

## WHEN IS A MONOPOLY NOT A MONOPOLY? A REPLY TO TIBOR MACHAN

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IN A LENGTHY FOOTNOTE to his essay “Reconciling Anarchism and Minarchism”<sup>1</sup> (henceforth RAM) Tibor Machan accuses me of engaging in equivocation, and also of psychologising, in my essay “The Facts of Reality: Logic and History in Objectivist Debates about Government”<sup>2</sup> (henceforth TFOR). Machan writes:

... Dykes doesn't seem to realise that monopoly in the use of retaliatory force is not the same as a legal or coercive monopoly in that use. He persists in this equivocation. Yet, one can have a monopoly that comes about naturally, because it is freely granted to one by people—as, say, they effectively granted the Beatles monopoly status in rock music or Fred Astaire in dancing or IBM in computers and Microsoft in software ... without keeping anyone out by force. Furthermore, if people freely select a group of specialists to protect them by way of a long-term binding contract [or compact] that's not to establish an objectionable, coercive monopoly, merely an exclusive but binding relationship .... It is along such lines that Rand's notion of the “monopoly” of retaliatory force needs to be understood (RAM 61).

Machan adds further on that equivocation is a “serious flaw” in my essay.

To begin with, let's be clear about what the term ‘equivocation’ means. I hardly need to point out that it is a fallacy in logic, one which involves

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<sup>1</sup> “Reconciling Anarchism and Minarchism” in *Anarchism/Minarchism: Is a Government Part of a Free Country*, Edited by Tibor Machan and Roderick T. Long (Burlington VT: Ashgate, 2008) pp. 59–84.

<sup>2</sup> *Journal of Ayn Rand Studies* 7/1 (Fall 2005) pp. 79–140.

confusing issues by switching from one sense of a word to another yet treating both senses as if they meant the same, what the late Ron Merrill called “the classic meaning switch cheapo.”<sup>3</sup> Ben Franklin’s “your argument is sound, all sound” is a famous, if light-hearted example. According to my dictionary (Chambers’ 1988 edition) the verb ‘equivocate’ means “to use equivocal or doubtful words in order to mislead” and it is as *an intention to mislead* that I have always understood the act of equivocation.

So the first point to make in reply to Machan is that if I ‘don’t seem to realise’ what I’m doing, as he asserts, then I can hardly be accused of equivocation, since the word implies conscious intent. Ambiguity perhaps, but a charge of equivocation won’t stand.

The second point to make is that there is in fact *no* equivocation or ambiguity in my essay. I use the term ‘monopoly’ in one sense only and my usage is clear and consistent in every instance. The word first appears in my second paragraph:

A note about terminology: in this essay, rightly or wrongly, the words ‘state’ and ‘government’ are used interchangeably to refer to any geographically-defined monopoly on the use of force—including ‘limited government’ or ‘minarchy.’ ‘Anarchism’ refers to *libertarian anarchism*, the philosophical advocacy of a future society without such a monopoly. (TFOR 79)

Thereafter, the only discussions in my essay employing the word monopoly occur in Part One, “David Kelley and the Necessity of Government,” where I criticise Kelley’s argument for a state monopoly on the use of force; and in Part Three, “Justifying Government,” where I spell out Ayn Rand’s failure to establish the same position. Thus, the only sense in which I use ‘monopoly’ in TFOR is the one in which it has been used throughout the anarchy/minarchy debate; that is, to refer to a coercively-created institution which reserves to itself the exclusive right to use force. In other words, the ‘monopoly on the use of force’ advocated by Ayn Rand, her orthodox followers, and by many other Libertarians.<sup>4</sup>

It is worth pointing out too, that possible *variations* in the meaning of the word monopoly are not mentioned in my essay. Moreover, the two discussions just referred to, which concern the merit of Rand’s and Kelley’s

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<sup>3</sup> *The Ideas of Ayn Rand* (Lasalle, IL: Open Court, 1991) p. 97.

<sup>4</sup> Examining the *adequacy* of these definitions is outside the scope of this reply. For some elaboration see Hans-Hermann Hoppe, “Reflections on State and War,” *LewRockwell.com* (Dec. 2, 2006), and *idem*, “The Idea of a Private Law Society,” *LewRockwell.com* (Aug. 1, 2006). I am indebted to the Editor for these and other references.

arguments, barely comprise 5% of the subject matter. In latter parts of TFOR, from pages 109 to 134, the word monopoly doesn't occur at all—except once in a quote from Rose Wilder Lane. So to suggest that I “persist” in equivocation, as Machan does, is both inaccurate and misleading.

But what is really puzzling about Machan's charge is that if anybody is equivocating, it is him. There is no conceivable way that the Beatles, Fred Astaire, IBM, or Microsoft had a ‘monopoly’ in their various spheres of activity, ‘granted’ or otherwise.<sup>5</sup> Turning to the dictionary again, ‘monopoly’ means possession of sole power to act in a certain sphere and the only way such sole power can be achieved in our world is if competitors are forcefully excluded by government. Certainly, the word ‘monopoly’ is sometimes used loosely or colloquially to mean the only available supplier or producer of a good, but none in Machan's quartet of examples above was even close to being a sole producer. His usage is all too plainly inappropriate. Only government bureaucracies, such as Britain's Monopolies and Mergers Commission, or the US Department of Justice—attempting to justify their existence by scaring people with the alleged ‘dominance’ of successful companies—misuse the word monopoly in this fashion.

Later in his footnote Machan suggests that a faithful spouse in a marriage might be seen to have a “coercive monopoly on spousal services.” Since marriage in the West is almost invariably a purely voluntary arrangement Machan's illustration borders on bizarre. A private exclusivity established by voluntary choice has no bearing whatsoever on the governmental imposition under discussion in the anarchy/minarchy debate. Throughout that debate, now going on for half a century or more, the word ‘monopoly’ has referred solely to a coercive state institution, never to the so-called *de facto* monopoly of a sole provider—such as the only barber in town (who would be strictly non-coercive and face competition from other barbers in other towns, scissor-wielding wives, shaven scalps and so on).

Machan states “if people freely select a group of specialists to protect them by way of a long-term binding contract [or compact] that's not to establish an objectionable, coercive monopoly, merely an exclusive but binding relationship.” On the face of it, the statement appears true. Assuming the ‘people’ in question are 100% in agreement and under no pressure, a *coercive* (i.e. state) monopoly would not be created. The problem is that Machan's illustration is irrelevant. The anarchy/minarchy debate is about, on

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<sup>5</sup> There is no room here to discuss intellectual property rights or the extent to which state-granted patents have assisted the growth of Microsoft. What is true is that neither IBM nor Microsoft had the power to exclude newcomers from their respective fields any more than the Beatles could prevent other groups from selling music or Fred Astaire keep rival dancers off the stage.

the one hand, justifying the presence in the world of 200-odd governments each one of which was originally established by force and each one of which, in varying degree, claims an exclusive, coercively-defendable right to carry out certain activities, such as law-making, policing, soldiering, criminal adjudication, courts of final appeal and taxation to pay for all of these. On the other hand, there are the ethical, historical and anthropological cases, made by a growing number of theorists and scholars, which establish that such state monopolies are both unjustifiable and unnecessary. Oxymoronic ‘voluntary monopolies’ have scarcely, if ever, featured in the debate.

Machan’s fantasy is further undermined by the fact that, as the sadly-missed Larry Sechrest pointed out,<sup>6</sup> no proponent of minarchism has offered any historical or contemporary examples of ‘people’ *freely* entering into binding, exclusive, long-term contracts<sup>7</sup> with specialist protectors; that is, none has offered evidence of the existence of a non-coercive minarchy—whereas examples of stateless free societies abound; historically, anthropologically, and in the modern world (see TFOR).

As to his other charge, psychologising, Machan writes:

The paper also ends on a dubious note, from a scholarly standpoint, when it suggests that those defending minarchism suffer emotional or psychological problems (like having an affinity for paternalism from their childhood). Such psychologising is very bad form—how can one defend oneself against it when there is no proof or evidence for the thing other than its having been suggested in a respectable forum? (RAM 61)

Here is what I actually wrote:

Sechrest ... has noted psychological elements in the anarchy/minarchy debate. This seems eminently correct, for children are usually raised to revere their country’s history and its form of government. Thus most Britons are loyal to their monarchy and most Americans unquestionably support the Uncle Sam they are accustomed to. As Nock ... observed wryly: “There seems to be a curious difficulty about exercising reflective thought upon the actual nature of an institution into which one was born and one’s ancestors were born.” It may be that this ‘inheritance factor’—unconscious, and therefore impervious to reason—has always been the greatest obstacle to the spread of ideas (TFOR 133).

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<sup>6</sup> “Rand, Anarchy, and Taxes” *Journal of Ayn Rand Studies* 1/1 (Fall 1999) p. 110.

<sup>7</sup> For an interesting and valuable discussion of new approaches to contracts—with direct bearing on Machan’s ideas—see Stephan Kinsella, “A Libertarian Theory of Contract: Title Transfer, Binding Promises, and Inalienability,” *Journal of Libertarian Studies* 17, no. 2 (Spring 2003): 11–37.

If citing and agreeing with other writers about a sensible, uncontroversial, even commonplace observation of a widespread human trait is ‘psychologising’ then I am guilty as charged. However, I both emphatically dispute the charge, and think that when it comes to the anarchy/minarchy debate my observation is both reasonable and justified.

First, let it be noted that neither the editors of *The Journal of Ayn Rand Studies*, nor the peer reviewer they appointed, nor two other devil’s advocates who proof-read my paper for me, found anything untoward in the above paragraph. If it is as offensive as Machan maintains, it is surprising that none of them noticed. It is also odd that Machan himself should be offended. He was born and raised almost to adulthood in continental Europe so the very specific ‘inheritance factors’ I posited would not apply to him.

Second, Machan’s account of what I wrote is highly inaccurate. I said nothing about emotional or psychological problems, nor anything about an affinity for paternalism. Since most Libertarian or Objectivist minarchists would naturally oppose paternalism his invented illustration is distinctly off target.

Third, since Machan neither quotes me nor presents specific evidence, there is a clearly implied *ad hominem* argument in what he writes, along the lines of ‘don’t trust this fellow, he engages in bad form.’ I submit that underhanded methods of that type really are bad form.

Next, let’s take a look at what ‘psychologising’ actually means. According to Ayn Rand, psychologising “consists in condemning or excusing particular individuals on the grounds of their psychological problems, real or invented, in the absence of or contrary to factual evidence.”<sup>8</sup> Since I neither condemn nor excuse any individuals but rather draw attention to a common human trait, without specifying any persons at all, Machan’s charge of ‘psychologising’ is clearly unwarranted.

So, what *was* the purpose of my paragraph? Well, I was about to list the six conclusions of my essay: namely, that government is *not* essential to protect rights; that government-made law is *not* the precondition of a free market; that a state is *not* necessary for the creation of objective law; that an imposed final arbiter is *not* needed for a successful society; that government is *not* justified because it protects rights, and, finally, that government does not *in fact* protect rights. Addressing a largely Objectivist audience, for many of whom my conclusions would be anathema, or so I assumed, I sought to nudge them a little, in the hope—to borrow Rand’s famous challenge—that they might be stirred to *check their premises*.

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<sup>8</sup> *The Ayn Rand Lexicon*, Harry Binswanger, ed. (New York: Meridian, 1988) p. 394.

Okay, I was being provocative. Okay, too, the paragraph would have been more effective had I made my purpose clear. For example, I remembered much later reading a review of Eric Hoffer's book *The True Believer* by an Objectivist writer back in the Sixties. The review ended with the recommendation that readers check themselves internally to make sure there wasn't a true believer hiding in their own souls.<sup>9</sup> It would have been highly apropos to use that reference since an original Objectivist source would have made my point for me. An opportunity missed, alas.

Did the point need making? Was my provocation justified? I think so. Just look around the Objectivist literature. Sechrest complained in 1999<sup>10</sup> about how ignorant most orthodox Objectivists were of the research done by anarchist scholars. I don't know how true that is today, a decade later, but I'm pretty sure the situation hasn't changed much. The cogent arguments and extensive evidence presented by the likes of Bruce Benson have been met largely with silence. Indeed, the most common practices among Objectivist writers in the anarchy/minarchy debate have been to ignore evidence, or to dismiss it, usually unexamined, and to continue to rely on faulty arguments long after their illogicality has been exposed.

For instance, the prominent Objectivist William Thomas informs us that "rights are principles that only develop relevance in the context of government" (RAM 39) a notion that was debunked by Herbert Spencer as long ago as the 1880s and by many other writers since, myself included.<sup>11</sup> William then reasserts Rand's contention that government law "enabled the rise of industrial capitalism" (RAM 40) an idea whose falsity I made clear in 2005.<sup>12</sup> William also dismisses my evidence of primitive and medieval stateless societies as 'irrelevant for modern times,' while ignoring the clear evidence I presented of non-state law and order in the 19<sup>th</sup> and 20<sup>th</sup> centuries (RAM 54-5). Earlier, we saw Objectivist Robert James Bidinotto scoffing at the viable anarchic society which undeniably existed in Iceland for centuries, and re-using arguments which Bruce Benson had shown to be contradictory

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<sup>9</sup> I regret that I have not been able to find the reference. But I remember vividly thinking at the time, 'God! I hope *I'm* not a true believer—vis-à-vis Ayn Rand.' [Editor's note: the review appears to be Barbara Branden, "Review of *The True Believer*," *Academic Associates Book News* #1 (Summer 1969), available at [www.objectivistliving.com/forums/index.php?showtopic=188&st=0&p=5211&#entry5211](http://www.objectivistliving.com/forums/index.php?showtopic=188&st=0&p=5211&#entry5211).]

<sup>10</sup> "Rand, Anarchy, and Taxes" op. cit. p. 112.

<sup>11</sup> The subject is gone into at length in TFOR and also in my philosophical novel *Old Nick's Guide to Happiness* (2008). See also my essay "Mrs Logic and the Law: A critique of Ayn Rand's view of government," *Philosophical Notes* #50 (London, UK: Libertarian Alliance, 1998).

<sup>12</sup> TFOR pp. 129–30.

years previously.<sup>13</sup> We have seen the eminent Objectivist David Kelley republishing in 2000 a paper he wrote in 1974 as if nothing had been said in refutation in the intervening years.<sup>14</sup> In the present volume (RAM) we see Objectivist Adam Reed affirming that politics must be grounded in the observed facts of history (RAM 21) then mischaracterising Polish-Lithuanian warlordism as ‘market law’ (RAM 27-33). A similar ploy was used by Bidinotto, who described as ‘anarchy’ situations created by governments—such as the mayhem in US inner cities—or by would-be governments, as in the Lebanese civil war.<sup>15</sup>

I haven’t followed the anarchy/minarchy debate closely enough to document such matters in more detail, but whenever I have dipped into it online I have been struck by the scorn or hostility Objectivist minarchists so frequently display towards anarchists—a trend begun by Rand herself and best illustrated later by Bidinotto’s intemperate 1994 essay;<sup>16</sup> by the wildly inaccurate and gratuitously offensive diatribes of Peter Schwartz;<sup>17</sup> by the weird depiction of anarchism as “a form of statism” by Leonard Peikoff,<sup>18</sup> and by the angry vociferousness of Objectivist Diana Mertz Hsieh.<sup>19</sup> Simultaneously, I have been struck by the devotion often shown towards, or evident pride in, the hoary institutions of the US federal government, particularly its military forces: ‘nuke Iran’ demands one; ‘we are the world’s only superpower,’ crows another.<sup>20</sup> For these and similar reasons, it seems perfectly legitimate to wonder whether some Objectivist minarchists don’t suffer from Nock’s ‘curious difficulty.’

Evasion is a great sin in Objectivism, but I have regularly wondered whether some Objectivists aren’t themselves the biggest evaders. Hence, whenever I come across Randian minarchists ignoring solid evidence and

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<sup>13</sup> “The Contradiction in Anarchism” *Full Context* Vol. 6/9 (May1994) pp. 6–8, and Vol. 6/10 (June 1994) pp. 7–9; see also my critique “Robert James Bidinotto and ‘The Contradiction in Anarchism,’” *Philosophical Notes* #77 (London UK: Libertarian Alliance, 2006). Bidinotto’s 2003–2004 online debate with Robert T. Long is also well worth perusing. The links are given in the bibliography of Long’s essay in RAM.

<sup>14</sup> Discussed in TFOR, pp. 79–88.

<sup>15</sup> In “The Contradiction in Anarchism” op cit.

<sup>16</sup> *Ibid.*

<sup>17</sup> E.g. “Libertarianism: The Perversion of Liberty” in Ayn Rand, *The Voice of Reason: Essays in Objectivist Thought*, Leonard Peikoff, ed. (New York: NAL, 1988) pp. 311–33. See also Walter Block’s excellent riposte, “Libertarianism vs. Objectivism: A Response to Peter Schwartz,” *Reason Papers* No. 26 (Summer 2003), pp. 39–62.

<sup>18</sup> In *Objectivism: The Philosophy of Ayn Rand* (New York: Dutton, 1991) pp. 371–73.

<sup>19</sup> Vide her very public breaks with former associates and her sniping at libertarians in her blog “Noodlefood.”

<sup>20</sup> For similar sentiments or reports thereof, see Stephan Kinsella, “Centralist, Pro-War Objectivists on Paul,” *LevRockwell.com* (Dec. 23, 2007).

sound arguments while passionately denouncing anarchism, an old saw comes to mind: “There’s none so blind as them that will not see.”

But be all that as it may, the most objectionable aspect of Machan’s allegation of ‘psychologising’ is that surmises similar to my own are made by other contributors to *Anarchism/Minarchism*—a volume of which Machan was joint editor. For example, Lester H. Hunt raises the possibility that the state has a “mystique of authority” such that people tend to believe that the rules it makes are right (RAM 11). Charles Johnson also refers to the mystique of state authority (172, 175) and Roderick T. Long to a “magical picture of the state” from which minarchists have yet thoroughly to extricate themselves (146). But what is the source of mystiques and magic if not the beliefs in people’s heads? Is it ‘psychologising’ to point this out?

Finally, in the same volume, John Hasnas makes a near identical point to my own in the conclusion to his article “The Obviousness of Anarchy.” Invoking the power of human imagination, he writes:

Do you ever wonder why people believed in the divine right of kings, despite the fact that the monarchs of their time were patently not the type of individuals an all-knowing, all-good god would choose to reign over them? They believed in it because they were taught to believe in it and because they could imagine it was so, regardless of all evidence to the contrary. We no longer believe in such silly things as the divine right of kings. We believe that government is necessary for an orderly peaceful society and that it can be made to function according to the rule of law. We believe this because we have been taught to believe it from infancy and because we can imagine it to be so, regardless of all evidence to the contrary....

If you want the strongest argument for anarchy simply remove your self-imposed blinders and look around. (RAM 130-31)

Thus it appears that it is alright for contributors to a volume Machan is editing to make psychological observations but *not* alright when the same thing is done by some far-away Brit. In his footnote Machan writes, “One cannot do Dykes’ piece justice with any kind of brief reply.” True. And some justice would be welcome.