



JE KINDLE-NOTITIES VOOR:

## Chaos Theory (LvMI)

door Robert P. Murphy, Robert Vroman, Jeremy Sapienza

Gratis directe Kindle-preview: <https://a.co/7liDMuB>

### 25 Highlights

---

Highlight (Geel) | Locatie 72

In market anarchy, justice would be based on restitution, not retribution, meaning that criminals would have to pay back their victims rather than be punished by the sadistic State.

Highlight (Geel) | Locatie 100

Just as right-wing hawks embrace the Orwellian notion that War is Peace, left-wing egalitarians believe that Slavery is Freedom.<sup>3</sup> The hawks wage endless war to end war, while the social democrats engage in massive theft—or “taxation” as they call it—to eliminate crime. It is high time to abandon such monstrous paradoxes. It took no king to produce language, money, or science, and it takes no government to produce a just legal system.

Highlight (Geel) | Locatie 131

Under market anarchy, all aspects of social intercourse would be “regulated” by voluntary contracts. Specialized firms would probably provide standardized forms so that new contracts wouldn’t have to be drawn up every time people did business. For example, if a customer bought something on installment, the store would probably have him sign a form that said something to the effect, “I agree to the provisions of the 2002 edition Standard Deferred Payment Procedures as published by the Ace legal firm.” Expertise

Highlight (Geel) | Locatie 142

Of course, one of the most basic stipulations in any contractual relationship—whether entering a mall or living in a neighborhood co-op—would be strong prohibitions on murder. In other words all contracts of this type would have a clause saying, “If I am found guilty of murder I agree to pay \$y million to the estate of the deceased.” Naturally, no one would sign such a contract unless he were sure that the trial procedures used to determine his guilt or innocence had a strong presumption of innocence; nobody would want to be found guilty of a murder he didn’t commit. But on the other hand, the procedures would have to be designed so that there were still a good chance that guilty people would actually be convicted, since people don’t want to shop in malls where murder goes unpunished. And, because all contracts of this sort (except possibly in very eccentric areas frequented by people who liked to live dangerously) would contain such clauses, one could say that “murder is illegal” in the whole anarchist society, even though the evidentiary rules and penalties might differ from area to area. But this is no different from our current system,<sup>7</sup> and no one doubts that “murder is illegal” in the current United States.

Highlight (Geel) | Locatie 164

The contractual system described above seems to work well, except for one nagging problem: How can people afford to pay these outrageous fines? Granted, someone might sign a piece of paper, pledging restitution to his employer if he is caught stealing. But suppose he steals anyway, and is found guilty by the arbitration agency, but has no money. Then what? Well, how does our present system of auto damages work? Right now, if I sideswipe someone, I must pay a stiff penalty. Or rather, my insurance company does. It would be the same way with all torts and crimes under the system I've described. An insurance company would act as a guarantor (or co-signer) of a client's contracts with various firms. Just as a bank uses experts to take depositors' money and efficiently allocate it to borrowers, so too would the experts at the insurance company determine the risk of a certain client (i.e. the likelihood he or she would violate contracts by stealing or killing) and charge an appropriate premium. Thus, other firms wouldn't have to keep tabs on all of their customers and employees; the firms' only responsibility would be to make sure everyone they dealt with carried a policy with a reputable insurance agency.

---

Highlight (Geel) | Locatie 175

Under this system, the victims of a crime are always paid, immediately. (Contrast this to the government system, where victims usually get nothing except the satisfaction of seeing the criminal placed behind bars.) There would also be incentives for people to behave responsibly. Just as reckless drivers pay higher premiums for car insurance, so too would repeat offenders be charged higher premiums for their contract insurance. And

---

Highlight (Geel) | Locatie 192

But what about the really tough cases? What about the incorrigible bank robber, or the crazed ax murderer? Surely there will always be deviant, antisocial individuals who, through malice or ignorance, ignore the incentives and commit crimes. How would a system of market anarchy deal with such people? First, keep in mind that wherever someone is standing in a purely libertarian<sup>8</sup> society, he would be on somebody's property. This is the way in which force could be brought to bear on criminals without violating their natural rights. For example, the contract<sup>9</sup> of a movie theater would have a clause to the effect, "If I am judged guilty of a crime by a reputable arbitration agency [perhaps listed in an Appendix], I release the theater owner from any liability should armed men come to remove me from his property."

---

Highlight (Geel) | Locatie 201

So we see that it is not a contradiction to use force to capture fugitives in a completely voluntary society. All such uses would have been authorized by the recipients themselves beforehand.<sup>10</sup>

---

Highlight (Geel) | Locatie 204

But where would these ne'er-do-wells be taken, once they were brought into "custody"? Specialized firms would develop, offering high security analogs to the current jailhouse. However, the "jails" in market anarchy would compete with each other to attract criminals. Consider: No insurance company would vouch for a serial killer if he applied for a job at the local library, but they would deal with him if he agreed to live in a secure

building under close scrutiny. The insurance company would make sure that the “jail” that held him was well-run. After all, if the person escaped and killed again, the insurance company would be held liable, since it pledges to make good on any damages its clients commit. On the other hand, there would be no undue cruelty for the prisoners in such a system. Although they would have no chance of escape (unlike government prisons), they wouldn’t be beaten by sadistic guards. If they were, they’d simply switch to a different jail, just as travelers can switch hotels if they view the staff as discourteous. Again, the insurance company (which vouches for a violent person) doesn’t care which jail its client chooses, so long as its inspectors have determined that the jail will not let its client escape into the general population.

---

Highlight (Geel) | Locatie 235

Combat is very expensive, and private companies take much better care of their assets than government officials take care of their subjects’ lives and property.

---

Highlight (Geel) | Locatie 242

It is paradoxical that the fear of rule by organized crime families causes people to support the State, which is the most “organized” and criminal association in human history. Even if it were true that under market anarchy, people had to pay protection money and occasionally get whacked, this would be a drop in the bucket compared to the taxation and wartime deaths caused by governments.

---

Highlight (Geel) | Locatie 246

But even this concedes too much. For the mob derives its strength from government, not the free market. All of the businesses traditionally associated with organized crime—gambling, prostitution, loan sharking, drug dealing—are prohibited or heavily regulated by the State.<sup>16</sup> In market anarchy, true professionals would drive out such unscrupulous competitors.

---

Highlight (Geel) | Locatie 250

On the contrary, the private companies providing legal services would have far less power under market anarchy than the government currently possesses. Most obvious, there would be no power to tax or to monopolize “service.” If a particular insurance company were reluctant to pay legitimate claims, this would become quickly known, and people would take this into account when dealing with clients of this disreputable firm.<sup>17</sup>

---

Highlight (Geel) | Locatie 260

All the horrors of the State—onerous taxation, police brutality, total war—are not only monstrous, but they’re also grossly inefficient. It would never be profitable for anarchist insurance and legal firms to mimic the policies set by governments.<sup>18</sup> Children

---

Highlight (Geel) | Locatie 281

market anarchy, who would define property rights? If someone hands over the money to purchase a house, what guarantees does he have? This is a complex issue, and I won’t be able to give specifics, since the actual market

solution would depend on the circumstances of the case and would draw on the legal expertise (far greater than mine) of the entire community.<sup>23</sup> I can, however, offer some general remarks. Whatever (if any) the abstract or metaphysical nature of property law, the purpose of public titles is quite utilitarian; they are necessary to allow individuals to effectively plan and coordinate their interactions with each other. Specialized firms (perhaps distinct from arbitration agencies) would keep records on the property titles, either for a specific area or group of individuals. Title registry would probably be accomplished through a complex, hierarchical web of such firms.<sup>24</sup>

---

Highlight (Geel) | Locatie 290

The fear of rogue agencies, unilaterally declaring themselves “owner” of everything, is completely unfounded. In market anarchy, the companies publicizing property rights would not be the same as the companies enforcing those rights. More important, competition between firms would provide true “checks and balances.” If one firm began flouting the community norms established and codified on the market, it would go out of business, just as surely as a manufacturer of dictionaries would go broke if its books contained improper definitions.

---

Highlight (Geel) | Locatie 385

This stands in sharp contrast to the present system. The FAA too sets up guidelines, but what are its incentives? If there is a plane crash, the FAA itself will get more funding, since everyone will say the crash shows how awful the “free market” in airplanes is. Bloated government agencies always mismanage their resources, so that there will be too many mid-level managers and not enough inspectors. Most important, since there is no competition, there is no benchmark against which to compare the FAA’s oversight. Some lowly mechanic might have a great idea to improve airline safety, but the bureaucratic FAA would take years to implement it.

---

Highlight (Geel) | Locatie 400

As it is, the American Medical Association is little more than a glorified union, which requires immense schooling and training to artificially restrict the number of doctors in order to drive up their salaries (and health care costs in general). Without its monopoly, the AMA would be unable to check the growth in “alternative” therapies, such as herbal, that sidestep the current cozy alliance of big pharmaceutical companies, hospitals, and the government.

---

Highlight (Geel) | Locatie 443

If politicians ban guns and cause thousands of people to be victimized by crime, nothing happens to them. But if an insurance company makes unreasonable demands of its clients, they will switch to a different company and it will quickly go out of business.

---

Highlight (Geel) | Locatie 650

Defense from foreign aggression is a classic “public good” and as such seems the perfect candidate for government provision.<sup>4</sup> Without the ability to extort revenues from all citizens, how could private firms raise the funds required by modern militaries? (After all, any individual citizen could refuse to buy the “product,” yet still enjoy the security made possible by his neighbors’ contributions.) On a practical level, hundreds of small, decentralized armies would surely be wiped out by a consolidated attack from a neighboring State.

---

Highlight (Geel) | Locatie 655

The framework described in the first section avoids these apparent difficulties. In a free society, it is not the average person, but rather the insurance companies, that would purchase defense services. Every dollar in damage caused by foreign aggression would be fully compensated, and thus insurers would seek to protect their customers' property as if it were their own.<sup>5</sup> Because of economies of scale, coverage for large geographical regions would likely be handled through a few dominant firms, ensuring standardized pricing and a coordinated defense.

---

Highlight (Geel) | Locatie 727

In market anarchy, on the other hand, defense services would be sold in the open market. Fierce competition among suppliers and cost consciousness among the buyers would keep the prices of toilet seats as well as fighter jets as low as possible.

---

Highlight (Geel) | Locatie 759

The general advantages of private industry over government planning operate just as well in the field of military defense. Because the military derives its funding in a coercive manner, the link between output and consumer satisfaction is severed. Because of their monopoly, a State's armed forces can bumble along indefinitely, with no benchmark of comparison. Even in a limited State, whose subjects enjoy a large degree of economic freedom, the armed forces constitute an island of socialism. To

---

Highlight (Geel) | Locatie 822

On this topic, we note that counterintelligence would probably be quite limited. Defense agencies would have (possibly) several major buyers and would be operating in an open market. Consequently, they would need to advertise the capabilities of their products. This openness, however, is a virtue: What better way to avoid military defeat than by showing potential enemies how advanced their anarchist foe would be? The defense agencies in a free society would have nothing to hide from governments.

---

Highlight (Geel) | Locatie 827

The nature of military defense makes it less amenable to the trial and error correction mechanism of the free market. A nation can spend years in preparation for an attack, without receiving any feedback on the quality of its efforts. A sudden invasion could then wipe out the private defenders before they had a chance to adapt. This situation is different from the typical industry, in which repeated transactions day in and day out allow experimentation with various techniques and the weeding out of inefficiencies. To meet this objection, we must remember that private defense agencies, unlike their government counterparts, need not be limited to regional clients. A multinational defense agency<sup>16</sup> could provide, say, fighter jet services to several insurance companies in various areas of the world. Although inadequate strategies or training<sup>17</sup> might remain hidden until a sudden disaster, at most only one of the agency's "franchises" would be lost. The others would study the incident and learn to avoid it. In such an environment, military strategists from all over the world would collaborate in the new art of defense. While government planners guarded their precious secrets and protocols, anarchist agencies

would hire the best and brightest minds. Expert personnel would be rotated from region to region, providing training in the latest tactics and equipment.<sup>18</sup> High-tech weapons would be stockpiled in central locations, and loaned out to anarchist societies under imminent threat of attack. This sharing—unthinkable among government militaries except in the direst circumstances—would further reduce the costs of private defense.

---