

## Preface

This book emerges out of a comprehensive treatise on economics that I wrote several years ago, *Man, Economy, and State* (2 vols., Van Nostrand, 1962). That book was designed to offer an economic analysis of Crusoe economics, the free market, and of violent intervention—empirically, by government almost exclusively. For various reasons, the economic analysis of government intervention could only be presented in condensed and truncated form in the final, published volume. The present book serves to fill a long-standing gap by presenting an extensive, revised and updated analysis of violent intervention in the economy.

Furthermore, this book discusses a problem that the published version of *Man, Economy, and State* necessarily had to leave in the dark: the role of protection agencies in a purely free-market economy. The problem of how the purely free-market economy would enforce the rights of person and property against violent aggression was not faced there, and the book simply assumed, as a theoretical model, that no one in the free market would act to aggress against the person or property of his fellowmen. Clearly it is unsatisfactory to leave the problem in such a state, for how would a purely free society deal with the problem of defending person and property from violent attacks?

Virtually all writers on political economy have rather hastily and *a priori* assumed that a free market simply *cannot* provide defense or enforcement services and that therefore some form of coercive-monopoly governmental intervention and aggression must be superimposed upon the market in order to provide [p. vi] such defense services. But the first chapter of the present book argues that defense and enforcement could be supplied, like all other services, by the free market and that therefore no government action is necessary, even in this area. Hence, this is the first analysis of the economics of government to argue that no provision of goods or services requires the existence of government. For this reason, the very existence of taxation and the government budget is considered an act of intervention into the free market, and the consequences of such intervention are examined. Part of the economic analysis of taxation in Chapter 4 is devoted to a thorough critique of the very concept of “justice” in taxation, and it is argued that economists who have blithely

discussed this concept have not bothered to justify the existence of taxation itself. The search for a tax “neutral” to the market is also seen to be a hopeless chimera.

In addition, this book sets forth a typology of government intervention, classifying different forms as autistic, binary, or triangular. In the analysis of triangular intervention in Chapter 3, particular attention is paid to the government as an indirect dispenser of grants of monopoly or monopolistic privilege, and numerous kinds of intervention, almost never considered as forms of monopoly, are examined from this point of view.

More space than is usual nowadays is devoted to a critique of Henry George’s proposal for a “single tax” on ground rent. Although this doctrine is, in my view, totally fallacious, the Georgists are correct in noting that their important claims and arguments are never mentioned, much less refuted, in current works, while at the same time many texts silently incorporate Georgist concepts. A detailed critique of Georgist tax theory has been long overdue.

In recent years, economists such as Anthony Downs, James Buchanan, and Gordon Tullock (many of them members of the “Chicago School” of economics) have brought economic analysis to bear on the actions of government and of democracy. But they have, in my view, taken a totally wrong turn in regarding government as simply another instrument of social action, very much akin to action on the free market. Thus, this school of [p. vii] writers assimilates State and market action by seeing little or no difference between them. My view is virtually the reverse, for I regard government action and voluntary market action as diametric opposites, the former necessarily involving violence, aggression, and exploitation, and the latter being necessarily harmonious, peaceful, and mutually beneficial for all. Similarly, my own discussion of democracy in Chapter 5 is a critique of some of the fallacies of democratic theory rather than the usual, implicit or explicit, naive celebration of the virtues of democratic government.

I believe it essential for economists, when they advocate public policy, to set forth and discuss their own ethical concepts instead of slipping them *ad hoc* and unsupported, into their argument, as is so often done. Chapter 6 presents a detailed discussion of various ethical criticisms often raised against the free-market economy and the free society. Although I believe that everyone,

including the economist, should base his advocacy of public policies on an ethical system, Chapter 6 remains within the *Wertfrei* praxeological framework by engaging in a strictly logical critique of anti-free-market ethics rather than trying to set forth a particular system of political ethics. The latter I hope to do in a future work.

The discussion throughout the book is largely theoretical. No attempt has been made to enumerate the institutional examples of government intervention in the world today, an attempt that would, of course, require all too many volumes.

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## Acknowledgments

In the broadest sense, this book owes a great intellectual debt to that hardy band of theorists who saw deeply into the essential nature of the State, and especially to that small fraction of these men who began to demonstrate how a totally free, Stateless market might operate successfully. Here I might mention, in particular, Gustave de Molinari and Benjamin R. Tucker.

Coming more directly to the book itself, it would never have seen the light of day without the unflinching support and enthusiasm of Dr. F. A. Harper, President of the Institute for Humane Studies. Dr. Harper also read the manuscript and offered valuable comments and suggestions, as did Charles L. Dickinson, Vice President of the Institute. Their colleague, Kenneth S. Templeton, Jr., supervised the final stages and the publication of the work, read the entire manuscript, and made important suggestions for improvement. Professor Robert L. Cunningham of the University of San Francisco offered a detailed and provocative critique of the manuscript. Arthur Goddard edited the book with his usual high competence and thoroughness and also offered valuable criticisms of the manuscript. Finally, I am grateful to the continuing and devoted interest of Charles G. Koch of Wichita, Kansas, whose dedication to inquiry into the field of liberty is all too rare in the present day.

None of these men, of course, can be held responsible for the final product; that responsibility is wholly my own. [p. xi]