

THE THIRD AXIOM, OR A LOGIC OF LIBERTY:  
ON THE STRUCTURE OF ETHICS AND ECONOMICS AS  
ONE UNIFIED APRIORISTIC SCIENCE

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**1. Introduction: Liberty, What Is It?**

THE MISERY OF ESSENTIALISM in his time, or at least of the philosophy of liberty, is condensed by Popper into a remarkable summary: “Scholasticism, mysticism and despair of reason—these are the inevitable outcomes of Platonic and Aristotelian essentialism. And Aristotle turns Plato’s overt revolt against liberty into a larvate rebellion against reason.”<sup>1</sup>

On occasions, Hegel takes *liberty* to mean “truth of necessity”, and this in turn was coined by Engels into the dictum “insight into necessity.” In a different context, liberty appears to Hegel as a Christian “principle of self-consciousness,” then it is “liberty in itself, including the indefinite necessity to come to cognition—for it is, by its term, knowledge of itself—and thereupon to reality.”<sup>2</sup> Popper closes his listing of Hegelian terms of freedom with the succinct remark: “And so forth.”

Yet, in a chapter with the beautiful title “The Twistable is Not Testable,” de Jasay<sup>3</sup> points out, from a libertarian point of view, the absurd inconsistencies Popper entangles himself in by trying to reconcile liberty and democracy using a “social technology . . . *whose results can be evaluated by stepwise*

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CITE THIS ARTICLE AS: Peter J. Preusse, “The Third Axiom, or A Logic of Liberty: On the Structure of Ethics and Economics as One Unified Aprioristic Science,” *Libertarian Papers* 2, 12 (2010). ONLINE AT: [libertarianpapers.org](http://libertarianpapers.org). THIS ARTICLE IS subject to a Creative Commons Attribution 3.0 License ([creativecommons.org/licenses](http://creativecommons.org/licenses)). Published by the Ludwig von Mises Institute.

<sup>1</sup> Popper: *Die offene Gesellschaft*, p. 29. All translations of German sources are my own.

<sup>2</sup> Quoted in: Popper: *Die offene Gesellschaft*, p. 475, note 14 to p. 260

<sup>3</sup> De Jasay: *Against Politics*, pp. 105 ff.

*solution-finding*.”<sup>4</sup> An immortal criticism of essentialist exegesis of liberty stems from Albert Jay Nock: “Anything may be made to mean anything.”<sup>5</sup>

De Jasay clearly illuminates the consequences of a hodgepodge of terms—for example, liberty, sociality and justice: “It is just that a person should be allowed to keep what he<sup>6</sup> has if, and only if, more people than not think that he should.”<sup>7</sup> This principle translates into: the freedom to think this or that defines the just share of social wealth. In the chapter “Justice as Something Else,” de Jasay surveys such camouflage identities of justice: Justice as universalizability<sup>8</sup> by Kant, as fairness of initial equality behind a hypothetical veil of ignorance by John Rawls, as unrejectability by Thomas Scanlon, and as impartiality by Brian Berry. What all have in common is the view that justice is a matter of social choice.

A more distinct, and far clearer, understanding of the term *liberty* has been reached in the liberal and libertarian traditions. In particular, Friedrich August von Hayek, in recourse to Aristotle<sup>9</sup> and more recent concepts of liberty, defines liberty in a negative way, as a state “in which a man is not subject to *arbitrary* coercion by the will of another or others.”<sup>10</sup> This negative definition of liberty is already enunciated in the ingenious first footnote in the cited work, stating that, as opposed to “freedom,” the word “liberty” better resists abuse—e.g., in Franklin Roosevelt’s principle of “freedom from want.”

The concept of liberty finds its solid foundation in *praxeology*, Ludwig von Mises’s term with reference to Espinas, 1887,<sup>11</sup> for his aprioristic-deductive “general theory of human action.” He rejects the idealistic concept of an ideal and freely living primitive society following a religious and pseudo-religious pattern of paradise; instead, he states that man is not born

<sup>4</sup> Popper: *Die offene Gesellschaft*, p. 259. Original italics.

<sup>5</sup> Albert Jay Nock, quoted by Butler Shaffer, *Mises Daily Article* 2009/4/8, [www.Mises.org](http://www.Mises.org)

<sup>6</sup> I share de Jasay’s style not to identify *genus* and *sexus*.

<sup>7</sup> de Jasay: *Justice and its Surroundings*, p. 299 f.

<sup>8</sup> popular in Europe at least since the 30-years war 1618-48; in “Simplicissimus” by Grimmelshausen, 1668, we find p. 391: “the law of nature, which reads: Not to others shall you do what they should never do to you.” Confucius, ca. 500 BCE, has: “What you do not want done to yourself, do not do to others”, quoted in: White: *Gold, the Golden Rule, and Government*.

<sup>9</sup> Aristotle, *Metaphysics*, I.2.8: “As we call a human free who lives at his own and not at other men’s purposes.” Cited by von Hayek: *Verfassung der Freiheit*, p. 14 note 3.

<sup>10</sup> von Hayek, loc. cit., italics added.

<sup>11</sup> von Mises: *Nationalökonomie*, p. 3

free, but that “liberty and freedom [?] are the conditions of man within a contractual [as opposed to a power-based] society.”<sup>12</sup>

The outstanding 20<sup>th</sup> century thinker of liberty, Murray Newton Rothbard, has pinpointed the issue of liberty as an end: “Liberty is a *moral principle*, grounded on the nature of man. In particular, it is a principle of *justice*, of the abolition of aggressive violence in the affairs of men. . . . Justice, not the weak reed of mere utility, must be the motivating force if liberty is to be attained.”<sup>13</sup>

Justice as a libertarian concept deals exclusively with contracts, and the enforcement of contracts, based on free consent—that is, never with concern for the contents and outcome of such contracts, but only with ensuring their free, i.e., noncoercive, origin.

It is not the intention of this book [*The Ethics of Liberty*] to expound or defend at length the philosophy of natural law, or to elaborate a natural law ethic for the personal morality of man. The intention is to set forth a social ethic of liberty, i.e., to elaborate that subset of natural law that develops the concept of natural rights, and that deals with the proper sphere of ‘politics’, i.e. with violence and non-violence as modes of interpersonal relations. In short, to set forth a political philosophy of liberty.<sup>14</sup>

In spite of the established Austroliberal consent to argue within an axiomatic-deductive system<sup>15</sup>, the logical structure itself seems to have attracted limited attention so far. Attempts to document from literature which theorems have been deduced from which axioms by means of which definitions fail to give a homogenous result—as will be specified below.

Hence, the present analysis will first attempt to depict this logical structure in itself, and then to look for the records in libertarian literature. Austrian literature is an elaborate, vast, and detailed edifice. To reveal the core structure underlying it, I have here condensed the contents of many contributions of economic literature into definite terms and propositions, before widening the structure by proposing a third axiom and a deduction thereof.

Inevitably, this representation of the complex of axioms, deductions, and definitions follows a conclusive—yet in no way decisive—path. By creating references back and forth, laterally and vertically at the same time, the reality of the edifice of logic is more than two-dimensional, giving the

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<sup>12</sup> von Mises: *Human Action*, p. 280

<sup>13</sup> Rothbard: *Ethics of Liberty*, p. 258. Original italics.

<sup>14</sup> Rothbard: *The Ethics of Liberty*, p. 25

<sup>15</sup> Hoppe: *Introduction to The Ethics of Liberty*, xxvii.

opportunity for different linear paths along the spatial construction that may seem more convenient for another individual. Consistency, in any case, will only be gained from the perspective of a nonlinear overview. It would no doubt be an exciting challenge to design a model of complex interrelations. Notwithstanding the degree of concentration, this linear model claims logic completeness. The specific interest of the author, however, does not aim at the complex corpus of elaborate economy with subjects like interest rates, the theory of money, the allocation of factors, or even libertarian criticism of the distortion of market structures by regulation and counterfeit money. These vast subfields within Austrian theory can only be hinted at here.

Rather, the present work specifically concerns recognition of the logical structure as a groundwork for aprioristic or natural-law-based ethic and economy. It is surprising to see that comparatively little attention has been devoted to the analysis of this logical structure, as far as my limited survey seems to show. To me, the necessity and productivity of this kind of attention is evident, since logical analysis has yielded a formulation of a proposition to widen the intellectual edifice by a third axiom, dealing with the reach of libertarian theory concerning the essentialistic and romantic claim of equality.

This structure is most apparent in its self-supportive bareness. Since in itself it is not too closely related to intuitive *prima vista* understanding—and since it has originated from rational argumentation concerning physical and social reality rather than from a fanciful design—I try in the third part of this paper to represent the same structure more substantially by means of pivotal passages in libertarian literature and thus to demonstrate its structure more clearly. References to literature tend to be deficient, not representative, and more or less arbitrary and randomly chosen by lack of sufficient survey; to a certain extent this is unavoidable, since the matter concerned is not an appreciation of the abundant literature, but a representation not more redundant than necessary. After all, the essential aspects of axiomatic-deductively based recognition of human action should be addressed here and can be verified in the cited literature.

## 2. Approaching a Concise Account

Let me first collect from literature some basic truths that are crucial in building up a logical structure of the edifice of aprioristic deductive ethics and economics. Stressing the role of reason, Rothbard states the universalizability claim this way:

If, then, the natural law is discovered by reason from ‘the basic inclinations of human nature . . . absolute, immutable, and of

universal validity for all times and places,<sup>16</sup> it follows that the natural law provides an objective set of ethical norms by which to gauge human actions at any time or place.<sup>17</sup>

Popper highlights the role of clear definitions as follows:

Likewise definitions in science take a very different position than Aristotle had thought. Aristotle taught that in a definition we first signify the essence—e.g. by denominating it—and thereafter describe it by means of a formula of definition. . . . In scientific perception a definition like ‘A foal is a young horse’ is an answer to the question ‘*What shall we call a young horse?*’ rather than to the question ‘*What is a foal?*’ (Questions like ‘*What is life?*’ or ‘*What is gravity?*’ are of no crucial importance in science.)<sup>18</sup>

And de Jasay makes a bold statement for clear thought by applying clear terms:

If ‘a thing is what it is, and not something else’—a safe enough proposition—we ought not to call it by something else’s name or describe it by something else’s defining characteristics. . . . It seems to me that by promoting clear thought, however, one would be doing a greater service to the good society than by promoting good principles.<sup>19</sup>

In his introduction to *Man, Economy, and State*, Rothbard describes the aspect of the convincing, if not compulsory power of stringent logic:

What I have in mind for a textbook would be a pioneering project. As far as possible, I would try to create an edifice . . . , namely, a *logical step-by-step development of the Misesian theoretical structure*. At each step, the reader would be enlightened through simple, hypothetical examples, until, slowly, but relentlessly, he would find himself equipped to tackle the economic problems of the day or to read further in the writings of the masters. I am convinced, that, by this step-by-step method, the beginning reader, student or intellectual layman, can grasp the most difficult theoretical concepts. And since he would have to accept each step, he would than be prepared to digest and accept each further step. I said ‘relentlessly’, because, through this method, even the most confirmed socialist, would step-by-step, beginning with *simple praxeological axioms*, at the end,

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<sup>16</sup> Patterson: *Jurisprudence: Men and Ideas of Law*. p. 333

<sup>17</sup> Rothbard: *Ethics of Liberty*, p. 17

<sup>18</sup> Popper: *Die offene Gesellschaft*, Vol. II, p. 20 f. Original italics.

<sup>19</sup> de Jasay: *Justice and its Surroundings*, p. vi

suddenly find himself realizing the absurdity of his socialist and interventionist beliefs.<sup>20</sup>

We must regard it as his legacy when von Mises closes his *Human Action* by trenchantly stressing the importance of knowledge derived from logic for the overall wellbeing of mankind:

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<sup>20</sup> Rothbard: *Man, Economy, and State*, p. xxxi. Italics added. Very much to our regret, in planning his *opus magnum* Rothbard does not expound in which way, using which axioms, which deductions and definitions, he intends to design the logical structure. The most concentrated representation of this structure within this work is to be found first on the last pages of the introduction (p. xciv), where he explains:

The present work deduces the entire corpus of economics from *a few* simple and apodictically true *axioms*: the *Fundamental Axiom* of action—that men employ means to achieve ends, and *two subsidiary postulates*: that there is a variety of human and natural resources, and that leisure is a consumers' good." (Italics and Emphasis added) In "Power and Market" (p. 1309, in the same volume) he then describes concordantly the "three universally acceptable axioms: the major axiom of the existence of purposive human action; and the minor *postulates, or axioms*, of the diversity of human skills and natural resources, and the disutility of labor. [Italics and Emphasis added]

In his essay "In Defense of 'Extreme Apriorism'" Rothbard further specifies this epistemic clarification (original italics, emphasis added): "praxeology contains one Fundamental Axiom—the axiom of *action*—which may be called *a priori*, and a few subsidiary postulates which are actually empirical." These are "(1) the most fundamental [hereof] —variety of resources, both natural and human. . . . (2) less important, that *leisure is a consumer good*. . . . (actually, only Postulate 1 is necessary)" [Two other postulates, indirect exchange and maximization of money profit, are simply introducing "limiting subdivisions into the analysis."] So regrettably he leaves us with a somewhat shimmering characterization of the epistemologic status of the diversity-theorem.

In contrast, von Mises, in the German original edition of his *opus magnum* (*Nationaloekonomie*, p. 41 f.), has disutility of labor ("Arbeitsleid") as "not to be seen *a priori*" (original italics); we "see that men offer a sacrifice for leisure and *deduce* from that, that exemption from labor is regarded as a good and applying labor as a disadvantage." (Italics added)

The defining attributes of an axiom, following Rothbard (In Defense of "Extreme Apriorism") are:

(1) it is a law of reality that is not conceivably falsifiable, and yet is empirically meaningful and true; (2) it rests on universal *inner* experience, and not simply on external experience, that is, its evidence is *reflective* rather than physical; and (3) it is clearly *a priori* to complex historical events." Hence, the theorem of the existence of human action, "the nub of praxeology", is an axiom for von Mises as "*a law of thought*" as well as for himself as "*a law of reality*. [Original italics]

A contradictory characterization of property in oneself and of originally appropriated goods as an even "fundamental" axiom vs. a deduction can be found in "Ethics of Liberty", as will be demonstrated in the passage on property (deduction No 1) below.

The body of economic knowledge is an essential element in the structure of human civilization; it is the foundation upon which modern industrialism and all the moral, intellectual, technological, and therapeutical achievements of the last centuries have been built. It rests with men whether they will make the proper use of the rich treasure with which this knowledge provides them or whether they will leave it unused. But if they fail to take the best advantage of it and disregard its teachings and warnings, they will not annul economics; they will stamp out society and the human race.<sup>21</sup>

In order to attain a consistent terminology I propose, and subsequently will use, the following definitions:

Definition A: A theorem obeying the following conditions

1. It is self-evident in a reflective rather than physical way.
2. It describes a primary phenomenon.
3. It is a priori to complex historical events.
4. It is universalizable.
5. It is irrefutable without performative contradiction.
6. It is irreducible.

is called an *axiom*.

Definition B: A theorem derived from an axiom or axioms through ratiocination by applying it or them to a specific situation is called a *deduction*.

Definition C: A theorem stating a shorthand to stand for a more complex concept is called a *definition*.

This enables a setup of theorems as follows:

1. Axiom No 1: *Human action* rations scarce resources to achieve chosen ends.

2. Deduction No 1: *Property* of one's own body excludes foreign disposal.

3. Definition No 1: Absence of arbitrary compulsion is called *liberty* (i.e., freedom).

4. Definition No 2: The use of physical force without contractual basis is called *arbitrariness*.

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<sup>21</sup> Final note of Ludwig von Mises in *Human Action*, p. 881

5. Definition No 3: A voluntarily originated mutual consent to the transfer of rights and obligations is called *contract*.

6. Deduction No 2: By virtue of *free will* man can use his reason.

7. Definition No 4: The individual's state of property regarding its own body and the products of its labor is called *right*.

8. Definition No 5: Contractually owed labor is called *obligation*.

9. Definition No 6: Activity aimed at overcoming a scarcity is called *labor*.

10. Axiom No 2: Means of work are the individual's own body and *resources found or recognized as such*.

11. Deduction No 3: Through purposeful alteration of naturally found resources, these changed resources are transformed into the *property* of the laborer.

12. Deduction No 4: Human society originates from contractual *exchange* of property rights.

13. Deduction No 5: Invasion of property by appropriation or unconsenting interference are *unjust acts* and entitle a claim of restitution.

14. Deduction No 6: *Sanction* against breach of contract is established by decreased acceptance of future offerings of the defaulter.

15. Deduction No 7: *Insurance* for damage by breach of contract and wrong can be contractually agreed upon.

16. Deduction No 8: The *price* of insurance reflects previous observance.

17. Deduction No 9: *Arbitration* of contractual dissent can be agreed upon.

18. Definition No 7: The degree of limitation of freedoms and rights voluntarily accepted by an individual to acquire the property of a matter is called *value*.

19. Definition No 8: Material objects, services, and ideational entities are called *matters*.

20. Definition No 9: Freely available general conditions such as light and air and scarce resources such as goods and lifetime are called *material objects*.

21. Definition No 10: Mental states in *one's* own head or in other people's heads are called *ideational entities*.

22. Deduction No 10: *Division of labor* enhances productivity and with it the added wealth of each participant and all participants.

23. Deduction No 11: Any good, agreed upon by the contractual parties, is qualified to serve as a *medium of exchange*.

24. Deduction No 12: Externalizations of self-ownership are alienable; the *subject of self-ownership is inalienable*.

25. Axiom No 3: Locally or globally relevant *supra-individual risks for inalienable property* justify a coordination of affected self-owners independent from alienable property.

26. Deduction No 13: *Exit-option* offers exemption from collectively taken decisions based on temporarily and locally relevant supra-individual risks for inalienable property.

27. Deductions No 14 ff. and definitions No 11 ff: The corpus of the Austrian school of economics.

### 3. Approaching a Minimally Redundant Representation in the View of Libertarian Literature<sup>22</sup>

1. AXIOM No 1: *Human action* rations scarce resources to achieve chosen ends.

In von Mises, primary phrasings of the axiom read as follows:

The real thing which is the subject matter of praxeology, human action, stems from the same source as human reasoning. Action and reason are congeneric and homogenous; they may even be called two different aspects of the same thing. That reason has the power to make clear through ratiocination the essential features of action is a consequence of the fact that action is an offshoot of reason. The theorems attained by correct praxeological reasoning are not only perfectly certain and incontestable, like the correct mathematical theorems. They refer, moreover with the full rigidity of their apodictic certainty and incontestability to the reality of action as it

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<sup>22</sup> I was unable to identify the first phrasings of each thought concerned; instead, those writers are quoted who have coined the coherence for me in a memorable manner. I want to acknowledge the overarching importance of the extensive life's work of the German publicist and private scholar Roland Baader as a starting point for me to access some of the original literature. The most important comprehensive fundamentals are esteemed to be: von Mises: *Human Action*; Rothbard: *Man, Economy, and State, The Ethics of Liberty*; Hoppe: *The Economics and Ethics of Private Property*. By and large, they are referred to in most freely phrased passages.

appears in life and history. Praxeology conveys exact and precise knowledge of real things.

The starting point of praxeology is not a choice of axioms and a decision about methods of procedure, but reflection about the essence of action. There is no action in which the praxeological categories do not appear fully and perfectly. There is no mode of action thinkable in which means and ends or costs and proceeds cannot be clearly distinguished and precisely separated. There is nothing which only approximately and incompletely fits the economic category of an exchange. There are only exchange and nonexchange; and with regard to any exchange all the general theorems concerning exchanges are valid in their full rigidity and with all their implications.<sup>23</sup>

The scope of praxeology is the explication of the category of human action. All that is needed for the deduction of all praxeological theorems is knowledge of the essence of human action. It is a knowledge that is our own because we are men; ... The only way to a cognition of these theorems is logical analysis of our inherent knowledge of the category of action.<sup>24</sup>

As to the epistemic status of this axiom: von Mises often refers to human action as a category. It is characterized as an ultimate given,<sup>25</sup> i.e., an axiom, because first it is—at least for the time being—irreducible and, secondly, self-evident. On the other hand, right in the first paragraph of his *opus magnum*, he denominates human action as a definition, but obviously not on the background of a nominalistic sense of the word according to Popper.<sup>26</sup> Rather, he refers to the verbalization of an axiomatic subject matter, phrased: “Human action is purposeful behavior.”<sup>27</sup> Substantially conclusive with Rothbard (see footnote 20), Hoppe formulates that “rationalistic economic propositions . . . are not derived from observational evidence,” and that “reflective understanding must yield certain propositions as self-evident material axioms,” self-evidence not taken in a psychological-intuitive sense, but in the sense of incontestability without self-contradiction.<sup>28</sup> No doubt this holds true for the axiom of action, inasmuch

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<sup>23</sup> von Mises: Human Action, p. 39 f.

<sup>24</sup> von Mises: Human Action, p. 64

<sup>25</sup> von Mises: Human Action, p. 18

<sup>26</sup> The index of “Human Action” does not list the catchword “definition”, nor withal the “axiom.” The German original edition “Nationalökonomie: Theorie des Handelns und Wirtschaftens” dated 1940, five years earlier than Poppers “The Open Society and Its Enemies”, has “Begriffsbestimmung” instead, literally “determination of term.”

<sup>27</sup> von Mises: Human Action, p. 11, first sentence. The 1940 German original edition has: “Action is conscious behavior.”

<sup>28</sup> Hoppe: Private Property, p. 275.

as any contestation would at the same time be an action with the typical features of allocating scarce means to the attainment of the most highly ranked goal for the given situation.

Subsequently, the behavior of humans as “*rational* animals”<sup>29</sup> is demarcated from unconscious, instinctive reaction. The latter is considered as a datum like things of the outside world, and it is demonstrated as essential that a choice has to be made regarding mutually exclusive states, including receiving and giving up. (By today’s state of knowledge, man, “possessing the monopoly of negation,”<sup>30</sup> has to ask to what extent, rather than if at all, animals have the potential to think. Nevertheless, for the time being the means-ends-rationing seems to mark the defining gap between animals and humans.)<sup>31</sup>

2. Deduction No 1: *Property* of one’s own body excludes foreign disposal.

The epistemic status of deduction in praxeology is described by Hoppe as follows:

All true economic propositions, and this is what praxeology is all about and what Mises’s great insight consists of, can be deduced by means of formal logic from this incontestably true material knowledge regarding the meaning of action and its categories. More precisely, all true economic theorems consist of (a) an understanding of the meaning of action, (b) a situation or situational change—assumed to be given or identified as being given—and described in terms of action-categories, and (c) a logical deduction of the consequences—again in terms of such categories—which are to result for an actor from this situation or situational change. . . . Provided there is no flaw in the process of deduction, the conclusions which economic theorizing yields must be valid a priori.”<sup>32</sup>

Rothbard refers to Herbert in stating the material certainty of self-ownership:

If there is one thing on which we can safely build, it is the great natural fact that each human being forms with his or her body and mind a separate entity—from which we must conclude that the entities belong to themselves and not to each other. As I have said,

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<sup>29</sup> Hoppe: *Demokratie*, p. 444. Original italics.

<sup>30</sup> Brandt: *Koennen Tiere denken?* p. 57

<sup>31</sup> Papineau: *Die Evolution des Zweck-Mittel-Denkens*, p. 244

<sup>32</sup> Hoppe: *Private Property*, p. 277 f.

no other deduction is possible. If the entities do not belong to themselves, than we are reduced to the most absurd conclusion. A or B cannot own himself; but they can own, or part own, C or D.<sup>33</sup>

The further alternative, that all are collective owners of all, would immediately extinguish mankind, since A, not being the exclusive owner of any vocal cord, was not entitled to use it to consent to an intended action of B.<sup>34</sup>

The alternative of one group of men belonging completely to themselves and another group, in part belonging to others, *viz.* the common model of domination, does not even pass the universalizability test, required for any ethical maxim.<sup>35</sup>

Rothbard concludes: “Hence, no society which does not have full self-ownership for everyone can enjoy a universal ethic. For this reason alone, 100 percent self-ownership for every man is the only viable political ethic for mankind.”<sup>36</sup> Obviously, the self-contradictory concept of “political ethic” has only a historical legitimacy, as clearly follows from Franz Oppenheimer’s 1907 phrasing:

There are only two antithetical means for man, driven by the ever-same instinct of care for life, to attain the vital wherewithal: Labor and accroachment, own labor and coercive appropriation of foreign work. . . . I have . . . proposed to denominate own labor and the equivalent exchange of own for foreign work the ‘*economic means*’, and the non-discharged appropriation of foreign work the ‘*political means*’ of satisfaction of needs.<sup>37</sup>

Thus, one is left with the initial principles of self-ownership and first-use-first-own, i.e., original appropriation, homesteading. They pass the universalization test—they hold for everyone equally—and they can at the same time assure the survival of mankind. They and only they are therefore non-hypothetically or absolutely true ethical rules and human rights.<sup>38</sup>

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<sup>33</sup> Herbert, cited in: Rothbard: *Man, Economy, and State*, p. 185

<sup>34</sup> Rothbard: *Ethics of Liberty*, p. 45 and Introduction by Hoppe, p. xvi

<sup>35</sup> For discussion of even more absurd concepts of ownership, cf. Casey: Feser on Rothbard

<sup>36</sup> Rothbard: *Ethics of Liberty*, p. 46

<sup>37</sup> Oppenheimer: *Der Staat*, p. 19 f. Original italics.

<sup>38</sup> Rothbard: *Ethics of Liberty*, Introduction by Hans-Hermann Hoppe, p. xvii. A systematic account is given in Chapter 13 of “Economics and Ethics of Private Property” by Hoppe with the headline “On the Ultimate Justification of the Ethics of Private Property”

In context with the discussion of time-preference, Hoppe introduces the term of “Koerperzeit” (body-time) and refers to man as the “owner of his stock of ‘Koerperzeit’ and of all goods he has appropriated and produced.”<sup>39</sup> This is a substantial widening of the notion of property insofar as self-ownership as a whole remains inalienable, but becomes divisible with respect to quantity, this being crucial for the internal scale of values by allowing for correlation of all magnitudes of means as well as ends to the available “Koerperzeit.” From this new concept of Koerperzeit it will be developed that there can be no infringement on external property that does not at the same time, by consumption of Koerperzeit, assault the most central mode of property, that is self-ownership.

The philosophically contended, coequal originality of existence<sup>40</sup> of the individual and of society can at most hold true for the animalistic element of man, not for the specifically human aspect. This is expressed in the a priori of communication and argumentation,<sup>41</sup> for each agreement on an argument, even a consent to the fact of a dissent, is performed in autonomy of the single individual. The specific human aspect of society does not emerge from alpha-animal behavior (domination), but from equitable communication and argumentation of fundamentally peer, self-owning beings with more than neglectable rational endowments and the ability to use linguistic communication in arguments.

In contrast, every form of socialism claims the primacy of society, meaning that society as such produces goods and consequently has the right to distribute them.<sup>42</sup> In so doing, it ignores the fact that society is not an autonomously acting entity. The inner world of the individual, including emotions, valuations, and intentions, is a evident, given truth. In contrast, each alleged utterance of the inner world of society—like providence, law of history, essence of peoples, or general will—is reducible to more-or-less-agglomerated individuals.

Further argument on the rationalistic construct of an autonomous collective, the *volonté generale*, the social contract, from Hobbes to Rousseau and Robespierre, up to Lenin, Rawls, and Buchanan, generally on the ill-designed justification of collective or public choice, is, e.g., expounded in de Jasay’s *Against Politics*, in Hoppe’s writings, particularly in *A Theory of*

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<sup>39</sup> Hoppe: *Demokratie*, p. 60

<sup>40</sup> Kahl: *Weltlicher Humanismus*. Personal communication.

<sup>41</sup> Hoppe: *The Theory of Socialism and Capitalism*, Chapter VII: The ethical Justification of Capitalism and Why Socialism is Morally Indefensible.

<sup>42</sup> de Jasay: *Liberalism*, loose or strict: “Socialism appears in many guises, but all its versions have at least one common, inalterable feature, namely the insistence that all wealth is created by society, not by individual members of it.”

*Socialism and Capitalism*, the introduction to *The Ethics of Liberty* by Rothbard, and in Oppenheimer's *Der Staat*.

Concerning the character of property as an axiom or a deduction, Rothbard notes “from the fundamental *axiom* of the natural right of every man to property in his self and in the unowned resources which he finds and transforms into use, libertarian theory *deduces* the absolute morality and justice of all current titles to property except [criminally acquired property].”<sup>43</sup>

The term *right* here has an imprecise meaning. The difference of right and freedom as expressed by de Jasay seems to be disregarded; here *right* denotes a property situation. A “right of every individual to property” thereby would be a “property to property,” that is, a circular conclusion. In addition, quoting and further explicating Herbert, Rothbard describes self-ownership as a deduction: “from which we must *conclude* that the entities belong to themselves and not to each other.”<sup>44</sup>

Over all, the distinction of terms does not seem to be very strict; what Rothbard denotes as an axiom, e.g. in the section on “A Crusoe Social Philosophy”<sup>45</sup>, may well pass the universalizability test as well as the test of performative contradiction, it may further be an empirically meaningful and true law of reality and rest on universal inner experience, thus being reflective rather than physical, and it may be clearly a priori to complex historical events. Yet it is *not irreducible* and thus ought not to be called by something else's name: It is not an axiom.<sup>46</sup>

3. Definition No 1: Absence of arbitrary compulsion is called *liberty* (i.e., freedom).

“The feasible is presumed free.”<sup>47</sup> This applies as long as:

<sup>43</sup> Rothbard: *Ethics of Liberty*, p. 60. Italics added.

<sup>44</sup> Herbert, cited in: Rothbard: *Man, Economy, and State*, p. 185. Italics added.

<sup>45</sup> Rothbard: *The Ethics of Liberty*, p. 32. Original italics, footnotes deleted: “It may well be asked why life *should* be an objective ultimate value, . . . In reply, we may note that a proposition rises to the status of an *axiom* when he who denies it may be shown to be using it in the very course of the supposed refutation.”

<sup>46</sup> It is conceded, though, that the hen-or-egg-phenomenon can be regarded from either side and that human action might be deducible from self-ownership; instead I choose to follow the mainstream in Austroliberal thinking and take “the existence of human action” for “the Fundamental Axiom (the nub of praxelology)”. (Rothbard: *In Defense of „Extreme Apriorism“*)

<sup>47</sup> de Jasay: *Against Politics*, p. 158 ff.

- resources of my property (my own body and means acquired by original appropriation and exchange) suffice with respect to the situation given,

- foreign rights are not violated, and
- own obligations do not deter from action.

“If you needed a right to a freedom, it would not be a freedom.”<sup>48</sup>

4. Definition No 2: The use of physical force without contractual basis is called *arbitrariness*.

Non-physical “violence” like discriminating refusal of contract does not infringe a right.

5. Definition No 3: A voluntarily originated mutual consent to the transfer of rights and obligations is called *contract*.

Consent is attained if both sides each expect an advantage by property to a matter valued higher in the actual scale of valuations than the contractual obligation or abandonment of property in another matter. Likewise, the moral quality of, e.g., a donor can be a matter to be aspired as a property.

By transferring rights, primary rights (i.e., the right to property in one’s own self and the products of primary appropriation) turn into secondary rights in different matters like material objects, services and ideational entities. De Jasay elucidates the sharp distinction against liberties, writing “liberties to perform, and rights to performance.”<sup>49</sup>

6. Deduction No 2: By virtue of *free will* man can use his reason.

[T]he very fact that the knowledge needed for man’s survival and progress is not innately given to him or determined by external events, the very fact that he must use his mind to learn this knowledge, *demonstrates* that he is by nature free to employ or not to employ that reason—i.e., that he has a free will.<sup>50</sup>

“[T]he fundamental choice for humans is ‘Either be rational or be irrational’”, that is: either enter into sales-talks or into an argumentation,

<sup>48</sup> de Jasay: Justice and its Surroundings, p. vii

<sup>49</sup> de Jasay: Against Politics, p. 219

<sup>50</sup> Rothbard: Ethics of Liberty, p. 31. Original italics.

perform as a rational being or a human animal.<sup>51</sup> This indicates exactly the realm of free will.

7. Definition No 4: The individual's state of property regarding its own body and the products of its labor is called *right*.

Self-ownership of man follows as a consequence from autonomy of will toward congeneric men. A rational way to justify slavery is unknown. Rational man exists by internal virtue, not by external will. Using his body and exerting his own will, man can appropriate parts of the world to be found without violating foreign rights.

What "human rights" mean in the West can be reduced to its core, property rights, as shown by, among others, Rothbard.<sup>52</sup> Whatever exceeds property rights is an arbitrary, declamatory "right" that can only be proclaimed by arrogated authorities (alpha-animals) at the cost of a third party, and which lacks substance—like the "right to freedom of speech" as long as this is not performed on own ground or ground consensually used with its owner. He concludes: "There *are* no rights but property rights." [Original italics.]

Although the plural term "property rights" is commonly used, little attention has been paid to the fact that it is in essence the one single right; at the core of liberty is precisely the individual's state of property regarding his own body and the products of his labor in original appropriation. Only on this basis can secondary rights originate by contractually transferring titles to parts of alienable property. This is the scope of direct and indirect exchange—i.e., economy.

This singular definition of right proposed here is compatible either with the discrimination of freedom and right following de Jasay who, in the introduction to "Justice and its Surroundings," finds a crucial distinction between *freedom* and *right*, pointing out that freedom is a relation of one person to an action and right is a relation of more than one person to an action. (Obviously, this deals with contractual relationships of exchange; however, the contents of such exchanges are partial material rights attained through self-ownership, original appropriation by mixing one's labor with resources found as well as preceding acts of exchange.)

Rothbard's point of view seems to be based on a less differentiated perception when he quotes and acknowledges Sadowsky in *The Ethics of*

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<sup>51</sup> van Dun: Argumentation Ethics

<sup>52</sup> Rothbard: Man, Economy, and State, p. 1337 ff.

*Liberty* (p. 24), “When we say that one has the right to do certain things we mean this and only this, that it would be immoral for another, alone or in combination, to stop him from doing this by the use of physical force or the threat thereof.”<sup>53</sup> Following de Jasay, this situation was to be understood as a freedom, not limited by foreign property right.

8. Definition No 5: Contractually owed labor is called *obligation*.

Hence, a contract including obligations affects the future. Since the will cannot abandon itself, an ordered withdrawal from an obligation must be possible. Each such contract, therefore—explicitly, or implicitly by arbitration—includes an alternative way to fulfil an obligation agreed upon, say by signing over a property title in case of default. This would normally exceed mere annulment and reverse transaction of the contract.

9. Definition No 6: Activity aimed at overcoming a scarcity is called *labor*.

Games—though some may be productive and overcome shortages incidentally—are always predominantly concerned with instantaneous satisfaction. *Labor* aims at satisfaction in the future in exchange for present sacrifice. Instead of using the confined term of labor, Mises and Rothbard address human action as purposeful behavior as opposed to unconscious reaction to stimuli. Consciousness of ends is based on the ability to “choose between different states of affairs.”<sup>54</sup>

10. Axiom No 2: Means of work are the individual’s own body and *resources found or recognized as such*.

Natural resources are scarce and unequally distributed. All known and accessible resources are already owned by first users or their legal successors. New ones can be found by opening an access to so far inaccessible spots or by utilizing so far unused qualities of freely available or acquired matters.

The epistemic status of this theorem in libertarian literature as an axiom seems to fluctuate. Only one theorem is characterized by von Mises as an “ultimate given,” i.e., an (at the time being) irreducible certainty, and that is

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<sup>53</sup> Sadowsky: *Private Property and Collective Ownership*, pp. 120-21

<sup>54</sup> von Mises: *Human Action*, p. 13. For the shimmering characterization of labor, and its opposite leisure respectively, in the writings of Rothbard and von Mises as an axiom vs. a deduction see footnote 20.

the theorem of human conscious and purposeful action,<sup>55</sup> whereas Rothbard speaks of “a few . . . axioms,” thus denominating, in addition to the “fundamental axiom of *action*,” “two subsidiary postulates: That there is a *variety* of human and natural resources, and that leisure is a consumers’ good.”<sup>56</sup>

The phrasing chosen here stresses the fact that not only the physical existence of a resource is worth considering, regarding obvious items like land, water, flora, and fauna; a so far unrecognized utility of a resource, well known and perhaps already owned, can be discovered and brought into use as well, e.g., the energetic and petrochemical potentials of oil under desert sand, the usability of a specific flea for the production of red pigment or the ability of the atmosphere to carry electromagnetic waves.

The theorem, neither being a commonplace, definitional equation, nor being deducible from established certainties, instead describing a universal primary phenomenon—namely, discovery of the world as a living space—in a reflective way, irrefutable without self contradiction and a priori to historical events, is thus elevated to the status of an *axiom*. Only in an illusory world with a completely equal distribution of everything—namely, one with maximized entropy—would we find no diversity of resources. In such a world there would be no mountains, no rivers, no shadows, no caves, no wealth and no poverty, and no metabolism, just socialists.

11. Deduction No 3: Through purposeful alteration of naturally found resources, these changed resources are transformed into the *property* of the laborer.

An opposing property claim, for instance of a late-comer or of future generations, would have to be proven by traces of the claimer’s own labor or of foreign labor used on the resource, rights to which had been attained by contract.

As long as we deal with scarce goods, whose scarcity by definition limits the development of contemporary owners in terms of their own chosen values, bottling these scarce resources up for future generations is incompatible with the interest of survival. The emergence of future individuals depends on the survival of as many and as developed contemporaries as possible. Incidentally the Stone Age did not run out by running out of stones, but because of the development of superior

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<sup>55</sup> von Mises: Human Action, p. 18; the word “axiom” is not listed in the index, whereas “ultimate given” is.

<sup>56</sup> Rothbard: Man, Economy, and State, p. xciv. Original italics.

techniques, and furthermore, a proprietor is not dependent on consuming his resources in his own lifetime, because he can sell or bequeath them and thus pass them to future generations. Contrary to material resources strategies and technologies for overcoming scarcity are basically unlimited and do not wear and thus can be inherited unconsumed.<sup>57</sup>

12. Deduction No 4: Human society originates from contractual *exchange* of property rights.

“Interpersonal exchange of goods and services weaves the bond which unites men into society.”<sup>58</sup>

By entering into contracts with the owner, with a partial exchange of his rights for one's own property rights in originally appropriated matters or the products yielded thereof, others as well can participate in the new innovative products or newly found and altered resources.

Potential latecomers, as well as less diligent, less fortunate, or less innovative men, can participate by contracting with owners on the basis of partial exchange of their working power for, e.g., originally appropriated matters and products derived.

13. Deduction No 5: Invasion of property by appropriation or unconsenting interference are *unjust acts* and entitle a claim of restitution.

Irrespective of breach of contract, a unilaterally unfulfilled contract continues to be valid. Coercive re-appropriation of rights does not violate foreign rights and thus is a freedom for the aggrieved party and its heirs.

14. Deduction No 6: *Sanction* against breach of contract is established by decreased acceptance of future offerings of the defaulter.

Since each contract can solely be achieved voluntarily—that is, with mutually expected advantage—every contractor calculates the risk of default according to available information for pricing. A defaulter therefore will have to accept less advantageous contracts in the future.

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<sup>57</sup> Rothbard: *Man, Economy, and State*, p. 11

<sup>58</sup> von Mises: *Human Action*, p. 195

15. Deduction No 7: *Insurance* for damage by breach of contract and wrong can be contractually agreed upon.

The means for regaining stolen rights can be improved by association and commissioning agents.

By means of an optional *default insurance*, risk can be outsourced. Either one contracting party hereby enhances the attractiveness of his offering, or the other as a potential victim of default calculates a discount high enough to pay the insurance. A covered contract is more attractive than an uninsured one, so that an uninsured contractor has drastically worse chances of completion.

In the case of an insured event, restitution is performed by the insurance company to the aggrieved party and, if needed by force, by the injuring party to the insurer. Building upon the works of Rothbard and others, Hoppe demonstrated that a competitive insurance market can very well provide satisfaction of security and defense needs. At the same time, it brings about a systematically civilizing effect that clearly delegitimizes Hobbes's foundation of the state: the "war of all against all."<sup>59</sup>

16. Deduction No 8: The *price* of insurance reflects previous observance.

This principle makes contract observance a matter of self-interest, even in single-shot deals without aspired long-term relations.

17. Deduction No 9: *Arbitration* of contractual dissent can be agreed upon.

Since both parties need legal certainty, they may agree on an arbitrator in their contract. Different arbitrators, each with the freedom of cooperation both in breadth (locally, subjectively) and in depth (appeal) can offer their services.

18. Definition No 7: The degree of limitation of freedoms and rights voluntarily accepted by an individual to acquire the property of a matter is called *value*.

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<sup>59</sup> Hoppe: *Demokratie*, chapter 12: Ueber Regierung und die private Produktion von Verteidigung [On Government and Private Production of Defense], p. 443 ff.

There is no value in and of itself. It is not a recursive function of the costs of production. Costs are costs and are not value. Value only exists in the performance of a choice by a chooser (e.g., a purchaser), who *values* the matter chosen higher than the matter(s) he abandons. This choice is a manifestation of an individual's variable scale of values, with valuation of definite units of homogenous matters depending on the stock of identical matters still or already available, and on the existence of variable quantities of other matters.<sup>60</sup>

19. Definition No 8: Material objects, services, and ideational entities are called *matters*.

In the easiest case, a *matter* it is a stand-alone and temporarily stable thing, e.g., a tire. A tire mounted on a car, in contrast, is a matter mixed from material object and service. Material objects can be connected to homogenous ones, like shares of a golf course, or distinctive ones, like the IT equipment in a business. Additionally, they can be combined with services like maintenance and updates. Services can be designed for an individual customer, like a haircut, or for an anonymous market, like a cell phone network.

Ideational entities like leisure<sup>61</sup> or cognition are scarce, and therefore are subject to classification in the ever-individual and variable scale of values. They compete with material objects and services.

20. Definition No 9: Freely available general conditions such as light and air and scarce resources such as goods and lifetime are called *material objects*.

Everything intended to be used as a means to attain ends is scarce and therefore is subject to consideration as to what extent it ought to be applied to reach what purpose. This establishes its character as an economic good. Air, light, water, and land, for instance, can be general conditions to the extent that they are available at any time in any quantity at a given place, but they can also turn into economic goods in changed conditions, namely in arising scarcity.

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<sup>60</sup> von Mises: Human Action

<sup>61</sup> Rothbard: Man, Economy, and State, Chapter 1

21. Definition No 10: Mental states in *one's* own head or in other people's heads are called *ideational entities*.

Personally enjoying music, knowledge, leisure, or a good conscience, as well as enjoying reputation in others as a music-lover, man of culture, hedonist, or a moral person, are as much goals that one can strive for as is the consumption of material goods and services. These potential ends may even include a wry perception of justice as equality, as people are willing to abandon material wealth if only others are forced to abstain to the same or to a greater extent. This is commonly taken as a proof that man is not a *homo oeconomicus*,<sup>62</sup> whereas it does not make sense to define out of economic consideration what in fact is permanently balanced as an ideational entity with material matters in the very same intrapersonal scale of values.

In contrast, the term *honor* denominates a claim to an image of myself in the mind of another person, based on a social standard. Since I cannot attain property in another human being's head, honor has to be defended against any cheap attack by expenditure of considerable resources for actions to establish, or re-establish, honor. By threatening to apply, or by applying, force, the price of public doubt in honor can be increased dramatically.

22. Deduction No 10: *Division of labor* enhances productivity and with it the added wealth of each participant and all participants.

If and as far as labor under the division of labor is more productive than isolated labor, and if and as far as man is able to realize this fact, human action itself tends toward cooperation and association; man becomes a social being not by sacrificing his own concerns for the sake of a mythical fare. Experience teaches that this condition—higher productivity achieved under the division of labor—is present because its cause—the inborn inequality of men and the inequality of the geographical distribution of the natural factors of production—is real.<sup>63</sup>

From the voluntariness of cooperation, which only develops in the case of mutually expected gain, it follows conclusively (and can be demonstrated notionally and mathematically) that the division of labor does not create winners and losers, but winners only—conceded to a different extent.<sup>64</sup>

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<sup>62</sup> e.g. Westerhoff: Urteile und Vorurteile, p. 159

<sup>63</sup> von Mises: Human Action p. 160

<sup>64</sup> von Mises: Human Action p. 159: "Collaboration of the more talented, more able, and more industrious with the less talented, less able, less industrious results in benefits for both. The gains derived from the division of labor are always mutual."

23. Deduction No 11: Any good, agreed upon by the contractual parties, is qualified to serve as a *medium of exchange*.

Indirect exchange via a third matter adds opportunities of change, reduces transaction costs, and opens access to supraregional markets. Every convenient matter can be contractually arranged as means of payment. Under free competition, thus far only commodities that are laboriously reproducible, durable, subdivisible, and mobile have been established as means of payment. This has resulted in the prevalence of precious metals as a means of payment, and in particular gold and silver. For reasons of manageability, coins and bullion bearing the hallmark of a trustworthy issuer have been preferred, to help dispense with scrutinizing weight and fineness in each transaction. The price for the commodity gold-money or silver-money from issuer A and B is formed in the market.

24. Deduction No 12: Externalizations of self-ownership are alienable; the *subject of self-ownership is inalienable*.

Labor is an externalization of self-ownership, mixed with found and/or acquired matters. Products of labor are alienable. Labor itself is alienable too: namely, labor under orders of another and on matters belonging in whole or in part to another. These are objects to the self-owner. The subject of self-ownership, that is, his body and his specifically human attribute, free will, are inalienable.

The concept of ‘voluntary slavery’ is indeed a contradictory one, for so long as the laborer remains totally subservient to his masters will voluntarily, he is not yet a slave since his submission is voluntary; whereas, if he later changed his mind and the master enforced his slavery by violence, the slavery would not then be voluntary.<sup>65</sup>

25. Axiom No 3: Locally or globally relevant *supra-individual risks for inalienable property* justify a coordination of affected self-owners independent from alienable property.

Risks such as wildfire, landslide, flooding, radioactivity, poisoning of ground water or stream water, as well as an attack by a state or a state-building dominating power, all concern more than one person with regard to their self-ownership in their bodies. In other words, the lives and health of an

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<sup>65</sup> Rothbard: The Ethics of Liberty, p. 41

indefinite number of people are at risk. Risks are not precisely definable locally and chronologically.

Self-ownership cannot be exchanged. Thus, no interpersonal value relates to it. Rather, the self-owning subject deals at the same time with its scarcest, and therefore most highly valued, object.<sup>66</sup> Regardless of the ever-lower ranking scale of values, inside of which an intrapersonal exchange takes place, what exactly constitutes inner valuation, the value of self-ownership, hence has to be regarded as interpersonally equal.

Notwithstanding the generally acknowledged discrimination of alienable and inalienable property, noticeably little attention has been paid in libertarian scholarship to the eye-catching consequence, that its contribution to shaping the social standing of man among his peers is crucial. Appropriately demarcating of egalitarian postulates that try to constitute a claim to neighbors' property with cloudy legitimation, real existing inequality and its far-reaching consequences have been analyzed, but in the process we have lost sight of the legitimate core of the concept of equality.

This could easily happen, since the historical, philosophical use of "equality before the law" has been devalued as natural rights have been perverted into mere positive rights, which places a strong emphasis on viewing rights as an instrument of state-controlled exploitation. (Not to mention the damage caused by the socialist claim that men are "essentially equal.") At the same time, libertarians have lost sight of the importance of having a legitimate theory of equality at its core, and this oversight is a major obstacle on the path to broad acceptance of libertarian thought. Modern social theories have enjoyed an undue degree of success because of their reliance on "equality" in some sense of the term—generally lies wrapped in half-truths—and they enjoy popularity all the more by suggesting that any opposing theory regresses toward a feudal class structure.

Regarding the epistemic status of the *proposition of autonomous equivalence of inalienable property*, it can be stated that, on the one hand, it is not a banal, nominalist, defining equation. On the other hand, one must have reservations against the claim that it is a logically stringent deduction, insofar as interpersonal equivalence has only been assumed here in the face of a lack of decisive counter arguments. In addition, in the strict sense of the definition of *value* in this paper, the term of an interpersonal value of inalienable property has to be disregarded because of lack of interpersonal exchangeability, so that the deductive elements are left up in the air. Further notional analysis may hopefully find a remedy in the *philosophical foundation of the acknowledged claim of*

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<sup>66</sup> History is full of exceptions, though, like voluntary death for a truth, a (e.g. property) right, a religion or a nation, not to be commented on here.

*any ethical norm in order for it to hold true for all equally.* For Equality, with respect to this core of self-ownership, could possibly turn out to be the very precondition for the claim of universalizability for ethical norms. Consider, for example, the intuition that human beings are equal by virtue of being human. Susceptible to error as this idea is, it has prevailed through many epochs of civilization; it has been justified using different rationales, often independent of performance, race, class, talent, health, or of moral virtue. I want to make a preliminary claim that the proposition of autonomous equivalence of inalienable property has the features of being (A1) self-evident in a reflective way, (A2) a primary phenomenon and (A3) *a priori* to historical experience, (A4) universal, and (A6) original—and thus attribute to it the status of an axiom.

For the purpose of testing, I have utilized Hoppe's criterion for the self-evidence of an axiom to be founded in the impossibility to deny a proposition without self-contradiction by implicitly presupposing its validity rather than in the immediate awareness of conviction. So the performative contradiction test, rather than a sheerly psychological phenomenon, is the nub of self-evidence.<sup>67</sup>

I have thus set up the antithesis as follows: "A majority of self-owners are entitled to give rise to a locally and temporally defined risk for a minority of nonconsenting, other self-owners, whenever deemed necessary for defense or prevention against a situation construed as supra-individual threat invading self-ownership." Such "dilemma ethics," which involve arithmetic-quantitative reasoning rather than pure notional logic, are already close to consequentialism and far from aprioristic-logic science; however, it is not self-contradictory. Rather, the contradiction becomes obvious when, following the line of reasoning, further consequences of this dilemma-born Fall of Man come into sight, ultimately reaching the "greatest bliss for the greatest number," which comfortably justifies every self-ownership-invading measure against a minority. Generally speaking, this results in a competition for the best camouflage for striving for other people's property by ideology.

Thus, not having passed beyond doubt (A5) the test of being irrefutable without performative contradiction, the status of the theorem as an axiom remains open so far.

"Anyone who wants to set forth a theory applicable to *interchangeable* human beings is welcome to do so. . . . [T]he diversity of mankind is a basic postulate of our knowledge of human beings."<sup>68</sup> This kind invitation is taken seriously and taken on here; certainly I am fully aware of the fact that others

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<sup>67</sup> Hoppe: Private Property, p. 275

<sup>68</sup> Rothbard: Power and Market, p. 1309. Original italics.

will have to step through the door that is just opened a small gap here. On the one hand, it is inadequate that, e.g., in the relevant sections of Rothbard (as well as in all libertarian literature known to me), only equality of living conditions, chances, and freedoms is rightly refuted to be nonsensical, without taking into account the consequences of asserting the equality of human beings in their being self-owners for the design of an edifice of ethics. However, on the other hand, it is exceedingly difficult to comprehend the legitimate core of equality nonquantitatively, in such a way as to enable it to establish a logical relationship to the quantitative alienable property and to different talents, states of fortune, goals and volitions.

26. Deduction No 13: *Exit-option* offers exemption from collectively taken decisions based on temporarily and locally relevant supra-individual risks for inalienable property.

Distinctive to proprietor's alienable property, each of which is differently affected by a risk corresponding to nature and extent of risk and property in question, their property in themselves is fundamentally equal and equally threatened.

Thus, measures for prevention and hazard management in the face of looming invasions into one's property concern all in their attributes as self-owners in the same way. In deliberation of reason, efficiency, and potential invasion into self-property of preventive and defensive action, only a decision as close as can be to unanimity is ethically sustainable, because at least it minimizes, though not completely excludes, invasion into overall property (consisting of self-property and alienable property).

Since all measures of prevention and hazard management concern alienable property and depend on its use, they can only be performed with its agreement and aid. The more people perceive there to be a danger for inalienable property rights, most highly ranked in their hierarchies of values, the less questionable will usually be the consent from the side of alienable property. But in addition to consent, measures need assistance too from alienable property; insurance-designed cost allocation, oriented towards the volume of coverage, seems the obvious solution.

Therefore, a mode of finding a consent should be considered with the nonconsenting self-owner leaving the alleged area of danger and the consenting party buying his real estate there. First, this approach prevents violence without choice to a nonconsenter in case of a disputed situation of threat; secondly, the attainable price for abandoned real estate reflects the real estimation of the threat by the party that wishes to stay and defend; third, the

dissenter is forced to a nonarbitrary assessment of danger, because the higher estimates of the stay-and-defend party determine the price attainable. So he is left with two alternatives: the loss of the value of the property left behind or the costs of participation in defense. Once more, mechanisms of unhampered market seem to generate nonarbitrary assessments in local, temporal, qualitative, and quantitative dimensions, which should further be explored economically.

This situation seems to resemble what is typically called *secession*. But secession is essentially a disengagement from a state construction, be it in favor of another, perhaps smaller state, or a stateless spontaneous order, whereas the discussed deduction from the proposed third axiom here deals with supra-individual risks in general, not with the special sort of risk for self-owners usually associated with supra-individual social organizations in their peculiarity as states. These risks are to be coped with in a society unacquainted as it is, following the axioms, definitions and deductions so far, with anything like a state. As opposed to the first impression, we here deal with establishing rather than leaving a supra-individual action, defined on the one hand factually and thus temporally, on the other hand strictly by territory. The *proposition of opting out* outlined here tries to respect the inalienable as well as the alienable property rights to enable a number of self-owners to build up a local unit capable to act without invading property, say without intrinsically nonethical domination—and in this way create an option for an ethically legitimate, selective, and transient form of social organization.

It remains to be seen whether such an organization is to be subsumed under market mechanisms or rather smacks of collectivism; all mechanisms of establishing, expanding, and perpetuating domination through the back door, known from the discussion on historical (and theoretical) impossibility of “limited government”<sup>69</sup> will have to be introduced and considered in this context.

In contrast to libertarian criticism on theory and reality of democracy known to me<sup>70</sup> I do see a legitimate core of democracy, consisting of equivalency of all self-owning subjects in the face of collective risk with relation to their inalienable self-owned object. However, after deconstructing state to a private society nothing is left of democracy but the exit option in view of a territorially defined, self-ownership-invasive, defensive reaction.

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<sup>69</sup> Particularly cf. Hoppe: Ueber die Unmoeglichkeit beschraenkter Regierung und die Aussicht auf Revolution [On Impossibility of Limited Government and Prospect of Revolution] in: Demokratie, p. 489 ff. and de Jasay: Is limited government possible? in: Against Politics, p. 39 ff.

<sup>70</sup> Hoppe: Demokratie.

No *ad hoc*, logically compelling, and uncompromising solution can be offered here. This will first require a comprehensive discussion in libertarian circles, well acquainted with the theorems summarized here in points 1–24, then, secondly, an enduring persuasive debate, based on delegitimization of the state by libertarian thinkers and communicators.<sup>71</sup> For “without erroneous perception and assessment of the state as just and necessary by the public and without voluntary cooperation of the public even the seemingly most powerful government would implode and its power would vanish.”<sup>72</sup>

While the present exposition follows and widens the structure of an aprioristic-deductive edifice of ethics and economics, I have in an earlier article taken the starting point in the physical-historical real world and described a theoretical constitutional construction, not sounding too realistic, which reduces democracy to its legitimate core. It provides a threefold voting procedure in the public sector by one level of weighting decision-power by tax, another level weighting by number of persons, and, as the most essential element, the establishment of a meta-decider-institution, constituted by few members, each being elected by double tax- and man-vote-majority, to make decisions regarding which concerns will be decided upon, according to its property-invasiveness and property-dependency: Does it need a man-vote majority, a tax-vote majority, or a double man- and tax-vote majority?<sup>73</sup> On the one hand, such a construction is ethically unclean and does not really fit into the logical building constructed here, because majority-based decision with a fraction of dissenters is always intrinsically immoral; on the other hand, it may advantageously spring from reality more than instead being founded in the realm of pure logic. Lacking straight prospect of realizability, the alternative may be naught but vanity, and either way the sphere of majority rule is drastically restricted, realistically meaning that both models converge, particularly when you can, traditionally speaking in terms of constitutional law, suppose a “right” of secession in a state constituted in this way.

After all, the acknowledgement of a legitimate core of democracy could ease communication with its errant, though not exactly pernicious apologists, as their mental models are “half-truths, which are more dangerous than whole-untruths because they are hard to discern and nearly unavoidably induce fallacies.”<sup>74</sup>

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<sup>71</sup> Representing many, but still too few: Ludwig von Mises-Institute and the German private scholar Roland Baader.

<sup>72</sup> Hoppe: *Demokratie*, p. 487

<sup>73</sup> Preusse: *Steuer-Kopf-Wahl*

<sup>74</sup> Oppenheimer: *Der Staat*, p. 20

27. Deductions No 14 ff. and definitions No 11 ff: The corpus of the Austrian school of economics.

[T]he Fundamental Axiom (the nub of praxeology): the existence of human action. From this absolutely true axiom can be spun almost the whole fabric of economic theory: Some of the immediate logical implications that flow from this premise are: the means-ends-relationship, the time-structure of production, time-preference, the law of diminishing marginal utility, the law of optimum returns etc.<sup>75</sup>

As a basis see the mentioned textbooks “Human Action” by von Mises and “Man, Economy, and State with Power and Market” by Rothbard.

#### 4. Conclusion: Liberty, What For?

The structure elaborated here demonstrates that liberty contra-historically as well as contra-intuitively cannot be a central notion. It is merely an emergent product of the underlying self-ownership principle, and is even completely dispensable as a term. For it is merely shorthand for absence of arbitrary compulsion, the illegitimacy of which as evidently as strictly follows from the first deduction of self-ownership from the first axiom of human action. Liberty is a definitional term, inappropriate to found an order, inappropriate to define values, inappropriate to grasp anything essential of being human.

Moreover, freedom, as a noun to the adjective “free,” is a seductive term, in history repeatedly attaching a nimbus to vast property invasions. Nevertheless, the word cannot be abandoned as long as we lack an adequate adjective for liberty, which is, at the same time, more abuse-resistant. Irrespective of the fact that it may just as well indicate the absence of something,<sup>76</sup> the Latin word *liber* could be an alternative, enabling such phrasing such as: “The fresh snow on my terrace is free from footprints, and I am *liber* to keep my dog from disturbing the picture.”

As it is nonsensical to blame the air for destroying a vacuum, arbitrary compulsion is by no means unethical and unjustifiable because it destroys liberty, but because it does not respect self-ownership. If liberty is to be seen as a “value” at all, than merely as an emergent, not as a primary value.

Anthony de Jasay, outside the Austro-liberal School, last published an essay on the foundation of liberty as a social guiding principle in 2004.<sup>77</sup> The loose foundation is the value-hypothesis, suffering from the fact that its

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<sup>75</sup> Rothbard: In Defense of “Extreme Apriorism”

<sup>76</sup> von Moellendorff: Personal communication.

<sup>77</sup> de Jasay: Liberalism, loose or strict.

status competes with other values. As a strict foundation he denominates the logically compelling presumption of freedom as an instrumental, not as a final value,<sup>78</sup> resulting from testability of a claim *qua* falsification instead of verification. For, while in regard to the presumption of freedom of a feasible action the burden of proof in case of doubt is on the side of the contended opposing right, a proof of the claim of freedom not to violate foreign rights would be basically impossible, since the number of potentially opposing rights is in principle unlimited.

In an earlier essay from 1996<sup>79</sup> de Jasay introduces “three . . . ‘principles of politics’” as “the rock-bottom of liberal logic,” which per se can, and since Oppenheimer<sup>80</sup> must, be considered self-contradictory:

1. In doubt, abstain.
2. The feasible is presumed free.
3. Let exclusion stand.

However to rate the fact, that with these three principles he digresses from the six “cornerstones” from 1991,<sup>81</sup> still more reminiscent of the Austrian tradition; the essential difference is that he argues with *ought-propositions*, whereas Austrian tradition, starting from a description of fundamental conditions *qua* axiom, strictly deduces and thus stands on the real “rock-bottom” of *is-propositions*.

Although liberty is seen here as a mere definition, as it is implicitly contained in the Austrian school without always being consciously realized, and in contrast self-ownership as irrefutably deduced from the axiom of action,<sup>82</sup> each and every limitation to a feasible act (a freedom) by foreign rights has to be substantiated just as well—but here as a direct outflow of ethical logic and not just contestably-instrumentally. An expression of this logical progression from liberty to property can be recognized from the fact

<sup>78</sup> de Jasay: *Against Politics*, p. 159

<sup>79</sup> de Jasay: *Before resorting to politics*, in: *Against Politics*, p. 143 ff.

<sup>80</sup> Oppenheimer: *Der Staat*, p. 19 f

<sup>81</sup> de Jasay: *Liberalismus neu gefasst*, p. 79: 1. Individuals, and only individuals, can choose (individualism). 2. Individuals can choose for themselves, for others, or for both (politics). 3. The meaning of choice is to select the preferred alternative (non-dominance). 4. Promises are to be fulfilled (contract). 5. First come, first use (priority). 6. All property is private (exclusion).

<sup>82</sup> Rothbard: *Ethics of Liberty*, p. 258: “It should be clear from this work that, first and foremost, liberty is a *moral principle*, grounded in the nature of man. In particular, it is a principle of *justice*, of the abolition of aggressive violence in the affairs of men. . . . Justice, not the weak reed of mere utility, must be the motivating force if liberty is to be attained.” Original italics.

that Rothbard's relevant central opus was *The Ethics of Liberty*, whereas Hoppe's central philosophical work displays the "Ethics of . . . Property" in its title.

The inalienable *self*-ownership of body and will can only be attacked successfully, if in advance the alienable property has been questioned, attacked, other-directed or abolished. *Inviolability of alienable property is a coessential, congeneric, and the only efficient protective mantle around the core of self-ownership.* When, by virtue of socially legitimized constructs, alienable property becomes violable, there is no logical limit to a socially chosen divestment of the individual of his property in himself, i.e., his right to live. For already a minor encroachment on material property necessarily implies spoliation of *Koerperzeit*, that is the central scarcest good. *There is no infringement on property without encroachment on the inalienable core of self-property.* Seen from the other side, it is exactly the discussed, though not yet clearly understood equality of self-owners that strictly delegitimizes any attempt of person A to infringe on the variety of conditions and alienable property of B and C.

A central thesis of the encroachment on core-property of any seemingly mere-peripheral infringement on property thus far ethically and notionally formulated is socially far more efficacious than the declaration of an autonomous value of freedom that inescapably competes and collides with other values, thus being relative in conception. At the same time, it is sure to be more comprehensible and more efficacious than an instrumental falsifiable value instead of a primary, non-verifiable value. Such a thesis as an outcome of an analysis of the logical structure of the Austrian aprioristic-axiomatic science is the modern version of the renowned "holiness" of property, which, due to so many unholy alliances and so many unholy saints, has lost most of its charisma.

A logic of liberty thus has resulted in its near defeasance; it may be hoped that the same concern, articulated as an urge for liberty in past and present, will socially become more efficacious in the reinforced consciousness of self-ownership.

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