

The Future of Liberalism - A Plea For A New Radicalism

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Classical liberalism has been in decline for more than a century. Since some time in the second half of the nineteenth century public affairs have been shaped increasingly by socialist ideas: communism, fascism, national socialism, and most enduringly social democracy (American liberalism and neo-conservatism).

Indeed, so complete has been the socialist victory that today some neo-conservatives have waxed about the “End of History” and the arrival of the “Last Man,” i.e., of the last millennium of global, U.S supervised social democracy.

In this situation, liberals can react in two ways. They can maintain that liberalism is a sound doctrine and the public rejects it in spite of its truth. Or - and this is what I will do - one can consider the rejection as indicative of an error in one’s doctrine.

Liberalism’s central error lies in its theory of government.

Liberalism - as personified by Locke and displayed in Jefferson’s *Declaration of Independence* - centered around the notions of self-ownership, original appropriation of nature-given resources, property, and contract as universal human rights. Vis-a-vis princes and kings, this emphasis on the universality of rights placed liberals in radical opposition to every established government. For a liberal, every man, whether king or peasant, was subject to the same universal principles of justice, and a government either could derive its justification from a contract between private property owners or it could not be justified at all. But could it be?

The liberal answer set out with the true proposition that murderers, robbers, thieves, thugs, conartists, etc., will always exist, and life in society will be impossible if they are not threatened with physical punishment. To maintain a liberal order, it is necessary that one compel, by the threat or application of violence, anyone who will not respect the life and property of others. From this premise, liberals concluded that this task of the maintenance of law and order is the unique function of government.

Whether this conclusion is correct or not hinges on the definition of government. It is correct, if government simply means any individual or firm that provides protection services to a voluntary paying clientel. But this is not the definition adopted by liberals. For a liberal, government is not a specialized firm. It has two unique characteristics. It has a compulsory territorial monopoly of jurisdiction (ultimate decision-making) and the right to tax. Yet if one assumes *this* definition of government, the liberal conclusion is clearly false.

In fact, it is inconceivable how private property owners could possibly enter a contract which entitled another agent to compel anyone within a given territory to come exclusively to it for protection and judicial decision-making. Such a monopoly-contract would imply that every private property owner had surrendered his right to ultimate decision making regarding his person and property to someone else. In effect, he had submitted himself into slavery. But no one rightfully can, or likely will, agree to render his person and property permanently defenseless against the actions of someone else. Similarly inconceivable is that anyone would endow his

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monopolistic protector with the right to tax. No one can or will enter a contract that allowed one's protector to determine unilaterally, without consent of the protected, the sum that the protected must pay for protection.

Liberals have tried to solve this internal contradiction through the make-shift of "implicit" or "conceptual" agreements, contracts, or constitutions. Yet all of these attempts have only added to the same unavoidable conclusion: That it is impossible to derive a justification for government from explicit contracts.

Liberalism's erroneous acceptance of government as consistent with the principles of self-ownership, private property, and contract, led to its own destruction.

First, it follows from the initial error that the liberal solution to the problem of security - a constitutionally limited government - is a contradictory ideal.

Once the principle of government is admitted, any notion of restraining government power is illusory. Even if, as liberals have proposed, a government limited its activities to the protection of existing private property rights, the question of *how much* security to produce would arise. Motivated by self-interest and the disutility of labor, but with the power to tax, a government agent's answer will invariably be the same: To *maximize expenditures* and to *minimize production*. The more money one can spend and the less one must work, the better off one will be.

Moreover, a judicial monopoly will lower the quality of protection. If no one can appeal for justice except to government, justice will be perverted in favor of government, constitutions notwithstanding. Constitutions and supreme courts are government constitutions and agencies, and whatever limitations they might contain or find is decided by agents of the very institution under consideration. Predictably, the definition of property and protection will be altered and the range of jurisdiction expanded to the government's advantage.

Secondly, it follows from the error regarding the moral status of government that the old liberal preference for local - decentralized and small - government is inconsistent.

Once it is admitted that in order to enforce peaceful cooperation between two individuals A and B, it is justified to have a judicial monopolist X, a twofold conclusion follows. If more than one monopolist exists, X, Y, and Z, then, just as there can be no peace among A and B without X, so can there be no peace between the monopolists X, Y, and Z as long as they remain in a 'state of anarchy.' Hence, to fulfill the liberal *desideratum* of universal peace, all political centralization and ultimately a single world government is necessary.

Lastly, it follows from the error of accepting government that the ancient idea of the universality of human rights is confused and, under the heading of 'equality before the law,' transformed into a vehicle of egalitarianism.

Once a government has been assumed as just and hereditary princes ruled out as incompatible with the idea of universal human rights, the question of how to square government with the idea of the universality of human rights arises. The liberal answer is to open entry into government on equal terms to everyone, *via* democracy. Everyone - not just the hereditary class of nobles - is permitted to exercise every government function. Yet this democratic equality is very different from the idea of *one* universal law, equally applicable to everyone, everywhere, and at all times. In fact, the old objectionable schism of the higher law of kings *vs.* the subordinate law of ordinary subjects is preserved under democracy in the separation of public *vs.*

private law and the supremacy of the former over the latter. In a democracy no *personal* privileges or privileged persons exist. However, *functional* privileges and privileged functions exist. As long as they act in official capacity, public officials are governed and protected by public law and occupy thereby a privileged position vis-a-vis persons acting under the mere authority of private law. Privileges and legal discrimination will not disappear. To the contrary. Rather than being restricted to princes and nobles, privileges, protectionism, and legal discrimination will be available to everyone.

Predictably, under democratic conditions the tendency of every monopoly - to increase prices and decrease quality - will be only more pronounced. Instead of a prince who regards the country as his private property, a temporary caretaker is put in charge of the country. He does not own the country, but as long as he is in office he is permitted to use it to his and his proteges' advantage. He owns its current use - usufruct - but not its capital stock. This will not eliminate exploitation. To the contrary, it will make exploitation less calculating and carried out with little or no regard to the capital stock, i.e., short-sighted. Moreover, the perversion of justice will proceed even faster now. Instead of protecting pre-existing private property rights, democratic government becomes a machine for the redistribution of existing property rights in the name of illusory 'social security.'

In light of this, an answer to the question of the future of liberalism can be sought.

On account of its error regarding the moral status of government, liberalism actually contributed to the destruction of everything it had set out to preserve and protect: liberty and property. Liberalism, then, in its present form thus has no future. Or rather, its future is social democracy.

If liberalism is to have any future, it must repair its error. Liberals must recognize that no government can be contractually justified and every government is destructive of what they want to preserve. That is, liberalism will have to be transformed into private property anarchism (or a private law society), as outlined nearly 150 years ago by Gustave de Molinari and in our days elaborated by Murray Rothbard.

This would have a two-fold effect. First, it would lead to a purification of the liberal movement. Social democrats in liberal clothes and many government functionaries would disassociate themselves from this new movement. On the other hand, the transformation would lead to the radicalization of this movement. For those old liberals who still hold on to the classic notion of universal human rights and consider self-ownership and private property prior to government, the transition is only a small step. Private property anarchism is simply consistent liberalism; or liberalism restored to its original intent. Yet this small step would have momentous implications.

In taking it, liberals would denounce democratic government as illegitimate and reclaim their right to self-protection. Politically, they would return to the beginnings of liberalism as a revolutionary creed. In denying the validity of hereditary privileges, classical liberals were placed in fundamental opposition to all established governments. Liberalism's greatest triumph - the American Revolution - was the outcome of a secessionist war. And in the *Declaration of Independence*, Jefferson had affirmed "that whenever any form of government becomes destructive of life, liberty, and the pursuit of happiness, it is the right of the people to alter or abolish it." Private property anarchists would only reaffirm the classic liberal right "to throw off such government, & to provide new guards for their future security."

Of course, by itself the renewed radicalism of the liberal movement would be of little consequence. Instead, it is the inspiring vision of an alternative to the present order, which flows from this new radicalism, that will, if anything, break the social democratic machine. Instead of supra-national political integration, world-government, constitutions, courts, banks, and money, anarchist-liberals propose the decomposition of the nation state. As their classic forebearers, new liberals do not seek to take-over government. They ignore and want to be left alone by it, and secede from its jurisdiction to organize their own protection. Unlike their predecessors who merely sought to replace a larger government with a smaller one, new liberals pursue the logic of secession to its end. They propose unlimited secession, i.e., the unrestricted proliferation of independent free territories, until the state's range of jurisdiction finally withers away. To this end - and in complete contrast to the statist projects of 'European Integration' and a 'New World Order' - they promote the vision of a world of tens of thousands of free countries, regions, and cantons, of hundreds of thousands of free cities - such as the present-day oddities of Monaco, Andorra, San Marino, Liechtenstein, (formerly) Hong Kong, and Singapore - and even more free districts and neighborhoods, economically integrated through free trade (the smaller the territory, the greater the economic pressure of opting for free trade!) and an international gold-commodity money standard.

If and when this vision gains prominence in public opinion, the end of the social democratic "End of History" will have come and a liberal renaissance will have begun.