other forms of subsidy have stopped, but it does acknowledge that resource use is influenced strongly by government policy.

Property Rights of Indigenous Peoples

Another aspect that is being overlooked is the "property rights" of the Indians living in the rain forests. (Much the same as the rights of the American Indians were ignored during the westward expansion of the 19th century.) Of course, these people do not conceive of property in the same way as people in advanced civilizations do. To be fair, then, people from advanced civilizations need to at least *assign* property rights to them and then limit interaction with them to voluntary association, with an emphasis on exchanging ideas first, and goods and services later.

That last assertion is bound to bring up the question, "but what are all those poor Brazilians supposed to do?" Good point. First, look into the social system and ask why most of the good land is held by a few politically-connected landholders, leaving everyone else to camp out on a rock somewhere. According to William Tucker, "Latin America is probably the most inequitable area, with as much as 90 percent of the land in some countries held by small elites."⁴¹⁶ Although Alan Durning offers different figures, the inequities are further confirmed: "Yet ownership of farmland is concentrated in the hands of a fortunate few. Latin America has the worst record. The skewed landownership there is a legacy of colonial times, when Spanish and Portuguese rulers established vast plantations; 1 percent of landlords commonly own more than 40 percent of the arable land."⁴¹⁷

In short, rather than push the dispossessed into the rain forests to kill the Indians who live there, they need to look at the use of government force that has already been used to protect the interests of that privileged one-percent. This will not be easy given that Iberian culture in general has a winner take all attitude toward life. According to a speaker I heard recently who was an immigration official in Latin America, there are two codes of morality—one for every one else, and one for the elite. Lawrence Harrison supports the immigration officer's observation by saying, "the Brazilian ethical code . . . is reinforced by familism, which sanctifies a double ethical standard for dealing within the family, on the one hand, and with the broader society, on the other."⁴¹⁸

In short, were they to relate equitably among themselves, they would not have to violate the rights of people living in the rain forests. On balance, we are faced with conflicting interests exacerbated by the discriminatory use of political power.

All the dismay about what deforestation is costing the planet in terms of scenic beauty and ecological balance is tempered by the thought that people have to survive. You can't simply tell a peasant farmer that the world needs the forest more than he needs his crop.

⁴¹⁶ William Tucker, *Op.Cit.*, p. 117.

⁴¹⁷ Alan B Durning, *Op.Cit.*, p. 141.

⁴¹⁸ Lawrence E. Harrison, *Who Prospers?: How Cultural Values Shape Economic and Political Success* (New York: BasicBooks, 1992), p. 41.

That scenario, real as it may be, is also too simple. Human needs may drive the destruction of forests, but government policies worldwide accelerate it. This is the conclusion of the *World Resources Institute* in a new study titled *The Forest for the Trees? Government Policies and the Misuse of Forest Resources*.⁴¹⁹

Endangered Species and Property Rights

In the case of many endangered species, the system by which they are managed often contributes to the problem. In Africa, some nations hold elephants to be public property, and then try to protect the elephants with anti-poaching laws. Other countries, such as Zimbabwe, place the stewardship of elephants in the hands of citizens by allowing them to be the property of individuals. In countries where the elephants belong to everybody, their numbers are verging on extinction, while in Zimbabwe, where private citizens own them, their numbers are growing at a rate of five percent per year.⁴²⁰ In short, species that serve the well-being of humans should not be hard to protect so long as we assign stewardship to the people whose livelihoods hang in the balance.

As for those species whose existence only creates grants for graduate studies and donations for environmental groups, our problems are a little more difficult. With the growing plethora of laws that threaten people's right to use their property should an endangered species be found on it, we are getting results opposite of what the lawmakers had hoped for. One example is the "shoot, shovel and shut-up"⁴²¹ strategy that has been used by property owners in the United States who fear losing their life's savings through governmental control or confiscation of their property. While this behavior may seem callous and insensitive, we need to examine it from a larger perspective.

The counterproductive nature of draconian violations of humans in favor of non-humans is further explained as follows:

R.J. Smith of the Competitive Enterprise Institute is an avid bird-watcher and former president of the Monmouth (N.J.) Audubon Society. Smith notes that around the turn of the century the wood duck became an endangered species. The ducks now thrive, not due to government regulation but to private landowners who built boxes for the ducks to use in nesting. Something similar happened with the osprey. But things have changed since the ESA.

At present, Smith notes, "there is no incentive to help the spotted owl" since building boxes for the birds will only attract predatory regulators. In this way the ESA, Smith adds, provides "perverse incentives" and creates a "lose-lose" situation.⁴²²

Where do all these regulatory brainstorms come from? Obviously, they come from people who are not dependent on those resources for survival. We can be certain that most of these people feel safely insulated by their governmental paychecks and/or their professional occupational status.

Our average \$30,000-to-\$70,000-a-year environmental supporter in the city takes great pains to keep from losing their suburban homes and BMW's. They

⁴¹⁹ "Forests Felled by Economic Policies," *Rocky Mountain News*, June 6, 1988, p. 42.

⁴²⁰ Raymond J. Keating, "Book Review," *Man and Nature* (Irvington-on-Hudson, NY: The Foundation for Economic Education, 1993), *The Freeman*, September 1994, p. 534.

⁴²¹ Jo Kwong, "Environment and Free Trade," *The Freeman*, February 1994, p. 64.

⁴²² K.L. Billingsly, "Owls, Ferrets and Free Markets," *The Freeman*, May 1994, p. 251.

install burglar alarms, challenge property tax increases at city hall, and invoke the endangered species act to keep new houses from being built on adjacent open spaces. In other words, they are expecting their country brothers to do what they themselves will not do. Hopefully, it will not sound too callous to suggest that when environmentalists stop trying to own and maintain property, only then can they rationally expect their country brothers to do the same.

If we want to get to the root of environmental problems, we need to look at the way the coercive sector of the economy is motivating and rewarding short-sighted activities by funneling money toward counter-productive enterprises, and by passing laws that threaten to wipe out lifetimes of work and savings.

Free Market Environmentalism

After years of observing the abuses of government power, and all of the unintended consequences that come from even legislation with good intentions, there is a growing movement of people who call themselves “free market environmentalists.” They admit that private ownership of resources will not solve all problems, but they assert that it will still offer a considerable improvement. This attitude is more defensible both practically and psychologically.

On the practical level, “perfectibility is always present as a goal but is understood to be something to work toward, although unlikely to be completely realized. Imperfections and shortcomings are to be expected and accepted.”⁴²³ Instead of administering draconian preventative measures, more emphasis is placed on resolving disputes as they develop in as fair and equitable a manner as possible. This contrasts dramatically with the utopians, who presume that guns in their hands will do more good for humanity than tools in the hands of ordinary people. When utopians are in control, “[I]nevitable flaws are seized upon by spiritual and political leaders . . . to induce guilt.”⁴²⁴

On a psychological level, we are reminded once again of Eric Hoffer’s observation: “In their fanatical cry of ‘all or nothing at all’ the second alternative echoes perhaps a more ardent wish than the first.”⁴²⁵ We have already seen the carnage that results from people following the siren song that says, “*justice-forever* can be produced out of *injustice-today*.”⁴²⁶

Fortunately, the universe is not such a hostile place that it would pit the laws of nature and the laws of human psychology against one another. In this section we will consider some reasons why these new “free market environmentalists” ought to be taken seriously. (Assuming, of course, that our goal is to help the environment rather than some other unstated motive.)

Pride of Ownership

Although not all problems will be solved by encouraging people to own and maintain property, on balance, conditions will improve. When I was driving a school bus in Denver, it was very apparent which neighborhoods were occupied by home owners, and which ones were occupied by renters. (Also, I had fewer

⁴²³ Lawrence E. Harrison, *Op.Cit.*, p. 17.

⁴²⁴ *Ibid.*, p. 17.

⁴²⁵ Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 73.

⁴²⁶ Leslie Dewart, “Introduction,” *From Anathema to Dialogue: A Marxist Challenge to the Christian Churches* (New York: Vintage Books, 1968), p. 22.

disciplinary problems with children from the neighborhoods where home ownership was more common.) For every hundred people who throw trash on their neighbor's lawn, only one will throw trash on his own lawn.

While it may sound sweet and noble to consider others with the same sincere concern that we have for ourselves, the truth is we seldom do. Adam Smith, in *Wealth of Nations*, observed that a small personal problem will cause us more alarm than a major calamity in India will (unless, of course, we happen to be in India). If a neighbor dies, we become philosophical and say, "such is life—it will happen to all of us." But should we smash a finger, we will agonize for weeks over it.

Given this inherent self-centered nature of our specie, who can we expect to be the best steward of resources? A person of modest intelligence whose very survival depends on using resources wisely, or a genius who "commands all he surveys" and who will get paid no matter how poorly those resources are used. My bet will be placed on the former.

Private Ownership and Private Liability

Along with the opportunity to use resources to better one's condition in life should come the responsibility to compensate others who are harmed by poor judgment. That would mean the end of "sovereign immunity" for government, and the end of "limited liability" for those creatures of the state we call corporations. The value of limited liability is evidenced by the fact that investors willingly pay a lot of money in fees and endure double taxation in order to enjoy it. What they are really buying is government force which transfers risk from investors to the larger community. This is not a strategy calculated to encourage responsible stewardship. (The corporation can still be useful for capital formation and for providing operational continuity should any principle die.)

In fact, many of America's environmental problems stem from the attitude of the court's in the last century. "[I]n the 1850s and thereafter, a new philosophy began to permeate the legal fraternity. It was determined that the 'public good' required economic progress. In the view of an increasing preponderance of judges, this could only be attained by supporting manufacturing. So when the aggrieved victim of pollution next appeared before the bench, they said, in effect, 'Our primary goal is to facilitate a rising GNP. In order to do so, we must give carte blanche to polluters. Your selfish private property rights are in the way of the greater good for the greater number, and must be swept aside.'"⁴²⁷

Obviously, violations of property rights in favor of polluters did not help the environment nor did they serve the cause of justice. On the other hand, violating peoples' property right in favor of a pure and pristine environment will not serve the cause of justice either. "When we take the *whole* environment seriously, we will acknowledge that our primary moral obligations are to respect the persons, the liberties, and the rights of those among whom we live. After all, these are the people upon whose cooperation we must ultimately rely, whether it is to 'make a

⁴²⁷ Walter Block, "Private enterprise leads to pollution.", Mark Spangler, ed. *Clichés of Politics* (Irvington-on-Hudson, NY: The Foundation for Economic Education, 1994), p. 269.

living,' to 'save the earth,' or to see the realization of any other of our larger aspirations."⁴²⁸

Keeping Government Ownership to a Minimum

Government ownership of land, under this theory, would be kept to the minimum required to provide security for its citizens. Beyond that minimum, the rest would be sold to the people, thereby letting the market determine the best use of the land.

With more land on the market, resources would be more affordable and available for more uses. Do some people want to protect wolves? Let them purchase a few mountain ranges for their pet wolves, and let them be responsible for compensating farmers when stray wolves prey on farm animals. (One "save the wolf" group is already doing the second program.⁴²⁹) Concerned about the spotted owl? If tracts of land for growing trees are available closer to cities, and the Forest Service is no longer subsidizing the timber industry by building roads,⁴³⁰ some of the old-growth forest could be sold at a very reasonable price to people who love owls. Finally, there would be no reason why groups with compatible goals couldn't join together to purchase large tracts of land. Nothing would stop spotted owl lovers and wolf lovers from forming a joint venture.

Another benefit of getting resources out of the hands of bureaucracies is the market's ability to clean up messes. When a private citizen misuses resources, the value of the property decreases. This means opportunity for someone else who is willing to buy the property at a discounted price and then work to build it back up again. When bureaucrats make mistakes, there is no corrective force, except for possible EPA extremists who insist that places like Colorado's Rocky Mountain Arsenal should be made cleaner than it was to begin with. Otherwise, such monuments of pollution can stand as a monument to bureaucratic wisdom for generations, not doing anyone any good. (Except by staying out of sight until after the original policy makers either retire or die.)

Voluntary Environmentalism

Fortunately, there are already efforts under way to galvanize voluntary support for preservation of the environment. There are two organizations in particular who do not use government coercion as their main strategy for achieving their objectives. They are the Nature Conservancy and the Audubon Society. These organizations solicit voluntary contributions, and the Audubon Society even has oil wells on its property, which also helps fund their activities.

⁴²⁸ Jonathan H. Adler, "Book Review," Roger E. Meiners and Bruce Yandle (eds.), *Taking the Environment Seriously*, (Rowman & Littlefield, 1993) , *The Freeman*, April 1994, pp. 215.

⁴²⁹ "Hank Fischer, the Northern Rockies representative of Defenders of Wildlife says that the Endangered Species Act (ESA) has been ineffective on private lands, which harbor fifty percent of endangered species. Fischer's group compensates ranchers when wolves kill livestock. The group also pays ranchers to let wolves develop on their land." K.L. Billingsly, *Op.Cit.*, pp. 251-252.

⁴³⁰ "We need only look as far as the nearest national forest in Colorado to see how government policy distorts natural market forces. Timber sales in this region return to the taxpayers only about 20¢ on each dollar the National Forest Service spends for roads and other accommodations necessary to harvest timber." "Forests Felled by Economic Policies," *Rocky Mountain News*, June 6, 1988, p. 42.

Unfortunately, while they promote voluntary action, they are not averse to using government coercion when it supports their cause.

In any case, a letter to the editor of the Nature Conservancy magazine indicated that not all environmental organizations are located on the “lunatic fringe.” The letter starts with, “Many Americans who are concerned about environmental issues have become skeptical of the environmental community. As John Sawhill pointed out (September/October), the inability of many groups to avoid hyperbole is probably harming the entire movement.” Apparently this writer is not ready to give everything away in preparation for the rapture. He then went on to say, “Sawhill's statement is an example of the level-headed approach taken consistently by The Nature Conservancy. It is precisely because of this approach that I recently joined the Conservancy and enthusiastically support its mission.”⁴³¹

Granted, the Nature Conservancy was recently lambasted by some free market environmentalists for sleeping too close to the government, and the chief legal counsel of the Audubon Society is opposed to compensating property owners when government edicts take away the use-value of property, but statist habits die hard. At least they are *thinking* about alternatives to coercion.

Rational Reasons for Resource Conservation

According to some, without the wise and steadying hand of government, the majority of humans are predisposed to foul their nest. Once again, “people with guns invariably make better decisions than people with tools.” It may come as a surprise to some, but on balance, people want to live as long and as comfortably as possible. That means that government only needs to guide people toward peaceful and productive activities as the means of fulfilling those desires.

Philosophers throughout the ages and from many traditions have offered simple living as the ideal. Gandhi suggested that we “live simply that others may simply live.” Filling the hole in the soul with material goodies does tend to leave one feeling hollow.

It can be argued that excessive resource use indicates a spiritual crisis on the part of those who must exploit so many resources. That may be true. Looking to our possessions for self-esteem is a losing proposition, and working ourselves silly to acquire plumage in order to engage in the breeding process can be quite laughable. However, there are two additional points that must be considered.

First, nature does not drop one acorn and then beseech fate to give her another oak tree—she drops thousands of acorns to see which ones will germinate. In human experience, “[o]ften when we renounce superfluities we end up lacking in necessities.”⁴³² Secondly, we need to ask, is the abundance we seek in the interests of supporting life or in the interests of destroying life? If we seek our abundance through service instead of through force, others may benefit from our actions even if our souls are wretched and our lives meaningless.

It is one thing to make a vow of poverty for ourselves, but it is yet another to force that vow on others. Yes, materialism may well represent a spiritual crisis, but forcing others to be spiritual is also a spiritual crisis.

⁴³¹ James Holmes, "Never Cry Wolf," "Letters [to the Editor]," *Nature Conservancy*, January/February 1994, p. 4.

⁴³² Eric Hoffer, *Op.Cit.*, p. 34.

Religious Aspects of Environmentalism

In the last chapter, we discussed the power religions have gained by demanding that people aspire to impossible ideals. When people accept such an ideal, they take on a burden of guilt that can never be paid off—only regular installments to the weekly collection plate can be made, with payments stopping only when the ideal has been achieved: death.

Environmentalists are not concerned with protecting species that humans nurture because of their usefulness. They are concerned primarily with species that most people feel either neutral or hostile toward. Of course, they do not have to protect useful species because non-environmentalists do a great job of protecting them.

The protection of species without regard for man's well-being is justified by the doctrine of "the intrinsic value of nature." George Reisman characterizes the resulting dilemma as follows:

...caribou feed on vegetation, wolves eat caribou, and microbes attack wolves. Each of these, the vegetation, the caribou, the wolves, and the microbes, is alleged by the environmentalists to possess intrinsic value. Yet absolutely no course of action is indicated for man. Should man act to protect the intrinsic value of the vegetation from destruction by the caribou? Should he act to protect the intrinsic value of the caribou from destruction by the wolves? Should he act to protect the intrinsic value of the wolves from the microbes? Even though each of these alleged intrinsic values is at stake, man is not called upon to do anything. When does the doctrine of intrinsic value serve as a guide to what man should do? Only when man comes to attach value to something. Then it is invoked to deny him the value he seeks.⁴³³

More and more, we are seeing what amounts to a subdued "holy war" where people who *use* finished goods fight people who *make* finished goods. The philosophies that justify such activities can only be perpetuated by a willingness to ignore the fundamental requirements of life, or a strong desire to exchange a reduction in material well-being for an increase in power over humanity. (Or both?)

Do Humans Have The Right to Compete With Other Species For Resource Use?

If the author of *Desiderata* was right in asserting that humans have a right to be here just the same as "the trees and the stars," that would mean we as a species have a right to compete with other species for the use of resources, and the right to transform them to meet our needs. To assert otherwise is to betray less than charitable feelings for humanity.

Some people make the charge that humanity is vain when it assumes the right to brutalize other species at their pleasure. Implied in this charge is the notion that these critics have the right to brutalize other humans in defense of other hapless species.

⁴³³ George Reisman, *Op.Cit.*, p. 338.

⁴³⁴ Hazrat Inayat Khan, *The Complete Sayings of Hazrat Inayat Khan* (New Lebanon: Sufi Order Publications, 1978), p. 201.

It is true that humans brutalize some species while they nurture others. Even the ones they nurture, they do so because they intend to use them later. It has been said that man is the only animal that can make friends with his dinner. Supposedly, this indicates that humans are immoral, as if hating our dinner would somehow make us noble and virtuous.

To all this I suggest we lighten up, relax, and know that we too will soon be harvested. Those who do not like using resources do not have to use them. In the meantime, it would be nice if they allowed the rest of us to live long enough to possibly comprehend their wisdom.

Summary

The essence of the environmental debate is whether resource use should be controlled by force or voluntary association. Thus far, the bulk of the environmental community seems to have cast their vote in favor of coercion.

While we humans are free to do whatever we want, which includes controlling and killing other humans, we must admit that killing ourselves and each other in the name of survival is counterproductive. (Unless we *know* that we will be reincarnated into that very protected specie we are fighting for.)

The main hazard of choosing coercion over voluntary association is that it can be like releasing an angry genie from a bottle. Today's bureaucrat may use force in support of our cause, but his replacement might well execute us tomorrow. Changes happen more slowly when people have to be persuaded (i.e. to be reasoned with instead of coerced), but when progress is made in this way, it's beneficial effects will endure longer.

Chapter 9: Inner Peace

Precedes World Peace

Thus far in this book, it has been pointed out numerous times that only *individual* human beings exist. Consequently, the only way cultures, nations, or even the global community can hope to find peace is if the *individuals* composing them find peace first.

Plato is credited with the dictum: “know thyself.” While this prescription seems simple enough, it doesn’t offer many clues about *how* to achieve this ideal. Like the dictum, “go to Cairo,” one needs a guide, or at least a map. This chapter does not presume to offer final answers for all times, but it does promise to offer a few clues.

First, we will look at the characteristics of the human psyche which lead to conflict in human relations. Most of our problems stem from not understanding ourselves—more specifically, from our not understanding the relationship between our physical, emotional and intellectual selves. These problems are further compounded by a lack of awareness of our “unquestioned belief systems.”

Some of the ideas which will be explored in this chapter have already been considered in previous chapters. Hopefully, that will help make this chapter more understandable. I do not claim allegiance to any particular school of psychology, so my ideas might seem strange at first. However, some people have already reported to me that their lives have improved dramatically after studying, practicing, and applying some of the concepts that will be explored in this chapter.

In the first section, we will focus on our relationship with self. The second section will look at relationships among people and the process of communication itself. By the end of the second section, it should become clear that much talked about problems like “codependent relationships” and “dysfunctional families” are not the result of mysterious forces—rather, they have their origin in easily understandable causes.

My Personal Journey

Because psychology was my first love, I figure that this is a good place to tell my story. It has been said that, “Spiritual realization can be attained in one moment in rare cases, but generally a considerable time of preparation is needed.”⁴³⁴ In my case, it took a great deal of preparation, requiring both a continual input of new ideas, and testing those ideas in situations that would demonstrate whether or not they worked. (Even so, I do not offer myself as a sterling model of spiritual ascendancy. Instead, consider me as someone who is content with his current level of unenlightenment.)

In my earlier youth, I spent much time being unhappy. My childhood didn't unfold quite the way I would have wished it, and to make matters worse, it didn't look like my adulthood was going to be much better. Of course, it was easy to blame my disappointing childhood on my parents. However, in order to blame my unhappy adulthood on my parents, I was going to have to enlist the aid of such luminaries as Monsignor Freud.

My journey began in 1970 soon after I joined the Army. One day, while moping around aimlessly, someone suggested I visit the Education Center. I ended up taking a couple of psychology classes because I thought they might give me some of the answers I was searching for. On balance, those classes were good for me—not so much because of the content, but because I discovered that subjects like psychology were easier than I had expected them to be. (I graduated from high school in the half of the class that made the top half possible, and my self-esteem reflected that fact.)

While those classes were good confidence boosters, they didn't relate to any world I was familiar with. My emotional response was, "so rats get better at going down mazes with practice and dogs can salivate at the sound of a bell, what's that got to do with me and the chronic state of unhappiness that plagues me?" Sitting in the classroom and listening to an instructor drone-on seemed like the ultimate waste of time, so I forged ahead through the books, challenged the tests, and went on to pursue answers on my own.

In the early phase of my self-study program I read many pop psychology books. (I didn't call it a "program" back then. It was more like a desperate search.) Each new book was exciting, and each time I thought I had found *the* answer. That was, of course, until deeper study revealed more questions. As I read more and more books, they started to fit into a pattern, forming an ever larger picture.

One of my first impressions was that psychology rigorously avoided addressing the issue of religion. Because many of my issues came from unresolved childhood struggles with religion, I concluded that psychology, as a study of human nature, was incomplete. (It was only much later that I realized that psychology, by avoiding the issue of religion, would become one.⁴³⁵)

After I got out of the Army, I spent a dreary six months working dead-end jobs. It was as if my military experience had never happened. Once again I was a seventeen-year-old high school graduate with no skills or training. After thinking about it, I concluded that the reason for my unhappy state of affairs was that I failed to get a degree while I was in the Army. And because the only way I knew how to get an education was to go back into the military, I joined the Air Force (which had impressed me as being a more civilized branch of the military).

In 1973, at the ripe old age of 22, I was stationed at Tyndall AFB, Florida, which is close to Panama City, Florida. When I wasn't playing helicopter mechanic, I was doing volunteer hotline counseling, and studying like a fiend, still trying to overcome my own chronic unhappiness. Life was going on as usual, and then one day, I was given a new roommate nicknamed "Barney" who was

⁴³⁵ "While Freud criticized revealed religion . . . , he ignored the social characteristics of closed societies and the psychological characteristics of their loyal supporters. He thus failed to see the religious character of the movement he himself was creating." Thomas S. Szasz, M.D., *The Myth of Mental Illness* (New York: Harper & Row, Inc., 1974), p. 7.

destined to change the direction of my studies. (This Barney was not purple. Turning purple was my job.)

He was an almost fanatical student of Eastern philosophy, and because I was his roommate, I was automatically enlisted as his student. In truth, I was a very resistant student because his extremely zealous and forceful approach was not flattering to my vanity. He declared that I could not “do,” or “think,” and did not possess a “will.” Furthermore, he proclaimed that I was not one person, but a multiplicity of different people, all of whom were totally at the mercy of the environment. I didn’t like his message, but he did get my attention.

Although I avoided interacting with him personally any more than I had to, I read his books behind his back. These books had titles like *In Search of the Miraculous* by Ouspensky, *Think on These Things* by Krishnamurti, several books about the Sufis by Indries Shah, and other books along the same lines. His books were nothing like the volumes of pop psychology I had been reading up until that time. They were intriguing, challenging, and most of all, they spoke more directly to my own experience.

Barney’s own story was quite interesting. He had neglected to attend Air Force Reserve meetings, and was called into active duty. However, rather than being bitter either toward the authorities or toward himself, he merely started working from where he was at. His great aspiration was to be a writer, and while he was spending time in the base stockade, he made the guards lives enjoyable. They, in turn, allowed him to spend many productive hours banging away on his typewriter.

From Tyndall Air Force Base, I was transferred to Nakhon Phanom Air Base in northern Thailand (by the Mekhong River and Tahket, Laos). By that time I had read various books relating to Eastern religion and philosophy, had concluded that it was far superior to anything the West had to offer, and was expecting to see a land of contented Buddha’s. Much to my surprise, the good folks in Thailand were just like us misguided souls in America. The differences were to be found only in scale—not essence. Instead of flaunting a prettier car, they would flaunt a prettier rice bowl. (While my fellow G.I.’s were shocked by the cultural differences, I was shocked by the fact that people were so much the same. I could look into Thai people’s eyes and anticipate their responses in almost the exact same way I could with Americans.)

While in Thailand I had a child-like faith that I was somehow protected, and was therefore free to go where I wanted even though the base warned us of “20,000 communist sympathizers” who liked doing bad things to “imperialists” such as myself. In a sense, I *was* protected because I showed a sincere interest in their language and I honored their culture, so I became just another one of their children. (In fact, I would frequently say to them, “Pohm poot Thai same dake noi sahm pbee.” Translation: “I speak Thai the same as a three-year-old child.”)

In 1975, I came back to the good old U. S. of A. and was stationed at Andrews Air Force Base in Maryland. I knew I was going to be stationed there long enough to start pursuing a degree in earnest, and I still wanted to become a psychologist. However, as soon as I arrived, I immediately gravitated to some places in Bethesda, Maryland, where many personal growth activities were happening. Much to my surprise, I discovered a cadre of psychologists and therapists who were more unhappy than most of the folks I worked with on the

base. This made me think twice about becoming a psychologist because I figured that if they were the product of our system of higher education, I did not want to risk the same fate. My psychological-development goal was simply to be happy—not to be justified in being unhappy. Consequently, I continued my psychological studies on my own. (Ultimately, I ended up getting a business degree.)

In 1979, I started to study the Gurdjieff system under Hugh Ripman, who was a student under Ouspensky. When I first met him I was struck with awe. He seemed so centered and at peace with himself that I felt like an artificial flower that had somehow wandered into a rose garden. In spite of my feeling of intimidation, I enrolled in his introductory class. His class was a very powerful experience for me not only because of his words, but also because of his example.

My biggest challenge in Mr. Ripman's class was my feeling transparent under his gaze. This caused me much discomfort until the day I had a realization: typically, those who are judging are not able to see clearly, and those who see clearly are not judging. With this realization, I was able to let go of my fear of his judgment and I started identifying with the compassion that would more likely be his response to my "low level of being." While his words were profound, and I quote them frequently to this day, this one realization alone was more than worth the price of admission.

When Mr. Ripman died in April of 1980, I decided to stop studying at his school. None of his advance students affected me in the way Mr. Ripman did, and from my vantage point as the class secretary, I noticed that many of my fellow students were making a religion out of Gurdjieff's teaching. Earlier I had announced to a few of my fellow classmates that I was going to do a systematic, one-hundred book study on male-female relationships "ranging from the *Bible* to *The Satanic Bible*; from Christian marriage manuals to how-to-seduce-em manuals; from Eastern mystic philosophy to salesmanship and business management." They responded with great concern that I might read the wrong book, stray from "the work," and be lost in oblivion forever. As I had long before declared that I would not be cowed by people's vivid descriptions of distempered Gods, there was no way a simple threat of "eternal non-being" was going to deflect me from my path.

In the following August, I charted my course to Boulder, Colorado. I had just finished ten-and-a-half years in the military, had a fresh business degree in my hot little hand, and was ready to show the world how it was really done. (While in the military I learned that I had a knack for motivating people and figured that if I knew people, and if the people I managed knew the job, I could offer a valuable service in any production environment.)

As it turned out, the civilian world did not share my high estimation of myself. When I made a resume that highlighted my military experience, the response was, "sorry son, we don't need any babies killed today." Next, I developed a new resume that swept my military experience under the rug and highlighted my new degree. The response then became, "gee, that shiny new degree is pretty, but you should be 22 or 23, not an old man of 29." Ultimately, I ended up working as a records clerk for an oil company, and my youthful vanity was deeply wounded.

My next personal growth involvement was with the Church of Religious Science. I enjoyed the happy, upbeat attitude that prevailed and also enjoyed meeting many new friends (many of whom I am close to even today). They spoke of the power of positive thinking, and how with the right process of thought, the universe could become putty in our hands. This was quite an attractive philosophy, but as time went on I noticed some dissonance between the philosophy and the lives I and many of the “believers” were living. (The only people I saw being really successful were the people who conducted the seminars.)

One of the big proclamations that issued frequently from the pulpit was, “the economy is not out there—it is all inside your head.” Many people I knew were definitely running into an economy *out there*, and later, when the church tried to build what I called a “Crystal Cathedral of the North” it also discovered an economy *out there*.

Blaming the victim was another popular game, and some of the predators in our midst became so sophisticated that they would actually say, “how did you create the experience of me taking advantage of you? Apparently, you need to work on your consciousness.” After watching a number of such shenanigans, I concluded that for every manipulation technique found in ordinary life, there is a metaphysical equivalent.

By 1986, when I decided that the philosophy of the church was no longer my path, I was already finding new leads for further research. A couple of years earlier I had started studying economics in earnest and was learning about laws of economics that can be as unforgiving as the laws of physics.

In 1984, while meditating on my lack of money and status, and my lack of qualifications for having a wife, a house, and 2.3 children, I decided that if I wanted money, I should at least know what it is. (I thought that by defining the object of my desire I would “magnetize” my consciousness to attract it.) In college I had taken eight semester hours in economics, so I figured that with a little thought on the matter, I would be able to clearly define the nature and function of money. Much to my chagrin, my contemplation yielded nothing. Hence, a new line of study began.

The function of money has already been explored in *Chapter 4*, but it is worth repeating that the integrity of money affects everyone, no matter what fantasies they might carry in their heads about reality. Think all the wishful thoughts you want, a flexible medium of exchange “engages all the hidden forces of economic law on the side of destruction, and does it in a manner which one man in a million is able to diagnose.”⁴³⁶

This reinforced my suspicion that while our thoughts do affect the quality of our lives, technical mastery needs to be a part of those thoughts if we are to enjoy true mastery. The minister who stands at the pulpit and declares, “don’t bother me with the details—I’m into consciousness,” might fill his collection plate because that is what the wishful thinking masses want to hear, but should the masses really take his message seriously, they will soon have nothing to fill the collection plate with. Furthermore, when that same minister takes his car to a mechanic, he had better hope that the mechanic took some time out from

⁴³⁶ John Maynard Keynes quoted in Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974). pp. 64–65.

developing “consciousness” in order to attain “technical mastery.” (I do most of my own mechanical work because it appears that a large percentage of mechanics are into consciousness and, like the minister, are hoping that technical mastery will take care of itself.)

These issues indicated to me that our challenge as a specie is to find a balance. Some issues require that we work on ourselves, and other issues require that we work on the world around us. In the immortal words that hang on the walls of millions of homes: “God grant me the serenity to accept the things I can’t change, the courage to change the things I can change, and the wisdom to know the difference.”

Thus far, I have concluded that there exists a world that insists on being what it is regardless of our opinion about it, and that our minds impact the world within a range of probability. I agree with the positive thinking people who say we can change our lives by changing our thoughts, but I do not believe the process is simply a black art that rests its only hope for success on faith.

There are definite connections between the assumptions we hold in our minds about reality and the behavior that is motivated by those assumptions. Those actions, in turn, create the consequences that our future actions will have to attend to. In short, *behavior has consequences*. “To the soul who is wide awake, the Judgment Day does not come after death. For that soul every day is Judgment Day.”⁴³⁷

This journey has been a real adventure for me, and it is not over (thankfully). For a long time I labored merely to reach the break even point. During those years life was “a sentence to be served.” By the time I succeeded in breaking my habit of unhappiness, replacing it with a habit of contentment, new vistas had presented themselves to me. Consequently, my study continued even though I no longer had urgent burning issues, the process of study itself became its own reward.

My most recent growth has come from accepting the fact that I am only one person with limited resources and abilities. I could not have done my study *and* have had a family and a successful career. Had I succeeded in having a family and a career, I most likely would have passed my programming onto the next generation. In breaking my programming, the window of opportunity for career and family has passed. On balance, I am sure that I made the right choice for me.

In acknowledging my personal limitations, I am also acknowledging that the ideas in this book will also be limited by the fact that I have not had the full breadth of experience that is theoretically possible for a human being to have. Nevertheless, thanks to the principle of “division of labor,” my contribution can speed the growth of others more capable than I. Hopefully, these ideas can offer a good starting place for bringing human potential even closer to realization.

Chapter Preview

Throughout this book many psychological concepts have already been explored. *Chapter 1* addressed the issue of intelligence and suggested that there is more to intelligence than simply memorizing and regurgitating random bits of

⁴³⁷ Hazrat Inayat Khan, *Op. Cit.*, p.183.

⁴³⁸ Garth Wood, *The Myth of Neurosis* (New York: Harper & Row, Inc., 1983), p. 91.

data. *Chapter 3* addressed ethical issues and offered a *Behavioral Analysis* approach to ethics that offers a system for classifying relationship dynamics according to their nature—whether they be voluntary or coercive. Chapters 7 and 8 explored the issues of faith and fanaticism and their impact on the quality of life.

This chapter will explore psychological issues more directly. To begin, we will look at the history of psychology as a discipline, and why psychology exists as a science. The remainder of this chapter will be divided into three parts: *The Relationship With Self*, *Relationships With Others*, and *The Individual and Society*.

Part One will explore common problems (with uncommon names) such as *Center-of-the-Universe Disease*, the *Slide-Rule-of-Sanity*, and *Socially-Acceptable-Schizophrenia*. Apart from organic maladies, two primary sources of psychological difficulty are unrealistic expectations and disconnected psychological processes. Finally, a possible connection between the severity of oppression in relationships and the extent of “psychological splitting” will be explored.

Once we have considered the above ideas in terms of how they relate to our inner-world, we will shift our attention to our outer-world. In *Part Two* we will explore how daily relationship dynamics impact on the functioning of the human psyche and visa-versa. Today there is much talk about *codependent relationships* and *dysfunctional families*. These are ominous-sounding terms, but what do they really mean? Very often, prescriptions for avoiding these maladies call for spiritual detachment. This sounds profound initially, but after a little thought, we realize that there is a lot of confusion around what constitutes spirituality. Luckily, these problems can be addressed more directly from the vantage point of ethics, thereby leaving less to chance.

Healing psychological problems requires a two-pronged approach. We must each work on ourselves in order to strengthen our will and integrate our psyche. On the other hand, we need to reduce the amount of oppression in our personal, social and political relationships, thereby lessening the external obstacles to individual psychological healing.

Finally, the relationship between the individual and the larger society will be addressed in *Part Three*. Once again, “society” is simply a mental construct we use to help us conceptualize essential characteristics humans in a group have in common. Ultimately, a society cannot be any healthier than the individuals that make up that group.

Each social grouping has leaders who, while they may have great influence, are beholden to the most pervasive attitudes that are shared by the group. Nevertheless, leaders can nudge society toward growth or toward decay. This is done through either promoting philosophical ideals that motivate action, or by behavior modification (force) which obliges people to rationalize why they are behaving in ways they would not ordinarily agree to.

The world within affects the world around us, and the world around us affects the world within. As we better understand how one affects the other, our options will expand. On the other hand, if we do what we have always done, we will get what we have always gotten.

Thoughts on the History and the Current State of Psychology

Psychology is both a young science and an old science. It is a young science because it was given the name “psychology” in the 1800s. It is an old science because philosophy has been concerned with human happiness and felicity for thousands of years.

Philosophers have long speculated on how to be happy. In 100 A.D., Epictetus proclaimed, “Men are not disturbed by things, but by the view they take of things.” Epictetus was a slave, so his philosophy of resignation was very appropriate for the times. In freer times, philosophers have promoted a life of adventure and accomplishment as the key to happiness.

Modern psychology is credited with having two fathers. Most textbooks on psychology credit Sigmund Freud, while other sources give William James that honor. In reality, it is probably impossible to determine who deserves the credit. Nevertheless, it is useful to consider these men and their philosophies.

Sigmund Freud’s main claim to fame was the discovery of the subconscious mind (or the unconscious mind). His psychological approach betrayed a metaphysical assumption of determinism, suggesting that people were the pawns of unseen and most likely malevolent forces. His primary goal was to “transform hysterical misery into common unhappiness.”⁴³⁸ Because original traumas were assumed to be locked deep in the subconscious mind, years of expensive therapy was needed to lessen the pain.

William James, the other father of psychology, came from a metaphysical transcendentalist perspective. One of his most famous quotes (roughly paraphrased) says, “Perhaps the greatest discovery of this generation is that our lives can be changed by a change of attitude.” This view presupposes that people have will and the power of choice.

William James’ brand of psychology had more impact on the education community than it had on the therapeutic community. Parts of his philosophy were also embraced by the positive thinking movement, including metaphysical transcendentalism, which promoted personal achievement. On balance, the optimism of the above quote was blended with the philosophy of pragmatism, which is a form of moral agnosticism. “‘The true,’ to put it briefly, is only the expedient in the way of our thinking, just as ‘the right’ is only the expedient in the way of our behaving.”⁴³⁹

With truth or falsehood being but a matter of opinion, and feelings only the result of actions, the way was paved for the acceptance of behaviorism. At first it may seem strange that an optimistic theory of human possibility could merge with behaviorist theories like those of B.F. Skinner, who tried to teach us how to go “*Beyond Freedom and Dignity*.”⁴⁴⁰ Behaviorist theory and modern educational theory proved to be allies in pursuit of the best of all worlds: determinism for the masses, and will and choice for the leaders.

Behaviorism as a popular theory dates back to Pavlov’s experiments with dogs salivating at the sound of a bell, and the S ---> R (stimulus-response) theory that was developed based on those experiments. Ultimately, the methodology of his experiments have since been questioned quite effectively by people like Erwin Straus. “Pavlov gained world fame not as a biologist but as a

⁴³⁹ Michael C. Thomsett, *A Treasury of Business Quotations* (New York: Ballantine Books, 1990), p.143.

⁴⁴⁰ B.F. Skinner, *Beyond Freedom and Dignity* (New York: Alfred A. Knopf, 1971).

metaphysician. . . Indeed, the recognition of Pavlov's theory and official endorsement by the Russian government is due to its philosophical materialism and not to any hypothesis concerning ganglion cells or nerve tracts and their connections."⁴⁴¹ Bolshevik Russia was already using massive amounts of coercion to force the masses to conform to their vision of utopia. Any scientific theory that would lend legitimacy to their quest was gratefully received.

The promise of the Bolshevik Revolution was to improve the condition of humanity—by force, if needed. Educational theory in America made the same promise, only they were more subtle in their herding strategies. They limited their coercion to taxation and compulsory education laws. Nevertheless, the underlying assumption remained the same: the masses are bound by the mechanical laws of stimulus-response, but intellectuals can somehow step outside of that S → R cycle and guide humanity toward a new future.

"The positivist longs for the day when he will be able to predict and direct human behavior like a billiard player the billiard balls. He dreams that he might one day, with unfailing mastery, assume the role of the player in a far more grandiose game. He must reserve for himself an exceptional position in this future world puppet show. He is the director, all the other players are the controlled and directed puppets."⁴⁴² This assumed capacity of the intellectual as compared to the rabble supposedly gives them the right to impose their vision on everyone else. "Thus mankind is to be saved by conditioned reflexes."⁴⁴³ (To be fair, B.F. Skinner did note the reciprocal influences that the experimenter and the experimented-upon have on one another, but that did little to dampen his enthusiasm for social planning.)

Next, "Humanistic psychology, which emphasizes the human attributes of thoughts and feelings, emerged as a reaction to the reductionist and mechanistic views of behaviorism."⁴⁴⁴ Psychologists such as Carl Rogers and Abraham Maslow announced that it is possible for individual humans to rise above common misery to live truly happy and productive lives. Maslow, using his concept of the *Hierarchy of Needs*, called attention to the fact that some people *do* lead fulfilling and exemplary lives. From that observation, he suggested that more time needs to be spent studying healthy and happy people in order to understand what it means to be sane. (Previously, most studies had been made of sick people.)

Maslow's *Hierarchy of Needs* diagram has been a helpful and optimistic map for people seeking to live a more fulfilled, self-actualized life. However, one important consideration was overlooked. In life, we are faced with trade-offs. "By not considering cost, Maslow appears to assume either that there is no cost to need gratification or that (in spite of an implicit assumption concerning diminishing marginal utility) the demand curve for any need is vertical (or perfectly inelastic). This means that the quantity of the need fulfilled is unaffected by the cost. An implied assumption of the vertical demand curve is that the basic

⁴⁴¹ Erwin Straus, M.D., translated by Jacob Needleman, *The Primary World of the Senses* (New York: The Free Press of Glencoe, A Division of Macmillan Company, 1963), p. 38.

⁴⁴² *Ibid.*, p. 123.

⁴⁴³ *Ibid.*, p. 40.

⁴⁴⁴ Patricia Teage Ashton, "Educational psychology," *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

needs are independent of one another. They are not substitutes; for example, a unit of an esteem need fulfilled does not appear in the Maslow system to be able to take the place of even a small fraction of a unit of physiological need.”⁴⁴⁵ In fact, it is possible for people to forego satisfying lower-level needs in favor of pursuing self-actualization more directly.

Another aspect of humanistic psychology was the idea that emotions are primary. “I think, therefore I am” was replaced with “I feel, therefore I am.” Given that some pretty stodgy characters had claimed a monopoly on reason, it is understandable why they had such a strong revulsion. However, *claiming* that we are thinking does not automatically mean we are actually thinking. William James addressed this illusion when he said, “A great many people think they are thinking when they are merely rearranging their prejudices.”⁴⁴⁶

With emotional release, peace and happiness were supposed to become possible. The promise was even extended to the children. “Educational implications of the humanistic perspective include providing children with a warm, accepting environment and giving them frequent opportunities to direct their own learning.”⁴⁴⁷ Some surprising results have manifested instead. In my own experience with these encounter groups, many people actually became unhappier. When they decided that happiness was their due, they started acting as though other people were duty-bound to cooperate with their demands. And when the other people withheld their sacrifices, these poor souls became doubly indignant.

At present, America is investing more in social and psychological services than ever, and unhappiness and conflict is as rampant as ever, or more so. Expectations placed on life and on our fellow humans are ever-increasing. Furthermore, unless the ideologies of “political correctness” and “victimology” are revealed for the sophisticated guilt-trips that they are, we can expect that the most easily offended and chronically unhappy people will be the ones controlling both our personal relationships and our political relationships.

At the same time that Americans are demanding even more from life, the effects of America’s sixty-year-long “seed corn festival”⁴⁴⁸ are becoming apparent, and the means required to fulfill these heightened expectations are dwindling. Of course, if demands increase at the same time the means to fulfill those demands are shrinking, stress and general unhappiness can only intensify.

Reason Psychology Exists as a Discipline

Psychology aims at accomplishing two specific ends. The first is to enable individuals to learn how to live happy lives, or to at least bring hysterical suffering down to the level of common unhappiness. The second is to develop a better understanding of why people act the way they do in order to better defend against

⁴⁴⁵ Richard B. McKenzie and Gordon Tullock, *The Best of the New World of Economics* (Homewood, Ill. : Irwin ,1989), pp. 46–47.

⁴⁴⁶ Michael C. Thomsett, *Op. Cit.*, p. 137.

⁴⁴⁷ Patricia Teage Ashton, “Educational psychology,” *Op. Cit.*

⁴⁴⁸ “Seed corn festival” is an expression denoting the consumption of one’s capital resources. This is generally followed by a period of time known either as “hard times” for an individual, or as a “Dark Age” for a nation or a continent.

the actions of others, or to manipulate them more effectively (for good or ill).⁴⁴⁹ Anyone who studies psychology hopes to enjoy at least one of these benefits.

Psychology, like philosophy, attempts to provide a conceptual map of our mental processes, and when successful, it expands our range of choices. This chapter will offer yet another such conceptual map in the hope that it will create an awareness of new possibilities for both ourselves and for the larger world in which we live.

Most people pursue psychological knowledge in an attempt to overcome emotional pain. People who are content with their lives are usually too busy doing what they enjoy to be concerned with psychological issues. (Of course, there is a great deal of research effort going on in preparation for psychological warfare,⁴⁵⁰ but that is not the purpose of this chapter.)

Part I: The Relationship With Self

Sometimes it is not any easier to live with ourselves than it is to live with others. Although the story of the man who wouldn't join a club who would have him for a member is told as a joke, for many people, this is no laughing matter. (When I was younger, I actually felt as if the lump of clay that made up my body was somehow inferior to the clay that made up everyone else's bodies.)

In our earlier years, it is common for us to assume that all of our pain and disappointments are imposed on us from without. As time progresses, many of us start to mellow out and develop more of a live and let live attitude. Others, however, react to the passage of time by becoming more rigid, and, of course, their pain and disappointment increases accordingly. Consequently, we can conclude that our expectations play an important role in determining how much emotional pain we will suffer.

Some philosophers tell us that all emotional pain is caused internally by the judgments we place on ourselves and by the unmet expectations we place on others. This is true. If we successfully eliminated all expectations to the degree that even life and death were viewed as having equal value, we would not have to worry about *any* emotional pain. (Except, possibly, becoming attached to detachment and fearing its loss.)

As usual, we need to consider a more balanced perspective. On one hand, if we are too sensitive, we will start fights and in general cause problems that don't exist. On the other hand, if we are not sensitive enough, we will fail to protect ourselves from real dangers.

This section will address the effects of internal oppression first, and then it will address the psychological impact of external oppression. Hopefully, the reciprocal nature of both forms of oppression will become apparent as this chapter concludes.

⁴⁴⁹ "As Tolman has it, "The ultimate interest of psychology is solely the prediction and control of behavior." Erwin Straus, M.D., translated by Jacob Needleman, *Op. Cit.*, p. 117.

⁴⁵⁰ "I counted 146 separate institutes of one sort or another, the overwhelming majority (130) being in the United States. Only eighty are actually located within the armed forces, however, the remainder being divided between universities, a couple of specialist hospitals and private research institutes and 'think-tanks'." Peter Watson, *War on the Mind* (New York: Basic Books, Inc., 1978), p. 16.

Unrealistic Expectations

It was suggested in *Chapter 1* that emotional pain comes from unmet expectations. When I studied under Mr. Ripman in Washington, D.C., he went so far as to declare that “all negative emotions are the result of unrealistic expectations.” I would temper this by saying that while there are indeed rational and realistic expectations that can be placed on people, it is unrealistic to believe that *everyone* will live up to those expectations. Of course, what may be most difficult of all, is figuring which demands are realistic and which demands are not.

Unquestioned Belief Systems

Very often we have expectations that we are not even aware of. While we might get angry or depressed when something goes against our wishes, if we are asked to define precisely what we were expecting, we will often find ourselves unable to do so.

Unless one knows of the existence of such a thing as “unquestioned belief systems,” one is not likely to look for them. Lacking this awareness, millions of people go from cradle to grave without even once considering the possibility that suffering is optional. (This applies especially to those of us on the planet who are living above the level of subsistence.)

Of course, ferreting out unquestioned belief systems can be tricky. It is very difficult to see things that are all-pervasive. Let us now consider a couple of examples of unquestioned belief systems.

Center-of-The-Universe-Disease

When Mr. Ripman introduced the concept of unrealistic expectations, he offered common examples of people becoming extremely upset due to events such as slow traffic. He described such people as believing that they are the *center of the universe*. If one is the center of the universe, it is rational to expect that everything and everyone else should arrange themselves according to one’s convenience. In the example of slow traffic, if people refuse to pull over to let us through, or if the police fail to manipulate the lights in our favor, we are justified in yelling, screaming and slamming our steering wheels.

In real life, unless we are either the supreme agent of coercion in the land, or a cadaver on our way to burial, such demands are very unrealistic. Each one of us is simply one person among five-billion-plus other people just like us, each trying to make their journey from the cradle to the grave as pleasant as possible. We can be sure that everyone else is in the same situation. Therefore, is it rational to get upset about that which is simply life? Of course, these demands are not rational. Consequently, I have come to call this malady *center-of-the-universe disease*.

Another example is the assumption that other people should be able to read our minds. Failing to do mind-reading is often interpreted as gross negligence, if not outright malice. This belief system justifies many people’s chronic unhappiness.

Our only chance for escaping the suffering caused by *center-of-the-universe disease* is to learn on an emotional level that we must share this planet with other people. At first, this might seem like a sacrifice, but once we realize that, on

balance, life goes better when we decide to share the planet, we will not be so incensed. (Who in their right minds would want to have to be an expert on everything?)

Instead of getting upset in slow traffic, we could benefit more by thinking about other routes, planning to travel at less popular times, and so forth. After all, the benefits of society do not come free. To get rid of all the costs is to get rid of all the benefits as well. Therefore, it is more useful to use our reason to *reduce* costs—not our emotions in a vain attempt to *eliminate* costs.

Using the Slide-Rule of Sanity

Another unquestioned belief system is the one that says we are alone in the universe and everyone and everything else is out to get us. This is not to say that everything is peaceful and wonderful, but it is not useful to exaggerate threats either.

A common symptom of mental disorder is a strong sense of alienation and separation from everyone else. On the other hand, people tend to improve in proportion to their ability to establish a connection with the larger world.

Because of the relationship between alienation and insanity, and *visa versa*, I decided to label this concept as *The Slide-Rule of Sanity*. Belief in alienation isn't the only variable, but it is certainly one of the more important variables.

It is very scary to believe that everyone is out to harm us, and if we make the slightest misstep, even the universe will foreclose on us. Of course, this fear isn't totally unfounded. There's a popular saying that suggests we "do unto others before they do unto us." This is usually said as a joke, but jokes often have a sharp edge on them.

We need to ask ourselves, which came first, distrusting attitudes or hostile and exploitative situations? This question can't be answered within the context of our own generation for we've been born into a world of fear and conflict. But at some time in our ancestral past, a decision was made to start believing in a hostile universe.

Historically, people have assumed that one person's survival could only be had at the expense of others. However, it is worth noting that communities have prospered in proportion to the degree that they denied that assumption. As *Chapter 2* pointed out, human life is improved by voluntary trades, and if people make trades they do not want to make, some form of coercion is present. Throughout history, prosperous communities have acknowledged that life is improved by building houses—not by bombing them. (This may seem surprising, but I receive many blank stares when I suggest to audiences that war is *not* good for the economy.)

I once saw a movie about Japanese warlords from an earlier century. The main character of the movie was an old warlord who had wreaked havoc all his life, and was now witnessing the destruction of his own empire. In the end, he and his most loyal son died together. At that point, the family nursemaid started crying, "God, is this your idea of a joke? Does it make you laugh to see us poor humans suffer and die the way we do?" One of the warriors then replied to her, "Do not blaspheme the gods! They are not the cause of all this. If anything, they are weeping for us, for it is *we* who choose suffering instead of joy. It is *we* who choose war instead of peace!!"

The idea that we are inter-connected is not really so far-fetched. If we study any discipline of knowledge in depth, it becomes apparent that we are related and interdependent. Chemistry and biology outline organic relationships, economics reveals exchange relationships, and psychology indicates that humans share much common experience. In short, we are not alone in this universe.

As we become more sane, we focus on creating value instead of confiscating values created by others. As we become more sane we encourage people instead of putting them down. As we become more sane we recognize that we're a part of something larger in which we participate. Sanity means recognizing that we're not alone, and that life is a gift to be enjoyed—not a sentence to be served.

Final thoughts on Unquestioned Belief Systems

The unquestioned belief systems explored thus far are but examples. While they are important examples, they do not by any means exhaust our potential for self-delusion. Any time we feel anxious, or disappointed, we need to ask ourselves, “what am I expecting from this situation?”

Ultimately, expectations may or may not be rational. However, in either case, becoming conscious of the nature of our expectations can only help. If they prove to be irrational, we can let them go. If they prove to be rational, we can be more effective in pursuing their realization.

Disconnected Psychological Processes

Another challenge we face is the disconnected nature of our psychological processes. For most of us, it is very difficult to think about any one subject for very long, or to maintain steady waking consciousness without lapsing in and out of reverie.

Disconnected psychological processes range from simple contradictory notions about the nature of life and our place in it, to unpredictability caused by mood swings (*socially-acceptable-schizophrenia*), to the extremes of *Multiple Personality Disorder* (MPD)—a problem which is now being recognized more frequently by the psychiatric profession.

The coming sections will explore the range of psychological splitting, from *cognitive dissonance* to *socially-acceptable-schizophrenia*, to *Multiple Personality Disorder*.

Cognitive Dissonance

Cognitive Dissonance is the discomfort we feel when our values and beliefs are at odds with either our behavior or with the evidence of our senses. Leon Festinger, the author of *Cognitive Dissonance*, suggests that the dissonance caused by a contradiction between our stated beliefs and our actions is enough to inspire action. “Cognitive dissonance can be seen as an antecedent condition which leads to activity oriented toward dissonance reduction just as hunger leads toward activity oriented toward hunger reduction. It is a very different motivation from what psychologists are use to dealing with, but, still very powerful.”⁴⁵¹

⁴⁵¹ Leon Festinger, *A Theory of Cognitive Dissonance* (Stanford, CA: Stanford University Press, 1957), p. 3.

It is hard to say whether conflicts in our value systems lead to psychological splitting, or the other way around, or if it even matters. Like most of our challenges in life, our task is to shift our awareness so we can start working on the positive side of *emergent probability*.

True self-awareness means being aware of our contradictory ideas as well as our contradictory feelings. Gurdjieff, in his usual unorthodox manner, suggested that a moment of *consciousness* means seeing our contradictory *thoughts* simultaneously, and a moment of *conscience* consists of comprehending our contradictory *feelings* all at one time.⁴⁵² By these definitions, a moment of conscience happens when we are aware that one part of us despises the same person that another part of us admires. A moment of consciousness, would be a moment when we become aware of contradictory opinions we hold about one and the same person or subject.

Socially-Acceptable-Schizophrenia

In my tape series entitled *Your Power to Create Love*, I explored a phenomenon I called *Socially-Acceptable Schizophrenia*. I must confess that the term “Socially-Acceptable Schizophrenia” is now technically inaccurate.

Today, schizophrenia has become a catchall category for a number of psychotic disorders such as delusions, hallucinations, severe regressive behaviors, wildly inappropriate moods, and incoherent speech.

Multiple personality disorder may seem to fit into this category, but it doesn't. A person with multiple personality disorder is in touch with reality. There is not thought disorder. Still, most of the practitioners seemed content to sweep it under the schizophrenic rug.”⁴⁵³

The term schizophrenia is taken from Greek meaning “split-mind disorder.”⁴⁵⁴ However, there still seems to be some disagreement about the difference between psychological splitting for a schizophrenic and splitting associated with Multiple Personality Disorder (from here on referred to as MPD). On one side, it is declared that “the splitting involved in the psychosis of schizophrenia is far more extreme than that observed in the hysterical neurosis of multiple personality.”⁴⁵⁵ “A recent writer has employed the metaphor of a tree to delineate the depth of ‘splitting’ in schizophrenia and multiple personality—a metaphor that could be expanded to include doubling. In schizophrenia, the rent in the self is ‘like the crumbling and breaking of a tree that has deteriorated generally, at least in some important course of the trunk, down toward or to the roots.’ In multiple personality, that rent is specific and limited, ‘as in an essentially sound tree that does not split very far down.’”⁴⁵⁶

One the other hand, some suggest that MPD is a more severe affliction, or at least that it requires more abuse to set it off. “According to a retrospective

⁴⁵² P.D. Ouspensky, *In Search of the Miraculous* (New York: Harcourt Brace, 1949), 155.

⁴⁵³ Dr. Robert Mayer, *Through Divided Minds* (New York: Doubleday, 1988), p. 39.

⁴⁵⁴ Colin A Ross, M.D., “Twelve Cognitive Errors about Multiple Personality Disorder,” *American Journal of Psychotherapy*, July 1990, p. 349.

⁴⁵⁵ Louis Baldwin, *Ourselves: Multiple Personalities, 1811-1981* (Jefferson, NC: McFarland, 1984), pp. ix-x.

⁴⁵⁶ Robert Jay Lifton, *The Nazi Doctors* (New York: Basic Books, Inc., 1986), p. 423.

history taken in adulthood, children who will develop MPD differ highly from those who will go on to develop schizophrenia, panic disorder, or an eating disorder. Those who will develop MPD sleepwalk, have imaginary companions, and are subjected to physical and sexual abuse more often.”⁴⁵⁷

Since 1980, the *Diagnostic and Statistical Manual of Psychiatric Disorders*, known in the profession as *DSMIII*, has given the extreme version of this problem the name *Multiple Personality Disorder*, or *MPD* for short. The term “schizophrenia” as it is now used, could also be described as a “part time psychosis.”⁴⁵⁸ In other words, someone who mistakes fantasy for reality only as a part time enterprise.

By now my argument for sticking with the term *socially-acceptable-schizophrenia* is looking quite tenuous. However, *DSMIII* also offers this definition of schizophrenia. “There may be poverty of content of speech, in which speech is adequate in amount but conveys little information because it is vague, overly abstract, or overly concrete, repetitive, or stereotyped. The listener can recognize this disturbance by noting that little if any information has been conveyed although the person has spoken at some length.”⁴⁵⁹ Every election, the national media gives lots of attention to literally hundreds of candidates whose speech fits the above description very closely. In fact, the above personality traits may well be a prerequisite for successfully gaining political office. Now if that isn’t socially acceptable schizophrenia, I don’t know what is.

Even if *schizophrenia* is not the most apt term, I still like the way “socially-acceptable schizophrenia,” rolls off my tongue. At the risk of violating everything else this book stands for, I shall now invoke *artistic license*, and then proceed on my merry way.

In order to understand the concept of *socially-acceptable-schizophrenia* we need to consider a new map of the human psyche. The most commonly accepted map shows a circle that is sub-divided into two sections:

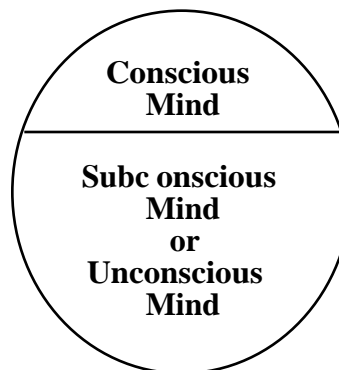
⁴⁵⁷ Colin A. Ross, M.D., F.R.C.P.C., Sharon Heber, R.N., G. Ron Norton, Ph.D. and Geri Anderson, R.P.N., “Differences between Multiple Personality Disorder and Other Diagnostic Groups on Structured Interview,” *Journal of Nervous and Mental Disease*, Vol. 177, No. 8, August 1989, p. 489.

⁴⁵⁸ American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders* (Washington, D.C.: American Psychiatric Association, 1987), p. 187.

⁴⁵⁹ *Ibid.*, p. 188.

Figure 9-1. The Static Model of Human Consciousness

In this model of consciousness, that which is conscious remains conscious, and that which is unconscious remains unconscious. In theory, the process of long sessions of psychotherapy is supposed to elevate some of the unconscious material to the level of conscious awareness.



The top part represents the conscious mind, and the lower part represents the unconscious, or the subconscious mind. Implied in this diagram is the notion that the two parts are stable and consistent. (The exception being when therapy helps make information locked in the subconscious mind available to the conscious mind.)

At first, this diagram seems to make sense. However, when we examine our experience in the light of a “mobile consciousness” framework, the limitations of the popular static model of consciousness becomes apparent. (There are just too many things people do with the sincerest of intentions that are contradictory.)

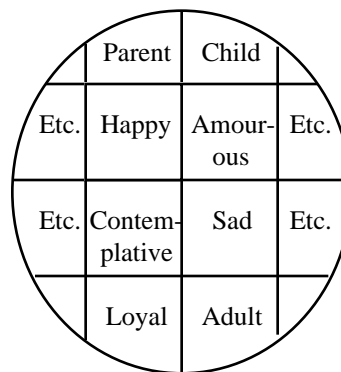
Gurdjieff, in his own book, makes reference to, “what you call the subconscious, which ought to be in my opinion the real human consciousness.”⁴⁶⁰ This subtle clue opens up a whole new approach to exploring the human psyche. Like Freud, Gurdjieff taught that in order to function more effectively, we need to unearth the aspects of ourselves that have gone into hiding. However, Gurdjieff’s theory differs in two important respects. First, he promoted an ideal of inner-peace that went beyond simply advancing from hysterical suffering to common unhappiness. Also, he offered the concept of the mobile psyche where unconscious data surfaces every now and then, and is therefore available for observation once we have learned how to observe ourselves.

Instead of dividing the diagram of the mind into two parts, let’s divide it into a number of parts.

⁴⁶⁰ G.I. Gurdjieff, *Beelzebub’s Tales to His Grandson*, Vol. 1 (New York: E.P. Dutton, 1950), p. 24.

Figure 9-2. The Dynamic Model of Human Consciousness

In the dynamic model of consciousness, that which is conscious now can become unconscious later, and visa versa. This theory suggests that the best way to improve is through vigilance with the aim of developing an overarching awareness of all the different moods/ego states/personalities.



Many people I have talked with have noticed that it is hard to remember a sad experience while in a happy mood, and to remember a happy experience while in a sad mood. Furthermore, it is even possible for factual bits of data to get trapped in these, what I like to call, “mood memory banks.” P.D. Ouspensky explained it this way: “There is nothing permanently subconscious in us because there is nothing permanently conscious . . .”⁴⁶¹

Using this model, we find that when one mood is in control of our body, that mood represents our conscious mind while the rest of the circle represents our unconscious mind. Later, when that mood is no longer in control, it submerges into the subconscious mind, and the new mood emerges to become the conscious mind—for as long as *it* can remain awake, that is. On and on the cycle goes—the rapidity of change being determined by our relative level of psychological integration, and/or the level of stress in the environment.

While this new dynamic model of consciousness may be unsettling because it portrays the *true* difficulty of change, the bad news is offset by the good news that says we have possibilities that are not commonly known. Sufi teachers have long proclaimed that while we are not as evolved as our vanity would have us believe, our possibilities are much greater than we can imagine.

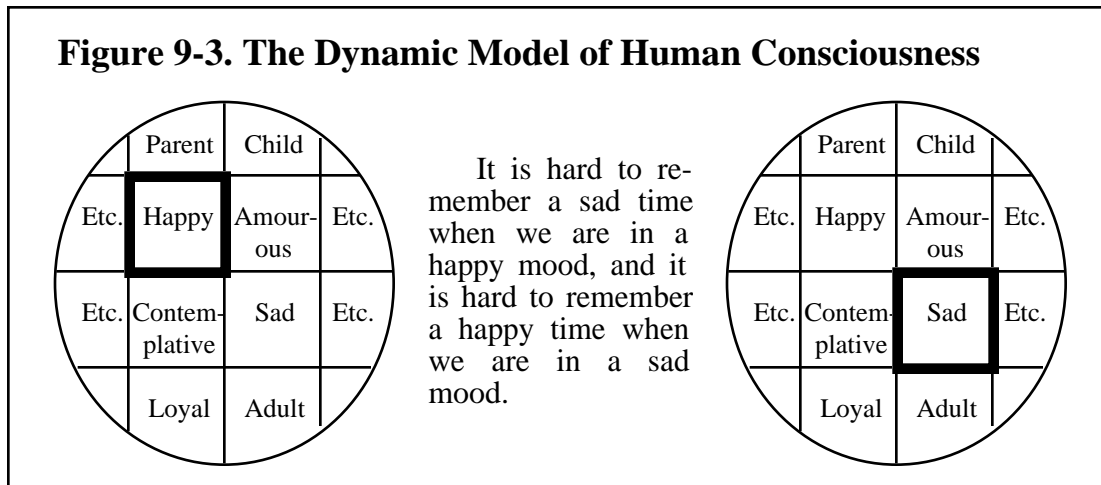
Recognizing lapses of consciousness is probably the biggest challenge we face. It is definitely the *first* challenge we face. Usually, the more fragmented our psyche, the less we are aware of any contradictions in our lives. Each part swears that it represents the Whole. Generally, we are aware of our different moods. However, we often do not pay close attention to them, or to the consequences of inconsistent behavior.

There are two major reasons why we don’t work at eliminating our inner-contradictions. First, it can be painful and disillusioning to become aware of them. Second, society offers a host of ready-made alibis to explain away our contradictions.

Because the different mood/personalities do not keep a close watch on each other, we can easily find ourselves in the predicament represented by the figure

⁴⁶¹ P.D. Ouspensky, *The Psychology of Man’s Possible Evolution* (New York: Random House, 1950), p. 33.

below. When we are happy, the happy mood represents our consciousness. When we are sad, the sad mood becomes our conscious mind. To illustrate this concept of the *mobile psyche*, consider this diagram:



At this point I shall defer to the authorities. With the aid of Gurdjieff, Assagioli, Eric Berne and experts on Multiple Personality Disorder, we will hopefully clarify this little-known quirk of the human psyche.

Gurdjieff's Teaching

In his book, *In Search of the Miraculous*, P. D. Ouspensky related experiences he had while studying under Gurdjieff. During these meetings, Gurdjieff spoke about how shifting moods affect the quality of our lives.

They all call themselves 'I.' That is, they consider themselves masters and none wants to recognize another. Each of them is Caliph for an hour, does what he likes regardless of everything, and, later on, the others have to pay for it. And there is no order among them whatsoever. Whoever gets the upper hand is master. He whips everyone on all sides and takes heed of nothing. But the next moment, another seizes the whip and beats him. And so it goes on all one's life. Imagine a country where everyone can be king for five minutes and do during these five minutes just what he likes with the whole kingdom. That is our life.⁴⁶²

This passage really spoke to me. I realized that the consequences of my moodiness couldn't have been much worse had a totally different person stepped into my body and taken over. Also, I noticed that many people's lives were little more than a string of broken promises and shattered dreams—one mood would make a promise, and when it came time to fulfill that promise, another would have either forgotten, or decided that it couldn't care less.

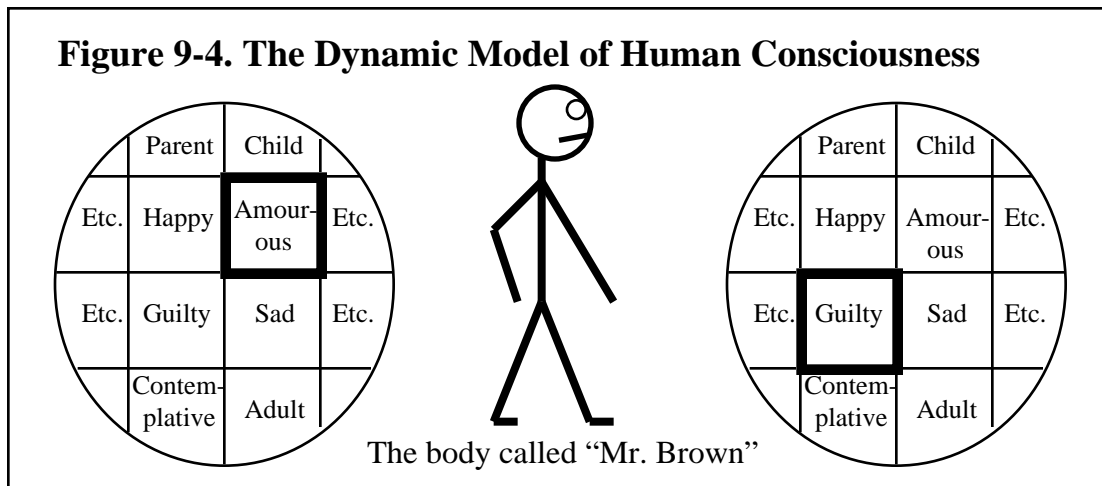
At another place in the book, Gurdjieff said,

⁴⁶² G.I. Gurdjieff quoted in P.D. Ouspensky, *In Search of the Miraculous* (New York: Harcourt Brace, 1949), pp. 43–44.

Man has no individuality. He has no single, big 'I'. Man is divided into a multiplicity of small I's.

And each small I is able to call itself by the Whole, to act in the name of the Whole, to agree or disagree, to give promises, to make decisions, with which another I or the Whole will have to deal. This explains why people so often make decisions and so seldom carry them out. . . A small accidental 'I' may promise something, not to itself, but to someone else at a certain moment simply out of vanity or for amusement. Then it disappears, but the man, that is the whole combination of other 'I's' who are quite innocent of this, will have to pay for it all of his life. It is the tragedy of the human being that any small 'I' has the right to sign checks and promissory notes and the man, that is, the Whole, has to meet them. People's whole lives often consist in paying off the promissory notes of small accidental 'I's'.⁴⁶³

This brings to mind the story of Mr. Amorous and Mr. Guilty—two different 'I's' that took turns running the body of a man everyone knew as Mr. George Brown.



Mr. Guilty was very dedicated to his wife, and he took his vow to forsake all others very seriously. Unfortunately for Mr. Guilty, Mr. Amorous didn't share the same desire to honor those marital vows.

Every now and then, a woman who believed that *Married Men Make the Best Lovers* would decide to seduce the body known as Mr. Brown.⁴⁶⁴ If Mr. Guilty was awake at the time, he would be so horrified that he would just faint. Mr. Amorous would then wake up and take full advantage of the situation. Once Mr. Amorous had spent all of his passion, he would go back to sleep, leaving Mr. Guilty with the aftermath to contend with.

When Mr. Guilty woke up he was horrified. He asked himself, "why did I do this terrible thing?" Of course, he didn't know about the existence of Mr. Amorous, so he did what most people do when they are not aware of the other selves that they share a body with. He started paying for his sin in "bad feelings

⁴⁶³ *Ibid.*, p. 60.

⁴⁶⁴ Ruth Dickson, *Married Men Make the Best Lovers* (New York: Coronet Publications, Inc., 1967).

currency.”—the belief that wrongs can be somehow undone provided sufficient suffering is expressed. After suffering long enough to feel like he had made his payment in full, Mr. Guilty relaxed and went back to sleep.

Once again, life seemed to be going smoothly, until another buxom beauty decided to offer her honor, whereupon, Mr. Amorous woke up and honored her offer. As before, once his passion had been spent, Mr. Amorous went back to sleep, leaving Mr. Guilty with Ms. Buxom lying next to him. Mr. Guilty was, of course, horrified. “How could I do this? I swore that I would never do that again!!”

What Mr. Guilty needed to realize was that *he* wasn’t the one who transgressed against his marital vows. He was sleeping soundly while Mr. Amorous was having a good time. Until Mr. Guilty becomes aware of the existence of Mr. Amorous, each time this kind of thing happens, he will decide that he should suffer a little longer and a little harder than he did the previous time, hoping that at some point the pattern would stop.

Unfortunately, this business of trying to make payment in “bad-feelings currency” will only perpetuate the problem indefinitely. These payments in “bad-feelings currency” only pave the way for a sound sleep later on, leaving one open for a repeat performance. According to Gurdjieff, we do not need to indulge in remorse. What we need is vigilance, and our primary challenge is to figure out how to “stay awake” long enough to effect real change.

Roberto Assagioli’s Observations

There is little writing in Western psychological literature calling attention to the split mind (until recently). However, there is one notable exception. In Italy, Dr. Roberto Assagioli developed a psychological system he called “Psychosynthesis.” In his book, *Psychosynthesis*, he tells us:

The first scientist to contribute original discoveries in this field was Pierre Janet. Starting with the phenomenon of “psychological automatism” he found that there are many mental activities taking place independently of the patient’s consciousness, and even real “secondary personalities” living behind, or alternating with, the everyday personality.⁴⁶⁵

Later in the book, he continues:

The organization of the sub-personalities is very revealing and sometimes surprising, baffling or even frightening. One discovers how very different and often quite antagonistic traits are displayed in the different roles. The difference of traits which are organized around a role justify, in our opinion, the use of the word “sub-personality.” Ordinary people shift from one to the other without clear awareness, and only a thin thread of memory connects them; but for all practical purposes they are different beings—they act differently, they show very different traits.⁴⁶⁶

Part of Assagioli’s therapeutic process involved discovering the different sub-personalities in order to observe them. In addition, he placed a lot of emphasis on developing the *observer self*—“[d]uring and after this assessment of

⁴⁶⁵ Roberto Assagioli, *Psychosynthesis* (New York, Viking Press, 1976), p. 12.

⁴⁶⁶ *Ibid.*, p. 75.

the sub-personalities one realizes that the observing self is none of them, but something or somebody different from each.”⁴⁶⁷

Transactional Analysis

Transactional Analysis, also known as *TA*, was very popular in the 1970s. The dictionary describes it as, “A system of psychotherapy that seeks to analyze intrapsychic conflict and interpersonal interactions in order to afford insight and facilitate constructive communication.”⁴⁶⁸ (Luckily, there is an author in the house, so we still have another chance.) As the name implies, it is a system for analyzing transactions among people in terms of the roles they play.

Generally, people who teach Transactional Analysis theory start by introducing three ego states: parent, child, and adult. Then they introduce two more ego states later. This is very confusing because there are two parent ego states and two child ego states. In order to understand the five ego states, one must unlearn some of the original assumptions that come from focusing on the original three. Therefore, in this book we will *start* with five:

Nurturing Parent	The Nurturing Parent seeks to encourage and comfort people rather than judging them harshly.
Critical Parent	The Critical Parent is very judgmental and impossible to please.
Adult	The Adult approaches life rationally in an attempt to make the best choices.
Natural Child	The Natural Child is creative and enjoys being alive.
Adaptive Child	The Adaptive Child is fearful and tends to overreact from fear of being judged or punished.

In Transactional Analysis, five clearly differentiated ego states are recognized. These states are: the *natural child*, the *adaptive child*, the *adult*, the *critical parent*, and the *nurturing parent*. For those who are not familiar with Transactional Analysis, let’s take a moment to further explore these five ego states. The *natural child* is that part of us that likes to be creative and have fun. The *adaptive child* is the part who is defensive and servile, sometimes in a rebellious way, when confronted by an authority figure. The *adult* is the part that is rational and objective—at least in comparison to the other ego states. The *critical parent* likes to judge others and uses the power of intimidation whenever

⁴⁶⁷ *Ibid.*, p. 76.

⁴⁶⁸ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

possible. Finally, the *nurturing parent* is the caretaker ego state that is helpful and compassionate.

The most popular exponent of Transactional Analysis was probably Eric Berne, who wrote *Games People Play*⁴⁶⁹ and *What Do You Say After You Say Hello?*⁴⁷⁰ Eric Berne made an observation similar to Gurdjieff's: "The feeling of 'Self' is a mobile one. It can reside in any of the three ego states at any given moment, and can jump from one to the other as occasion arises. That is, the feeling of Self is independent of all other properties of ego states and of what the ego state is doing or experiencing. . . .Whenever one of the ego states is full-active, that ego state is experienced at that moment as the real Self."⁴⁷¹ Also, he observed that, for the most part, the ego state that is in control of our body is usually determined by whoever is in our presence or what the situation might be at a given moment.

To illustrate the effect that the mobile Self has in everyday life, let us take the homely example of a nagging wife. Ordinarily Zoe is good-natured, sociable, and adaptable, but at certain times she becomes very critical of her husband. This is her nagging Parent. Later, she brings out again her fun-loving, sociable, adapted Child, and forgets what she has said to him in her Parent ego state. But he does not forget, and remains wary and detached. If this sequence is repeated again and again, his wariness and detachment become permanent, which she fails to understand. "We have so much fun together," says her charming Child. "Why is it that you withdraw from me?" When her Child is her real Self, she forgets or overlooks what she said while her Parent was her real Self. Thus one ego state does not keep a very good record of what the other ego states have done. Her Parent overlooks all the fun they have had, and her Child forgets all the criticism she has offered. But Jeder's Child (and Adult as well) remembers what her Parent said.⁴⁷²

Now we are ready to consider the extremes of psychological splitting.

Multiple Personality Disorder

There is an ever-growing population of Psychiatrists and Psychologists who are acknowledging the existence of the split psyche because they have observed people who suffer from Multiple Personality Disorder (MPD). MPD is the term used to describe people whose different ego-states spontaneously give themselves different names. (Some people have been reported to have over one-hundred different personalities.) Each personality has its own mannerisms, memories, and can even be of different ages, races and sexes. When the different personalities take turns operating the same body, their vastly different self-images lead to extreme changes in behavior during short periods of time.

While the focus of this book is on everyday people, it is useful to understand how the extremes of the problem develop in the first place. People who suffer from Multiple Personality Disorder usually have warning signs like "lost time", (lapses of memory), and an extremely chaotic life to let them know they have a problem.⁴⁷³

⁴⁶⁹ Eric Berne, *Games People Play* (New York: Random House, Inc., 1964).

⁴⁷⁰ Eric Berne, *What Do You Say After You Say Hello* (New York: Grove Press, Inc., 1972).

⁴⁷¹ *Ibid.*, pp. 248–249.

⁴⁷² *Ibid.*, p. 249.

⁴⁷³ American Psychiatric Association, *Op. Cit.*, p. 270.

The typical MPD patient is in therapy for an average of 6.7 years, and has seen as many as five different therapists before a correct diagnosis have been made.^{474, 475}

MPD was recognized throughout the 1800s until it was discredited by Sigmund Freud, who eschewed hypnosis in favor of free association.⁴⁷⁶ Milton Erickson, a famous hypnotist, went so far as to declare that Freud set the profession back 75 years.⁴⁷⁷

Since the 1970s, the diagnosis of Multiple Personality Disorder has increased dramatically. By 1990, some skeptical psychiatrists started suggesting that MPD might be a “fad diagnosis.” Given that people have successfully avoided or lessened punishments for their crimes by demonstrating symptoms of MPD, one can expect more people to attempt to qualify for the diagnosis of MPD. (That which we reward, we get more of.)

Dr. Michael Weissberg, after examining the case of Ross Carlson, suggested that it was an example of *iatrogenic mental illness*—hospital or physician induced illness.⁴⁷⁸ It has long been known that physical illnesses have been acquired in hospitals, but his thesis suggesting that the same can happen for maladies of the psyche was quite novel, and worth considering.

Of course, just because this reward system encourages what might be considered “sophisticated malingering,” that does not automatically invalidate the existence of the phenomenon. Like one humorist observed, “Just because you’re paranoid doesn’t mean they’re not out to get you.”

A good place to start looking for the cause of personality splitting is in the life histories of those suffering from Multiple Personality Disorder. It has been estimated that 85–90% of people who have been diagnosed as being a “multiple personality” endured prolonged periods of physical and sexual abuse during childhood.⁴⁷⁹ One exception was a case reported in the 1800s. A woman who was described as being “pathologically religious”—even by the standards of her time—split in response to a prank pulled by a man she idealized and worshipped from afar. One evening, he came by the hospital where she worked and noticed that some workmen had left a ladder leaning up against the building. He decided to climb the ladder, and ended up surprising her by looking in at her through the second story window.⁴⁸⁰ Apparently, that was all it took to upset her fragile world-view.

⁴⁷⁴ Colin A. Ross, M.D., FRCPC, Ron Norton, Ph.D. and Kay Wozney, B.A., “Multiple Personality Disorder: An Analysis of 236 Cases,” *Canadian Journal of Psychiatry*, June 1989, p. 413.

⁴⁷⁵ Dr. Robert Mayer, *Through Divided Minds* (New York: Doubleday, 1988), p. 104.

⁴⁷⁶ *Ibid.*, p. 38.

⁴⁷⁷ *Ibid.*, p. 46.

⁴⁷⁸ Michael Weissberg, M.D., Associate Professor of Psychiatry, Director, Psychiatric Acute Care, *CAN PSYCHOTHERAPISTS CREATE ILLNESS IN THEIR PATIENTS?: Multiple Personality Disorders in Anna O., and Ross Michael Carlson*, Presentation made at University Hospital, Denver, October 14, 1993 at 7 P.M.

⁴⁷⁹ Colin A. Ross, M.D., FRCPC, Ron Norton, Ph.D. and Kay Wozney, B.A., “Multiple Personality Disorder: An Analysis of 236 Cases,” *Canadian Journal of Psychiatry*, June 1989, p. 413.

⁴⁸⁰ Louis Baldwin, *Op. Cit.*, pp. 58–59.

People react to trauma differently. While the woman in the 1800s split due to a minor provocation, many people have suffered far worse without splitting. A particularly interesting case was that of two sisters who were subjected to the same abusive treatment during childhood. One sister “split” while the other sister didn’t. When the sister who didn’t “split” was asked why her sister did, she replied that she fought her parents every step of the way, whereas her sister was much more compliant, always trying to please.⁴⁸¹

Oppression and Disconnected Psychological Processes

One common denominator found in all stories about MPD is oppression. For the most part, it starts as the oppression of one person against another, and once the split has been made, it becomes the oppression of oneself against oneself. There are three forms of oppression people use against others: force, fraud and guilt. Once the oppressed person has identified with the oppressor, she will then use force, fraud and guilt against herself.

To illustrate this point, I will recount an example given to me by a psychiatric counselor who works with people suffering from MPD. He gave the hypothetical example of a rabbit’s experience when it is being chased by a fox. Just before the fox closes in for the kill, the rabbit disassociates in order to escape the pain associated with death. (Disassociating means going unconscious, or blanking out.) Typically, the rabbit does not survive the attack of the fox. However, were the rabbit to somehow survive repeated experiences of disassociating under stress and then coming back, its psyche would split as a result of the stress, and a new personality would be formed that would identify with the fox.

While not everyone who is oppressed splits their psyche in order to cope, most people who develop clinical MPD are severely oppressed. Multiple Personality Disorder is only the most obvious expression of splitting on a continuum of psychological integration, or the lack thereof.

The human equivalent of this is not as uncommon as one might think. Now that Multiple Personality Disorder is once again being recognized, more cases are being discovered. Some estimates suggest that at least one percent of the population suffers from MPD.⁴⁸² On the everyday level, the *critical parent* in peoples’ heads frequently takes over their lives where the parent from childhood left off.

Earlier, Eric Hoffer was quoted, “It is startling to see how the oppressed almost invariably shape themselves in the image of their hated oppressors.”⁴⁸³ When we consider that effect oppression has on the human psyche, maybe it is not so startling after all. The cycle continues because “those who have reason to hate the evil most shape themselves after it and thus perpetuate it.”⁴⁸⁴

Thus far, we have looked at the accidental creation of the split psyche. Now we can consider its intentional creation.

⁴⁸¹ This story was told in a television documentary, but I failed to get the footnote for it.

⁴⁸² Colin A Ross, Scott D. Miller, Pamela Reagor, Lynda Bjornson, George Fraser, and Geri Anderson, “Schneiderian Symptoms in Multiple Personality Disorder and Schizophrenia,” *Comprehensive Psychiatry*, Vol. 31. No. 2 (March/April), 1990, p. 116.

⁴⁸³ Eric Hoffer, *The True Believer* (New York: Harper and Row, 1951), p. 90.

⁴⁸⁴ *Ibid.*

Brain Washing

The first systematic inducement of psychological splitting that captured the imaginations of many was the *brain-washing* strategies used by the North Koreans during the Korean War. It seemed inconceivable that so many captured GIs would betray their homeland.

Brain-washing is nothing new. It can be traced back to religious conversions dating back centuries. Brain-washing techniques generally rely on pain and discomfort in order to break a person down. Although brain-washing manuals and books about brain-washing do not specifically state as much, the goal is to induce a disassociated state, followed by the development of new identities in the person being brain-washed.

When people are subjected to pain and discomfort, deprived of sleep, and then subjected to marathon rounds of political indoctrination, they are likely to cross over. "It is not always true that 'He who complies against his will is of his own opinion still.' Islam imposed its faith by force, yet the coerced Muslims displayed a devotion to the new faith more ardent than that of the first Arabs engaged in the movement."⁴⁸⁵ If people switch sides under duress, it only means they want to live. Those who cannot comfortably become "rice Christians" must convince themselves that they changed their convictions in accordance with their integrity.

Oppression in Human Relationships and Psychological Splitting

Before going any further, I would be wise to anticipate objections people might have when I suggest that most of us suffer from milder forms of a serious malady. "There is a great deal of resistance to the idea that extremes of craziness are no different in quality than any other personal problem. We want to relegate extremes of human misconduct and personal misery into another universe. Instead of labeling this universe mystical, mysterious, or religious, as in days of old, we now label it medical and scientific. . . . We want to believe that the worst spiritual or psychological states are separate from us and that they can only be understood with reference beyond our everyday experience of ourselves."⁴⁸⁶

While it may be tempting to flatter ourselves by thinking we could never suffer the distress of those we see around us, or the distress of those who have been placed in institutions, this belief is neither accurate nor is it particularly useful. When we deny our potential for doing worse, we are also unwittingly deny our potential for doing even better.

Presently, the effects of disconnected mental processes are only noticed when they reach clinical proportions. One might illustrate such a view like this.

⁴⁸⁵ *Ibid*, p. 100.

⁴⁸⁶ Peter R. Breggin, *The Psychology of Freedom* (Buffalo, NY: Prometheus Books, 1980), p. 83.

express themselves in oppressive environments without “getting their heads bashed in.”⁴⁸⁸

Much of present psychological theory focuses on “adjustment.” People are supposed to adapt happily to whatever world they find themselves in. “With respect to paired human relations, Freud believed that they always are, and should be, based on the domination of one partner and the submission of the other. His political beliefs were essentially Platonic, favoring an intellectual and moral elite dictatorially governing the masses.”⁴⁸⁹

According to this theory, mental illness is not a medical problem. It is a behavioral and relationship problem. “Evidently, in the modern world many people prefer to believe in various kinds of mental illnesses, such as hysteria, hypochondriases, and schizophrenia—rather than admit that those so diagnosed resemble plaintiffs in courts more than they do patients in clinics, and are engaged in making various communications of an unpleasant sort, as might be expected of plaintiffs.”⁴⁹⁰

The diagnosis of mental illness also offers an escape from personal responsibility. Neurosis is a popular malady that places “within the illness category . . . millions of people whose chief deficiency is their inadequate approach to problems and the unrealistic expectations of what life should give them.”⁴⁹¹ In short, maybe we should just “lighten up” and stop oppressing one another.

Part II: Relationships With Others

Now that we have looked at our relationship with ourselves, we are ready to explore our personal relationships with others. *Chapter 3* has already explored our available relationship strategies. In this section, we will look at how relationships become even more difficult when two sets of “inner-families” try to relate to one another. Next, we will challenge the popular notion that suggests that people are the property of other people. The final part of this chapter would have been *Responsible Speaking and Effective Listening Techniques* if time had not run out for making the manuscript edition of this book. (This topic is the title of *Side Two* of a cassette tape I made in 1988 entitled *Decrease Your Conflict—Increase Your Standard of Living*.)

The Merging of Two Inner Families

Relationships can be very complicated. For the sake of simplicity, if we only used the five ego states in Transactional Analysis theory and not the legion of personalities in Gurdjieff theory or many personalities of Multiple Personality Disorder theory, we will still find that relationships are still complicated, and to a large extent unpredictable. To further simplify our scenario, let’s consider a relationship between only two people.

⁴⁸⁸ “‘Honesty is the best policy’ is a familiar English saying. In Hungarian, an equally familiar saying is ‘Tell the truth and get your head bashed in.’” Thomas S. Szasz, M.D., *Op. Cit.*, p. 145.

⁴⁸⁹ *Ibid.*, p. 227.

⁴⁹⁰ *Ibid.*, p. 119.

⁴⁹¹ Garth Wood, *Op. Cit.*, , p. 2.

If each person has five dominant ego states that can run the body with little regard for the desires and preferences of the other ego states, that means twenty-five possible combinations at any given time. In other words, just between two people, twenty-five different relationships are possible. Is it any wonder that the subject of relationships is so complicated? Furthermore, the less self-aware the parties involved are, the more unpredictable relationships will be from moment to moment.

People As Property

Two people becoming one makes for great romance and poetry. In application, however, the outcome is often not so pretty. Because so many people strive toward this ideal, it has been observed that “very few relationships are large enough for one whole person, let alone two.” We need to remember that the prison guard is also in prison. As we allow others to breathe free, we extend the same courtesy to ourselves.

Codependent Relationships and Dysfunctional Families

In recent years we have been hearing more about *codependent relationships* and *dysfunctional families*. For the most part, they are popular buzz-words that are hard to pin down with any precise meaning. Consequently, in spite of all the talk about these problems, they do not seem to be going away.

What I believe to be the essential key to understanding these maladies is understanding the types of relationship strategies being employed by the participants. If we will look at the problem with our ethical lenses on, we will notice that invariably, someone is trying to use force, fraud or guilt to control others.

Very often, spiritual detachment is offered as the cure to codependency. It does make sense that two whole and complete human beings would have better success at creating a healthy relationship. Also, spiritually detached people do enjoy a higher probability of lessening the amount of coercion in their relationships. (If we know we can survive without the relationship, we will not be so fearful and rash in our attempts to keep it.)

However, what’s to be done with us poor souls who are not quite ready for ascension? Wouldn’t it be better to offer behavioral prescriptions so ordinary people do not have to wait for spiritual realization before they can start to enjoy better relationships.? An ideal of non-coercion could go a long way toward making relationships a more positive experience. Besides, what’s wrong with developing a *positive addiction*? When we lose, we will only suffer for awhile, and most likely it won’t kill us (unless it does).

Analyzing dysfunctional families is more difficult than analyzing codependent relationships. Among adults there is no reason to use coercion, except in self-defense. If they cannot agree, they do not have to do business together. On the other hand, children’s need for sustenance, guidance and protection means that the relationship is unequal. Children must be pushed out of

the way of oncoming trains,⁴⁹² and it would be a good idea for them to learn that aggression begets consequences.

Nevertheless, there is still a useful guide available. Earlier chapters have mentioned the difference between metaphysical slavery and manmade slavery. The home universe needs to reflect the demands of nature if it is to be a training ground for autonomous adulthood. Nature is quick, consistent, and doesn't judge our intrinsic value as human beings while administering to us the consequences of our choices. (Were gravity to turn on and off without warning, we would be nervous wrecks—even more than we already are.)

A dysfunctional family is indicated when manmade slavery reigns supreme in the family. Kahlil Gibran offers this perspective: "They come through you but not from you, And though they are with you yet they belong not to you."⁴⁹³ In short, treating people as property is not a good policy, and that includes people in small bodies.

Part III: The Individual and Society

This issue has already been addressed in various chapters throughout this book. Ultimately, psychological, economic and social health depends on our willingness to stop thinking short-term and to start thinking long-term. Instead of ripping people off, and teaching them that we can't be trusted, we would do better to limit ourselves to voluntary association. That way we can spend more time in production and less time looking for new suckers to replace the ones who become wise to us. In other words: **STOP FIGHTING—START WORKING—LIVE BETTER!**

⁴⁹² In our current legal system, a smushed kid is probably preferable to a kid with a broken arm. But no one said that law and logic have to be synonymous.

⁴⁹³ Kahlil Gibran, *The Prophet* (New York: Alfred A. Knopf, Inc., 1986, 115th printing, published 1923), p. 17.

Chapter 10: Philosophical Antecedents to Peace and Prosperity

Ideas are powerful. Victor Hugo went so far as to declare that “An invasion of armies can be resisted, but not an idea whose time has come.” In the short run the sword may be mightier than the pen, but in the long run the pen determines which direction the sword points. Some ideas have inspired people to make massive personal and social transformations against great odds. Other ideas have justified pessimism and complacency in the face of minor difficulties.

Throughout history civilizations have risen and fallen in large measure due to the ideas that guided their actions and policies. In short, *ideas have consequences*. “If the old saying that ‘philosophy bakes no bread’ has its point, it is also true that in the end we do not bake bread or in fact do anything without a philosophy.”⁴⁹⁴

People are Carriers of Ideas

After the Bolshevik revolution, a leading prosecutor named Krylenko declared that he did not see people, but rather “carriers of specific ideas.”⁴⁹⁵ As he carried out his program for exterminating “Kulaks” and other such undesirables, he explained his method as follows: “No matter what the individual qualities [of the defendant], *only one* method of evaluating him is to be applied: evaluation from the point of view of *class expediency*.”⁴⁹⁶ Not only were people allowed to live or required to die based on the kind of ideas they carried, but whether or not they carried the right ideas was assumed to be inherent in their class affiliation. People were allowed to live only so long as their lives were “expedient” for serving the needs of “the people,” namely, those who *claimed* to represent the people. In other words, ideas were used to justify organized plunder on a colossal scale.

On the positive side, other ideas have promoted notions of self-sufficiency and honest trade, which in turn have led to some of the most prosperous and peaceful eras in human history. Of course, only a small portion of human beings who have ever lived on this planet have experienced such a system.

When we choose our ideas, (consciously or unconsciously), we choose our destinies. Therefore, if we desire more control over our lives and our futures, we will want to take some time to learn how philosophical assumptions manifest

⁴⁹⁴ William Barrett, “What Is Existentialism?”, *Adventures of the Mind from the Saturday Evening Post* (New York: Alfred A Knopf, Inc., 1959, 1960, 1961), p. 424.

⁴⁹⁵ Aleksandr I. Solzhenitsyn, *The Gulag Archipelago* (New York: Harper & Row, 1973), p. 308.

⁴⁹⁶ *Ibid.* [Brackets original]

themselves in action, and how action in turn creates the reality we experience every day.

The Power of Belief

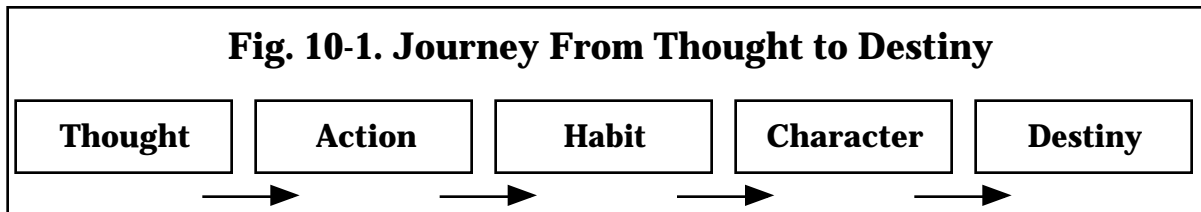
Throughout history there has been much talk about the power of the mind and the power of belief. Much of this talk has been shrouded in mysticism: “somehow” our thoughts transform themselves into their material equivalent. Some declarations are in fact very inspiring.

One of my favorite poems reads:

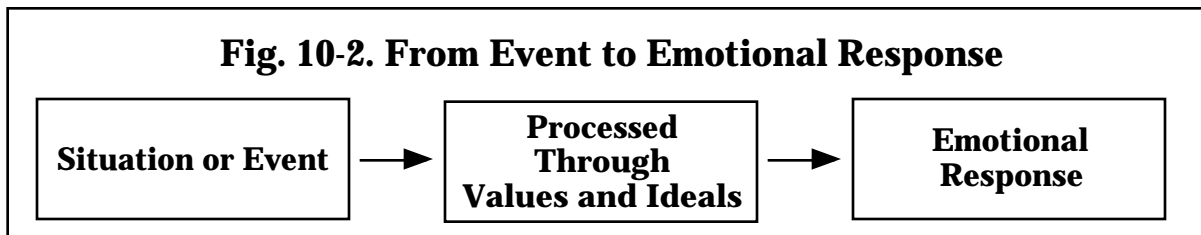
Mind is the master power that moulds and makes,
and man is mind and evermore he takes,
The tool of thought and shaping what he wills
brings forth a thousand joys, a thousand ills.
He thinks in secret and it comes to pass.
Environment is but his looking glass.⁴⁹⁷

This poem is very inspiring emotionally but it doesn't explain *how* our thoughts become our experience.

Somewhere I once heard this formulation: “Sow an action, you reap a habit; sow a habit, you reap a character; sow a character, you reap a destiny.” To that formulation, I have since added, “Sow a thought, you reap an action.” This process is illustrated further by *Figure 10-1*.



For the most part, our thoughts are reactions to people and events in the world around us. In *Chapter 1*, I offered a diagram to demonstrate how our values determine the way we react to people and events. Here is that diagram once again:



Another term for “value system” is “philosophical system.” The way life *is* (or the way we perceive it to be), compared to the way we believe it *should* be, determines how we feel about the world and our place in it. Along the same lines,

⁴⁹⁷ James Allen, *As A Man Thinketh* (Marina del Rey, CA: Devorss & Company), p. 7.

the way we feel about our ability to effect change will determine whether we will work to make changes, or whether we will remain inert.

In this chapter, it will be made clear that *everyone* is a philosopher. The only question is, are we *conscious* philosophers, or are we *unconscious* philosophers? Everyone carries certain assumptions about the world in which they live and about their place in it. As it turns out, most people are unconscious philosophers. Consequently, most of us are driven by forces of which we are unaware.

The Impact of Cultural Assumptions

Like individual human beings, civilizations rise and fall according to the philosophical assumptions that guide their relations among citizens. One might say that there are philosophical assumptions typical of ascending cultures, and there are philosophical assumptions typical of descending cultures.

Generally, the rise and fall of cultures is cyclical. According to Arnold Toynbee, "The historical cycle seems to be: from bondage to spiritual faith; from spiritual faith to courage; from courage to liberty; from liberty to abundance; from abundance to selfishness; from selfishness to apathy; from apathy to dependency; and from dependency back to bondage once more."⁴⁹⁸ Nineteen civilizations are said to have followed this pattern, most often over a span of about 200 years.⁴⁹⁹

Nine steps in 200 years suggest that imperceptible philosophical shifts take place from generation to generation (a generation being somewhere between 20 and 30 years.) Why is this so? A possible clue might be found in a quote inscribed over the doorway of the library at the Colorado University campus in Boulder: "Who knows only his own generation remains always a child."⁵⁰⁰ The majority of the people, each knowing only their own generation, will naturally act on their assumptions which are based on childhood experience. Unless people make a special effort to expand their awareness, childhood events will shape their world-view and guide their actions for as long as they live.

While I cannot explain the complete mechanics of transferring knowledge from one generation to the next, I have a theory. After a number of generations in bondage, a new generation decides to choose faith. The following generation, after growing up in a cultural milieu imbued with an aura of faith decides to adopt an attitude of courage. Then the following generation elects to win freedom, and so on. The complete cycle would look something like *Figure 10-3* on the following page.

Of course, it is one thing to observe the course of events over a period of generations. It is yet another to establish a connection between prevailing philosophical assumptions and the events they pave the way for.

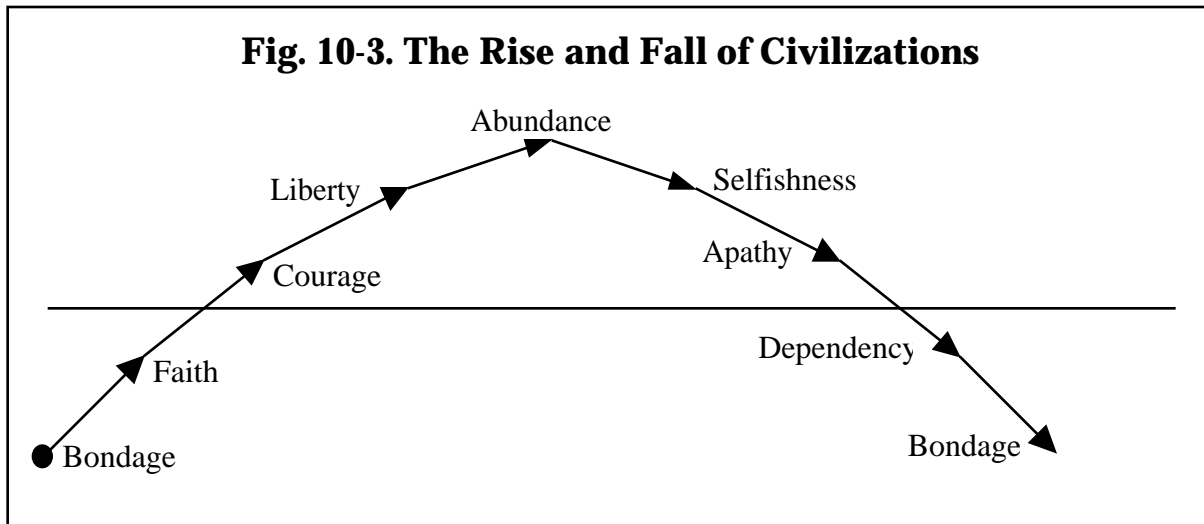
⁴⁹⁸ Quoted in Warren Hackett, *It's Your Choice* (New Rochelle: America's Future, Inc., 1983), pp. 16-17.

⁴⁹⁹ Dean Russell, *Continuum of a Civilization*, Cited in Fred Holden, *Total Power of One in America* (Arvada, CO: Phoenix Enterprises, 1991), p. 14.

⁵⁰⁰ Dr. George Norlin quoted in Elizabeth F. Selleck, "Who knows only his own generation remains always a child," University of Colorado Library Inscription, University of Colorado Libraries, Boulder, Colorado.

The Three Core Philosophical Assumptions

Every philosophy carries with it three types of assumptions about the world and our place in it: *metaphysical* assumptions, *epistemological* assumptions, and *ethical* assumptions. Each assumption is an answer to three fundamental questions. 1. *Metaphysics*: Is it a hostile universe, or is it a nurturing universe? 2. *Epistemology*: Is the mind capable of understanding the world we live in, or are we totally dependent on faith for survival? 3. *Ethics*: Which aspects of human association should be guided by coercion, and which aspects should be left to the discretion of the individuals involved?



The answers we hold in response to these fundamental questions will determine in large part the way we will respond to situations as they arise in our daily lives. Our responses, will in turn create the consequences we must respond to later. In the following paragraphs we will explore each set of assumptions and how they impact our everyday lives.

The first subject this chapter will explore is *Metaphysics*. This is an interesting topic considering that many people are putting a lot of energy in arguing that this world really does not exist, and that our physical bodies are an “illusion.” (Some years back, I happened onto a compromise between the materialists and the “surrealists”: “Reality is an illusion that gains solidity through collusion.”)

Metaphysical Assumptions

In the dictionary, *metaphysics* is described as “1. The branch of philosophy that systematically investigates the nature of first principles and problems of ultimate reality, including the study of being (ontology) and, often, the study of the structure of the universe (cosmology). 2. Speculative or critical philosophy in general.”⁵⁰¹ Metaphysics is the study of the nature of the universe and of our place in it. There has always been speculation about *how* humans have come to exist on

⁵⁰¹ *American Heritage Electronic Dictionary* (Sausalito CA: Writing Tools Group, Inc., 1991).

this planet, *why* we are here, and *where* we are going. Implicit in all of this speculation is the question, “Is the universe friendly, or is it out to get us?”

On one side of the debate, we have Andy Worhol who, during his fifteen or so minutes of fame, suggested that, “Being born is like being kidnapped, and then sold into slavery.” On the other side of the debate, people disagree by saying, “Life is a gift to be enjoyed, not a sentence to be served!”

Our answer to the question of whether or not the universe is friendly is crucial because it will color every action and every relationship. It has been observed that very often we get what we expect, which brings to mind the story of the young man with a wooden eye:

There once was a young man with a wooden eye. Obviously, he wasn’t born that way, so he must have had a traumatic accident that caused him to lose his eye. After the physical pain of his loss went away, the emotional pain of not being “like everyone else” lingered on. As he was single, this caused further problems because he felt too self-conscious to go out and meet people—especially women. However, as fate would have it, a friend of his finally talked him into going to a single’s club. When he walked into the club, the first thing he noticed was a very beautiful woman who seemed perfect in every way except that she had big ears. This seemed very promising because his wooden eye and her big ears would make them more equal. Nevertheless, asking her for a dance seemed very threatening. What if she said “no”?

An hour and four rounds of liquid courage later, he got up, walked across the room, and as calmly as possible he asked, “would you like to dance?” She, with great enthusiasm and excitement responded, “would I, would I!!!” He immediately jumped back and yelled, “big ears, big ears!!!”

Afterward, he thought to himself, “of all the women I could have asked, why did I choose one who could see my wooden eye even in a dimly lit room?” Had he been successful in processing his experience earlier, he would’ve realized that a new and possibly wonderful experience was awaiting him.⁵⁰²

This is a (hopefully) humorous way of pointing out that often we fall victim to what psychologists call a “self-fulfilling prophecy.” Very often we do get what we expect.

On the other hand, we don’t always get what we expect. The world around us demonstrates a certain stubbornness as well. As was stated in the introduction, life demands that we perform certain basic activities in order to maintain our material existence. In other words, we are faced with a certain amount of *metaphysical slavery*.

A large part of the world persists in being what it is, with little regard for our opinion of it. (In *Chapter 5*, we noted that not only do individuals collapse when they fight nature, so do whole civilizations.) This, then, is our dilemma—where does the intransigence of the universe leave off, and where does “free will” begin.

The “Humans are Powerless” Scenario

Some metaphysical systems insist that our lives and even the minute events in our lives are predestined. People are seen as marionettes on strings, pulled this way or that for the amusement of God or some other cosmic entity. These people

⁵⁰² Larry Barnhart, *Your Power to Create Love*, Side Two.

would have us believe that life is a large prison camp, and that humans are helpless in the face of overwhelming forces.

Another variation of the “humanity is powerless” theory is the notion that reality is so fluid that it is unknowable. Instead of reality being hard and merciless, which can offer some security, reality is held to be mushy and indefinable: A does not equal A, and two plus two can be anything you like. (Especially if you enjoy political power.)

The “Humans are All-Powerful” Scenario

At the other extreme, we have some New Age churches who would have us believe that the universe is infinitely malleable to our whims, and that the world and all who dwell therein are marionettes to our consciousness. From the pulpit you will hear declarations like, “don’t bother me with the details—I’m into consciousness.” These teachings are very popular because they teach a happy scenario that makes people feel good. Unfortunately, many of those believers focus so much on “consciousness” that they fail to take time to gain the specialized knowledge necessary to win the success they dream of. Sometimes, when their faith fails, they collapse from illusions of grandeur and descend into absolute hopelessness.

The more thoughtful people often run into this dilemma: “When something annoys me, I say that ‘something’ doesn’t exist. And if it doesn’t exist, it cannot annoy me. Then something else annoys me—my self-deception.”⁵⁰³

Exploring the Middle-Ground

In between these two extremes is the theory of “emergent probability.”⁵⁰⁴ This theory admits that constraints are placed on us by nature as the price of our survival, and yet it suggests that a range of choices is available to each of us at any given moment. The choice we make at one moment determines the range of choices that will be available in the next moment. As an example, consider *Figure 10-4* on the next page.

In this example, planning for the future by saving money is used. This principle holds true for any goal we might have. Success or failure is not accomplished by one single effort, but is rather the result of a long series of efforts. In the words Og Mandino put into the mouth of the Ragpicker, “Remember that the most difficult tasks are consummated, not by a single explosive burst of energy or effort, but by consistent daily application of the best you have within you.”⁵⁰⁵

Yes, there is much we do not know about this reality we live in. “The most intelligent efforts can end in failure. Sheer luck can sometimes bring success.”⁵⁰⁶ Often it seems that achieving success is too haphazard and that no principles can be divined which would make our results more predictable. In truth, the majority of our efforts do not yield the outcomes we had envisioned, “But over the long run,

⁵⁰³ Paul B. Lowney, *The Big Book of Glee* (New York: Dodd, Mead and Company, 1968), p. 24.

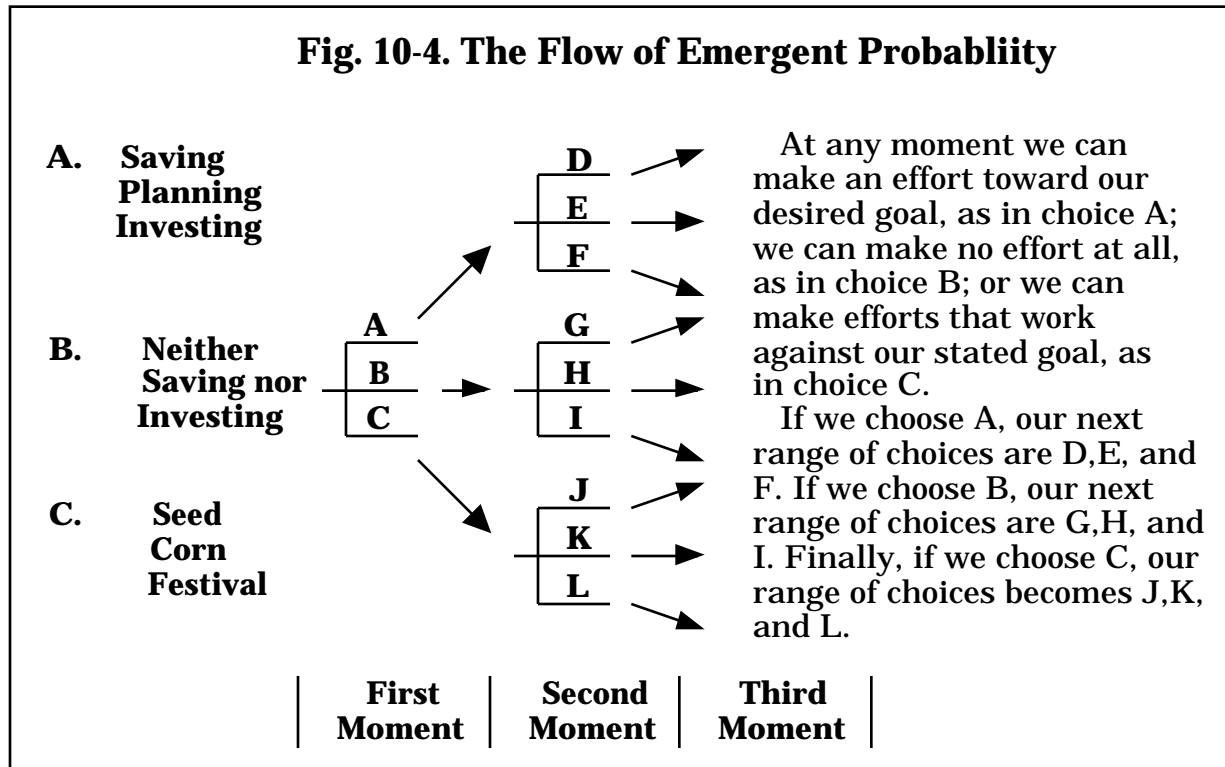
⁵⁰⁴ Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon & Schuster, 1982), pp. 72–77.

⁵⁰⁵ Og Mandino, *The Greatest Miracle in the World* (New York: Bantam Books, 1977), p. 85.

⁵⁰⁶ Michael Novak, *Op. Cit.*, p. 76.

humans face a world of risk to which intelligence is sufficiently matched to wrest significant successes.⁵⁰⁷

When we observe the high rate of failure and all the unplanned deflections we experience, we can argue that life is a crap shoot, and that there is no reason to even try in the first place. On the other hand, we should not dismiss examples like Thomas Edison if we are to have any hope of positively affecting our destinies. When someone asked him about how he felt after having failed 14,000 times while inventing the light bulb, he responded by saying that he did not fail. Rather, he had *successfully* found 14,000 ways that did not work.



Rollo May offers an excellent summation of what this rational middle ground consists of: “Intentionality, in human experience, is what underlies will and decision. . . Intentionality does not rule out deterministic influence, but places the whole problem of determinism and freedom on a deeper plane.”⁵⁰⁸

Is the Universe Friend or Foe?

Is the universe hostile, or is it nurturing? The answer to that question depends in large part on the demands we are placing on it. If we behave like hellions and expect paradise in return, we are bound to be disappointed. On the other hand, if we ask nature to give us a moderately stable playground and some clues to help us unlock her secrets so we can enjoy her gifts, we would conclude

⁵⁰⁷ *Ibid.*

⁵⁰⁸ Rollo May, *Love and Will* (New York: Dell Publishing, 1969), p. 199.

that the universe is nurturing. If we assume that the work necessary to maintain our existence is a burden unjustly imposed, then the universe is hostile. If we embrace those same demands as an opportunity for personal growth and mastery, not to mention an arena for exploration and wonderment, we will conclude that the universe is nurturing. This brings us back to the age-old question: "Is your glass half empty or is it half full?"

Because individuals react to events differently, depending on their world view, some people's lives improve gradually while others decline. As for a culture or a civilization, when a larger percentage of individuals embrace one view or the other, the whole culture ascends or descends accordingly.

On balance, I would vote in favor of our universe being a nurturing place to exist. Human beings have been running around the planet like a bunch of maniacs for centuries, and yet over five billion of us are still alive in spite of ourselves. If there is cause for surprise, it is that we do not fare even more poorly.

Basic Metaphysical Questions

Now that we have considered the psychological ramifications of our metaphysical assumptions, it will be useful to look at some of the philosophical issues underlying metaphysical arguments. Some of these questions are: 1. Are the objects we perceive real or illusory? 2. Is there a world apart from consciousness? 3. Is reality reducible to a single substance? 4. If so, is it material or spiritual? 5. Is the universe orderly and intelligible or chaotic and incomprehensible?

1. Are the objects we perceive real or illusory?

The evidence of our senses tells us that people and objects who give us either pain or pleasure are very real. Generally, this question comes up only for those who have had the time or the need to do more than simply take life for granted.

Philosophers from Plato to the Hindus to Metaphysical Transcendentalists have been proclaiming for centuries that our everyday world is an illusion, or *maya*. Plato and the Hindus observed that people are born, they live for awhile, and then they die. Because of the unstoppable nature of change, they declared, "This can't be for real!" (Such a proclamation may have been too colloquial even for that time, so they shrouded it with a mystical term: *maya*.)

Early philosophers found that by shifting their focus of identification from the fleeting to the changeless, they could face the travails of life with greater equanimity. An attitude of equanimity is useful because it can help us delay our responses to situations, which in turn gives us more options. On the downside, devaluing this life in favor of the next life carries a few hazards of its own.

Are objects real or illusory? First, let's ask, what is the penalty for having the wrong answer? Also, what outcome do we seek as a reward for answering this question correctly?

In this world we can speculate that the relation between the top of a cliff and the valley floor below is simply a matter of perception. Modern physics gives weight to this idea by telling us that, on a sub-atomic level, an automobile is

composed of more space than matter.⁵⁰⁹ That may be true on a sub-atomic level, but do we really want to walk off cliffs or in front of automobiles with full confidence that they are simply *maya*? I have hit my finger with a hammer and have endured other forms of physical discomfort. Each time, I concluded that “this is real enough for me.”

Regarding the next world, if we are concerned about pleasing a distempered deity, or are desperate to escape the wheel of karma, we may prefer to believe that this world is illusory, and then guide our energies accordingly. If the “father-mother-creator” is as angry as some speculations make her/him out to be, we had better believe, do what we are told, and then hope for the best.

In the end, the world beyond our senses will be what it is with no concern for our opinion of it. If we fly at each other’s throats trying to gain favor with the unknown because this world is illusory, it will continue to be what it is. If we treat each other and the objects around us as real, and work to make this life nicer, it will continue to be what it is. Consequently, the final question becomes, what kind of life do we wish to experience, and which assumption will best guide our actions toward that end?

2. Is there a world apart from consciousness?

Some philosophies hold that the world is very much outside of us and that it presses down on us heavily. Others insist that the world is simply a reflection of our consciousness. Some even go so far as to suggest that all the objects and other people around us are merely marionettes to our consciousness.

Recently, more weight is being given to the latter view due to some daring interpretations of quantum theory. One speaker I heard was ecstatic when he reported that scientists found it impossible to observe quarks because, apparently, the mind-energy emitted during observation made it impossible for those quarks to stand still. Hence, the axiom, “for the observer not to affect the observed, the observer must be infinitely far away.” Any day now, supposedly, a scientist will command: “move thee mountain!”, and it will meekly obey. This is taken to mean that the science of today has joined forces with religious wisdom of 2,000 years ago.

When I was on the farm, we spent a lot of time digging ditches. Never once did it occur to me that just because my mind could command my body to move shovel loads of dirt, it could move mountains of dirt with one mighty burst of wishful energy. (The fantasy, however, did cross my mind frequently.) No basketball player would infer from the fact that because his body can bounce a basketball, it can do the same to mountains. Yet, these speakers suggest that because we can bounce quarks around with the energy of our thoughts, we should be able to bounce mountains around in the same way.

Fortunately, there is plenty of middle ground between these two extremes. Life offers plenty of uncertainty and yet it does respond to many of our inputs. Once again, it is good to consider the concept of emergent probability.

⁵⁰⁹ Gary Zukav, *The Dancing Wu Li Masters* (New York: Bantam Books, 1979).

3. Is reality reducible to a single substance?

Thousands of years ago philosophers suggested that atoms are the fundamental building blocks from which everything else is made. Today, that is considered common knowledge. In fact, atoms are now further broken down into parts called protons, neutrons and electrons. Furthermore, if atoms are abused enough, they will split-up and blow off a lot of energy.

In recent years there has been talk of neutrinos that are supposed to pass through whole planets without colliding into anything because they are so small. And of course, we can't forget their little friends, the quarks.

Each step toward finding smaller building blocks of material reality brings us closer to determining whether or not there is a common substance. However, it is unlikely we can ever know with certainty that we have finally discovered the primordial ether.

4. If so, is it material or spiritual?

The very structure of this question betrays an assumption on the part of the questioner. It suggests that there is a clear dividing line between spiritual and material dimensions. Typically, the dividing line between spiritual and material is considered to be found where the evidence of the senses leaves off and the world beyond the senses begins.

The last century has seen the world of the senses expand, thanks to radio, x-rays, and other such devices we use to exploit or to measure phenomena that our five senses cannot perceive directly. If we continue to use the "evidence of the senses" approach, these developments would suggest that the material world is expanding, and the spiritual world is contracting.

Is the world spiritual, or is it material? Why can't it be both. Does the world stop being material simply because we no longer perceive it with our five senses? Does the world beyond the senses become spiritual merely because we cannot perceive it with our senses?

A human being is made up of cells which are made up of molecules which are made up of atoms which are made up of electrons, protons and neutrons, which are made up of quarks which are made up of whatever. Each level of materiality resides within the coarser levels. Therefore, why bother trying to hunt for that magic dividing line? Even more important, what would we do with that information if we did find it?

One of Einstein's revolutionary ideas said that matter and energy are interchangeable. Matter becomes energy and energy becomes matter. As for the issue of spirituality verses materiality, I call upon two philosophers who, by approaching the subject from opposite directions, will help me make a central point. Gurdjieff is reported to have said that "everything in the universe is material." Just because something is too small for us to see it does not mean that it is not material in nature. On the other hand, Ernest Holmes said that "we are at this moment as immortal as we are ever going to be." Regardless of whether we are immortal or not, this remains a perfectly logical statement—we *are* as immortal as we are ever going to be.

Therefore, I conclude that any common-source-substance would have to be both spiritual and material at the same time.

5. Is the universe orderly and intelligible or chaotic and incomprehensible?

This question also has epistemological implications. If we believe the universe is comprehensible to the human mind, we will work harder to divine its mysteries than we will if we believe it is beyond our grasp. As I have already stated, knowledge is not perfect, and we operate within the realm of probability, but our actions, which arise from our beliefs, do have the power to put us on the positive side of “emergent probability.”

6. The mind-body problem

Is the mind, or spirit, separate from the body? The mind and body are interrelated, and may or may not be one and the same. We can “observe” our bodies, our emotions and our thoughts. This may be the best evidence of a separation between the two. However, just because a spark of vanity within us declares, “surely I am too important to just be around for a few years and then simply disappear,” does that obligate the universe to make us immortal?

7. Free will verses determinism

The debate between proponents of free-will and proponents of determinism has been going on for centuries. Sometimes the advocates of free-will win the day, and at other times the advocates of determinism win the day. Although we may never know the ultimate truth about which is true, history does give us some valuable clues. Where belief in free will is strong, cultures usually grow and prosper. Where belief in determinism predominates, cultures decline. Consequently, even if there is no free will, it is best to act as though there is.

8. Personal identity

Are individual human beings real, or are they simply insignificant parts of a larger entity? The practical implications of this question are probably more important than the cosmological implications. If individuals are real, then they have a right to live according to their own vision. If they are not, then individuals will be transformed into cannon fodder for the designs of anyone who claims to represent that higher entity everyone is supposedly a part of.

9. Permanence and change

Change is the essence of our experience. If we are afraid of change, speculation about the “changeless” may be comforting, but it may also be misleading.

Which is more real—that which changes, or that which is permanent? Philosophers have been worshipping at the alter of permanence for centuries. However, to declare that anything that changes is less valuable than anything believed to be permanent is to make an arbitrary value judgment. Such a judgment says more about how we have adjusted to the temporary nature of our existence than it says about reality itself. To fight change is to fight life.

10. Do entities have an inherent nature?

Does A equal A, or can it equal B if only we will declare it so? Must a thing be what it is, or can it change in response to a whim? The idea that reality can be infinitely malleable to our wishes has been popular through the centuries. “The nature of certain things, according to the primitive man’s conception, might have an essential duality, similar to that of the electron in physics. With primitive people this is possible, because, as is already shown, in certain fields they do not possess well defined abstract concepts, but rather images which do not exclude each other by the contradiction of the A verse non-A scheme, but leave the possibility, just because the A concept is not defined, that an object might be neither A, nor non-A.”⁵¹⁰

What does all that mean? If a concept is not defined, it can be anything we like. There is, however, a price to be paid for this luxury. The same universe that can give us what we want through a whim can also take it away through a whim. Cultures that have accepted this way of seeing the universe have generally lived on “a wing and a prayer.”

On the other hand, cultures that have progressed so they are not swept away every time a natural calamity happens have generally stuck closer to the A equals A premise. “The idea that A could at the same time be non-A or that to prefer A to B could at the same time be to prefer B to A is simply inconceivable and absurd to the human mind. . . . We cannot think of a world without causality and teleology.”⁵¹¹

Bringing this subject closer to home, it is worth noting that in America, the notion that A equals non-A is coming into vogue at the same time as we are having a seed-corn festival. Judging by the policies that are being implemented, many people believe we can consume our capital and have it too. And as regards political discourse, many insist that coercion is not coercion so long as we do not define it as such.

Summary on Metaphysics

To sum up the subject of metaphysical assumptions, the primary issue is: is the universe hostile or is it nurturing? If we believe it is hostile, we will assume that the best defense is a good offense. This means that we will often cause conflict where none would have existed otherwise.

On the other hand, if we believe that the universe is nurturing (at least until it is time for us to be “harvested”), then we will not be as inclined to overreact to situations that develop in our daily lives. Of course, the more people accept the idea of a nurturing universe, the more peaceful and prosperous they will become.

Now we are ready to look at the epistemological assumptions and how they influence the way we cope with life’s challenges.

⁵¹⁰ Anton Dumitriu, *History of Logic*, Vol. 1 (Kent, England: Abacus Press, 1977), p. 11.

⁵¹¹ Ludwig von Mises, *Human Action: A Treatise on Economics* (Chicago: Henry Regnery Company, 1966), p. 35.

Epistemological Assumptions

The subject of epistemology was dealt with at length in *Chapter 1*. However, it will not hurt if we review some basic principles again. Like all other theories, epistemological theories cover the range of possibilities.

“The word epistemology comes from the Greek words episteme (‘knowledge’) and logos (‘theory’). A common definition of epistemology is theory of knowledge.”⁵¹² The study of epistemology offers us a way to understand how we know what we know.

Interestingly enough, “[e]pistemology began in Greece with the Sophists, who challenged the possibility of knowledge.”⁵¹³ The different theories tend to criss-cross each other in a dizzying array of possibilities. To cover all possibilities, we would need volumes. Basically, there are four categories of epistemological theory: mysticism, skepticism, subjectivism and objectivism.

Mysticism

“In the history of philosophy . . . [m]en have been taught either that knowledge is impossible (skepticism) or that it is available without effort (mysticism).”⁵¹⁴ In this section, we will look at mysticism. The idea of gaining knowledge without having to work for it has been a very attractive notion for many people. So attractive, in fact, that many promoters have become wealthy selling the promise of learning while asleep. The lack of widespread success has done little to dampen people’s enthusiasm for effortless learning.

Rollo May, in his book, *The Courage to Create*, explored the methods of creative people in depth. One key point he made, which is often overlooked, is that the creative people such as Thomas Edison and Albert Einstein did lots of work and study *before* they rested. Thomas Edison believed that all ideas ever thought by anyone were stored in the ether (something like the Akashic Records) and was therefore available to anyone who aligned their energy with those thoughts. He also believed that work and study was necessary in order to facilitate that alignment.

The main consequence of mysticism arises when people succumb to its promise of knowledge without effort. “Everyone knows very well that if, for instance, a man wants to learn Chinese, it will take several years of intense work; everyone knows that five years are needed to grasp the principles of medicine, and perhaps twice as many years for the study of painting and music. And yet there are theories which affirm that knowledge can come to people without any effort on their part, that they can acquire it *even in sleep*. The very existence of such theories constitutes an additional explanation of why knowledge cannot come to people.”⁵¹⁵ In short, people will not work for what they believe should be had for free.

⁵¹² Donald Gotterbarn, “Epistemology,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

⁵¹³ *Ibid.*

⁵¹⁴ Ayn Rand, *Introduction to Objectivist Epistemology* (New York: New American Library, 1966), p. 105.

⁵¹⁵ G.I. Gurdjieff quoted in P.D. Ouspensky, *In Search of the Miraculous* (New York: Harcourt Brace, 1949), p. 39.

Another aspect of mysticism is that, far from making life simpler, it makes life much more overwhelming and scary. “There are no people, however ‘primitive,’ they are, who see the world as a simple place. In fact, the more ‘primitive’ they are, the more complicated and elaborate the assumed underlying structure of reality in their languages.”⁵¹⁶ In addition, “research carried out among the indigenous peoples of Oceania, the Americas, and sub-Saharan Africa has revealed rich and very complex religions, which organize the smallest details of the people’s lives. . . .”⁵¹⁷

A world where every rock has its own spirit with its own capricious moods and deadly power is not a reassuring place to live in. While our knowledge of the world of atoms has us risking self-annihilation, we at least know that if we do ourselves in, we have only ourselves to blame.

Another term for the beliefs described in the last paragraph is *animism*. “Animism is the belief that a spirit or divinity resides within every object, controlling its existence and influencing human life and events in the natural world.”⁵¹⁸ In other words, matter is active and humans are passive. Such a belief system is not calculated to energize people so they will shape the material world more to their liking.

It may be surprising, but animism takes on many forms. In America, we have two large camps of people who believe in some brand of animism—conservatives and liberals. Conservatives hold that drugs are active and that people are passive, therefore drugs must be outlawed in order to protect the helpless masses. Liberals hold that guns are active and people are passive, therefore guns must be outlawed. Thus far, we haven’t gotten to the point that cars are active, requiring them to be outlawed to protect those passive and helpless little human creatures.

Another aspect of philosophical animism that is manifesting in the land of the free and the brave are civil asset forfeiture laws. (Which, according to the encyclopedia, are prohibited.⁵¹⁹) Since the RICO laws were passed in the 1980s, legal theory from the Middle Ages has been resurrected. The notion that property can be charged with a crime totally apart from the property’s owner has been revived. Court cases with names such as *United States v. 667 Bottles of Wine* and *United States v. \$405,089.23*⁵²⁰ inform us that the government is once again free of the chains of the constitution because property is not a citizen, and therefore does not merit due process. (It goes without saying that when property is deprived of due process, the owner who depends on that property for survival is also deprived of due process.)

⁵¹⁶ Richard Mitchell, *Less Than Words Can Say* (Boston MA: Little, Brown & Company, 1979), p. 27.

⁵¹⁷ Charles H. Long, “Primitive Religion,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

⁵¹⁸ Christian Clerk, “Animism,” *Ibid.*

⁵¹⁹ “Forfeiture of an estate as punishment for a crime was common during the Middle Ages under Feudalism, but is generally prohibited today.” “Forfeiture,” *Ibid.*

⁵²⁰ “Court Rules Forfeiture Violates Double Jeopardy Clause,” *Colorado Liberty*, Oct/Nov 1994, p. 10.

There are some who say, “Everything begins in mysticism and ends in politics.”⁵²¹ However, words like *everything*, *nothing*, *always*, and *never* need to be used cautiously. A more balanced assessment of the hazards of mysticism is offered by Peter Breggin: “Think about the last person you saw who praised emotion over rationality. The odds are that this person was an oppressor, the victim of an oppressor, or both. Oppressors play on emotions to control the reactivity of their victims, and the oppressed in turn play on the guilt of their oppressors in order to remain helplessly dependent.”⁵²²

Skepticism

*** The next epistemological category is skepticism—knowledge is not possible. A philosophy of skepticism is different from the skepticism that is used by scientists as a means of testing hypotheses more rigorously.

Descartes adopted the strategy of withholding his belief from anything that was not entirely certain and indubitable. To test which of his previous beliefs could meet these conditions, he subjected them to a series of skeptical hypotheses. For example, he asked himself whether he could be certain he was not dreaming. His most powerful skeptical hypothesis, that there is an evil genius trying to deceive him, challenges not only the belief that the physical world exists, but also belief in simple statements of fact, and thus would seem to call into question the validity of reason itself. But not even an evil genius could deceive someone into believing falsely that he existed. “I think, therefore I am” is thus beyond skeptical doubt. From this Archimedean point, “I think, therefore I am,” Descartes attempted to regain the world called into doubt by his skeptical hypotheses. His solution to the problem was rejected by later generations, however, and philosophers have been struggling with skepticism—especially skepticism about the existence of the physical world—ever since.⁵²³

Of course, philosophers did not start struggling with the existence of the physical world because of Decartes’ philosophy. They had already been struggling with the existence of the physical world for centuries. The Eastern world decided that human suffering couldn’t be for real, and was therefore *maya*. Plato asserted the same hypothesis with his allegory of the wall.

In the modern Western world, there is too much daily evidence of the mind’s ability to chart cause and effect relationships to dismiss it off hand. When an automobile with thousands of component parts can be relied upon to start at least 99 percent of the time, it is hard to say that we are unable to make probability work in our favor. Instead, skepticism has had its beginning with areas such as economics, ethics, morality, law, and even the natural sciences.

According to Ludwig von Mises, “The revolt against reason . . . did not aim at the natural sciences, but at economics. The attack against the natural sciences was only the logically necessary outcome of the attack against economics. It was impermissible to dethrone reason in one field only and not to question it in other

⁵²¹ Charles Peguy quoted in Michael C. Thomsett, *A Treasury of Business Quotations* (New York: Ballantine Books, 1990), p. 101.

⁵²² Peter R. Breggin, *The Psychology of Freedom* (Buffalo, NY: Prometheus Books, 1980), p.

49.

⁵²³ Paul Hoffman, “Cartesian Philosophy,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

branches of knowledge also.”⁵²⁴ Other manifestations of skepticism are ethical relativism, legal positivism, and “science by press release.” These, however, are better dealt with under the heading of *subjectivism*.

Before leaving the subject of skepticism, it is worth noting the social consequences of policies developed by intellectuals who are driven by epistemological skepticism. “Pollsters have discovered widespread skepticism about almost every area of life: only fifty percent of those eligible vote, and this percentage has been steadily declining; and in the area of work, 45 percent believe that hard work no longer pays off, and that percentage is even higher among those earning less than \$20,000 per year.”⁵²⁵ Naturally, if intellectuals believe that the world is unknowable to reason when they write the laws, the people are bound to agree once they have lived for awhile under those laws.

Subjectivism

Subjectivist epistemology is actually a sub-category of skepticism: “Subjectivism, imperativism, and emotivism are . . . forms of skepticism.”⁵²⁶ Subjectivism, even as a sub-category, deserves special attention because its implied assumptions can motivate behavior that is other-than-life-enhancing.

Subjectivism suggests that everything is simply a matter of opinion. In the olden days, “The Sophist Protagoras, an epistemological subjectivist . . . explained that since all knowledge is dependent on a person’s experience, for which that individual alone is judge, knowledge is relative to each individual.”⁵²⁷ One form of subjectivism says that our mind creates reality. Another form of subjectivism says that reality is simply a matter of opinion.

The first form of subjectivism is also called idealism. “[I]n ordinary idealism the individual subject’s awareness is the basic element of reality, in Kant’s transcendental idealism the subject in general—not a particular subject, but the universal structure of all subjects—is the basic element of reality.”⁵²⁸ Idealism is popular in some segments of America, such as the New Age movement, because it promises the individual great power to fulfill goals. However, when they are questioned with why tragedies happened, individual idealism is replaced with transcendental ideal, and the responsibility is placed on some higher self, of which we are a part, and who has designs we do not understand.

The new physics bears testament to this idealism. “May the universe in some strange sense be ‘brought into being’ by the participation of those who participate? . . . The vital act is the act of participation. ‘Participator’ is the incontrovertible new concept given by quantum mechanics. It strikes down the term ‘observer’ of classical theory, the man who stands safely behind the thick glass wall and watches what goes on without taking part. It can’t be done,

⁵²⁴ Ludwig von Mises, *Op. Cit.*, p. 73.

⁵²⁵ Charles Colson and Jack Eckerd, *Why America Doesn’t Work* (Dallas: Word Publishing, 1991), p. 175.

⁵²⁶ Marcus G. Singer, “Ethics,” *Op. Cit.*,

⁵²⁷ Donald Gotterbarn, “Epistemology,” *Op. Cit.*

⁵²⁸ J.T. Moore, “Idealism,” *Op. Cit.*

quantum mechanics says.”⁵²⁹ What has been the general response to this theory? “It is ironic that while Bohm’s theories are received with some skepticism by most professional physicists, they would find an immediately sympathetic reception among thousands of people in our culture who have turned their backs on science in their own quest for the ultimate nature of reality.”⁵³⁰

What has been some of the social consequences of idealism applied? “Sir Percy Nunn attributes the social aim of education at present to Hegel. ‘From the idealism of Hegel more than from any other source, the Prussian mind derived its fanatical belief in the absolute value of the State, its deadly doctrine that the State can admit no moral authority greater than its own, and that the University should be used as an instrument to ingrain these notions into the soul of the whole people.’”⁵³¹ Did this “transcendental idealism” die with Nazi Germany? No, it found a new life in America.

“In 1889 William T. Harris was appointed to the post of the first United States Commissioner of Education, occupying this position until 1906. . . . At the same time, as a member of the St. Louis group of Hegelians, as founder and editor of the *Journal of Speculative Philosophy* (1867-1893), and as one of the organizers and participants of the Concord School of Philosophy (1879-1887), he contributed to the formulation of philosophical idealism in the United States and its applications to education.”⁵³² “American pragmatism is a continuation of the central ideas of Kant and Hegel. It is *German metaphysical idealism* given an activist development. . . . The essence of mind, both concluded, is not to be a perceiver of reality, but to be the *creator* of reality.”⁵³³

Regarding reality being simply a matter of opinion, a case in point is legal positivism—the notion that an unjust law is a logical impossibility. In practice, this concept boils down to “might makes right.” In the same vein, ethical relativism, insists that there is no basis for determining ethical behavior, other than community norms. Thus the ethics of cannibal societies are not to be questioned by non-cannibal societies.

Finally, we would be remiss if we were to ignore scientific and logical relativism. “Marxian polylogism asserts that the logical structure of the mind is different with the members of various social classes. Racial polylogism differs from Marxian polylogism only in so far as it ascribes to each race a peculiar logical structure of mind and maintains that all members of a definite race, no matter what their class affiliation may be, are endowed with this peculiar logical structure.”⁵³⁴ Of course, their practices differed considerably from their theories. “The technology of Soviet Russia uses without scruple all the results of bourgeois physics, chemistry, and biology just as if they were valid for all classes. The Nazi

⁵²⁹ John Wheeler quoted in Gary Zukav, *The Dancing Wu Li Masters* (New York: Bantam Books, 1979) p. 29.

⁵³⁰ *Ibid.*, pp. 309-310.

⁵³¹ Shanti Swarup Gupta, *The Economic Philosophy of Mahatma Gandhi* (Delhi: Ashok Publishing House, 1968), p. 174.

⁵³² V.T. Thayer, *Formative Ideas in American Education* (New York: Dodd, Mead & Co., 1967), p. 161.

⁵³³ Leonard Peikoff, *Ominous Parallels* (Briarcliff Manor, NY: Stein & Day, 1982), p. 124. [Italics original.]

⁵³⁴ Ludwig von Mises, *Op. Cit.*, p. 75.

engineers and physicians did not disdain to utilize the theories, discoveries and inventions of 'inferior' races and nations."⁵³⁵

Today, we have "science by press release" where the preliminary results of studies that have not been verified are broadcast as newly confirmed discoveries requiring immediate political action. In *Chapter 8*, the section on environmental toxicity mentioned studies where rats were fed an equivalent of 800 cans of diet soda a day, and then with the aid of statistics, it was determined that cancer was inevitable. "Such claims as a thousand different things each causing cancer in a handful of cases are proof of nothing but that the actual causes are not as yet known—and, beyond that, an indication of the breakdown of epistemology in science."⁵³⁶ Also, consider this:

Until this year, no one thought that you were in a drought when flood waters were carrying cars away. But now, through the magic of redefinition, the drought is not over until the reservoirs get back up to where they were before the previous years of drought. By this new definition, there might have been a drought while Noah's ark was riding the waves. Unfortunately, this kind of redefinition is nothing new in politics and bureaucracies. What is more amazing than this verbal sleight-of-hand, however, is that there are grown men and women who take it seriously. Perhaps it is yet another example of the failure of our educational system that people cannot see through words to analyze reality.⁵³⁷

What are the results of such, what is coming to be called, "junk science," on our laws and in our court system? P. J. O'Rourke puts it in perspective: "Certain ecological doom-boosters are not only unreasonable in their attitude toward business; they're unreasonable in their attitude toward reason. I can understand harboring mistrust of technology. I myself wouldn't be inclined to picnic nude at Bhopal. But to mistrust science and deny the validity of the scientific method is to resign your job as a human. You'd better go look for work as a plant or a wild animal."⁵³⁸

Objectivism

The encyclopedia traces objectivism back to Plato and his assertion that the objects we observe have an independent existence from us.⁵³⁹ Although the author described Plato's objectivism as an "epistemological objectivism," it is actually more of a metaphysical objectivism. When he explained how we perceived that independent reality, he relied heavily on mysticism.

Aristotle asserted that objects observed by our senses have an existence of their own apart from us, and that, by applying principles of logic to sense experience, we can chart cause and effect relationships. This viewpoint could be summarized thusly: "It is vain to object that life and reality are not logical. Life

⁵³⁵ *Ibid.*, pp. 5-6.

⁵³⁶ George Reisman, "The Toxicity of Environmentalism", *The Freeman*, September 1992, p. 340.

⁵³⁷ Thomas Sowell, "The best investments are made by people, not politicians," *Rocky Mountain News*, Feb. 3, 1993.

⁵³⁸ P.J. O'Rourke, *A Parliament of Whores: A Lone Humorist Attempts to Explain the Entire U.S. Government* (New York: The Atlantic Monthly Press, 1991), p. 197.

⁵³⁹ Donald Gotterbarn, "Epistemology," *Op. Cit.*

and reality are neither logical or illogical; they are simply given. But logic is the only tool available to man for the comprehension of both.”⁵⁴⁰

It is worth noting that wherever and whenever objectivism was embraced, peace and prosperity increased, and that wherever and whenever it was disdained, poverty and conflict increased. Luckily, The Middle East enjoyed a Renaissance during Europe’s Dark and Middle Ages, thereby preserving Aristotle’s writings so they could be reclaimed by Europe during its Renaissance. Since then, the Middle East has opted for mysticism, and the results are apparent for all to see. Our present danger is that objectivism may lose its hold in the Western world before another part of the world is ready to lift itself out of mysticism and subjectivism. This would mean that no one would be left to carry the baton onto the next Renaissance.

Objectivism does not claim omniscience for the human species, but it does proclaim that by applying logic to sense experience, we can gradually and continually improve our lot in life. “Natural science does not render the future predictable. It makes it possible to foretell the results to be obtained by definite actions. But it leaves unpredictable two spheres: that of insufficiently known natural phenomena and that of human acts of choice. Our ignorance with regard to these two spheres taints all human actions with uncertainty. Apodictic certainty is only within the orbit of the deductive system of aprioristic theory. The most that can be attained with regard to reality is probability.”⁵⁴¹

Objectivism does not demand all or nothing. “Knowing reality means constructing systems of transformations that correspond, more or less adequately, to reality. . . Knowledge, then, is a series of transformations that become progressively adequate.”⁵⁴² It is willing to allow people to develop in their own time. Francis Bacon summed it up well: “An acre of Middlesex is better than a principality in Utopia. The smallest actual good is better than the most magnificent promises of impossibilities.”⁵⁴³

What kind of society will best support objectivism. A Buddhist paper advocating religious tolerance offers an excellent summation:

[I]n our relationship to the truth, or reality, it is not possible for human beings to negotiate with nature, to bring it over to their side. We must clearly distinguish these two different kinds of relationship. Among ourselves, human beings can relate with goodwill and dialogue, but in our relationship with nature or reality, we must work through wisdom, we must adhere to the truth. It is the use of wisdom which leads to freedom. We should not make compromises with reality, but should instead really try to understand it. In order to understand reality there should be unrestricted opportunity to investigate it with reason.⁵⁴⁴

⁵⁴⁰ Ludwig von Mises, *Op. Cit.*, p. 67.

⁵⁴¹ *Ibid.*, p. 105.

⁵⁴² Jean Piaget, translated by Eleanor Duckworth, *Genetic Epistemology* (New York: Columbia University Press, 1970), p. 9.

⁵⁴³ Bergan Evans (ed.), *Dictionary of Quotations* (New York: Avenel Books, 1978), p. 5.

⁵⁴⁴ Bhikkhu P.A. Payutto (Pra Debvedi), *A Buddhist Solution For the Twenty-first Century*, (for 1993 Parliament of the World’s Religions, Chicago, Illinois, U.S.A., August 28 — September 4, 1993), p. 28.

In other words, individuals need to be free to work toward peaceful goals in such a way as to allow others to do the same. Epistemologically speaking, “*Freedom is the freedom to say that two plus two make four.*”⁵⁴⁵

Summary on Epistemology

The first three types of epistemology are basically mystical and emotional in nature. The final type of epistemology focuses on the use of reason applied to the evidence of the senses as the primary means of cognition. One could say that history is the outward manifestation of the philosophical battle between these two sets of assumptions.

According to Ayn Rand, there are two kinds of mystics: “the mystics of spirit and the mystics of muscle, whom you call the spiritualists and the materialists, those who believe in consciousness without existence and those who believe in existence without consciousness. Both demand the surrender of your mind, one to their revelations, the other to their reflexes.”⁵⁴⁶ As has been mentioned earlier in the book, intellectuals tend to put a lot of energy in justifying powerful governments because political patrons generally pay better than do the unwashed masses in an impersonal marketplace. Consequently, a blue-collar philosopher once described an intellectual as “a self-appointed soul engineer who sees it as his sacred duty to operate on mankind with an ax.”⁵⁴⁷

On the other hand, the use of reason has already benefited humanity handsomely. Although we have applied reason primarily to the physical sciences, we have not used it nearly as much in the social sciences. “In aesthetics, politics, psychology, sociology, and so forth, the stage of systematic symbolization with its fixed and unalterable definitions has not been reached. . . . The most highly systematized sciences are those which deal with the simplest aspects of nature.”⁵⁴⁸ This, however, does not mean that the social sciences are beyond the pale of systematic and logical inquiry.

Frederick Bastiat, for one, did not believe that the social sciences were so complex as to require being relegated to the province of mysticism. “Our theory consists only in observing universal facts, universal attitudes, calculations, and procedures, and at most in classifying and co-ordinating them so as to understand them better.”⁵⁴⁹ In the 1840s, he was arguing in favor of free trade, and in this case, he was pointing out that the political leaders of the time were mandating behavior from the masses that even they did not do when managing their personal lives.

In the study of the physical sciences, the use of numbers has been quite adequate. The social sciences are more complex, so a productive study requires the use of more than only *one* of the ten aspects of language. E.F. Schumacher has observed that “economics has only become scientific by becoming statistical.

⁵⁴⁵ George Orwell, *Nineteen Eighty-Four* (New York: New American Library, 1949), p. 69.

⁵⁴⁶ Ayn Rand, *Atlas Shrugged* (New York: Random House, 1957), p. 952.

⁵⁴⁷ Eric Hoffer quoted in Ron Gross, *The Independent Scholar's Handbook* (Reading, MA: Addison-Wesley, 1982), p. 36.

⁵⁴⁸ Murray Dyer, *Rethinking the Weapon on the Wall: Psychological Warfare* (Baltimore, MD: The John Hopkins University Press, 1959), p. 9.

⁵⁴⁹ Frederick Bastiat, translated by Arthur Goddard, *Economic Sophisms* (Irvington-on-Hudson, NY: Foundation for Economic Education, 1968), p. 84.

But at the bottom of its statistics, sunk well out of sight, are so many sweeping assumptions about people like you and me—about our needs and motivations and the purpose we have given our lives.”⁵⁵⁰

Finally, “Science never tells a man how he should act; it merely shows how a man must act if he wants to attain definite ends.”⁵⁵¹ We must also be aware of which values we will seek. This is the province of our next topic: *ethics*.

Ethical Assumptions

In *Chapter 3*, it was noted that ethics is better analyzed by using behavioral descriptions than by referring to political and religious dogma. According to one atomic scientist, “the scientist’s job is to invent bombs, not decide when and if they should be used.”⁵⁵² This admission is symptomatic of the split between science and mysticism, and the unwritten agreement between them—science will study and apply the laws of nature, and then leave it to religion and politics to determine how those discoveries will be used. After surveying the horrific results of modern weaponry, some have cried that humanity is a scientific giant and a social pygmy. Actually, the different roles are played by different people. The social pygmies have successfully obliged the scientific giants to do their bidding.

Ethics is about relationships. On one level, it is about being true to ourselves—being internally consistent. Then there is the aspect of social relations. In that arena, ethical questions are basically questions of which situations require the use of coercion, and which situations should be left to the discretion of those engaged in voluntary association. *Chapter 3* concluded that cultures which minimize coercion in human relationships and maximize the arena of voluntary association are generally more peaceful and prosperous. This, of course, is not a compelling argument for those who have agendas that are more important to them than peace and prosperity.

Ethics presupposes the pursuit of values. The two basic values we can pursue are life or death. Therefore, if an ethical system holds life as its standard of value, it will prescribe behavior which supports and enhances life. Conversely, if an ethical system holds death as its standard of value, it will naturally prescribe behavior that either diminishes or destroys life.

Most people want life, but certain people profit from death, and many of these profiteers’ ethical systems have an uncanny way of supporting the cause of death. It is hard to speculate what the original intent of the promoters of sacrifice was, but we do have two possibilities. First, they actually believed that they were serving the cause of life by promoting behavior that lead to death, in which case they were deluded. Otherwise, they knowingly promoted behavior that supports the cause of death with full knowledge of what they were doing, in which case they were malevolent.

If these leaders are misguided, humanity’s hope consists in enlightening them. If they are malevolent, then humanity’s only hope consists of enlightening the masses and finding new leaders. This, of course, won’t be easy so long as

⁵⁵⁰ E.F. Schumacher, *Small is Beautiful* (New York: Harper & Row, 1973), p. 3.

⁵⁵¹ Ludwig von Mises, *Op. Cit.*, p. 10.

⁵⁵² Quoted in Henry Lee Ewbank and J. Jeffrey Auer, *Discussion and Debate* (New York: Appleton-Century-Crofts, 1951), p. 31.

most people’s primary goal in life consists of living as comfortably as possible while at the same time knowing as little as possible.

Chapter Summary

Everyone lives and dies by philosophy, whether that philosophy is conscious or unconscious. The basic assumptions we hold determine how we will respond to the many events that unfold before us daily. Our responses will in turn create more events to which we must respond. Consequently, it is in our best interests to be conscious of the assumptions that drive us. (“If the old saying that ‘philosophy bakes no bread’ has its point, it is also true that in the end we do not bake bread or in fact do anything without a philosophy.”⁵⁵³)

Figure 10-1. Philosophical Antecedents to Peace and Prosperity

	Metaphysics	Epistemology	Ethics
Peace and Prosperity	Belief in a nurturing universe that will provide enough for us all.	Reason applied to experience is adequate for living a happy and productive life.	Maximize voluntary association and minimize coercion in relationships.
War and Poverty	Belief in a hostile universe that says “the best defense is a good offense.”	Reason is inadequate, so we must rely on those who proclaim mystic revelations.	“Higher causes” justify the use of coercion in relationships.

Rather than repeat what has been said throughout this chapter, I have decided to close this chapter with *Figure 10-1* above. Once again, science and reason cannot tell us *which* values we should strive for. Some people prefer life while others prefer death. However, once we have determined which values we seek, we can use science and reason to chart the course to our destination. Those who prefer life will choose one course, and those who prefer death will choose another.

Ultimately, it is our choice whether we will be conscious philosophers or unconscious philosophers. We are free to do anything we want—all we have to do is pay the consequences.

⁵⁵³ William Barrett, “What Is Existentialism?”, *Op. Cit.*, p. 423.

Chapter 11: A Relatively Uninformed View of the United Nations

The title of this chapter suggests, and rightfully so, that an old farm boy such as myself can only have a limited knowledge of the complex workings of such a large organization as the United Nations. Fortunately, once a person understands some basic principles in life, even sketchy information evaluated in accordance with those principles can still yield some useful ideas.

In *Chapter 6*, we concluded that *government* and *force* are synonymous terms. The advocacy of World Government, then, is an advocacy of creating an agency capable of effecting legal coercion on a planetary scale. When people insist that World Government is necessary to solve a problem, they are saying that that problem merits the use of force in global proportions.

At present, the primary functions of the United Nations are: peacekeeping, disaster relief, development and environmental protection.

History of the Concept of World Government

The concept of World Government is probably as old as the concept of *world* itself. (As the concept of the *world* has expanded, so has the concept of *world government*.) The ideal of world peace goes back even before the time of Christ. “The oldest, longest-lasting, and most widespread doctrines of peace are religious in origin. The earliest really influential pacifistic teachings were those of Guatama Buddha in the sixth century B.C., and Buddhism became the first pacifistic sect. . . . Some rulers, such as the great Indian emperor of the third century B.C., Asoka, embraced the doctrine of nonviolence, but in subsequent centuries Buddhism was not particularly successful in inducing the heads of state to avoid war.”⁵⁵⁴

History is, for the most part, a record of endless conquests where some people have sought to impose their rule on everyone else. In the words of William Graham Sumner, “All history is only one long story to this effect: Men have struggled for power over their fellow men in order that they might win the joys of earth at the expense of others, and might shift the burdens of life from their own shoulders upon those of others.”

Attempts at political integration have been at “one extreme of integration by force or conquest, and another of integration by consent, the first known briefly as

⁵⁵⁴ E. Berkeley Tompkins, “Introduction,” E. Berkeley Tompkins (ed.), *The United Nations in Perspective* (Stanford, CA: Hoover Institution Press, 1972), p. xiv.

imperialism, the second as federalism.”⁵⁵⁵ While the world even today is not lacking for examples of conquest by one nation against another, the United Nations is to be credited for promoting an ideal of joint action through mutual consent among nations.

The ideal of peacekeeping through the integration of independent states is said to go back to “the ‘Great Design’ of Henry IV of France and his minister, the duc de Sully, . . .”⁵⁵⁶ A series of attempts at preserving the peace then unfolded, beginning with the Treaty of Utrecht in 1713, the Congress of Vienna in 1815, the League of Nations in 1919, and finally the United Nations in 1945.⁵⁵⁷ The 19th century was a particularly busy time for efforts toward world peace. “Beginning with the efforts of Tsar Alexander I of Russia, the nineteenth century witnessed a number of attempts to organize the principal powers to provide for peace and international security. A number of high-level conferences—notably those at Vienna in 1815, Verona in 1822, London in 1832 and 1871, Paris in 1856, and Berlin in 1878 and 1885—laid valuable ground work for international cooperation for peace. A further impetus toward a viable institutionalized way of promoting world peace was provided by the Hague conferences of 1899 and 1907, which emphasized arbitration and juridical settlements of international disputes.”⁵⁵⁸ Each attempt has been more organized, and to an extent, more successful. For some, this progression is a sign of hope, while for others the successful implementation of world government is cause for fear. Crane Brinton probably sums it up best when he observes, “It would be rash to prophecy an effective world government in the future, but it would equally be shortsighted to maintain that no such government is possible. . . . it is not inconceivable that the United Nations will not develop into such a government.”⁵⁵⁹

Pros and Cons about the United Nations

Given that people’s lives will be strongly influenced by world government for good or ill, people are bound to have strong opinions either for or against the United Nations. Proponents say that the United Nations is our only hope for survival on this planet. Others fear the growth of the United Nations, expecting it to fulfill George Orwell’s prophecy for humanity in the future: “. . . a boot stamping on a human face—forever.”⁵⁶⁰ When reading books that promote such divergent views, one is hard-pressed to believe that they are writing about the same organization.

Some books declare that the United Nations is simply a tool for spreading communism around the world. U.S. Senator Barry Goldwater (R-Arizona) has been quoted as follows: “. . . the time has come to recognize the United Nations for the anti-American, anti-freedom organization that it has become. The time has come for us to cut off all financial help, withdraw as a member, and ask the United Nations to find a headquarters location outside the United States that is

⁵⁵⁵ Crane Brinton, “World Government,” *The Encyclopedia Americana International Edition*, Vol. 29., (Danbury, CT: Grolier, Inc., 1993), p. 196.

⁵⁵⁶ *Ibid.*

⁵⁵⁷ *Ibid.*

⁵⁵⁸ E. Berkeley Tompkins, “Introduction,” E. Berkeley Tompkins (ed.), *Op. Cit.*, p. xiv.

⁵⁵⁹ Crane Brinton, “World Government,” *Op. Cit.*, pp. 196-197.

⁵⁶⁰ George Orwell, *Nineteen Eighty-Four* (New York: New American Library, 1949), p. 220.

more in keeping with the philosophy of the majority of voting members, someplace like Moscow or Peking.”⁵⁶¹

Others insist that the UN is little more than an arm of the FBI in particular and an agency of American Foreign policy in general. Regarding the hiring of American citizens to work for the United Nations, Shirley Hazzard insisted: “The present ‘clearance,’ under United States Executive Order 10459 of 2 June 1953, imposes an investigation of the most exhaustive and exclusively nationalistic kind by the U.S. Civil Service Commission, the FBI, and a battery of related agencies. The very nature of this investigation makes an absurdity of its claim to present only an ‘advisory opinion.’ That an applicant to an international civil service should be subjected to a preliminary—and obligatory—test of such extreme national orthodoxy is itself a violation of the Charter.” To further demonstrate that the United Nations has been a puppet of United States policy over twenty years, she goes on to say: “Almost twenty years later, the Chairman of the Foreign Relations Committee of the United States Senate was writing, in connection with the expulsion of Nationalist China from the United Nations, ‘having controlled the United Nations as tightly and as easily as a big-city boss controls his party machine, we had got used to the idea that the United Nations was a place where we could work our will.’”⁵⁶²

Skeptics from both sides are obviously unhappy with either the status quo and/or with what present trends suggest for the future. Peacemakers such as Dag Hammarskjold pleaded for middle ground. “If we are to avoid catastrophe the communist and non-communist nations have got to learn to live together in the same world.”⁵⁶³ At a later time, U Thant would say, “When I am equally criticized by the US and the USSR, I know that I am right.”⁵⁶⁴

What The Opponents of the United Nations Say

Complaints about the United Nations come from both conservatives and liberals. Conservatives suggest that the United Nations is a tool for turning the world into one large concentration camp. Some even suggest that it is part of an even larger organized conspiracy. Liberals believe that the UN is being used as a tool of Western imperialism. Finally, there are complaints common to both.

The Conscious Conspiracy Theory

Probably the first group to challenge the United Nations was the John Birch Society. They advanced a theory that suggested that certain extremely intelligent and diabolical men have worked together for centuries to create a one-world government. The first two books, *None Dare Call It Treason*,⁵⁶⁵ and *None Dare*

⁵⁶¹ *Congressional Record*, October 26, 1971, p. S16764. Quoted in Robert W. Lee, *The United Nations Conspiracy* (Boston, MA: Western Islands, 1981), p. 194.

⁵⁶² Shirley Hazzard, *Defeat of an Ideal: A Study of the Self-Destruction of the United Nations* (Boston, MA: Little, Brown and Co., 1973), p. 73.

⁵⁶³ Raymond B. Fosdick, *The League and The United Nations After Fifty Years: The Six Secretaries-General* (Newtown, CT: Raymond B. Fosdick, 1972), p. 173.

⁵⁶⁴ Robert Muller, *My Testament to the UN* (Anacortes, WA: World Happiness and Cooperation, 1992), p. 57.

⁵⁶⁵ John A Stormer, *None Dare Call It Treason* (Florissant, MA: The Liberty Bell Press, 1964).

Call It Conspiracy,⁵⁶⁶ insisted that the world was descending into slavery through the cooperation between Communism in the East and Monopoly Capitalism in the West. To facilitate that cooperation, the United Nations is said to have been created.

According to these books, The Council on Foreign Relations effectively took over the State Department of the United States in the 1930s and started funneling American wealth to communist nations and their satellites through such devices as the “most favored nation treaty status.” The theory further suggests that the long-term goal is to reduce America’s wealth and power, making people more willing to submit to a higher authority. “The abjectly poor, too, stand in awe of the world around them and are not hospitable to change. It is a dangerous life we live when hunger and cold are at our heels. There is thus a conservatism of the destitute as profound as the conservatism of the privileged, and the former is as much a factor in the perpetuation of the social order as the latter.”⁵⁶⁷ “Therefore a wise prince will seek means by which his subjects will always and in every possible condition of things have need of his government, and then they will always be faithful to him.”⁵⁶⁸

The plan to undermine American wealth and power was said to require two flanks of operation: warfare and welfare. Conservative CFR members were to be the hawks who were to undermine the capital base of the American economy through military exploits and incessant meddling in the affairs of other nations. Their job was to charge around the world, making it a safe place for Democracy. Liberal CFR members were to institute massive welfare programs in order to weaken the capital base and to undermine the will of the American people to work toward self-sufficiency. While liberals and conservatives put on the appearance of being bitter enemies, these books insisted that an educated eye could see their complicity in working toward a common goal—the destruction of America and its individualist way of life.

Conspiracy theories are nice because we “know” who the bad guys are, and of course, the bad guys are always someone other than ourselves. However, for conspiracies to work effectively, the victims must play their roles dutifully too. It has been said that our fear makes us susceptible to being forced, and our greed makes us susceptible to being conned. Consequently, we need to look deeper, even if there is, in fact, a conspiracy.

The Unconscious Conspiracy Theory

The idea of outward enemies being closet allies is nothing new. In Plato’s *Republic*, he observed, “When the tyrant has disposed of foreign enemies by conquest or treaty, and there is nothing to fear from them, then he is always stirring up some war or other, in order that the people may require a leader.” Machiavelli advised “. . . a wise prince ought, when he has the chance, to foment astutely some enmity, so that by suppressing it he will augment his greatness.”⁵⁶⁹ George Orwell, in *Nineteen Eighty-Four*, in the section called “The Theory and

⁵⁶⁶ Gary Allen, *None Dare Call It Conspiracy* (Seal Beach, CA: Concord Press, 1971).

⁵⁶⁷ Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 17.

⁵⁶⁸ Niccolo Machiavelli, *The Prince* (New York: Oxford University Press, 1952), p. 66.

⁵⁶⁹ *Ibid.*, p. 107.

Practice of Oligarchical Collectivism,⁵⁷⁰ outlined how the three powers were balanced and consequently assisted each respective government in the effective oppression of its own people. While there was continual token fighting in the outlying areas, the real battle was the one each government waged against its own people. Knowing that poor people “nurse no grievances and dream no dreams,”⁵⁷¹ the wealth created by the industrial revolution was destroyed by the primary psychologically acceptable method—war. “The essential act of war is destruction, not necessarily of human lives, but of the products of human labor. War is a way of shattering to pieces, or pouring into the stratosphere, or sinking in the depths of the sea, materials which might otherwise be used to make the masses too comfortable, and hence, in the long run, too intelligent.”⁵⁷²

Although enemy governments may act in such a way as to suggest complicity, it does not automatically follow that there is in fact a conspiracy. Machiavelli’s advice suggests unilateral action, but it is quite possible for two opposing sides to share the same strategy. Orwell did not indicate that the apparent complicity was a conspiracy. Rather, he suggested a psychological process called “doublethink.” Doublethink is a mental process approximating what I called socially-acceptable schizophrenia in *Chapter 9*. “*Doublethink* means the power of holding two contradictory beliefs in one’s mind simultaneously, and accepting both of them.”⁵⁷³ According to Orwell, the problem increases in proportion to advancement up the ladder of political power. It is also self-perpetuating because old leaders strongly influence the selection of their replacements, insuring the continuation of the pathology. (On balance, oligarchical systems where leaders choose replacements from their own ranks are generally more enduring than systems that use heredity as the means of passing political power from one generation to the next.)

The Tool of Western Imperialism Theory

There are three basic complaints about the United Nations made by those in the liberal camp. The first is that the UN is a tool for spreading American imperialism. The second is that the UN has acquiesced to a general personnel policy that promotes geographical appointees over proven workers in the general service. Finally, the third complaint is that the UN’s demand that critics from the outside approach it with a “bedside manner” has done much to stifle innovation and progress.

The first liberal complaint is that the United Nations is a pawn of the United States. To support this thesis, reference is made to the apparent submissiveness of the first three Secretaries-General to demands made by U.S. authorities such as the FBI. Furthermore, “The reader will not need to be told that, had a secret compact been uncovered between the United Nations Secretary-General and the Soviet government for establishing Soviet control over the administrative policy of the United Nations Secretariat—or indeed for any other purpose—and had the Soviet secret police been installed, by order of the Secretary-General, in the United Nations building, the international outcry would have been

⁵⁷⁰ George Orwell, *Op. Cit.*, pp. 151-178.

⁵⁷¹ Eric Hoffer, *Op. Cit.*, p. 29.

⁵⁷² George Orwell, *Op. Cit.*, p. 158.

⁵⁷³ *Ibid.*, p. 176.

such as, in all probability, to bring down the United Nations itself; and the reaction in the United States would quite possibly have placed severe difficulties in the way of American participation in a future United Nations body.”⁵⁷⁴

The next issue relates to employment policies in the UN. According to Shirley Hazzard, “At the time of U Thant’s retirement, the *New York Times* reported the view that ‘as far as is known he never challenged a member government when it nominated an ill-equipped man to a position on the staff.’ An official United Nation’s handbook, *Everyman’s United Nations*, candidly informs us that, with regard to the composition of the secretariat, ‘the main concern has been to ensure a more equitable geographical distribution.’”⁵⁷⁵ (Of course, the United States was not the only nation to closely hand-pick its representatives according to ideology.) That practice has become so widespread that “geographical” posts are numerous.

The injustices caused by political appointments which placed people of questionable skill in higher positions were supported systemically by a dual-hierarchical ranking system, much like the officer/enlisted rank structure in military establishments. “By 1951 the staff had been arbitrarily and inflexibly divided into two categories, ‘Professional’ and ‘General Service’—although many in the lower, General Service category were doing the identical work of their Professional counterparts. The General Service was intended to absorb those ‘local recruits’ in junior positions, without rights of repatriation or home leave, and without privileged standing in the eyes of their countries’ delegations. (The majority of these were United States citizens, but many non-Americans were included.) These people were to be frozen, so to speak, at their posts (of secretary, clerk, or ‘administrative assistant’) like Pompeian relics, with virtually no possibility of promotion into the Professional grades and little advance within their own.”⁵⁷⁶

Of course, this could be seen as sour grapes. Shirley Hazzard, in an aside, tells her story. “The last several years of my own decade in the United Nations General Service Category were spent filling a Professional post and functions—a situation common enough in the General Service. It is perhaps worth recording that, in response to requests from supervisors that I be exalted to the commensurate rank, one personnel official declared I should be content with having these higher duties to perform; while another assured me that it would be simpler to make the Professional promotion if I resigned from the United Nations altogether and reapplied, rather than convulse the bureaucratic firmament by advancing me from the General Service after a mere ten years.”⁵⁷⁷ To her credit, however, she did find an authoritative quote to substantiate her conclusion. “Many professional staff members are compelled to conclude that, in the long run, the quality of their work is less important to their career than cultivating a network of personal contacts within the secretariat and even among delegations, and securing assignments in which they can make a name for themselves.”⁵⁷⁸

⁵⁷⁴ Shirley Hazzard, *Defeat of an Ideal: A Study of the Self-Destruction of the United Nations* (Boston, MA: Little, Brown and Co., 1973), p. 71.

⁵⁷⁵ *Ibid.*, p. 89.

⁵⁷⁶ *Ibid.*, p. 17.

⁵⁷⁷ *Ibid.*, p. 97.

⁵⁷⁸ “Report on Personnel Problems in the United Nations,” 1971, *Ibid.*, p. 97.

Ultimately, Ms. Hazzard concluded that the United Nations could be neutral at best because of the paranoia and political appointments resulting from security clearance policies of member nations—especially the United States. “Thinking, especially fresh thinking, can only be done by thinkers. And it must be remembered that the United Nations, reinforced by security clearances and geographical distribution, has resolutely set its face against the exceptional and the cerebral, and has itself decreed that those who find its established attitudes unacceptable ‘must leave the service.’ So much for ideas, particularly new ideas: short of actual oppression, there can be few climates as little likely to nurture productive trains of individual thought as that prevailing within the present United Nations Organization.”⁵⁷⁹

Finally, the emphasis on political appointment has a strong influence on management styles and in turn on overall effectiveness of the organization. Two instances are recounted to illustrate this point. First, the “1968 UN Conference on Trade and Development held at New Delhi was directed at securing from wealthy nations the pledge of providing aid equivalent to one percent of their gross national income to the poorer countries. Of this arbitrary objective, Samuel P. Huntington, Professor of Government at Harvard, has written: ‘There is something clearly wrong with a program when its goal has to be expressed in terms of how much should be spent on it rather than what should be achieved by it. . . . It is . . . a simplistic slogan symbolizing a backward-looking approach to the critical demands of development.’”⁵⁸⁰

The second illustration of the bureaucratic mentality is in regard to foreign aid. “In an endless attempt to cut the developmental ground from under one another, spokesmen for the agencies constantly tour the underdeveloped lands, like so many brush salesmen, urging their particular brands of ‘progress’ over their UN rival’s. Jackson, condemning the ‘element of salesmanship, particularly at programming time, which local officials find confusing and Resident Representatives find embarrassing,’ reports that the number of officials visiting underdeveloped countries often ‘exceeded—sometimes by a considerable margin—the total number of UN experts already serving in the country. In absolute terms, the figures often signified two or three visitors per working day.’”⁵⁸¹

In some respects, the charge that the United Nations is an extension of United States foreign policy has some plausibility. A couple of decades ago, while “[i]nterviewed in his eighteen-room official residence in the Waldorf Towers, the United States Ambassador to the United Nations, George Bush, a Texas millionaire, remark[ed], ‘we’re in the process of adjusting to all this opulence.’”⁵⁸² A few years ago, President Bush made good use of the UN during Desert Storm to beat up on Saddam Hussein. (He ended up doing more damage to the world’s taxpayers than to Mr. Hussein himself.)

⁵⁷⁹ *Ibid.*, p. 225.

⁵⁸⁰ *Ibid.*, p. 227.

⁵⁸¹ *Ibid.*, p. 226.

⁵⁸² *Ibid.*, p. 115.

What the Proponents Say

Proponents of the United Nations challenge the notion of national sovereignty by pointing to the abuses of human rights around the world. “Nationalism is to nations what egotism is to individuals, but much worse. Oppressive acts and propaganda are justified by the ‘reasons of state.’ Rarely are nations brought before tribunals and punished as are individuals. National ‘sovereignty’ often means impunity and tyranny.”⁵⁸³ There is certainly no lack of evidence to prove that state’s have a tendency to abuse their citizens.

According to some, tinkering with the United Nations would only make it worse. “[I]t is often said that there is no point in reviewing the United Nations Charter to look for ways of changing it. ‘If we renegotiated the Charter, we would not come out with as good a document as we have already.’ You have heard it said many times; I used to say it myself when I had some responsibility for U.S. participation in the world organization.”⁵⁸⁴ Others, such as Robert Muller, are more modest. “I will cease defending the United Nations only when I am offered a better world institution.”⁵⁸⁵ Mr. Muller has proven himself exceptionally open minded because he has lent his moral support to many organizations who are addressing the issue of world government from divergent viewpoints, including organizations such as the World Constitution and Parliament Association, headed by Philip Isley, who wants to dismantle the UN and start over.⁵⁸⁶

Another important philosophical point that defenders of the UN make is that we as individuals should identify with humanity at large, rather than just our own immediate group. Establishing our worth as human beings based on an accident of birth is a ludicrous way of building self-esteem, and it has cost humanity dearly over the centuries.

The final point that proponents make is that the UN has developed the most comprehensive list of human rights ever developed. “The international human rights movement took these eighteenth-century ideas of individual autonomy and freedom and combined them with nineteenth- and twentieth-century ideas of socialism and the welfare state. International human rights, however, reflect no single, comprehensive theory of the relation of the individual to society (other than what is implied in the very concept of rights). That there are ‘fundamental human rights’ was a declared article of faith, ‘reaffirmed’ by ‘the peoples of the United Nations’ in the UN Charter.”⁵⁸⁷ Such a wide array of rights should keep both the capitalist and the communist countries happy, provided they wake up and realize that compromise is possible.

⁵⁸³ Robert Muller, *Op. Cit.*, p. 162.

⁵⁸⁴ Harlan Cleveland, “Can We Revive the United Nations?,” E. Berkeley Tompkins (ed.), *Op. Cit.*, p. 69.

⁵⁸⁵ Robert Muller, *Op. Cit.*, p. 163.

⁵⁸⁶ Angel Hernandez, “Lakewood couples yearns to save the world: Visionaries who see U.N. as a flop hang on to hope for ‘Federation of Earth,’” *Rocky Mountain News*, December 14, 1994, p. 36A.

⁵⁸⁷ Louis Henkin, “Introduction,” Louis Henkin, ed., *The International Bill of Rights* (New York: Columbia University Press, 1981), p. 12.

Ethical Issues Pertaining to World Government

As has already been considered in Chapters 3 and 5, we must be careful how we apply the coercive power of government. Hopefully, by now I have demonstrated that voluntary relationships are superior to coercion (assuming that peace and prosperity are the values we seek), and that if we are to choose coercion, we should do so very carefully. Given that many advocates of funding charity through international coercion propose to plunder social systems that work marginally well for the benefit of social systems that do not work at all, world government may well create the opposite of what it has promised.

An example of such thinking is:

Today resources exist in such abundance that a world-wide extension of the principle of welfare is physically possible. All that is lacking is the political decision to do so. Is it possible that a society which boasts of its humanity and its Christian inspiration should ignore the challenge? Is it conceivable that such a society, having done so, should deserve to survive?⁵⁸⁸

This declaration is almost Hitleresque. (When the German people started losing World War II, Hitler ordered his soldiers into suicidal battles with the belief that the German people deserved to perish because they had failed to accomplish the impossible task he had set before them.)

Contrary to the notions of those who have little understanding of wealth-creation, distribution is not the only problem humanity faces. As it is, nations are routinely undoing the accomplishments of previous generations without outside help. America, for instance, is crippling itself with its internal welfare programs. Therefore, the declaration that industrial nations should be able to finance international welfare is a declaration of suicide.

Maybe we should suggest instead that people in poorer nations should have fewer obstacles erected between them and the resources they need for survival. To do otherwise is “revolting against an affect without, while all the time . . . nurturing its cause within.”⁵⁸⁹ A larger superstructure of coercion placed on top of already too coercive national governments will not help. In America, some people worship on the holy ground of “states rights.” However, freedom or oppression is not the product of a government’s size. Rather, freedom or oppression is the result of the basic assumptions guiding a government. Grassroots tyranny is just as bad as any other kind of tyranny.

There are many who oppose the United Nations simply on the grounds of “national sovereignty.” Instead of advocating *state-states’ rights*, they advocate *nation-state’s rights*. What these people fail to note is that national boundaries are established quite arbitrarily, and they serve primarily as “people pens” in which political leaders keep their “talking tools.” The concept of states’ rights is not a panacea, given that governments of small land masses are just as likely to abuse their power as are governments of large land masses. The individual states within the United States, for instance, have as many or more meddling little laws as the federal government.

⁵⁸⁸ Barbara Ward, “The Economic Revolution,” *Adventures of the Mind from the Saturday Evening Post* (New York: Alfred A. Knopf, Inc., 1961), p. 264.

⁵⁸⁹ James Allen, *As A Man Thinketh* (Marina del Rey, CA: Devorss & Company), p. 24.

Political Issues and World Government

If world government will limit itself to the use of defensive force on behalf of ordinary honest and productive people, it will perform an unparalleled service to mankind. This, of course, will not be easy. Such a government has to erect and maintain itself against the human predators who at present roam the planet so freely. Such a government will be resisted by the more sophisticated predators who seek to control the rule space in order to tilt the market in their favor. Finally, it will have to resist the pleas of wretched souls who want to rule others simply because they prefer minding everyone else's business instead of their own. In the words of Thomas Paine, "The nearer any government approaches to a Republic, the less business there is for a King."⁵⁹⁰

The notion that principles which fail on smaller land masses will somehow magically work on larger land masses must be reconsidered. The democratic socialists, confronted with failures of their principles on smaller land masses, tell us that, "there are certainly moral and rational reasons for a new world order and, to begin with, aid on a strikingly much higher level. In particular, people in rich countries could be challenged to bring down their levels of food consumption."⁵⁹¹ This logic takes the assumption that poor people are poor because rich people are rich to the next level—poor countries are poor because rich countries are rich. What is overlooked is that people in poor countries are in the same predicament as the man stranded on a raft in the middle of the ocean: "resources, resources everywhere, but none to use."

Constitutional Issues Regarding World Government

We often hear arguments about whether or not a law or government activity is "constitutional." For many people, a constitution is treated as if it were created by an intelligence other than human. However, just the same as laws, much mischief can be done in the name of a constitution. Should we fail to remember this point when it comes to a world government, the consequences could be even more dire and intractable than they are now in our nation-states.

Once again, the best description of the difference between law and a constitution comes from Fred Holden: "law is where the government tells the people what to do, and the constitution is where the people tell the government what to do." Another way of saying it is that a constitution is supposed to prescribe limits on government's ability to write laws that restrict the freedom of the people.

A constitution does not, by itself, protect the people. First, there are constitutions all over the world which give virtually unlimited power to government and thereby sanction abuses of the people. Other constitutions are marginally effective at first, until the meanings of the words are turned around by clever lawyers in a system based on legal precedent.

Since America's inception, the "constitution of the people" has changed dramatically, and although we have the same constitutional wording, the interpretation of its meaning is radically different.

⁵⁹⁰ Thomas Paine, edited by Moncure Daniel Conway, "Common Sense", *The Writings of Thomas Paine* (New York: G.P. Putnam's Sons, 1894), p. 83

⁵⁹¹ Gunnar Myrdal quoted in Gerald W. Scully, *Constitutional Environments and Economic Growth* (Princeton, NJ: Princeton University Press, 1992), p. 8.

Ultimately, constitutions are only as effective as the people who live under them. “Wherefore, laying aside all national pride and prejudice in favour of modes and forms, the plain truth is that *it is wholly owing to the constitution of the people, and not to the constitution of the government* that the crown is not as oppressive in England as in Turkey.”⁵⁹² If the people are predominantly production-oriented, they will support a government that leaves them free to do their work. If the people are coercion-minded, they will seek to legitimize “feeding at the public trough.”

The constitution of the United Nations is the *UN Charter* which was signed in San Francisco in June, 1945. Its purpose is to outline how member nations should conduct themselves during dispute resolution processes in order to free the planet from the scourge of war. Compliance with the UN charter is voluntary, much like the “Confederation of States” was in colonial America. (Groups such as the World Federalist Association are working to strengthen the UN by promoting the concept of world federalism for the same reason the United States went from a confederate system to a federal system.)

While all attempts at revising the *UN Charter* have failed, several new documents have been developed to further clarify and strengthen the UN. The first such document is the *Universal Declaration of Human Rights*, written in 1948. When Robert Muller spoke at the Denver University School of Law, he made the observation that the *Universal Declaration of Human Rights* includes all the rights that the founding fathers of America thought of plus some others that they had never even dreamed of.

In addition to “the Universal Declaration of Human Rights, adopted by the United Nations General Assembly in 1948; the International Covenant on Civil and Political Rights, entered into force in 1976; and the International Covenant on Economic, Social and Cultural Rights, also entered into force in 1976.”⁵⁹³ Most recently, “A United Nations Conference on the Law of the Sea reached broad agreement on many of these questions and was signed by 156 nations by 1992.”⁵⁹⁴

Analysis of the UN Charter and Its Companion Documents

The UN Charter and its companion documents cannot be accused of exhibiting anything but the best of *intentions*. Who could possibly fault any organization that promises world peace, universal prosperity, and maybe even universal brotherly love?

Unfortunately, good intentions do not necessarily guarantee good outcomes. In the two years I have been writing this book, the UN has suffered several defeats in its efforts toward peacekeeping. Most recently, NATO declared that it will start operating independently of UN command. As for whether NATO can do a better job in Bosnia, we will have to wait and see. (I doubt it.)

In order to understand the adventures the UN has embarked on, and the outcomes of those adventures, it is valuable to explore the core assumptions that guide UN policy. When we look at UN documents, we need to answer some key

⁵⁹² Thomas Paine, edited by Moncure Daniel Conway, “Common Sense”, *Op. Cit.*, p. 74. (italics original)

⁵⁹³ James A. Goldston, “Human Rights,” *The Academic American Encyclopedia*, (New York: Grolier Electronic Publishing, Inc., 1993).

⁵⁹⁴ “Seas, Freedom of the” *Ibid.*

questions: 1., What is the role of government in the world order?; 2., What is the status of the individual in the world order?; 3., What is the role of national governments?, and 4., What is meant by human rights? Answers to these questions will give us valuable clues as to what to expect when the UN's policies are implemented.

Answering these questions is not easy. I have found it virtually impossible to find any official commentary whose second assertion did not contradict the first. Consequently, the first three questions can only be addressed by pointing out some of these contradictions. Analyzing these contradictions will be done while considering the fourth question.

What is the Role of Government in the World Order?

Presently, it is assumed that government has three major functions: predator control, economic regulation, and redistribution of wealth. In theory, a world government should perform all of these functions more efficiently because no one could oppose it. (In practice, as long as individual human beings exist, opposition is always a possibility.) The UN Charter, the Declaration and the Covenants do nothing to alter these assumptions.

Regarding predator control, "The fundamental purpose of the United Nations is the preservation of peace and international security."⁵⁹⁵ It is assumed that member nations will control their internal predators, and that the UN's primary job is to keep the members from feeding on each other.

The United Nations also has accepted the task of defending both political rights and economic rights. "The international human rights movement took these eighteenth-century ideas of individual autonomy and freedom and combined them with nineteenth- and twentieth-century ideas of socialism and the welfare state. International human rights, however, reflect no single, comprehensive theory of the relation of the individual to society (other than what is implied in the very concept of rights). That there are 'fundamental human rights' was a declared article of faith, 'reaffirmed' by 'the peoples of the United Nations' in the UN Charter. The Universal Declaration of Human Rights, striving for a pronouncement that would appeal to diverse political systems governing diverse peoples, built on that faith and shunned philosophical exploration."⁵⁹⁶

These goals are reflected in the UN Charter, Chapter IX, Article 55.

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

a. higher standards of living, full-employment, and conditions of economic and social progress and development;

b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.⁵⁹⁷ [127]

⁵⁹⁵ E. Berkeley Tompkins, "Introduction," E. Berkeley Tompkins (ed.), *Op. Cit.*, p. xiii.

⁵⁹⁶ Louis Henkin, "Introduction," Louis Henkin, ed., *Op. Cit.*, p. 11.

⁵⁹⁷ "The Charter of the United Nations," E. Berkeley Tompkins (ed.), *Op. Cit.*, p. 127.

Of course, the conflict between positive and negative rights has been explored in earlier chapters, but it will be considered again later in this chapter. For now, it is worth noting that the UN is being very pragmatic: “Expediency or opportunism is the rule of statesmanship, not abstraction as to the philosophic nature of the state. . .”⁵⁹⁸ Jimmy Carter summed up this attitude as follows:

By ratifying the covenant on civil and political rights, a government pledges, as a matter of law, to refrain from subjecting its own people to arbitrary imprisonment or to cruel or degrading treatment. It recognizes the right of every person to freedom of thought, freedom of conscience, freedom of religion, freedom of opinion, freedom of expression, freedom of association, the right of peaceful assembly, and the right to emigrate from one's country. . . .

By ratifying the other covenant on economic, social, and cultural rights a government commits itself to its best efforts to secure for its citizens the basic standards of material existence, social justice, and cultural opportunity.⁵⁹⁹

What is the Status of the Individual in the World Order?

There is much talk of the individual in the new world order, but there is also much disagreement as to the individual's actual status.

The Philippines representative stressed the need for a balance between political and economic rights while both Drs. Chung and Malik emphasized the importance that individual rights must have over the rights of nations. “If the proposed Bill,” said the Lebanese delegate, “did not stipulate the existence of the individual and his need for protection in his struggle against the State, the Commission would never achieve its intended purpose.” Vladislav Ribnikar of Yugoslavia disagreed. He claimed that “the social principle comes first”; that the “new conditions of modern times” make the “common interest . . . more important than the individual interest.”⁶⁰⁰

In other words, for all the millions of man-hours of debate that had taken place, it was not agreed as to whether government should be the servant of the people or if it should be the master. Consequently, an attempt was made to compromise between the two. “By late 1947, in order to reduce the risk that the Bill would be held hostage to ideological differences, the Commission agreed to divide it into three parts: a Declaration, a Covenant, and machinery for implementation. The Declaration would be a statement of principles and as such be more politically palatable than a Covenant which would contain explicit legal obligations.”⁶⁰¹

In recent years there has been more bold questioning of a government's right to abuse and torture its subjects. “Before the Second World War, scholars and diplomats assumed that international law allowed each equal sovereign an

⁵⁹⁸ Frederick C. Howe quoted in Richard M. Ebeling, “National Health Insurance and the Welfare State,” *Freedom Daily*, January 1994.

⁵⁹⁹ Jimmy Carter, “Foreword,” Paul Williams (ed.) *The International Bill of Human Rights* (Glen Ellen, CA: Entwhistle Books, 1981), p. IX.

⁶⁰⁰ All quotes from the summary of that meeting in *U. N. Weekly Bulletin*, 25 February 1947, pp. 170-71. See also “Report to the Economic and Social Council on the First Session of the Commission, Held at Lake Success, New York, from 27 January to 10 February 1947” (U N Document E/259). Peter Meyer, “The International Bill: A Brief History,” Paul Williams (ed.) *Op. Cit.*, pp. XXXIX.

⁶⁰¹ Peter Meyer, “The International Bill: A Brief History,” *Ibid.*, pp. XXX.

equal right to be monstrous to his subjects. Summary execution, torture, conviction without due process (or any process, for that matter) were legally significant events only if the victim of such official eccentricities were the citizen of another state.”⁶⁰² People were considered primarily the property of the state, so the abuse of foreigners was objected to because it was seen primarily as an affront to the dignity of their state of origin, and only secondarily because of the inconvenience visited upon the individual in question.

Thus far, about all that has been accomplished is *talk* about individual rights. Even within nations, individual dignity is secondary to state vanity. In *Chapter 6* it was noted that in criminal law, the emphasis is placed on punishment, leaving the victim without restitution and faced with the additional penalty of paying for the criminal’s incarceration. Human rights violations evoke little more than hooting and hollering from non-aligned parties, but even they lack the force of ethical clarity required to motivate positive action to stop those violations.

What is the Role of National Governments?

National governments must be recognized by the United Nations and given some form of legitimacy, if for no other reason than the fact that the UN depends on them for funding. After all, they are the ones who have access to resources and to the people who transform those resources into life-sustaining commodities.

National governments hold the trump card in the game of creating a world government. According to Emery Reves, “The simple truth requires that ‘We, the people . . .’ in the preamble of the charter be accurately read: ‘We, the High Contracting Powers.’”⁶⁰³

In general, we can expect business as usual. For the most part, the differences between relatively free nations and totalitarian nations have been downplayed by the intellectual defenders of UN documents. For instance:

If there is to be a universal human rights ideology, if there are to be international human rights agreements including both Communist and Western states, in the hope of protecting other civil and political rights, the West will have to acquiesce in the view that the Communist system is not intrinsically inconsistent with the Declaration and the Covenant, even while the West may hope and work for movement towards greater political freedom in Communist countries.⁶⁰⁴

And how about this for some fancy footwork?

It is not enough to perceive the dominating authority only in negative terms, as censor, obstacle, oppressor, who tells us all the things we cannot do, who forbids. The effect of this is to see only from a one-dimensional perspective, where the oppressing power is always clearly negative: a National Security state, a dictatorship, or a “strong democracy,” a proletarian dictatorship whose principal role is the use of force to control its people, ordering them to accept its conditions, prohibitions, and standards.

This dominating authority is not only repressive. It also creates active or passive consensus—produces a way of seeing and expressing things that is conditioned by its

⁶⁰² Tom J. Farer, “Introduction,” Paul Williams (ed.) *Ibid.*, p. XIII.

⁶⁰³ Emery Reves, *The Anatomy of Peace* (New York: Harper & Brothers, 1945), p. 285.

⁶⁰⁴ Louis Henkin, “Introduction,” Louis Henkin, ed., *Op. Cit.*, p. 29.

structure—establishes forms of communication and relationships among the public that serve to legitimize its actions.

For this reason it is important to see what form the power networks of consensus or opposition take in a society that faces these dominating governments.

The legal system in such a society, for example, cannot be treated as a mere reflection of the social organization—it must also be recognized as part of the very form of that society. It is a complex, biased instrument that plays roles on behalf of domination as well as in defense of the dominated.⁶⁰⁵

Some of these intellectuals “so ‘beat about the bush’ that involuntarily one would recall even castor oil with a certain tenderness.”⁶⁰⁶ Apparently, if we are to take the above writing seriously, all is happening just as it should.

In addition to downplaying the difference between freedom and tyranny, many UN policies have the consequence of strengthening governments at the expense of the people. This is most evident in the way foreign aid is administered. “[G]overnments engaged in comprehensive planning are treated preferentially in the allocation of aid, since it is widely believed that comprehensive planning is a precondition for material progress.”⁶⁰⁷ Consequently, some observers have been so rash as to suggest that, “Most development economists are statist.”⁶⁰⁸

In short, under UN tutelage we can expect the power of member governments to increase while the freedoms of individuals decrease. Recalling our discussion in *Chapter 5*, a government active in the economy is called a “mixed economy.” Once again, “In a mixed economy, one of the two elements gradually withers away. That element is not the state.”⁶⁰⁹

What is Meant by “Human Rights”?

Human rights is a hot topic, especially now that we have discovered rights that “the forefathers of the American revolution never even dreamed of.” Somehow we are supposed to allow people to live free and productive lives, and yet force them to serve the interests of those who are not productive (for whatever reason). While the number of rights is growing daily, for the sake of comprehensibility, we will limit our discussion to individual/political rights, economic rights, attempts to reconcile individual/political and economic rights, and finally, property rights.

Individual/Political rights

In a world where language is so malleable and often deprived of existential referents, writing about subjects like *rights* can be very difficult. In many writings, political and individual rights are used interchangeably. In other writings, once the fog has cleared, political rights are antithetical to individual

⁶⁰⁵ Adolfo Perez Esquivel, “Afterward,” Paul Williams (ed.) *Op. Cit.*, pp. 106-107.

⁶⁰⁶ G.I. Gurdjieff, *Beelzebub's Tales to His Grandson*, Vol. 3 (New York: E.P. Dutton, 1950), p. 405.

⁶⁰⁷ Peter T. Bauer, “The United Nations and International Development Assistance,” E. Berkeley Tompkins (ed.), *Op. Cit.*, p. 45.

⁶⁰⁸ Gerald W. Skully, *Constitutional Environments and Economic Growth* (Princeton: Princeton University Press, 1992), p. xiii.

⁶⁰⁹ Leonard Peikoff, *Ominous Parallels* (Briarcliff Manor, NY: Stein & Day, 1982), p. 273.

rights. Consequently, in this section we will consider both categories of individual/political rights. For the sake of brevity, they will be referred to as political rights.

Political rights can be defined two ways. One way is to see political rights as being the right to be left alone so long as one does not infringe on those same rights of others. The other way of viewing political rights is involving as many people in the political process as possible. As we approach the Third Millennium, the second viewpoint is the most common one. We often hear, "It doesn't matter how you are involved in politics. All that matters is that you are involved."

One spectacle that has risen in consequence of this perspective is the increasing tension that is manifesting on the streets and in the capitals of many nations around the world. In the name of self-determination, blood is being spilled all over the world. "The Third World became independent, but for the most part is not free. A domestic ruling elite took power from a foreign ruling elite. While I cannot prove the proposition empirically, on the whole and particularly for the former British colonies, I think the peoples of the Third World enjoy less freedom under their own ruling elite than they did under colonization."⁶¹⁰ Colonization cannot be defended on moral or ethical grounds, but going from being insulted by people from another race to being killed by people of one's own race hardly constitutes an improvement.

Of course, outright killing, raping and pillaging is not what our political scientists are calling for. Although they advocate the moral assumptions underlying these extremes of coercive behavior, they are often sincerely horrified when those moral assumptions are carried to their logical extreme. (At least we can *hope* that they are squeamish in these matters.)

In *Chapter 5*, it was noted that putting everyone's life, liberty and property up for a vote is counterproductive, even if it is being done in the name of political rights. If we desire to promote peace on the planet, we will want to reconsider the first version of political rights—the right to be left alone.

Economic Rights

Economic rights imply the right to enjoy a minimum standard of living regardless of one's level of production. This means that if one person fails to produce a sufficient amount to meet that standard, someone else will be forced to make up the difference.

On the international level we discover that, "In the words of the late Professor Nurske, 'a country is poor because it is poor.'"⁶¹¹ That is, of course, stating it nicely. Others suggest that rich countries are rich *because* poor countries are poor. Consequently, a rich nation that does not give enough is violating the human rights of those living in poor countries, but the poor countries themselves are held blameless. "[T]he International Covenant on Civil and Political Rights expressly permits derogation from many rights during public emergencies that 'threaten the life of the nation.' Economic social rights in particular cannot be enjoyed as fully in a country which is underdeveloped."⁶¹²

⁶¹⁰ Gerald W. Skully, *Op. Cit.*, p. 215.

⁶¹¹ Peter T. Bauer, "The United Nations and International Development Assistance," E. Berkeley Tompkins (ed.), *Op. Cit.*, p. 32.

⁶¹² Louis Henkin, "Introduction," Louis Henkin, ed., *Op. Cit.*, p. 2.

On the other hand, attempts made by developing nations to assert their right to reach into the pockets of the developed nations have not been as fruitful as human rights ideology would wish for. “[T]he developing countries, using their overwhelming majority, voted to establish the United Nations Development Fund in disregard of the unanimous opposition of the United States, France, the United Kingdom and other developed countries that were expected to be the major donors to the Fund. The result became a U.N. joke: a U.N. Fund without funds.”⁶¹³ Apparently, nations, as well as individuals, often choose to fall short of the ideal enshrined in the morality of sacrifice.

Attempts to reconcile political and economic rights

For the most part, the notion that political and economic rights are compatible is taken as an article of faith. Raymond Gastil, the director of Freedom House, designed what is considered the most comprehensive model for measuring human rights, and the violations thereof.⁶¹⁴ “While the Gastil freedom measures have gained widespread acceptance among scholars, they are subject to criticism because they do not distinguish between natural (negative) and human (positive) rights. Negative rights are those that freely constituted societies reserve for themselves exclusively, denying government any, or giving it little, power to interfere. . . . Being redistributive in character, positive rights interfere with and diminish negative rights. The government cannot simultaneously protect individual freedom and inject its coercive power to redistribute income from one group to another deemed more worthy.”⁶¹⁵

Fortunately, not all scholars have been content to address the above argument simply with emotional denunciations. Sylvia Law, in her essay entitled “Economic Justice,” began by stating her intent: “The goal of this essay is to participate in the debate about American social policy and law by focusing on one theme: that economic justice and civil liberties are not only compatible, but mutually reinforcing.”⁶¹⁶ Although her logic begged the question, her ideas were refreshingly creative.

Government Largess and Property Rights

The essence of her defense of distributive justice came from citing a Supreme Court decision (*Goldberg v. Kelly*, 397 U.S. 254 (1970)), and an essay written by Professor Charles Reich (C. Reich, “The New Property,” 73 *Yale Law Journal* (1964)). Let’s consider how this delightful line of reasoning flows.

To begin with, we must consider Professor Reich’s thesis, given that he was the intellectual godfather of the Supreme Court decision. “In 1964 Prof. Charles Reich formulated a new approach to the relation between economic arrangements and civil liberty, appropriate to the growing welfare state. He focused on one function that property serves in human life. Property maintains ‘independence, dignity and pluralism in society by creating zones within which the majority has

⁶¹³ Carols P. Romulo, “Crosscurrents in the United Nations,” E. Berkeley Tompkins (ed.), *Op. Cit.*, p. 92.

⁶¹⁴ Gerald W. Skully, *Op. Cit.*, p. 11.

⁶¹⁵ *Ibid.*, p. 116.

⁶¹⁶ Sylvia A. Law, “Economic Justice,” Norman Dorsen (ed.), *Our Endangered Rights: The ACLU Report on Civil Liberties Today* (New York: Pantheon Books, 1984), p. 135.

to yield to the owner. Whim, caprice, irrationality and ‘anti-social’ activities are given the protection of the law; the owner may do what all or most of his neighbors decry. The Bill of Rights also serves this function, but while the Bill of Rights comes into play only at extraordinary moments of conflict or crisis, property affords day-to-day protection in the ordinary affairs of life. Indeed, in the final analysis the Bill of Rights depends upon the existence of private property.”⁶¹⁷ Initially, if one does not read closely, one would think he was a staunch advocate of property rights. These are some very strong words in support of the concept that material bodies need access to material resources for survival. The kicker, of course, is that this “new property” must be understood in a context “appropriate to the growing welfare state.”

Our next issue to consider is the concept of *government largess* as property. “Since the 1930s an ever-increasing amount of individual economic resource has taken the form of largess from the government as licenses, franchises, subsidies, taxi medallions, TV channels, and liquor permits. Until the late 1960s the assumption was that the government could grant or deny such largess on whatever terms it chose. The result was that the basic material support and security of increasing numbers of people depended upon explicit government power that often seemed arbitrary and unchallengeable.”⁶¹⁸

This line of logic is starting to make sense. After all, if we are going to have welfare for the rich, it is only right that we have welfare for the poor as well. This would suggest that we either need to eliminate welfare or make it universal. Wouldn’t it be great if we all could quit working and let the government take care of us? But then again, this is too simple, and our good logician is not about to let us escape so easily.

“In characterizing welfare as property the Court recognized that property rights are not natural, immutable, or inherent, but only grant their possessors such power as the courts and legislatures choose to recognize. Property, whether in the form of land, wages, welfare, or a license to practice law, is what the society defines it to be. At the same time, the Court held that the government is not entirely free to dictate the terms and conditions upon which welfare is granted. Due process requires fundamental fairness, whatever that might mean in a particular context. The idea that property is whatever we say it is squarely conflicts with the idea that the Constitution protects individuals from forfeiture of ‘property’ without due process of law.”⁶¹⁹ Luckily for us, “This flat and open inconsistency is a good, healthy thing, for it forces us to confront the substantive political values at stake.”⁶²⁰

What are the substantive political values at stake? “Corporations are not people. They are socially created means to an end, while we are all ends in ourselves. ‘Neutrality’ does not require that we pretend that the property of General Motors is equivalent to the property of the welfare check.”⁶²¹ In other words, property acquired as government largess is superior to property acquired through work and trade. Granted, some of General Motors’ wealth is the result of

⁶¹⁷ *Ibid.*, p. 140.

⁶¹⁸ *Ibid.*, pp. 139-140.

⁶¹⁹ *Ibid.*, pp. 140-141.

⁶²⁰ *Ibid.*, p. 141.

⁶²¹ *Ibid.*, p. 155.

“monopoly rent” and “regulatory capture”, but the holders of General Motors stock are people too, and not all of them are filthy rich. Many of them even had to *work* in order to purchase their shares of stock.

Under this theory, property acquired through redistribution is not supposed to be taken away without due process of law. This means that people whose property is taken to provide this largess are not as deserving of due process of law as those who receive the largess. If you are productive, your purpose in life is to work for those who are not productive. If you are not productive, you have the right to live for your own sake.

Property Rights and the United Nations

In the last section we noted that property acquired through government largess deserves stronger protections than does property acquired through work and trade. However, this does not tell us the general attitude of the United Nations toward property, nor what trends are developing as the UN becomes more entrenched.

“[M]issing from the Covenant is any counterpart to Article 17 of the Declaration: ‘1. Everyone has the right to own property alone as well as in association with others. 2. No one shall be arbitrarily deprived of his property.’ It proved difficult to get agreement on the wording of such a right by states differing widely in political-economic philosophy; many states were particularly resistant to language that might be held to require states to provide ‘prompt, adequate, and effective’ compensation for nationalized foreign investments.”⁶²² If this kind of quibbling is being done regarding nationalizing the property of foreigners, what does this portend for those poor souls living in their own countries?

Of course, the author then quickly attempts to reassure us. “The absence of such a provision, however, can hardly be construed as rejecting the existence in principle of a human right to own property and not to be arbitrarily deprived of it.”⁶²³ How sweet can life get? Somehow the right to own property *in principle* is supposed to compensate for us not having the right to own property *in fact*.

Overall, there is no cause for surprise. The right of individual property ownership has never been popular in the East. In addition, “the idea of individual rights seems less attractive in the West in modern times. Some view rights less as a natural endowment of man than as mere legally protected interests that must be weighed against the larger social interests.”⁶²⁴

The Law of the Seas provides us with an example of modern property rights. It is acknowledged that abundant resources exist at the bottom of the ocean. In particular, manganese nodules containing copper, nickel, and cobalt represent a potentially rich harvest. However, there is a catch. Mining them will be very expensive.

When I was at a meeting of the World Federalist Association in Denver, one of the members passed around a letter to Colorado representatives and senators in Washington for us to sign. The letter called for ratification of *The Law of the Seas*

⁶²² Louis Henkin, “Introduction,” Louis Henkin, ed., *Op. Cit.*, p. 21.

⁶²³ *Ibid.*, p. 21.

⁶²⁴ Gerald W. Skully, *Op. Cit.*, p. 154..

because it is important that those resources be recognized as the common property of all.

Luckily for me, the people at the meeting were gracious when I politely declined to sign their letter. I could not help but think of the over-fishing and the general destruction of waters that are currently considered common property. Once again, it is good to be reminded of the tragedy of the commons: that which is owned by everyone is taken care of by no one. In addition, the lack of control over water areas creates an incentive to use as many resources as possible before someone else gets there first. “Nothing incites people to deplete forests, soils, or water supplies faster than fear they will soon lose access to them.”⁶²⁵

Instead of expanding the concept of communal property, we need to think twice about where we are presently applying it. In the areas where fish supplies are dwindling, it would be better for ocean properties to be sold in one-mile-square or ten-mile-square increments. The owners would then have exclusive fishing rights on their property (or the right to rent out those rights). In addition, because it would be impractical to fence in those properties, the fish would tend to migrate to ocean “plots” where owners are not so short-sighted in their harvesting methods.

Another difficulty with property ownership in common is that it inevitably degenerates into resource allocation by political fiat instead of resource allocation according to people’s ability to satisfy the desires of customers. If The Law of the Seas does succeed in commandeering the wealth of industrial nations for a bureaucratically managed manganese nodule mining operation, we can be sure that it will consume more resources than it generates. (In accounting, this is called “operating at a loss.”)

Regarding more general property issues, “Article 1(2) proclaims the general principle that one country should not exploit the natural resources of another. This paragraph, however, is not merely a reaffirmation of the right of every state over its own natural resources; it clearly provides that the right over natural wealth belongs to peoples. This has two distinct consequences. For dependent peoples, the right implies that the governing authority is under the duty to use the economic resources of the territory in the interest of the dependent people. In a sovereign state, the government must utilize the natural resources so as to benefit the whole people. The right of the people over natural resources, and the corresponding duty of the government, are but a consequence, in economic matters, of the people’s right to (internal) self-determination in the political field.”⁶²⁶ As usual, we will have to use a scraper to clear away all the euphemistic language in order to get to the point.⁶²⁷

This passage is permeated with paternalism for “dependent peoples.” Property is said to belong to the people in common, but only governments have the wisdom necessary to use resources properly. Nevertheless, surprise among

⁶²⁵ Alan B Durning, “Ending Poverty,” *State of the World 1990* (New York: W.W. Norton & Co., 1990), p. 145.

⁶²⁶ Antonio Cassese, “The Self-Determination of Peoples,” Louis Henkin, ed., *Op. Cit.*, p. 103.

⁶²⁷ A friend of mine who is a safety and environmental consultant made this comment while editing this book: “Many advocate preventing third world countries from developing their resources and forcing the US to compensate them for loss of use. This, of course, will save the earth.”

surprises, sometimes even governments fall short of this lofty ideal. Because of these “failures of government,” it is important for as many people as possible to have access to the political process. In the end, we discover that individuals do have the right to control resources, but only in proportion to their success as individuals influencing the political process.

If this whole line of logic seems preposterous, you are catching on. “[N]othing is more senseless than to base so many expectations on the state, that is, to assume the existence of collective wisdom and foresight after taking for granted the existence of individual imbecility and improvidence.”⁶²⁸

Foreign Aid and World Banking

It has been an article of faith for some time now that if we dump capital on poor countries, they will “somehow” be transformed into prosperous cultures. This, of course, is yet another expression of the “passive man, active matter” philosophy that guides so much policy making today. As it turns out, however, aid seems to have worked in some places, but not in others. The fact that it didn’t work in all cases indicates that there may in fact exist a more important variable that hasn’t been considered yet.

In *Chapter 2*, we noted that capital is simply labor that was not consumed. This means that capital can be generated no matter how destitute a people might be if only they have the will to do so. If the “vicious cycle of poverty” theories that suggest that development is not possible in countries where annual income is low were true, the whole of humanity would still be back in the Stone Age. Because some of humanity has escaped the grinding poverty of the Stone Age, and others have not, we are once again obliged to look for another hypothesis if we are to find an answer.

One hypothesis to consider is this:

What, then, are the cultural forces that facilitate or suppress the expression of human creative capacity and that influence movement toward or away from this increasingly universal aspirational model? There are, in my view, four fundamental factors: (1) the degree of identification with others in a society—the radius of trust, or the sense of community; (2) the rigor of the ethical system; (3) the way authority is exercised within the society; and (4) attitudes about work, innovation, saving, and profit. These factors flow from the overarching world view of a society, what social scientists refer to as “cognitive orientation” or “cognitive view.”⁶²⁹

Furthermore, “if the conditions for development other than capital are present, the capital will either be generated locally or be available commercially from abroad.”⁶³⁰ In other words, poor countries are not poor by accident.

In earlier chapters it has been demonstrated that people who are free to pursue their inspirations are more prosperous than people who are hobbled by

⁶²⁸ Frederick Bastiat, translated by Aurthur Goddard, *Economic Sophisms* (Irvington-on-Hudson: Foundation for Economic Education, 1968), p. 255.

⁶²⁹ Lawrence E. Harrison, *Who Prospers?: How Cultural Values Shape Economic and Political Success* (New York: BasicBooks, 1992), 10.

⁶³⁰ P.T. Bauer and John O’Sullivan quoted in Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon & Schuster, 1982), p. 374.

their governments. Poor countries in general have cultural attitudes that are hostile to development, and they have governments which are hostile to anything that might encroach on their power. Consequently, forcing development on them is like forcing the proverbial camel through the eye of a needle. (In addition to the question of whether it is possible to force poor nations to develop, we must also ask ourselves if it is ethical.)

The Effectiveness of Foreign Aid

Thus far, foreign aid's record has been quite dismal. For anyone who has followed the thesis of this book, these "unintended consequences" should not come as a surprise. Nevertheless, it is useful to survey some of the numbers surrounding development statistics.

A 1986 World Bank study concluded that the Bank-funded enterprises "represent a depressing picture of inefficiency, losses, budgetary burdens, poor products and services and minimal accomplishment." Other World Bank studies admitted that fully 75 percent of its African agricultural projects, totaling billions of dollars, had failed, that nearly 60 percent of its projects around the world were either "complete failures" or had "serious shortcomings," and that 60 percent of those projects judged to be successes were not sustainable after completion. And in a 1989 report, the Agency for International Development (AID), which administers United States foreign aid, acknowledged that all too often aid resulted in dependency rather than development and that even where growth occurred, "development assistance, overall, has played a secondary role." Of the scores of countries receiving U.S. assistance, AID was able to cite just three success stories: Japan, South Korea, and Taiwan.⁶³¹

And what about these success stories? "[W]hen one looks for success stories in economic development, one finds Hong Kong, Singapore, Taiwan, and South Korea—countries that largely escaped the attention of development experts during the 1950s through the 1970s."⁶³² In short, the Asian tigers went their own way, promoting greater economic freedom, if not political freedom.

In short, UN philosophy, which calls for central planning and sees capital as active and labor as passive, has not worked very well. "Could it be that the relative failure of aid, or at least the disappointment over the effectiveness of aid, has something to do with our materialist philosophy which makes us liable to overlook the most important preconditions of success, which are generally invisible?"⁶³³ In the words of P.T. Bauer and John O'Sullivan, "economic achievement depends principally on people's attitudes, motivations, mores, and government policies. People in LDC's [less developed countries] may place a high value on factors that obstruct material progress. They may be reluctant to take animal life, they may prefer the contemplative life over an active one, they oppose paid work by women, or they may simply be fatalistic. If on account of such factors, they are uncongenial to material progress, then external doles will not promote development."⁶³⁴

⁶³² Benjamin Higgins cited in James C.W. Ahiakpor, "Some International Neglect Would Be Good for Africa," *The Freeman*, August 1994, p. 449.

⁶³³ E.F. Schumacher, *Small is Beautiful* (New York: Harper & Row, 1973), pp. 165-166.

⁶³⁴ Quoted in Michael Novak, *Op. Cit.*, p. 374.

The Politics of Foreign Aid

The fact that foreign aid has not worked as planned has done nothing to dampen the enthusiasm of vested interests. In fact, “It is now sometimes suggested that foreign aid is necessary to enable less developed countries to service subsidized loans under earlier foreign aid arrangements. . . . The inability of underdeveloped countries to service earlier soft loans shows that these have not been used productively, as otherwise the governments could easily service these obligations. . . . To suggest that aid should be provided to meet this situation is a notable example of the axiomatic approach to aid: whatever the result of past aid, it can always be invoked as justification for more.”⁶³⁵ This scenario was anticipated by James Madison when he described “the old trick of turning every contingency into a resource for accumulating force in government.”⁶³⁶

Obviously, if failure is not a deterrent to continuing and/or expanding programs, another motivation must be present. “The aid ‘industry’ is a lucrative business, with hundreds of vice-presidents, directors, and outside consultants earning well in excess of \$100,000 a year, excluding lucrative fringe benefits. But aid workers have little interest in eliminating the poverty they are officially employed to combat. On the contrary, the more poverty means larger budgets.”⁶³⁷

Ultimately, there is a symbiotic relationship between the aid agencies and the recipient governments. On one hand, “promotions depend more on meeting or exceeding lending targets rather than worrying about the soundness of loans, as commercial banks must do. And since it is easier to meet one’s quota with a handful of big loans than with many small ones, the incentive is to ‘lend big, lend fast.’”⁶³⁸ On the other hand, “The poorer the country, the more aid the rulers receive; the more a country develops, the less money they get. It is hardly surprising that some of the wealthiest individuals in the world, whose fortunes are in the billions of dollars, are rulers of some of the world’s poorest countries.”⁶³⁹ With a perverse set of incentives like that, we probably should be surprised that things are not even worse.

Finally, if some authority is going to decide what the minimum standard of living must be throughout the world, differences in social mores and value systems will have to be standardized. “Attempts to eliminate or even to reduce these differences substantially, therefore, require close and intensive control over people’s lives, that is, the creation of great inequalities of power. The more diverse the conditions and the more deep-seated the causes of the diversity, the more intensive is the coercion required to standardize them. A large measure of international standardization of material conditions postulates world government with totalitarian powers.”⁶⁴⁰

⁶³⁵ Peter T. Bauer, “The United Nations and International Development Assistance,” E. Berkeley Tompkins (ed.), *Op. Cit.*, pp. 41-42.

⁶³⁶ Quoted in Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974), p. 57.

⁶³⁷ David Osterfield, “In order to develop, Third World countries need foreign aid.”, Mark Spangler (ed.) *Op. Cit.*, p. 252.

⁶³⁸ *Ibid*, p. 253.

⁶³⁹ *Ibid.*, p. 253.

⁶⁴⁰ Peter T. Bauer, “The United Nations and International Development Assistance,” E. Berkeley Tompkins (ed.), *Op. Cit.*, p. 38.

The Ethics of Foreign Aid

In earlier chapters, the legitimacy of using coercion to fund and administer charity has been questioned. In those chapters, the focus was on domestic welfare. Naturally, this chapter must focus on “foreign welfare.” Any discussion of foreign aid, as should any discussion about coercive charity, must start with a survey of the various coercion strategies being used.

The first strategy is, of course, force. “Foreign aid is taxpayers’ money compulsorily collected. . .”⁶⁴¹ In a sense, foreign aid may be even more suspect than domestic welfare. While domestic welfare forcibly confiscates wealth from people who know how to create wealth (and jobs) to give to people who don’t, foreign aid forcibly transfers wealth from “many taxpayers in donor countries [who] are poorer than many people in recipient countries.”⁶⁴² In the words of a button I saw someone wearing, “Foreign Aid—Poor people in rich countries giving money to rich people in poor countries,” (Of course, we do not need to get sidetracked regarding who is being forced to contribute to whom. Coercive charity is coercive charity is coercive charity.)

While on the subject of ethics, we need to consider fraud. Proponents of aid like to act as though poverty just falls from the sky. However, on some level they suspect that people in general may not be so gullible. Consequently, reports developed by international agencies conveniently overlook little problems such as “the harsh treatment of productive minority groups throughout the undeveloped world” or “major armed conflicts between and within less well developed countries . . .”⁶⁴³

Another example of the use of fraud is the plea insisting that growing populations are cause for alarm, and thereby an automatic reason for increasing aid even more. A growing population means that things are actually improving. Of course, there is still poverty, but now these poor people are being born faster than they are dying. (We need to remember that Europe’s population only increased three-percent per century until the industrial revolution, then in one century it increased 300%.) In addition, because these people do not have property rights, the only way they can provide for their old age is to have lots of children. Nevertheless, the argument that rich countries should be taxed even more heavily to cope with the ever-increasing tragedy and need is somewhat disingenuous—especially as some of the same people who are calling for more aid out of one side of their mouth, are calling for population control out of the other side.

Yet another disingenuous tack is the notion that while all cultures are equal, and in many cases morally superior, to the Western industrial nations, they cannot extract themselves from the “vicious cycle of poverty” that ensnares them. E.F. Schumacher made an observation worth serious consideration: “After all, for mankind as a whole there are no exports. We did not start development by obtaining foreign exchange from Mars or from the moon.”⁶⁴⁴ Not only were there no exports, there were no imports. Not only was there no exchange, there was no aid. Given that all of humanity started back in the cave, why is the question of why

⁶⁴¹ *Ibid.*, p. 32.

⁶⁴² *Ibid.*, p. 37.

⁶⁴³ *Ibid.*, p. 42.

⁶⁴⁴ E.F. Schumacher, *Small is Beautiful* (New York: Harper & Row, 1973), p. 217.

some people have advanced while others have not advanced, being so studiously ignored?

Finally, no discussion of coercive charity is complete without cataloging the guilt strategies that are being employed. “Many discussions of aid, including the Pearson report, suggest especially in the context of need that aid is a discharge of a moral duty to help the poor. However, as aid is financed from taxes collected compulsorily, it is outside the area of volition and choice. . . . The advocates of aid do not spend their own money; they advocate taxes. There is no moral element here such as there is in voluntary charity. Those who want to help poor countries can easily give money to the appropriate governments if they think this is a suitable outlet for their charity.”⁶⁴⁵

So there we have it—coercive charity at its finest. No strategy has been left unused. However, before we think of faulting politicians and bureaucrats, we should remember that it is the lack of conscious philosophical awareness of the masses that allows such scams to continue indefinitely. In the final analysis, we are free to do anything we want—all we have to do is pay the consequences.

World Banking and Economic Development

In recent decades, there has developed a growing problem of debt for undeveloped nations. An exploration of how this problem developed, along with consideration of the alternatives, will help us evaluate the effectiveness of the United Nations as it is now conceived.

E.F. Schumacher blew the whistle on the idea of foisting grandiose projects on undeveloped nations with little regard for the locally available resources or the skill-base of the population. Thus far, it appears that UN bureaucrats and the political leaders of these poor countries are the only ones to have benefited from these programs. As for the people, they have acquired yet one more stumbling block in the way of capital accumulation—debt.

Until recently, the United Nations, through the World Bank, has tried to force underdeveloped nations into the mold of developed nations, all the while forgetting that the developed nations themselves progressed slowly by a series of gradual steps. “We are told that there is no choice of technology, as if production had started in the year 1971. We are told that it cannot be economic to use anything but the latest methods, as if anything could be more economic than having people doing absolutely nothing.”⁶⁴⁶ Of course, the high percentage of failure as a result of forcing inappropriate technologies on people represents yet another injustice.

We have already noted that the bureaucrats in international agencies and the political leaders of the recipient countries benefit from foreign aid and loans. The losers are the taxpayers of both the donor and recipient countries. The damage done to the common people in the recipient nations is particularly tragic. “[W]ho bears the burden of repayments? Not the governing elite, but the poor producers of export crops such as cocoa, coffee, peanuts, palm oil, and in some

⁶⁴⁵ Peter T. Bauer, “The United Nations and International Development Assistance,” E. Berkeley Tompkins (ed.), *Op. Cit.*, p. 41.

⁶⁴⁶ E.F. Schumacher, *Op. Cit.*, p. 219.

cases local labor employed in oil and other mineral extracting industries.”⁶⁴⁷ Whereas the people were poor before, they now have the additional burden of debt payments.

Some authors have suggested that these failures were planned, but I tend to doubt such a thesis simply because I have met many people whose education exceeded their intelligence. Besides, there are few things harder than getting people to understand something when their salary depends on them not understanding it.

Another Approach to Development and Trade

Instead of using an international coercive structure to force development on poorer nations, it is better to allow people the opportunity to experience the suffering caused by their own “fixed notions.” According to one Mr. Moscoso, “The longer I live, the more I believe that, just as no human being can save another who does not have the will to save himself, no country can save another no matter how good its intentions or how hard it tries.”⁶⁴⁸ If people are not ready to work for change, no amount of assistance will help. On the other hand, if they wish to make changes, not only will it take very little assistance, one will be hard-pressed to stop them.

Using coercion to facilitate development can cause us to lose in two ways. First, we aggravate and insult these countries by being paternalistic toward them. (Who is to say that certain non-material values may not be more important to them than an abundance of material values?) Second, we undermine the capital base of the industrial countries by forcing people to give gifts. International welfare can erode the desire to work and inhibit capital formation just as effectively as national welfare.

Micronesia is a case in point. When it became a U.S. trust territory in 1945, private investment was outlawed and Micronesians were given free clothes, food, and other supplies. Many local farmers and businessmen went bankrupt, and the incentive to work was undermined. As productivity plummeted, Micronesia became entangled in a vicious circle: the more the economy declined, the more aid it received; and the more aid it received, the more the economy deteriorated. Between 1947 and 1985 this territory of fewer than 150,000 people received \$2.4 billion in aid. Agricultural output declined by over 50 percent and imports of foods that had been produced locally rose five-fold. One public official complained that “We have no technicians, no plumbers, no electricians . . . because the U.S. Government just handed us everything and didn’t ask us to do anything for ourselves.”

The point is not that Micronesians are lazy. It is that they responded rationally to the incentives facing them. By rewarding nonproductive behavior at the expense of hard work, by driving local producers out of business, foreign aid not only resulted in eliminating skills from the local population, it also retarded the development of those attitudes—thrift, industry, and self-reliance—that are essential for development.⁶⁴⁹

⁶⁴⁷ James C.W. Ahiaapor, “Some International Neglect Would Be Good for Africa,” *The Freeman*, August 1994, p. 449.

⁶⁴⁸ Quoted in Lawrence E. Harrison, *Op. Cit.*, p. 2.

⁶⁴⁹ David Osterfield, “In order to develop, Third World countries need foreign aid.”, Mark Spangler (ed.) *Op. Cit.*, p. 252.

If a society or a culture is truly concerned about promoting the cause of freedom, it will not delude itself into believing that the cause of freedom can be enhanced by violating the rights of its own citizens in the name of “foreign aid.” The best assistance a free, industrialized nation can offer is to set a good example. Instead of using coercion to promote international charity, people instead should be left free to either give donations as they see fit, or better yet, free to invest in other countries as their good judgment dictates.

If developed nations really wanted to help, they would open up their markets. “Rising trade barriers in rich countries are one cause of declining export prices for poor lands. The European Economic Community, for example, levies a tariff four times as high against cloth imported from poor, heavily indebted nations as from rich ones. All told, World Bank figures suggest that each year industrial country trade barriers cost developing countries \$50-100 billion in lost sales and depressed prices.”⁶⁵⁰ Of course, we can anticipate strong resistance from the protected industries in the industrial nations. Recalling once again the wisdom of Ambrose Bierce, a tariff is a “tax on imports designed to protect the domestic producer against the greed of his consumer.”

As we look at it from an ever larger vantage point, tariffs not only hurt the common people in the industrial nations by forcing them to be captive to their domestic producers, they also hurt the people in the developing nations by eliminating markets for their productivity. When we add to that the international debt-slavery that has been imposed on them by their great leaders, the damage is further compounded.

Governments need to get out of banking and economic meddling in general. “Regardless of what you have been led to believe, *debt is slavery*.”⁶⁵¹ National debt is national slavery, and international debt is international slavery. This idea is gaining popularity among intellectuals in developing nations and some of them are even calling for repudiation of those debts. This may at first seem extreme, but we only have to consider how those debts were created to begin with.

One day, some callow ivy league graduate flew into an unsuspecting third-world country with a grandiose plan. He catered to the vanity (and self-interest) of the leader, and lo and behold, another monument was soon under construction. I doubt that our callow consultant was this direct, but this is the essence of what he said. “I have this great idea that will catapult you into the 20th century, and I am so confident in it, I will arrange to loan the money to you for this wonderful project. Of course, if it doesn’t work, your people will be saddled with debt and end up worse off than they were before. However, I am sure you agree that no price is too great for progress. (Especially when someone else will have to pay for it.)”

The other alternative to World Bank loans is for government to control predators instead of being the chief predator. In this case, a principled government would simply inform other governments that, “when you prove that your society is stable enough to warrant the risk of investing, our business people will bring capital and knowledge to you. You will have to work hard to prove it to

⁶⁵⁰ World Bank, *World Debt Tables*, Vol. I. cited in Alan B Durning, “Ending Poverty,” *State of the World 1990* (New York: W.W. Norton & Co., 1990), p. 144.

⁶⁵¹ John Grandbouche, *A Declaration of Financial Independence* (Sewanee, TN: Spencer Judd, 1983), p. 14.

them, because our military is not an instrument for protecting foreign investments.”

Our principled government would then continue, “In return for creating favorable conditions for wealth creation, when our business-people invest in your country, they will share the risk. If the enterprise fails, they will simply lose their money just like they would if they made a poor business decision in their own country. Your people will not be saddled with a debt!”

Of course, given that the UN has more faith in the wisdom of people who have guns than they do in the wisdom of people who have tools, I do not expect the notion of freeing productive people to do their work to be enthusiastically received. Besides, the UN is dependent on other governments for funding, and there is no government on the planet that will consider freeing its producers—not even those in relatively free countries.

A Quick Summary

Fortunately, there are more options possible for the development of world government than just the United Nations. Its prognosis is not hopeful given that it depends on funding from thug governments for existence. In addition, the United Nations, like the rest of the world, seems unable to discriminate between voluntary association and coercion. This is not a happy philosophical state of affairs for an institution that is promising to deliver us from worldwide coercion and usher us into an era of peace—peace which can only come from the widespread acceptance of voluntary association as a social ideal. (On the other hand, “never say never.”)

In the next chapter, a picture of what principled world government would look like, based on the ideas outlined in this book, will be presented. Also, some different possible avenues for developing world government will also be explored. Nature does not depend on a single acorn when she wants an oak tree. Therefore, we should not depend on a single approach when seeking the ideal of world peace.

Chapter 12: Some Thoughts on World

Cooperation and World Governance

This chapter addresses the question Robert Muller posed to me in his letter. In his exact words, his question was, “Suppose you were given the task and free hand, like those in Philadelphia around Washington, to come up with the ways of the human species on this planet, and how it should achieve its fulfillment and be governed without impairing its planetary home?” Incidentally, this is the very question being deliberated by “The New Independent Council on World Cooperation and World Governance.”

In his letter, he suggested I pretend that I am participating in a world constitutional convention, much like the one that happened in America in the 1770s and 1780s, and to outline what I would do in that position. This seemed like a fun project, so I wrote this book. I do not presume to be an eminent thinker such as Thomas Jefferson or Benjamin Franklin. However, in my defense, I appeal to *Desiderata*. Even an old farm boy has a story to tell.

Outlining what world government should look like can be a formidable task—especially, if it is assumed that no aspect of human endeavor is outside the range of government intervention.

In the last chapter, different issues regarding the UN were explored. While it was noted that the UN has chosen some worthy goals, it was also noted that many of the UN’s policies are destined to have results at variance with those worthy goals (unintended consequences). This chapter will recap briefly the plusses and minuses of the UN, and then it will suggest possible alternatives for making a world government that will protect people rather than enslave them.

Worthy Goals of UN

The UN Charter speaks of many lofty goals. The two main aspirations of the UN Charter are the elimination of the oppression of humans by humans, and the elimination of the oppression of humans by nature. When we consider the magnitude of the task, the UN should not be faulted for failing to accomplish what might well be an impossible set of goals. (Unless the acceptance of impossible goals is itself a fault.)

The UN Charter and accompanying documents such as the Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights promise that the individual should be free from both oppression from fellow humans *and* they should also be free from want.

Summary of Weaknesses of UN

As was mentioned in the last chapter, the UN is operating at a distinct disadvantage due to the nature of its funding and due to some contradictory philosophical assumptions that guide its policy.

The United Nations is based in New York City, not on land it can truly call its own. Furthermore, its funding requires the goodwill of many governments, none of which must be offended unless the UN is willing to forego funding from that government. That may be why the UN calls for the acceptance of totalitarian regimes by relatively free countries, and for tyrants not to be too upset because people in other nations are more free. (Actually, tyrants should be grateful. Without the existence of freer societies, they would have nowhere to invest their politically acquired wealth.)

The call for peaceful coexistence between freedom and tyranny implies that everything is relative—especially morality. This compromise has been advocated by all UN documents. In fact, great pains were taken to create documents that offered a compromise between individual rights and government expediency.

Another philosophical conflict suffered by the UN is the notion that “somehow” people can be free from both the oppression of government leaders *and* from the demands of nature. In some economic theorists’ circles, the right to be left alone is defined as “negative rights” while the right to consume at a minimum level is defined as “positive rights.”

Advocates for positive rights insist that people should be able to consume at a certain minimum level regardless of their level of production. However, it does not take a doctorate in logic to figure out that if one person produces less than he or she consumes, someone else must make up the difference. Were the appropriations not called *taxation*, we would consider such demands to be an advocacy of slavery. (Forced labor camps are less subtle and more easily recognized as slavery.)

The main problem with advocating opposing policies is that the most harmful outcome is usually the one that unfolds. This is illustrated most dramatically with the saying, “In any compromise between food and poison, it is only death that can win.”⁶⁵²

The doctrine of positive rights finds its justification in the poverty that still remains on the planet even though some nations have made great strides against it. Differences in development are assumed to be accidents of nature, thereby requiring a forceful redistribution of wealth in order to correct perceived inequities. Little thought seems to be directed toward answering the question of why some nations prosper while others languish. Instead, it is assumed that rich nations are the cause of the problems of the poor nations. Nevertheless, “It is odd, on the face of it, to blame the poverty of the rest of the world on democratic capitalism. Such poverty, after all, is hundreds of years older than its purported cause.”⁶⁵³

⁶⁵² The character of John Galt in Ayn Rand, *Atlas Shrugged* (New York: Random House, 1957), p. 966.

⁶⁵³ Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon & Schuster, 1982), p. 273.

Applying coercion to the funding and administration of charity has some predictably perverse results. First, it acts as a disincentive for productive people to work hard, knowing that they will not have control over the results of their work. Second, it acts as a disincentive for those who are not productive because they know they will be taken care of regardless. Finally, it creates a whole cadre of bureaucrats who know on some level that their career advancement depends on the expansion of the number of problems to be solved.

Nations that implement policies of coercive charity are noted for their gradual decline and for the expansion of the very problems those policies were supposed to eliminate. In America, for instance, we find that after thirty years and over three-and-a-half-trillion dollars spent on Great Society programs, every problem that was cause for concern in the 1960s has only gotten worse. Of course, people in general assume that these problems can be solved only by chanting the mantra, “more coercion, more coercion, more coercion.” It appears that only a total collapse can wake people up to the truth that when people exchange “essential freedom for temporary security” they end up losing both. Because the United Nations has embraced the ideal of coercive charity, we can expect it to repeat on a world-scale what is presently being done on the national level.

There are some theorists who insist that the United Nation’s goal is to institute a world dictatorship. However, it is not necessary for a conspiracy to exist in order to achieve the same result. Well-meaning people with compassion for the poor (and no compassion for productive people) can create such an outcome even though they are sincerely opposed to the inevitable result.

Social programs tend to demotivate both producers and non-producers alike, leading to reduced production. From there, the next logical step is the creation of programs like “national service.” Once national service has been instituted, it is only a small step to forced labor. When forced labor finally arrives, one can deny the existence of tyranny only through the rote memorization of numerous euphemisms (until it’s your turn to go through the meat grinder).

Different Possibilities for World Government

In chapters 5 and 6, it was noted that if government is operating according to the principle of only exercising defensive force on behalf of productive people, it should enjoy as large a jurisdiction as possible—even worldwide in scope. However, if predators have co-opted government for their own purposes, the smaller the government the better, and a replacement government managed by non-predators is best.

Fortunately, the success of the United Nations is not our only hope for the future. Any group of people, on any part of the planet, could elect to adopt the ethics and systems that make for peace, prosperity, and for a formidable self-defense against predators.

Let’s take a look at each possibility available, starting with the United Nations.

United Nations

For all the disadvantages faced by the UN, one should not discount the possibility of it becoming a viable option. Life is full of happy surprises. If by chance some UN leaders were to take on the “suicidal” quest to educate people

about the requirements of life placed on us by nature, to suggest that the work necessary to maintain life is an opportunity for growth rather than a burden unjustly imposed, and to encourage people to modify nature instead of each other, the UN could be a source of hope for the future.

This, of course, would mean that the UN would immediately alienate itself from one-hundred-plus power-hungry nations who would cut off funding because the UN is not lending legitimacy to their forms of oppression (er, I mean government). For the UN to survive, it would have to align itself with people and governments who aspire to minimize the use of coercion in human relationships. That might well mean no support at all, given that even the so-called free nations promote coercive charity and deny “economic criminals” due process of law.

But, once again, miracles do happen.

Any Place on the Planet Willing to Adopt An Ethical Framework

Any society that decides to embrace individual freedom is a candidate. Rational and peaceful government is more a matter of principle than it is a matter of size. In fact, if a world government is formed that lacks these principles, it will only interfere with societies who seek to embrace these principles. Ultimately, it matters little whether we have one big world government using these principles, or many little governments using them. The result would be the same.

Our rational hope for the future depends on the possibility that some culture, upon emerging from a dark age, might want to embrace the principles of individual rights and minimum government. Many advocates of United States supremacy, including some people who believe the UN is part of a larger conspiracy, assume that the United States is the only place from which freedom can spring. Unfortunately, history does not bear this out.

Nations have been rising and falling since before recorded history. Recalling once again Arnold Toynbee’s theory, nations are born and die in a series of nine steps: bondage, faith, courage, freedom, prosperity, selfishness, apathy, complacency, dependency and back to bondage. If this is true, the United States must descend back into bondage. Were the U.S. to reverse this trend, it would be the first culture in history to do so.

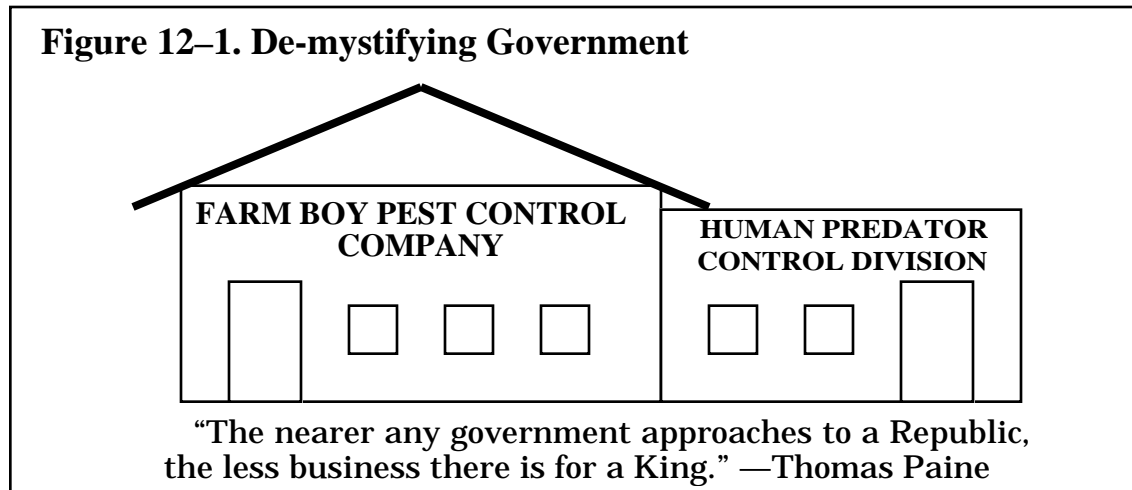
Consequently, our best hope lies in some nation or land-mass inhabited by people who know through hard experience the consequences of trading essential liberty for temporary security. However, I would not even hazard a guess as to where such a possibility will arise. Certainly the former Soviet Union is not a candidate, given that they do not want freedom, but only “socialism with a human face.” If media reports are at all reliable, a large percentage of the people there apparently seem content to live a marginally comfortable life-style built on mountains of dead bodies so they don’t have to learn entrepreneurial skills and how to be of service in a free market.

Of the two possibilities for principled world government, the second is the more likely scenario. It is hard to stand on principle when one cannot stand on land.

Key Principles for Ethical World Government

Earlier, it was suggested that government needs to be recognized as being in the business of predator control. Because government has been deified with an aura of mysticism, it is easy for people to overlook that basic point.

One way to look at government is to think of it as a pest control company that specializes in controlling human predators. Were insect pest control companies to have as dismal a record as governments have had, cockroaches would have staged a successful hostile takeover long ago. As an exercise in de-mystifying government, consider *Figure 12-1*:



Government Limited to Defensive Force

Because individuals have the right of self-defense which is inherent in the right to preserve life, groups of individuals have the right to create an agency of defensive force for the common defense. “Law is solely the organization of the individual right of self-defense which existed before law was formalized.”⁶⁵⁴ Beyond that, the organized use of coercion is suspect simply because individuals are not allowed those same privileges. A basic rule is, if an individual is not allowed to use coercion for a certain purpose, the government should not be allowed to either (and vice versa).

Individuals Need to Be Free to Make Their Own Choices

Life is about making choices. One important question is who should make those choices. Elitists have a tendency to insist on forcing people to follow the edicts of the elite and to deny their own judgment. However, elites often do not see the full ramifications of such choices. For instance, in America the all-wise FDA (Food and Drug Administration) saw fit to keep beta-blockers off the market for ten years even though they were being used successfully in Europe. It is estimated that 100,000 people died sooner than they would have otherwise, all in the name of protecting them.

⁶⁵⁴ Frederick Bastiat, translation by Dean Russell, *The Law* (Irvington-On-Hudson: The Foundation for Economic Education, Inc., 1990), p. 68.

There is no question that people often make bad choices. However, there is one thing worse than making a bad choice—being *forced* to make a bad choice. At least if an individual makes a bad choice and suffers the consequences of it, he or she may make a different choice in the future. If a bureaucrat makes a bad choice, the people suffer, and then the bureaucrat concludes that the program needs a bigger budget.

Ultimately, if the concept of individual rights is to be taken seriously, people must be allowed to make their own decisions. With that right comes the responsibility to compensate others for any harm done as a consequence of a bad decision.

Practical Application of Principles

At this time in history, when the majority worships at the alter of coercive relationships, anyone who suggests that individual planning is superior to central planning is likely to be shrugged-off as a dreamer. Peter Bauer, for instance, suggests that “Foreign aid is taxpayers’ money compulsorily collected; hence the burden of proof should fall on the advocates of such a policy. . . .”⁶⁵⁵ Logically it would make sense that those advocating the use of coercion would have to prove their case, but these are not logical times.

Reality requires more from us than just sentimental feelings. “No one would argue that man eats bread rather than stones purely as a matter of ‘convenience.’”⁶⁵⁶ If we use stones to grind wheat, we will get one result. If we use those same stones to bash in each other’s heads, we will get a quite different result. Those interested in peace and prosperity will naturally favor the first approach, and they might even decide that, far from being dreamy, it is quite practical.

While on the subject of stones, wheat and bread, we must remember where they are found—on land. For a society based on individual rights to stand on principle, it must first have a resource base to stand on. If one is at the mercy of others who control access to resources, one must either play their tune or forget about living in a material body. “Give me control over a man’s economic actions, and hence over his means of survival, and except for a few occasional heroes, I’ll promise to deliver to you men who think and write and behave as you want them to.”⁶⁵⁷

With these basic principles in mind, let’s see how they translate into the way government coercion is to be applied to social relationships.

Government Functions

Thomas Jefferson summed it up: “That government governs best that governs least.” As was mentioned earlier, government (or the Human Predator Control Division of a pest control company) is best used for defensive purposes

⁶⁵⁵ Peter T. Bauer, “The United Nations and International Development Assistance,” E. Berkeley Tompkins (ed.), *The United Nations in Perspective* (Stanford, CA: Hoover Institution Press, 1972), p. 32.

⁶⁵⁶ Ayn Rand, *Introduction to Objectivist Epistemology* (New York: New American Library, 1966), p. 110.

⁶⁵⁷ Susan Love Brown, et. al., *The Incredible Bread Machine* (San Diego, CA: World Research, Inc., 1974), p. 153.

only. Beyond that, we are accomplishing through law what can only be done otherwise through crime. In other words, government should be controlling crime, not legalizing it. Speaking of crime, . . .

Crime

Crime is predatory behavior. Its essential feature is that offensive force is used against others in order to enjoy transfers of wealth and power without their voluntary consent. Presently, the only predators who are labeled as “criminals” are those who seek involuntary transfers *without* the sanction of the government.

When government is serious about fighting crime, it creates an incentive structure that makes honest work more appealing. “When, then, does plunder stop? It stops when it becomes more painful and more dangerous than labor.”⁶⁵⁸

Consistent Penalties Attached to Predatory Behavior

Crime is like any other occupation. Therefore, one way to lessen crime is to demonstrate that the occupational hazards attached to crime are more severe than the hazards inherent in productive occupations. While it is commonly argued that people do not rationally choose a life of crime, research has shown that many criminals do a systematic assessment of the risks.⁶⁵⁹ Although there may be some people who are pathologically drawn toward self-destruction, and they probably deserve sympathy rather than anger, it still makes little sense to engineer a society in which crime becomes one of the more risk-free occupations available.

On the other side of the equation, busybody laws such as prohibitions against drugs, gambling and prostitution need to be repealed. While the choice to purchase any of the above products or services may not be wise, people should be free to make unwise choices. Liability should only come to play when a third party has been harmed, or if force or fraud was injected into the transaction.

In America, every escalation of the “War on Drugs” has been followed by a corresponding increase in drug use and violence. Over the last 15 years this outcome has been so predictable that one is tempted to think that this is, in fact, the intended result sought by policy makers. Now that “Civil Asset Forfeiture” has come into vogue, with takings augmenting agency budgets directly, it is safe to say that the war on drugs is more dangerous than the drugs themselves.

Without the creation of artificial crimes, the amount of violence should go down markedly. Once people can provide goods and services people desire without being assaulted by the government, many entrepreneurs will no longer need to resort to violence as a necessary tool of customer service. Misrepresentation of these products or services would be handled just like any other fraud or civil liability case.

Once we stop giving violent people honest work to do, any remaining violent crime would have to be done by people who are committed to predation as a way of life. Also, if we shift our focus from catering to state vanity to compensating victims, prisons would be homes primarily for violent people. Then, our main

⁶⁵⁸ Frederick Bastiat, translation by Dean Russell, *Op. Cit.*, p .10.

⁶⁵⁹ David B. Kopel, “Gun Control Won’t Stop Rising Violence, Policy Review #63,” *Heritage Foundation*, Winter 1993, pp. 2-3.

problem might become “prison under-crowding,” thereby lessening budgetary pressures to give violent offenders early releases.

Compensating Victims Should Be Primary Concern

In general, one could argue that all crime is a form of insanity because it indicates that one is stuck with a belief in separateness and alienation from the rest of the universe. Also, for the psychological health of the society, a certain compassion toward criminals can be useful. This means that instead of seeking revenge by abusing the criminal, the system would instead put the criminal to work with the primary goal of compensating the victim.

As for those who kill in cold blood, it is not out of bounds for society to say, “Congratulations on your decision to execute yourself. We are merely the agents of your will.” As one cartoon said so aptly, “Why should criminals be the only ones allowed to administer the death penalty?” Of course, the death penalty should only be used in cases where there is no doubt. If an executed person is found to be innocent later, it is difficult to restore their freedom and compensate them for their lost time.

For crimes short of murder, the goal would be to assess the criminal’s aptitudes and skills in order to employ them in the manner that would most quickly compensate the victim. This, of course, would imply a society committed to a free market for both business and labor. It will not do for people who want to create an artificial shortage of labor to inform judges with impunity that, “If that means prisoners must continue to be idle, ignorant, living off a welfare state behind bars—all the while plotting the next crime—then so be it. That’s not a union problem.”⁶⁶⁰ In a sense, a society committed to keeping people from working so that those who are working can be paid more deserves the problems it gets.

Political Crime and Private Crime Treated the Same

The notion that there is a difference between politically motivated crime and civil crime is a curious concept. Predatory behavior is predatory behavior. It makes no difference if the predator is acting on his own, or if the predator has codified the predation in law in order to render the victim defenseless. Seeking an unearned gain at the expense of others is a violation whether it is done with a bullet or with a ballot.

This concept will have further implications when issues such as immigration are addressed.

Charity

Until we allow the Red Cross and other charitable organizations, or private citizens in need, to take to the streets with guns in order to solicit donations, the government should not be allowed to do it either. As was mentioned earlier, the government should not be allowed to do what the individual citizen cannot do.

As was mentioned earlier, if everyone were allowed to take their guns around the neighborhood in order to make those with ability pay tribute to their

⁶⁶⁰ Charles Colson and Jack Eckerd, *Why America Doesn’t Work* (Dallas: Word Publishing, 1991), p. 120.

need, it would not take long for pandemonium to erupt. By limiting coercive charity to government, one only delays the day of reckoning. In the end, the result is the same.

A government based on the principle of non-coercion would have to have faith in people's willingness to help those in need. President Grover Cleveland, when he vetoed a bill providing \$10,000 to Texas farmers because of a long drought, expressed his faith in these words:

I find no warrant for such an appropriation in the Constitution, and I do not believe that the power and the duty of the General Government ought to be extended to the relief of individual suffering which is in no manner properly related to the public service or benefit. A prevailing tendency to disregard the limited mission of this power and duty should, I think, be steadfastly resisted, to the end that the lesson should be constantly enforced that though the people support the Government the Government should not support the people.

The friendliness and charity of our countrymen can always be relied upon to relieve their fellow-citizens in misfortune. This has been repeatedly and quite lately demonstrated. Federal aid in such cases encourages the expectation of paternal care on the part of the Government and weakens the sturdiness of our national character, while it prevents the indulgence among our people of that kindly sentiment and conduct which strengthens the bonds of a common brotherhood.⁶⁶¹

Even with a great deal of forced charity, there is still a lot of voluntary charity being given in America. While speaking to over one-hundred service clubs in the Denver Metro area, I was impressed by all the different causes people were promoting. (There are over 500 such clubs in the Denver Metro area alone.) One thing that is also worth noting, however, is that the membership of these clubs is primarily composed of older people. Possibly the younger generation is too busy working trying to make ends meet to have time or money to participate.

Psychologically, giving is a selfish act. When we give, we are, in effect, making a statement about our ability to create more than we need. In other words, giving provides a certain utility for the giver, which explains why people will give even at times when the gifts do more harm than good. Also, people's desire to give can be taken advantage of by people who know how to make full use of a soft heart. "The basic proposition underlying the charitable exploitation argument is that the donor of the gifts receives utility from giving to the recipient."⁶⁶²

Of course, whatever the utilitarian arguments might be, we must still answer the one fundamental question: Is it ethical to use force to fund and administer charity? Be careful what precedent you set. When it expands into a full system, the results might not be pretty.

Foreign Aid

Foreign Aid is simply coercive charity that is taken from working citizens in some countries and given to political leaders in other countries. Most foreign aid constitutes wealth taken from citizens in industrial nations and given to

⁶⁶¹ Jacob M. Hornberger, "The Real Free-Market Approach to Health Care: Part II," *Freedom Daily*, January 1994.

⁶⁶² Richard B. McKenzie and Gordon Tullock, *The Best of the New World of Economics* (Homewood, Ill. : Irwin ,1989), p. 119.

people in developing nations who are wealthier than those from whom it was expropriated. This violates not only the principles of individual rights, it even violates the principles of “distributive justice” as well. (Karl Marx and Ayn Rand would agree that this is not ethical from either an individual rights point of view or from a “from all according to ability, to all according to need” point of view.)

Furthermore, putting ethical concerns aside, foreign aid is generally given to political leaders under the misguided notion that “we can help the powerless by going through the powerful.”⁶⁶³ Ultimately, if the money is used at all, it is usually used on ego-projects designed to enhance the stature of the political leaders—not to help the plight of the poor masses. To make matters worse, resources are often redirected from ventures that would actually help the people, a debt is built up, and the end result is the people end up with fewer resources to work with and an even larger burden to carry.

A principled government would not be in either the domestic or the foreign coercive charity business. Instead of government-to-government transfers of wealth, gifts would be made voluntarily by private individuals. If an individual believes that a government is the best way to get the money to the people, they would be free to donate to those governments directly. Otherwise, charity would be done on an individual-to-individual basis according to the desires of the donor.

In the last few years we have seen humanitarian missions to Somalia, Bosnia, and Rwanda. In each case, humanitarian aid was sent in with little or no military support. In each case, industrial nations dabbled in the mess for awhile and then left once they decided that the costs of restoring order was greater than the benefits.

What is tragic about this whole scenario is after all the political posturing, money spent and lives lost, the plight of the people is no better. In fact, it is likely to be even worse. Most of the aid ends up in the hands of those with guns while a little bit might make it to non-combatants. This means that those who are interrupting the production process are able to sustain their fighting even longer, making the suffering of the people last longer as well.

The case of Somalia was particularly instructive. The UN, with the best of intentions, took weapons from the people in the name of promoting peace. After the UN forces left, the predators enjoyed easy pickings, thanks to an unarmed population. Some of the victims then asked the UN, “if you disarm us, don’t you acquire a moral duty to protect us now that we can no longer protect ourselves?” Judging by the way the international community handled Bosnia, we can all guess what the answer was.

If one truly wishes to help a nation-gone-berserk, first emphasis must be put on predator control. This means that military aid must be provided first. The military would be wise to first establish control over some rich rural land so as to have a safe place to which people can migrate in order to escape the fighting. The next step would be to fly over the country dropping leaflets explaining where people can go to escape the fighting. The leaflets would also offer some philosophical thoughts designed to undermine the propaganda of the predators by

⁶⁶³ John Lobell, *The Little Green Book : A Guide to Self-Reliant Living in the 80's* (Boulder CO: Shambhala, 1981), p. 378.

describing them in so many words. Finally, they would warn the predators that they have a limited time before “fumigation” begins.

If those wishing to help are not willing to undertake a decisive program of this nature because of practical reasons or ethical uncertainty, then their policy should be “hands off.” Lacking firm intention, it is better to step back and let the people work out their own fate.

As for aid to undeveloped nations, care is needed. First, people from industrial, or so-called developed nations, need to show some respect for the cultures who have, for whatever reason, elected to remain “undeveloped.” In some cases, the reason for primitive living might be conflict and chaos. In other cases, it might well be a conscious exchange of a lower material standard of living for more leisure time. In any case, government should not be involved in wealth transfer or economic planning. Citizens of donor nations should be able to choose their own charities. Likewise, people from recipient nations deserve not to be saddled with grandiose schemes that only enrich their leaders while increasing the debt burden.

As was mentioned earlier, an ethical government would notify other governments that if they wish for help, they must demonstrate that it is safe to invest within their jurisdiction. Instead of loaning money to governments to build hare-brained projects which saddle poor populations with useless debt, businesses from developed nations would provide risk capital with the rational expectation of sharing in the profit, because if the venture fails, they would have to absorb the loss. Once again, the people should not be saddled with useless debt!

Humanitarian Aid

Presently, it is popular for governments and the UN to give “humanitarian aid” and to eschew military aid. It is as if people who live in cultures that work should be plundered in order to subsidize people who live in cultures that do not work. One is supposed to give blindly with no thought as to what brought about the problem in the first place.

The notion that during war-time some products are peaceful while others are not is as short-sighted as the idea that some weapons are defensive while other weapons are offensive. Whether a weapon is offensive or defensive is determined more by the intent of the user than it is by the design of the weapon itself. During war-time, “humanitarian aid” frees up resources for weapons production that would otherwise have to be spent producing food and other basic life-sustaining goods.

Military Aid

After observing the spectacles of Somalia, Bosnia and Rwanda, I have concluded that if one really wants to help, military aid should be given first to clean out the predators. In short, the United Nations (or the United States) either should have egone in militarily to stop the fighting, or should have stayed out completely. Humanitarian aid is useful only *after* the fighting has stopped and the people are back to planting and harvesting their crops and rebuilding in general.

Banking

Another tool of oppression being used (with the best of intentions) against developing nations is IMF (International Monetary Fund) and World Bank loans. In this case, we have Gurdjieff's proverbial "pimple-faced momma's boys" running around the globe selling political leaders on grandiose ego-projects in the name of economic development. The deal goes something like this. "If you will agree to this project, we will loan you the money at a subsidized interest rate. Of course, if the project (which is our idea) fails, you will still be liable to pay back the loan even though you will have even fewer means with which to do it. The fact that we have helped you misdirect resources is no reason for you to not raise your people's taxes and increase their suffering so you can pay us back!"

With this kind of system in place, people in developing nations are not off-base when they charge that they are being exploited by the industrial world—which is where all these schemes come from. "Typically, more than 80 percent of all aid money distributed to the Third World is actually spent in the First World in the form of purchase orders. It is hardly surprising that many large corporations are the biggest proponents of foreign aid."⁶⁶⁴

Business Investment and Trade

An ethical government is not in the business of regulating business or managing trade between nations. It is also not the job of government to tell people whether or not they should trade with one another. If both parties agree, the transaction takes place. If they cannot agree, both parties must look further in the hopes of finding what they want.

Instead of writing reams of preventative law and second-guessing people, the purpose of government is to consider claims of harm done through negligence, misrepresentation or malice. If a business does harm to someone's person or property, the court's job is to determine liability and to require compensation.

Under principled government, corporations would still be formed as vehicles for issuing stock offerings and raising capital, but the corporation would not be a device for escaping liability.

Developing World Government by Attrition

It has already been mentioned that a society and government that has direct access to resources is the most likely candidate for successfully creating a world government. (If the United Nations were to find such a place, it too could be a candidate for forming a principled world government.) Controlling resources is a vital prerequisite for being able to stand on principle. Where such a government or society might arise is of little consequence, because the condition of the people is what is important.

When people are free, they create wealth at an astounding rate. The degree of wealth or poverty of any culture is a reliable measure of the degree of freedom

⁶⁶⁴ David Osterfield, "In order to develop, Third World countries need foreign aid.", Mark Spangler, ed. *Clichés of Politics* (Irvington-on-Hudson, NY: The Foundation for Economic Education, 1994), p. 253.

or oppression it is experiencing, so the government that allows people to create their own destiny cannot help but become a formidable force in the world.

Opportunities for Annexation

It was mentioned earlier that if a government is principled, the larger the jurisdiction it enjoys, the better. And if the government is not principled, then the reverse is true. While such a government might start on a piece of land of indeterminate size, if it creates freedom and unleashes the productive power of people, it will soon set an example for the rest of the world. It will not be necessary to perform breast-beating exercises to demonstrate the effectiveness of the system. (This contrasts with our current fiasco where “governments that are too big in the West are trying to tell governments in the East how to become smaller.”⁶⁶⁵)

There are two ways the coming world government would expand its jurisdiction. The first is through voluntary annexation because neighboring countries wish to share in the abundance and the excitement. The second is coercive annexation because the predators are so out of control that there is no other alternative if the productive part of the population is to survive at all.

Voluntary Annexation

Instead of flitting about the world incurring unneeded risk and expense, annexation would be done only to countries who shared the current borders. Once again, the purpose of the military is to protect the people from invaders. It is not for chasing around the planet to beat up on countries whose systems would collapse sooner if they were ignored and allowed to suffer the full effects of their own policies. By avoiding activities that reinforce the perception of being an outside threat, the people within those countries are likely to focus more on the abuses perpetrated by their own leaders.

Of course, before any of these battles can be won, a major philosophical battle must be won first. In a world where propaganda successfully “gives to coercion the semblance of persuasion,” neither the moral nor the political force can be mustered necessary to make this scenario a possibility.

The best way to sell the world on a particular system of social organization is to demonstrate its success on a daily basis. As with religion, it is best to show positive results instead of oppressively proselytizing others.

Forced Annexation

Occasionally, people in a neighboring community are going to run amuck. Actually, it is not so much the people as it is competition for power among two or more gangs of thugs seeking to fill a “power vacuum” that has developed. Cases such as Somalia, Bosnia and Rwanda are cases where fighting has escalated to such a degree that little ordinary life-supporting work is impossible. In these cases, there is no moral leadership, so anyone who steps in to restore order so productive people can get back to work will be doing a great service for the noncombatants.

⁶⁶⁵ Milton Friedman, “Cooperation Between Capital-Rich and Labor-Rich Countries: Part II,” *Freedom Daily*, May 1994. p. 21.

As was explored earlier in *Chapter 3*, when someone is being oppressed by the offensive coercion of another, any third person is ethically justified in using defensive force on behalf of the oppressed. Nevertheless, those who limit their use of force to defensive force must still exercise caution. In a world with so much predation taking place, one must choose one's battles carefully. Consequently, it is recommended that this new nation limit its concerns to bordering nations.

Some paragraphs ago, the principles of foreign aid were outlined. Instead of sending in humanitarian aid first, as is now done, military aid would be provided first. (There is no sense feeding the combatants so they can prolong the people's suffering.) The biggest problem consists of separating the combatants from the noncombatants. The problem is further compounded by the fact that in war time there really is no such thing as a nonmilitary commodity. (Food aid, for instance, frees up resources for arms production.)

Basically, this calls for using three primary strategies. The first is for citizens who are so inspired to take in people from the neighboring warring country. The second is to commandeer a fertile patch of land on the countryside for non-combatants to pour into. Throughout this venture, leaflets would be dropped on the population explaining that predatory behavior is unacceptable—even in the name of ethnic differences, race competition or political and religious ideology. Also, instructions would be given for people to escape as best they can and to go to the cordoned-off area. Finally, once as many non-combatants as possible have been removed, operation "clean sweep" would begin.

Most likely, if the predators are busy fighting it out, they will be left alone for awhile to allow them to kill as many of each other as possible. Once it appears that they have lost some of their steam, the sweep would begin. While provisions for surrender would be made, the operation would be designed to be as dangerous as possible for the predators and as safe as possible for the advancing predator-control force.

The defensive force would be made up of volunteers for the operation. They would be well-paid, which would encourage our hypothetical free nation to invest in adequate "military capital" in order to increase the effectiveness of a smaller military force. (Cheap military conscription policies motivate policies that place less emphasis on equipment and more emphasis on "expendable manpower.") Not only would military service itself be voluntary, so would participation in any particular campaign. (Of course, consistent refusals by a service member would suggest that another career is in order.)

Domestic Policy

A principled government would not be in the business of forcing elitist visions of how society should evolve, except that it should evolve peacefully. People from different cultures would compete in the production of goods and services according to their own inspiration. Even relative poverty would be considered an acceptable choice if it is done peacefully. (Free time and leisure can be enjoyed either after or before opulence has been achieved.)

In America there are many petty squabbles that arise from the government being involved in so many different things. Consequently, there are now endless arguments about how many languages government schools and publications

should be using, etc. If the schools were left to the community, they would be free to teach their children any languages or customs they pleased. Not everyone in a community needs to speak the nation's dominant economic language. Oriental communities in America offers us an excellent model to consider. The business owners speak English and provide the connecting point with the larger community in order to buy and sell goods and services to the surrounding community. The employees are free to choose not to learn English, thereby insuring that they remain employees. In exchange for the luxury of not learning English, they simply accept less pay and fewer opportunities.

Oriental communities also offer us an example of people triumphing against many obstacles. They often work twenty hours a day for low pay, live on even less than they make, and in time they use their savings to start their own business. (This in turn makes them targets of envy, and for affirmative action purposes, makes them whiter than white.) In short, their cultural values have enabled them to prosper while other groups who have learned to depend on the government find themselves perennially poor.

Given the poor record of government do-gooder programs, keeping the government out of the "vision-selling" business should come as good news.

Immigration

It has been said that people have two arms and one mouth. However, whether that is true is in large part due to government policies. In America, a general policy of coercive charity has been instituted which demands that anyone's misfortune, incompetence or malice automatically becomes a mortgage on everyone else's future. Because America has enough misfortune, incompetence and malice within its own borders, some people (known as taxpayers) are concerned about the costs of importing additional misfortune, incompetence and malice.

A country that elected to make charity a voluntary undertaking would have no such problem. Everyone would know that they must create what they need, or place themselves at the mercy of donors who must reach into their own pockets to help them (as opposed to reaching into other peoples' pockets). People would be free to enter, but there would be no automatic free lunch. Life would be hard and uncertain for newcomers, but on the other hand, they would know that the results of their hard work would be respected.

Instead of regulatory and police-force obstacles to entry, there would be the obstacle that would arise from most land being private property. This would mean that immigrants would have to be *invited* by private citizens who wished to employ them or otherwise take care of them until they can find employment. Although there no longer would be coercive charity, one would expect private charity to increase, given that people would have more resources at their disposal.

On the other side of the equation, immigrants would enjoy the same as current citizens—freedom from force or fraud perpetrated by others, including current citizens. Therefore, it would be a crime to lure in immigrants under false pretenses for the purpose of cheap labor, etc. An immigrant and the citizen-employer would be free to agree to as low a wage as is mutually acceptable, given that it sometimes takes little to make an improvement over what the immigrant is leaving. (A major reason for exploitation today is that the immigrants who need to

migrate the most are declared illegal and are automatically fugitives from the law rather than being protected by the law.)

As for migrant criminals who are politically motivated, they would be treated like any other common criminal. Fights over political issues are simply fights over which form of plunder should be legalized and who should enjoy that prerogative. However, plunder is plunder, with or without the sanction of law. A government that only uses defensive force on behalf of honest and productive people is justified in obliging both the personally motivated criminal and the philosophically motivated criminal to compensate their victims. Many people will want to migrate to this new nation because freedom is maximized by keeping both private and political plunder to a minimum.

International Relations

A new nation (or a self-reforming nation) that is focused on only using defensive force will be an anomaly in a world of people hell-bent on living at each other's expense. It will attract enemies like a teetotaler who, even without pretense, enters a raucous night club. Whereas now, national leaders love to have "enemies" with which to scare their subjects into submission, the enemies of a truly free nation will be genuine enemies because of how the way of life in a free society will contrast with the oppressive societies in the surrounding world. Therefore, all will not be sweetness and light, and provisions must be made for dealing with the world beyond the borders.

Trade

For a long time I agreed with the idea of not trading with other nations because much of their labor can be accurately defined as slave labor. However, especially at present, there is no place on the planet where there is no slave labor. America likes to tout itself as a free nation, yet with a government that uses at least 50% of the nation's resources, we can say that Americans are 50% slave and 50% free. Other nations might be even worse, but America has no cause for a smug sense of superiority.

In the last year, we have seen blockades erected against Haiti and Cuba in the name of Democracy. (In earlier centuries, blockades were defined as acts of war.) This approach was somehow supposed to make them kow-tow to the rest of the world. What happened was that those actions only increased their defiance and resolve to resist.

Aristede, with his opposition to the free-market, is no friend of human rights (of the hands-off variety) any more than the military leaders who ousted him. While it is conceivable that the military might be a bit worse than Aristede, starving the common people with a blockade in order to reestablish his power is a cure that is probably worse than the disease. Given that both sides have designs for using coercion for more than just defensive purposes, it should be no surprise that whichever party is in power, it will persecute and plunder the other. Since Aristede has regained power, the persecution has shifted the other direction. Of course, we hear little about it because U.S. leaders and the media apparently find Aristede's brand of persecution more acceptable.

As for Cuba, Mr. Castro has had a reputation as an other-than-nice guy for decades. Now, all of a sudden, he is supposed to step aside and make way for that

noble institution called democracy. Once again, it is the people who must suffer while Mr. Castro misses no meals. To his credit, he recognized that America's welfare system is not ready to accept thousands of immigrants, so his guards started looking the other way. In the process, when the administration caved at the thought of taking care of thousands of refugees, he revealed the hollowness of America's claim of "moral superiority." All this is not to say that Cuba is a nice place to live, but any economic embargo is, in effect, a war against the people, and can be expected to inspire increased loyalty to their leader.

Ultimately, it is not clear whether making embargoes against governments we do not agree with is really the best policy. Popular theory says that if times are bad enough the people will rebel. Eric Hoffer suggests the opposite: "Discontent is likely to be highest when misery is bearable; when conditions have so improved that an ideal state seems almost within reach. A grievance is most poignant when almost redressed. . . . A popular upheaval in Soviet Russia is hardly likely before the people get a real taste of the good life.⁶⁶⁶" Therefore, open trade and increased wealth will likely do more to create discontent than will threats of hostility.

Military Policy

A nation founded on these principles will also not need as much of a military as does a nation that decides it should be the world's police force. Earlier, it was noted that government-to-government charity would be ended. This would put an end to the policy of feeding our alleged enemies and then having to build gigantic arsenals to defend ourselves against them. American policy has long been to make loans to the "evil empire" so it could buy grain, machinery, etc. Of course, those loans have never been paid back—maybe a dime on the dollar at the most. As Henry Hazlitt says, "it doesn't take a genius to figure out that if you loan money so people can buy your goods and you don't get paid, you are giving your goods away."

Whereas the police is tasked with controlling domestic predators, the military's job is to control predators on the other side of the border. Neither the police nor the military would have to be as large as they are at present for the additional reason that citizens would be well armed, and they would be allowed to participate in predator control. Unlike most governments, under this government the police and the military would be provided as a *support* to the individual's right of self-defense—not as a *substitute* for that right.

Handling Current International Threats

Much of the encroaching despotism in America is justified by all of the external threats supposedly looming over us in a hostile political world. Since the "fall" of the former Soviet Union, American political leaders have been in a frantic search for a new enemy. Saddam Hussein failed miserably after 10 years and \$50 billion of aid was invested in him. Somalia, Bosnia and Haiti have been interesting diversions, but the American public has not been convinced that foreign problems should automatically become domestic problems. Media cameras got us into Somalia with pictures of starving children, and those same

⁶⁶⁶ Eric Hoffer, *The True Believer* (New York: Harper & Row, 1951), p. 33.

media cameras got us back out with pictures of a dead GI being dragged around and desecrated by some less-than-grateful natives.

Thus far, the “war on drugs” has been the most effective ruse for concentrating political power in America. It has become the justification for substantial “civil asset forfeiture” at a rate of about 1,000 people being relieved of their possessions each week by various government agencies at all levels of government. (“In 1990, a Justice Department bulletin was sent to U.S. Attorneys, urging them to seize more property in order to meet budget projections. ‘Every effort must be made to increase forfeiture income during the remaining three months of 1990.’”⁶⁶⁷) It has also been used as a reason to meddle in the affairs of other nations who have citizens who are attracted by American demand for “better living through chemistry.”

A new nation focused on protecting the rights of productive people, instead of farming them like animals, would not be in a frantic search for supposed internal and external enemies. While there are some definite threats to be found around the world, they are not as big as they are made out to be.

Many of the threats that presently plague America are of its own creation. The first question that must be answered is, where do nations with social systems that sabotage wealth-creation gain the means to become a threat in the first place? In many cases, it will prove to be the very aid that was supposed to make them grateful allies that gave them that power. (I have long suspected that if we eliminated foreign aid, we could cut the military budget in half, too.)

Probably the most pressing problem is the nuclear threat. While there is no simple answer, it does not make sense to speckle the land with silos, which serves primarily to make population areas a defensive target for the enemy as well as an offensive target. Rather, as long as the former recipients of American generosity still have such lethal playthings, nuclear missiles need to be placed in submarines which are harder to track, and they would also make less damaging targets.

The problems we face in this world did not develop overnight, nor will they dissipate overnight. While some pacifists suggest that if potential victims lay down their arms predators will declare a truce, history shows the opposite. Consequently, on both domestic and international levels, predatory behavior must carry such heavy costs that going back to work becomes a rational decision.

The Art of Principled Taxation

In an earlier chapter, the wisdom of Colbert was referred to. Nevertheless, we would do well to consider it again. “The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing.”⁶⁶⁸ This is a rational strategy for those who are more concerned with political power than with the well-being of the general population. For those who aspire to be more than just taxpaying animals, this should be taken as a warning.

⁶⁶⁷ Paul Craig Roberts, “The State as a Lawful Banditto?” *The Washington Times*, November 1, 1993.

⁶⁶⁸ Michael C. Thomsett, *A Treasury of Business Quotations* (New York: Ballantine Books, 1990), p. 41.

Adam Smith offered us some good advice when he said, “What is prudence in the conduct of every private family can scarce be folly in that of a great kingdom.”⁶⁶⁹ When people buy locks to secure their possessions, they buy as little as possible to get the job done. It is counterproductive to invest more in security measures than the property we seek to defend is worth.

Even a government limited to the use of defensive coercion needs funding. This means we must ask ourselves a couple of questions. First, what is the appropriate funding level? Second, what are the least damaging methods of taxation? (Taxation is prohibition.) Although a principled government would be much smaller, and need fewer resources, it still cannot be had for free.

Amount of Taxation

Regarding the first question, we have several possibilities. In his book, *The Phoenix Phenomenon*, Fred Holden concluded that America showed the best economic statistics when federal, state and local taxes added up to 24% of GNP. Consequently, he advocated rolling back government spending to that level.

Later, Milton Friedman reviewed *The Phoenix Phenomenon* and responded, “When I am asked the question of what the appropriate size of government is, I always reply by saying that history provides considerable evidence. When Britain was at the height of its power at Queen Victoria’s Jubilee at the end of the nineteenth century, total government spending in Britain—central and local—amounted to about 10 percent of the national income. In the period from our Revolution to 1929, total government spending in the United States, if we exclude the periods of active war, also averaged about 10 percent of the national income. The Bible has a tithe. I take these to indicate that 10 percent is about the right number for both federal and state and local.”⁶⁷⁰

In addition to observing governments at their height of power, he referred to the tradition of tithing. At various times, the church used to do much of what governments now do. However, history shows that even at 10%, extra funding was available for crusades and other mischief (i.e., the use of offensive coercion). With this in mind, we might consider 5 percent of GNP as an appropriate investment in human predator control.

The Art of Defensive Taxation

Even if the rate of taxation is reduced to five or ten percent of GNP, those taxes must come from somewhere, somehow. Fortunately, some taxes are not as invasive as other taxes. In a nation striving to minimize coercion in social relations, it stands to reason that taxes should be reduced in invasiveness as well in absolute amounts.

In America, it has been said that there are over 150 taxes on a loaf of bread. When all the different taxes are added together, they can amount to a substantial portion of the cost of a loaf of bread. Property taxes, payroll taxes, licenses, value added taxes, transportation taxes and licenses all have to be added to the price. In

⁶⁶⁹ William E. Simon, *A Time for Action* (New York: Reader’s Digest Press, 1980), p. 17.

⁶⁷⁰ Fred Holden, *Total Power of One in America* (Arvada, CO: Phoenix Enterprises, 1991), p. 427.

the end, only people who buy bread can pay taxes. (In addition, the costs of all the mandates and regulations must also be added to the cost of a loaf of bread.)

The process of paying many of these taxes require extensive record-keeping. A self-employed person, must, in effect, provide a journal of her daily life for inspection at the whim of any passing bureaucrat. “The most complete study we have of this burden was carried out by the Arthur D. Little Company at the behest of the IRS itself (which had been forced to commission the study by the 1980 Paperwork Reduction Act). The Little study found that, in 1985, businesses and individuals were spending 5.4 billion hours on federal tax compliance activities. This corresponds to 2,900,000 people—the entire work force of the state of Indiana — working all year long on federal tax compliance activities. The cost of this work amounts to 24 percent of all federal taxes collected.”⁶⁷¹

Earlier it was noted that a large part of what most governments do is illegal for private citizens to do. From there, it concluded that such a distinction should be minimized, if it cannot be eliminated altogether. Not only should such a policy be a guide for lawmaking, it should also be a guide for taxation strategies. Of course, taxation isn’t pretty no matter how we look at it, but we can at least minimize the damage, and possibly do some good.

According to some, taxation is confiscation by force, and inflation is confiscation by fraud. Taxation is force because if you don’t pay them, you lose your property, and, if you don’t give up your property gracefully enough you may end up in “cross-bar hotel” where “rats and lice breed in abundance.” Moreover, if you try to escape, they will shoot you. Inflation is fraud because it spirits away the purchasing power of money “in a manner which one man in a million is able to diagnose.”⁶⁷² Because taxation and inflation are by nature offensive, it is difficult to see how they could be used in a positive manner—even to fund a government that only requires five to ten percent of GNP. Nevertheless, we shall try.

After some contemplation on the business of taxation, I have concluded that tax strategies should meet three requirements. First, it should be a small percentage of the population’s income. Second, it should not require government meddling in people’s everyday affairs. Finally, the tax itself should help discourage “dog in the manger” behavior.⁶⁷³

The taxes I propose are, a property tax with the larger share placed on land, and an “inflation tax” which will be explained later.

The Property Tax

Around the world we see a few people sitting on large tracts of fertile land while the masses are obliged to camp out on a rock or in a ghetto somewhere. While some people can offer great ideas and in turn deserve considerable wealth,

⁶⁷¹ James L. Payne, “Inside the Federal Hurting Machine,” *The Freeman*, March 1994, pp. 124-125.

⁶⁷² John Maynard Keynes quoted in Susan Love Brown, et. al., *Op. Cit.*, p. 57.

⁶⁷³ I thought I was the first to think of “dog in the manger” taxes until I read: ““What is the reason that men today cannot employ themselves? If you want to know the reason why people crowd into the city and work cannot be found for them, go out into the country; see, even in our far West, men tramping for miles . . . in a vain quest for a place where they can make a home without paying blackmail to some dog in the manger.” Henry George in Rhoda Hellman, *Henry George Reconsidered* (New York: Carlton Press, Inc., 1987), p. 46.

we can be sure that when a few are wealthy while the larger society languishes, wealth is being acquired through politics, not through service. (When people become wealthy through service, it means lower priced and higher quality goods and services have been made available to the community at large.)

Taxes on income tend to hinder capital formation while taxes on property say, “use it or sell it.” Although a low rate of taxation will expand the number of viable ventures, and the ownership of large holdings will still be possible, it will be harder for a small group of people to acquire and control the lion’s share of resources. It is one thing to control resources through military and police-state tactics, and it is yet another to control resources through offering better goods and services.

To conclude this section on property taxes, I believe it meets requirements two and three. It does not require meddling in people’s daily affairs in order to determine tax liability. Also, it discourages ownership by people whose only reason to hold property is to keep others out.

The Inflation Tax

Throughout history, cultures have been collapsing themselves through inflationary monetary policies. Once the “geese” have been “plucked” to the point that rebellion is imminent, governments have resorted to “increasing the money supply” to get additional funding.

In a society where people are not hobbled by their government, one can expect the amount of goods and services created to increase dramatically. Before 1913, and the Federal Reserve Act and the Income Tax Amendment (16th Amendment), GNP doubled every ten years. Since then, increases of three-percent per year are considered good. Naturally, if these hobbles were removed, faster economic growth would return.

If the money supply were stabilized and the supply of goods and services continually increased, the general level of prices would go down. Whereas inflation means more money chasing fewer goods, less money chasing fewer goods would mean deflation—an *increase* in the purchasing power of money over time.

Deflation is a scary word from a political standpoint. In a sense, we can say that deflation punishes debtors and rewards creditors while inflation punishes creditors and rewards debtors. Given that the number of debtors (people who live only for the moment) greatly exceeds the number of creditors (people who plan for the future), inflation will always be more popular.

Inflation has the benefit of mesmerizing people with more monetary units even though, in fact, they have to work longer hours for the same standard of living. Few people seem to comprehend that if prices were reduced four times while their income was cut in half, they would be twice as well off.

With all these plusses and minuses in mind, I propose a modest *inflation tax* which would be designed to increase the money supply only enough to maintain its purchasing power, or at least slow down the increases in its purchasing power. This would be done directly by government rather than through a central bank. After all, there is no need to impose a double-penalty on the people—lost purchasing power of the monetary unit *and* interest on thin-air money.

One reason for implementing an inflation tax is to create a general awareness of the cause of inflation. It is a sad state of affairs when so few understand the cause of inflation. By elevating what has until now been fraud to the status of force, it will be harder for governments to use this age-old strategy.

A second reason, which is less able to withstand scrutiny, is that by increasing the money supply equal to the amount of economic growth, money will be less attractive as a speculative commodity. Of course, if government funding only requires five percent of GNP, and economic growth is eight percent, then the government would be fully funded and prices would still drop three percent. (This would also render the property tax superfluous.)

Those who are in favor of a strict gold standard have an excellent argument when they point out that prices adjust downward when new goods and services are made faster than the money supply is increased. (“Arthur Pigou first refuted the ‘liquidity trap’ hypothesis by demonstrating that deflation increases the real value of cash holdings, thus boosting potential demand . . .”⁶⁷⁴)

Conceivably, one could consider people who hoard their money in anticipation of greater purchasing power later to be dogs in the manger. However, it would not be fair to equate hoarding money with hoarding land and other resources. People can work around money-hoarders. Working around resource-hoarders is not so easy. If people choose to hoard rather than invest, their future anticipated gains will be reduced by slower growth in productivity.

An Overview of Defensive Taxation

Thus far it has been suggested that a property tax, placed primarily on land, and an inflation tax are the two types of taxes that can serve the function of defensive coercion. Of the two, the property tax is most useful, and therefore, should be used most heavily.

If organized predator control services take five percent of GNP, then a good ratio might be three-and-a-half percent property tax to one-and-a-half percent inflation tax. No matter what the mix is, it cannot be as harmful as our present policies of consuming fifty-percent or more of the GNP in the coercive sector of the economy.

What Type of Government Will This New Nation Have?

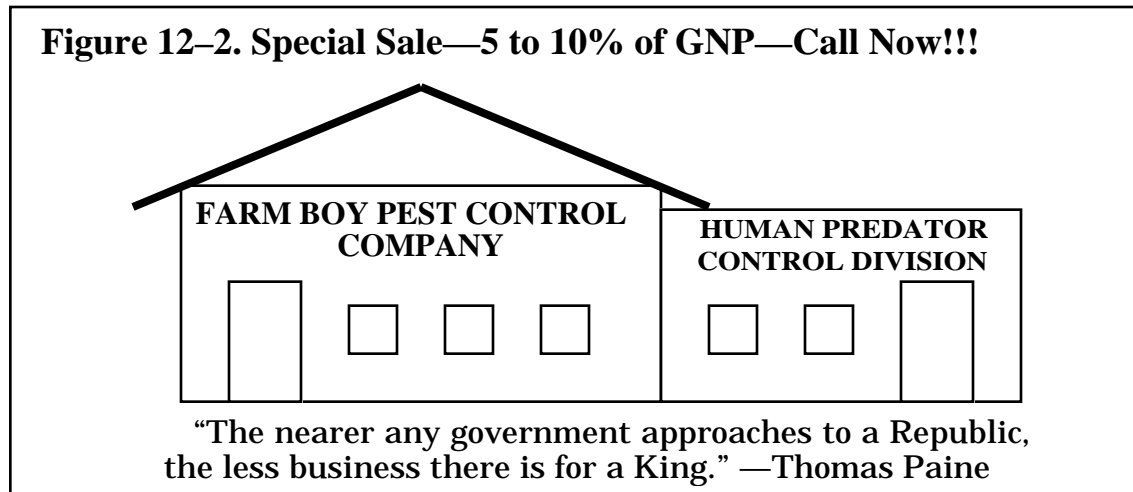
The type, or name, of this new government is not so important as is its job description. This government might not even be a government—at least in the deified sense of the word. For all practical purposes, it could just as well be the *Human Predator Control Division of Farm Boy Pest Control Company* which was shown in an earlier diagram. At least that way, it will be harder for people to forget what government is really about—applying coercion in an attempt to solve human problems.

Ultimately, a dramatic philosophical evolution is going to have to take place if we are to chart a new future. First, we need to recognize that there is a crucial difference between coercion and voluntary association. Second, if life is truly our goal, we will acknowledge that only defensive coercion has life-sustaining value. If we fail to realize these simple facts, we will keep doing what we have always done, and we will continue to get what we have always gotten.

⁶⁷⁴ Mark Skousen, “Will Keynes Ever Die?,” *The Freeman*, April 1994, p. 209.

It really doesn't matter what the size of a government's jurisdiction is so much as the principles that guide the way it injects coercion into social relationships. Of course, the bigger the portion of the planet guided by ethical government, the better. However, *world government* is no more a panacea than is *state's rights*.

In closing, is there some place on the planet that might be interested in contracting with the *Predator Control Division* of *Farm Boy Pest Control Company*?



Concluding Comments

When I first started this book a little over two years ago, I thought I could write it in six months. However, by the time I got busy researching and checking my premises, the months just slipped by. Ultimately, I have accomplished what I set out to do—summarize my last twenty years of study in psychology, philosophy and economics (as a hobby). In addition, I am also enjoying some profound changes in my own attitude toward those subjects in particular and toward life in general.

What has interested me most is the attitude of detachment I have developed toward the ideas in this book. They are the best ideas I am aware of, but there is more to a successful book than merely having good ideas. The timing must be right if there is to be a receptive audience for those ideas. Therefore, given that the principles in this book have already helped one person—myself—that is sufficient. Should the book be rejected, I have lost nothing. Should it be accepted, I will welcome that acceptance as frosting on the cake. In any case, the quality of my life or my emotional well-being is not dependent on the outcome.

Today, when I watch the newscasts, I just nod my head and say, “everything is happening just as it is supposed to.” The majority of stories in the news are about individuals or governments trying to use force to make two-plus-two equal five and winding up with three. As long as we live in a universe where two-plus-two equals four, we should not be surprised at the outcome. Life has become easier for me since I have shifted my focus of identification to life and nature itself. In the end, life and nature will be the final judges determining whether or not the ideas in this book are valid. A principle is proven two ways: by the rewards that come from harmonizing with it, and by the suffering that comes from violating it.

Writing is, in itself, an interesting venture. On one hand it can be therapeutic: “The need to express oneself in writing springs from an inner conflict, which the . . . man cannot resolve in action.”⁶⁷⁵ It can also be an antisocial act: “Writing is an audacious and insolent act. When we write, we are calling the other members of our tribe to order.”⁶⁷⁶ This assumes, of course, that one can capture the attention of the tribe in the first place.

Speculating on social issues carries its own hazards. According to Marvin Harris, it is hard to “. . . write anything of value in social science if you don’t

⁶⁷⁵ Andre Maurois quoted in Rollo May, *Love and Will* (New York: Dell Publishing, 1969), p. 169.

⁶⁷⁶ Richard Mitchell, *Less Than Words Can Say*, (Boston MA: Little, Brown & Company, 1979), p. 43.

offend someone.”⁶⁷⁷ My potentially offended audience is quite large. “[R]oughly 100 million Americans who benefit directly from government largesse could not get what they want from a small government.”⁶⁷⁸ This is not good—forty-percent of America might not like this book. That forty-percent, applied to the world’s population, gives me the potential of offending over two-billion people.

Luckily for me, my philosophy does not call for martyrs or true believers. It shines the light of consciousness on many of the euphemisms we hide behind, but it does not call for any fundamental changes in human nature. While its goal is to make us consciously aware of what we are doing, it also accepts the possibility that people might ultimately prefer the drama of conflict over a boring, albeit peaceful, coexistence. Finally, it allows me the luxury of throwing this book up into the air to see where it lands, and then decide how to spend the rest of my life accordingly. Regardless of the outcome, I am looking forward to making the most of my remaining years.

While I believe there are some good ideas in this book, I have no illusion that humanity’s future hangs in the balance. For all of the grief and strife we have caused ourselves, over five-billion people are surviving on the planet, and the population is increasing. Were we doing as poorly as some people suggest, our species would have gone extinct long ago.

On the other hand, even if we succeeded in creating paradise on earth, we would at some point have to give up our bodies, and thereby have to leave the party. Therefore, there is no sense in getting so caught up in reform that we destroy the quality of life today for some mythical future paradise. (Even if our ideas are correct.) When people fight too hard for freedom, they make slaves of themselves before anyone else even gets a chance to enslave them.

This brings to mind my experience as a teenager worrying about dying under a hail of atomic bombs. While thinking about this dreadful problem, I recalled some teenage boys I knew who had already died. Then it occurred to me that I needed to be careful if I hoped to survive long enough to die in a nuclear inferno. The same is true for me today. If the world is to end, I want to survive long enough to see the last hurrah. In other words, I am not planning to antagonize a lot of people in order to change their minds.

Besides, our problem might be better handled by medical practitioners than by philosophers anyway. Gurdjieff suggested this approach to eradicating violence from our planet:

The sole means now for the saving of the beings of the planet Earth would be to implant again into their presences a new organ, an organ like Kundabuffer, but this time of such properties that every one of these unfortunates during the process of existence should consciously sense and be cognizant of the inevitability of his own death as well as the death of everyone upon whom his eyes or attention rests.

Only such a sensation and such a cognizance can now destroy the egoism completely crystallized in them that has swallowed up the whole of their Essence and also

⁶⁷⁷ Ron Gross, *The Independent Scholar’s Handbook* (Reading, MA: Addison-Wesley, 1982), p. 215.

⁶⁷⁸ Edmund A. Opitz, “Big business and big labor require big government.”, Mark Spangler (ed.) *Clichés of Politics* (Irvington-on-Hudson, NY: The Foundation for Economic Education, 1994), p. 61.

that tendency to hate others which flows from it—the tendency, namely, which engenders all those mutual relationships existing there, which serve as the chief cause of all their abnormalities unbecoming to three-brained beings and maleficent for themselves and for the whole of the Universe.⁶⁷⁹

Of course, if we think national health care is expensive, we can only imagine what a program like that would cost. And this, of course, puts us right back where we started. We must first evolve philosophically in order to create the wealth such a program would require. And if we succeeded in doing that, massive medical interventions would no longer be necessary.

In closing, I cannot resist saying one last time: “You’re free to do anything you want. All you have to do is pay the consequences.” Whatever you decide, I recognize your intrinsic value as a human being, and I say, “congratulations on the consequences you have chosen.” May we all live long and enjoyable lives!

⁶⁷⁹ G.I. Gurdjieff, *Beelzebub's Tales to His Grandson*, Vol. 3. (New York: E.P. Dutton, 1950), p. 373.