

Libertarianism & Feudalism

Our January-February issue this year included *A Model of Politico-Economic Systems*, created by Bret Barker of the Los Angeles HGS. Bret's pyramid diagram places Free Market Classical Liberalism at the top, Socialism on the left, Capitalism on the right, and Totalitarianism at the base, with a left-right Communism-Feudalism-Fascism spectrum. "Feudalism" is defined as an "historical equivalent to command economy. A modern philosophy which would

achieve this is Libertarianism." The editorial caption asks "...what would happen if all land and all government functions were to be privatized?"

Several responses were received, and we reprint portions of them below. We thank those who took the trouble to write to us, and we hope they understand our need to edit the letters to fit in the space available.

From Sam Venturella, President, Chicago HGS: I am glad to find that someone else sees what would be the practical result of the Libertarian philosophy now espoused by a majority of libertarians (I use lower case here to include both Libertarian Party members and non-member adherents of the philosophy and platform). The philosophy is very well expressed by David Friedman [son of Milton] in his *Machinery of Freedom*.

However, it seems to me that it is not only the libertarians that hold the idea of absolute private property in land, and privatization of government functions. Conservatives also hold these ideas, along with elimination of the real property tax and substitution of consumption taxes for the income tax.

From Carlotta Anderson, Glen Echo, Md.: I was a little confused by *A Model of Politico-Economic Systems*... I am somehow unable to make the leap from Libertarianism to Feudalism and totalitarianism. The encyclopedia characterized feudalism as consisting of strict division into social classes and a land-holding system dependent upon the fief or fee. The nobility were essentially a military class and the feudal system was necessary for military protection. Now what does this have in common with libertarianism?

~~I think words are being used very loosely and irresponsibly here...~~

From Terence J. Colgan, Staten Island, New York: Feudalism... was a political and military system in medieval Western Europe based upon contractual relationships among the members of the upper classes. It is not to be confused with manorialism or seigniorialism, terms we associate with contemporaneous agricultural practices and with serfdom. [Its] origin can be traced back to the collapse of the Roman Empire. With weak central governments ... the people needed to devise a system of protection. The king made land grants to the lords in return for military service. Vassals who paid homage to their lord would receive a portion of these fiefs on which to live and work. The contract, freely entered into, bound them to the land. This era definitely had a

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system of justice....our[s] is basically derived from it. The Magna Carta is one of the major contributions of this period. The nobles did not allow the king to acquire too much power. The reverse was also true.

.... This is not an arrangement which libertarians would be ashamed to be associated with... On the contrary, they strongly advocate it. The attempt to limit the power of the king (central government) would also please them....

It is not necessary to think what would happen if all land were to be privatized since this has basically been the situation for centuries.... with the state as the cause of one segment of society holding the upper hand and of class conflict and class status (see Franz Oppenheimer's *The State*), why advocate the maintenance of what we have?

....Also, feudalism is referred to as the equivalent of a command economy. Since commerce was very limited, as was the use of money, and since a command economy exists where the government has direct control over the economy, it is too extreme to associate feudalism with a command economy."

From Fred E. Foldvary, Alexandria, Virginia: It is incorrect [to classify libertarianism as feudalism] on three counts. First... under feudalism, the serfs were tied to the land. In a libertarian society, they would be free to leave any territory...

Second, libertarianism is identical to classical liberalism and the free market... it makes no sense to then put libertarianism under the opposite category, command economy.

Third, if all government functions were privatized, land values would collapse. How is this "feudalism"? Billions of dollars of tax money is spent on public goods that subsidize rent. If these services are privatized, the burden for streets, police, parks, etc., would fall on landowners. Thus they would not only get much less rent but pay more out of rent for services, which would result in a crash of land values.... much more Georgist than the current system, yet by opposing libertarians, so-called Georgists favor today's more feudalistic system....

The diagram shows no understanding of markets. Proprietors gain income from providing access to land and services, and they compete to do so.... people need to be located in land, but the title holders would compete vigorously to provide that service - precisely because it generates rents!... only by allowing use

can a landowner obtain rent. Therefore, power and authority would be exercised by everyone, including workers and consumers. ...land hogs would pay dearly for holding idle land, since they would have to bear the costs of protecting their land title and obtaining access to utilities such as roads.... Rent, not land itself, should be common property. Land title consists of a bundle of rights, of which rent is only one. Having land held in private titles does not contradict the concept of land holders being stewards.... true free-market libertarianism requires compensation for the use of land, but the diagram does not distinguish true geo-libertarianism from the incorrect statements of those writing in the name of liberty....

Even if the diagram refers to mistaken pseudo-libertarianism, the claim that such a philosophy would result in a totalitarian society is unproven and unlikely... [because] land values would most likely collapse if land titles were no longer recognized, protected, and subsidized. Indeed, implicit in the anarchist abolition of land titles is the recognition that land is inherently common.

Bret Barker replies:

We thoroughly appreciate the criticism our diagram has attracted. The criticism centered around our association of Libertarianism with feudalism, or a landlord directed command economy.... Let's be perfectly honest with respect to property in land: *If no mechanism exists to redistribute the economic rent which private landholding accumulates, a society will develop in which a minority control the natural resources upon which everyone depends for existence....* The serfs of the European Middle Ages are but a classic example of this phenomenon. (The widespread poverty in Latin America and the US today point to the persistent problem of absolute property in land without justice.)

Because Libertarianism does not effectively promote justice with respect to landholding I feel it would lead to nothing other than a neo-feudalism. Serfdom is not libertarian, but where libertarianism ignores the effect of absolute private property in

land, feudalism will return as sure as the landed estates of Ancient Rome contained the germs which brought the citizens of its empire slowly to their knees! The word landlord should not be taken lightly.

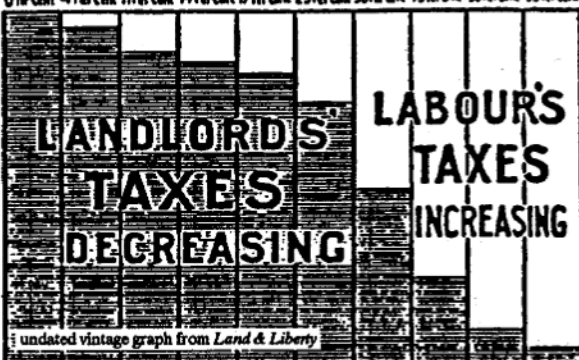
Georgists, on the other hand, emphasize liberty and justice for all. By liberty we mean a condition of individual freedom that is tempered by accepted restrictions which are sensible - and apply equally to all. By justice we mean that people should own the results of their own exertion and have an equal right to natural resources... absolute private use of land with compensation to the community in proportion to the value of land held. As Thomas Paine once said: "Men did not make the earth... It is the value of the improvement only, and not the earth itself, that is individual property... Every proprietor owes to the community a ground rent for the land which he holds."

Henry George said it best in *Progress and Poverty*: "There is but one way to remove an evil - and that is, to remove its cause. Poverty deepens as wealth increases, and wages are forced down while productive power grows, because land, which is the source of all wealth and the field of all labor, is monopolized. To extirpate poverty, to make wages what justice commands they should be, the full earnings of the laborer, we must therefore substitute for the individual ownership of land a common ownership. Nothing else will go to the cause of the evil - in nothing else is there the slightest hope."

The Landlords Threw off their Taxes

AS FOLLOWS:-

1216 1568 1483 1553 1653 1714 1760 1793 1815 1845
0 No Cent 4 Per Cent 11 Per Cent 14 Per Cent 17 Per Cent 25 Per Cent 30 Per Cent 35 Per Cent 50 Per Cent



Feudalism broke down in England when the "nobles" decided to keep more & more of the rent for themselves, not paying their dues to the crown. Then they took more lands for themselves, evicting the peasants, and enclosing the commons in order to graze sheep, for a greater income. Were they just responding to market forces? The peasants, no longer tied to the land, were now "free" to starve in the cities, be executed for pickpocketing, or work for subsistence wages.