



**IHS Summer Seminars 2010: “Morality, Capitalism, & Freedom”
“The State and the Ruling Class”
Dr. David M. Hart**

Key Questions:

- What is the State and how does it function?
- Who benefits and who loses from the activities of the state?
(The Rulers and the Ruled)
- What have classical liberals (libertarians) thought of this over the past 200 years or so?

The Main Features of the State:

1. It enjoys a Monopoly of Violence in a given Geographical Area
2. It often enjoys a Monopoly of other Strategic Services and Institutions
3. A different Standard of Moral and Legal Judgement is Applied to the State
4. The State needs Obedient and Compliant Taxpayers, Citizens, and Soldiers who will “Obey & Pay (and sometimes Die)”
5. The Origin of the State lies in War and Conquest
6. The State has had an Historical Tendency to Expand its Powers
7. The State is Inherently Unstable

“THE STATE is the
great fiction by
which EVERYONE
endeavors to live at
the expense of
EVERYONE ELSE.”



Frédéric Bastiat (1801-1850)

Frontispiece to Thomas Hobbes, *The Leviathan* (1651). Motto - "Non est potestas Super Terram quae Comparetur ei" (There is no power on earth to be compared to him).

1. The Leviathan (or absolute monarch) wearing a crown and holding a sword (military power) and a crosier (religious power). His body is the "body politic" (made up of his subjects) and he is the "head" of state.

2. The two pillars of his power are the army (left) and the established church (right)

3. Army: castle, crown, cannon, weaponry, battle

4. Church: cathedral, bishop's mitre, excommunication, logic, religious court



SPECTRUM OF STATE POWER

STATISM

LIBERTY

Communism

Fascism

Welfare/Warfare State

Minarchist State

Voluntary "State"



COMMUNISM
Fully planned
economy & state
controlled society
- Stalinism, Pol
Pot

FASCISM/NAZISM:
State directed private
industry
Adulation of leader
War & conquest
- Italy, Germany
1930s-40s

WELFARE STATE:
State provision health,
education, welfare
Significant regulation of
economy
- Western Europe

WELFARE/WARFARE STATE:
Significant state intervention
health, education, welfare
Significant regulation of economy
Military-Industrial Complex
War & empire
- USA

MINARCHIST STATE:
defence, police, limited
number of other public
goods

**ULTRA-MINARCHIST
STATE:**
defence, police, with
considerable private
activity in security

**FULLY VOLUNTARY
"STATE":**
- all state activities
deregulated,
privatized, or
abolished

FUNCTIONS OF THE CLASSICAL LIBERAL STATE

A. Smith, JS Mill
F.A. Hayek

L. Mises, A. Rand
R. Nozick

J.B. Say
G. de Molinari 2

H. Spencer
G. de Molinari 1
Murray Rothbard



CLASSICAL LIBERAL STATE:
defence, police, public goods (broadly defined)

MINARCHIST STATE:
defence, police, no other public goods

ULTRA-MINARCHIST OR "NIGHTWATCHMAN" STATE:
defence, police, with considerable private activity in security

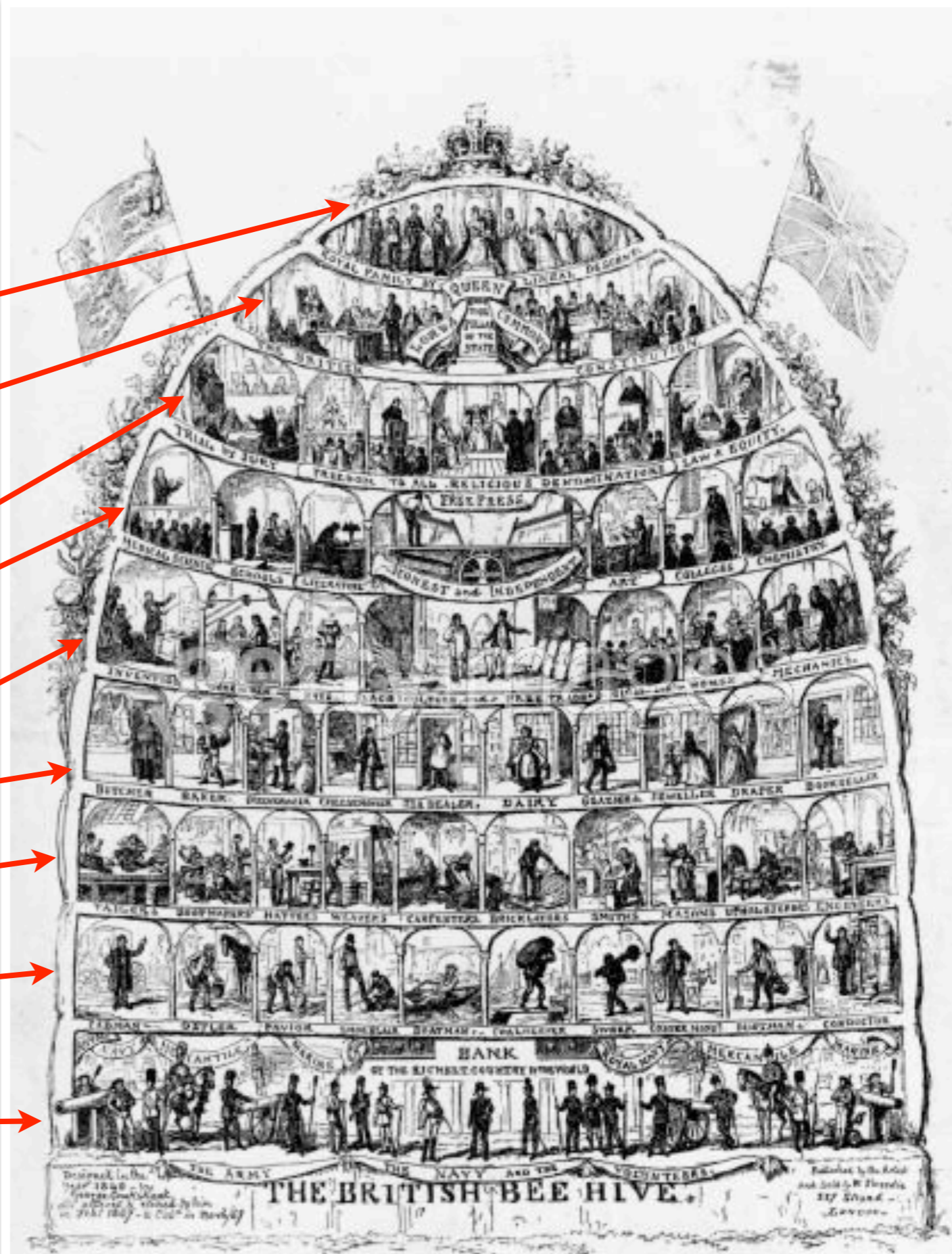
FULLY PRIVATISED "STATE" OR VOLUNTARISM:
private production of security

The Main Features of the Ruling Class:

1. The State divides Society into two Rival Groups or Classes
2. The Ruling Class is Historically Specific and is Constantly Changing over Time
3. The Sovereign Power makes Constantly Shifting Alliances with Vested Interests
4. Legislation socializes Costs and Privatizes Benefits for Favoured Groups

George Cruikshank, "The British Bee Hive" (1840, 1867)

- 1. The Royal Family
- 2. Lords and Commons: The Pillar of the State
- 3. Law and Freedom of Religion
- 4. Science, Arts, Education
- 5. Men/Boys, Free Trade, Women/Girls
- 6. Trades 1
- 7. Trades 2
- 8. Trades 3
- 9. Bank of the Richest Country in the World; Army, Navy, Volunteers



A PENNY POLITICAL PICTURE FOR THE PEOPLE,
WITH A FEW WORDS UPON PARLIAMENTARY REFORM.
BY THEIR OLD FRIEND, GEORGE CRUIKSHANK

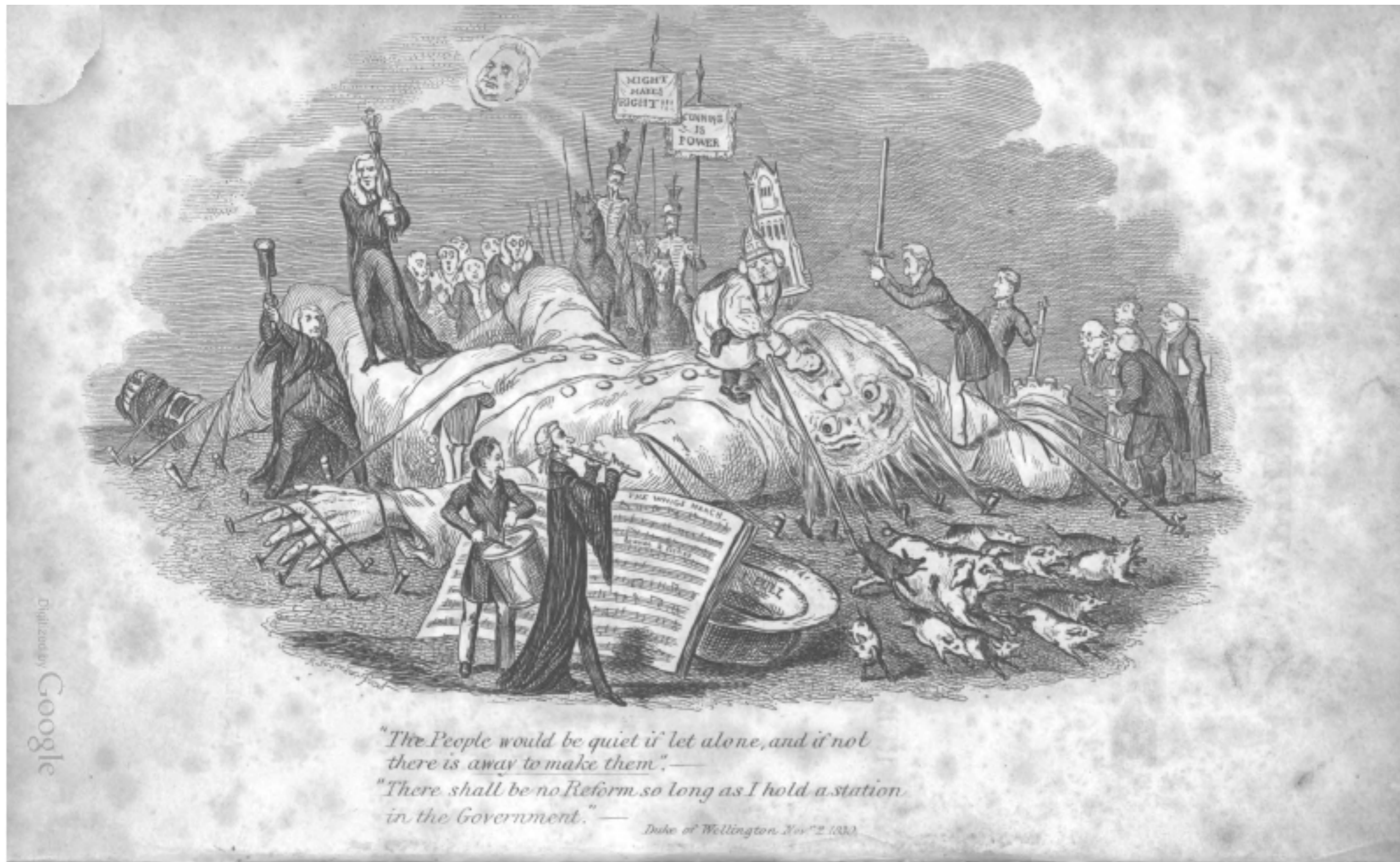
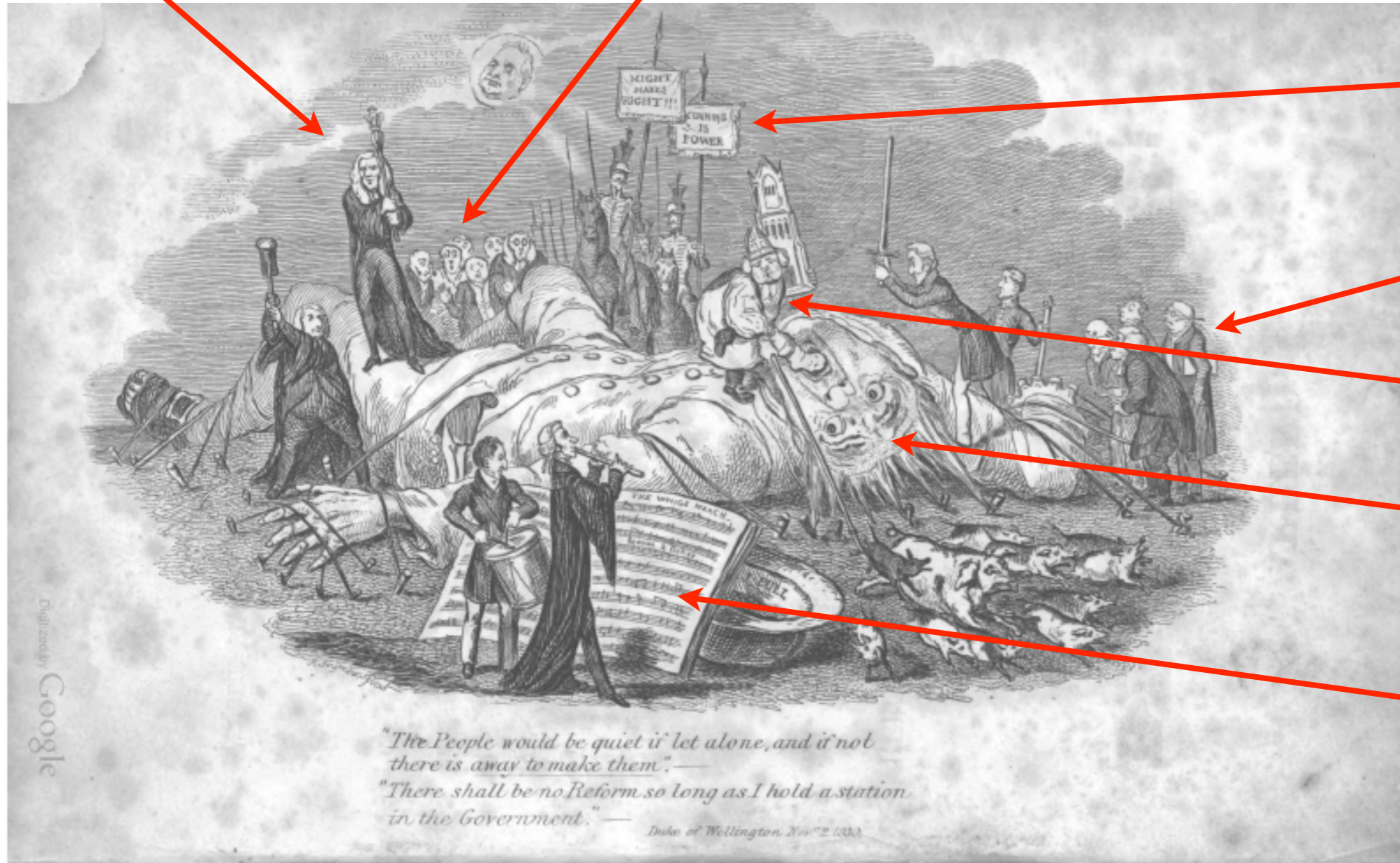


Illustration to John Wade, *The Extraordinary Black Book* (1834)

- Judges with the symbols of their office; - ordinary people looking on with horror

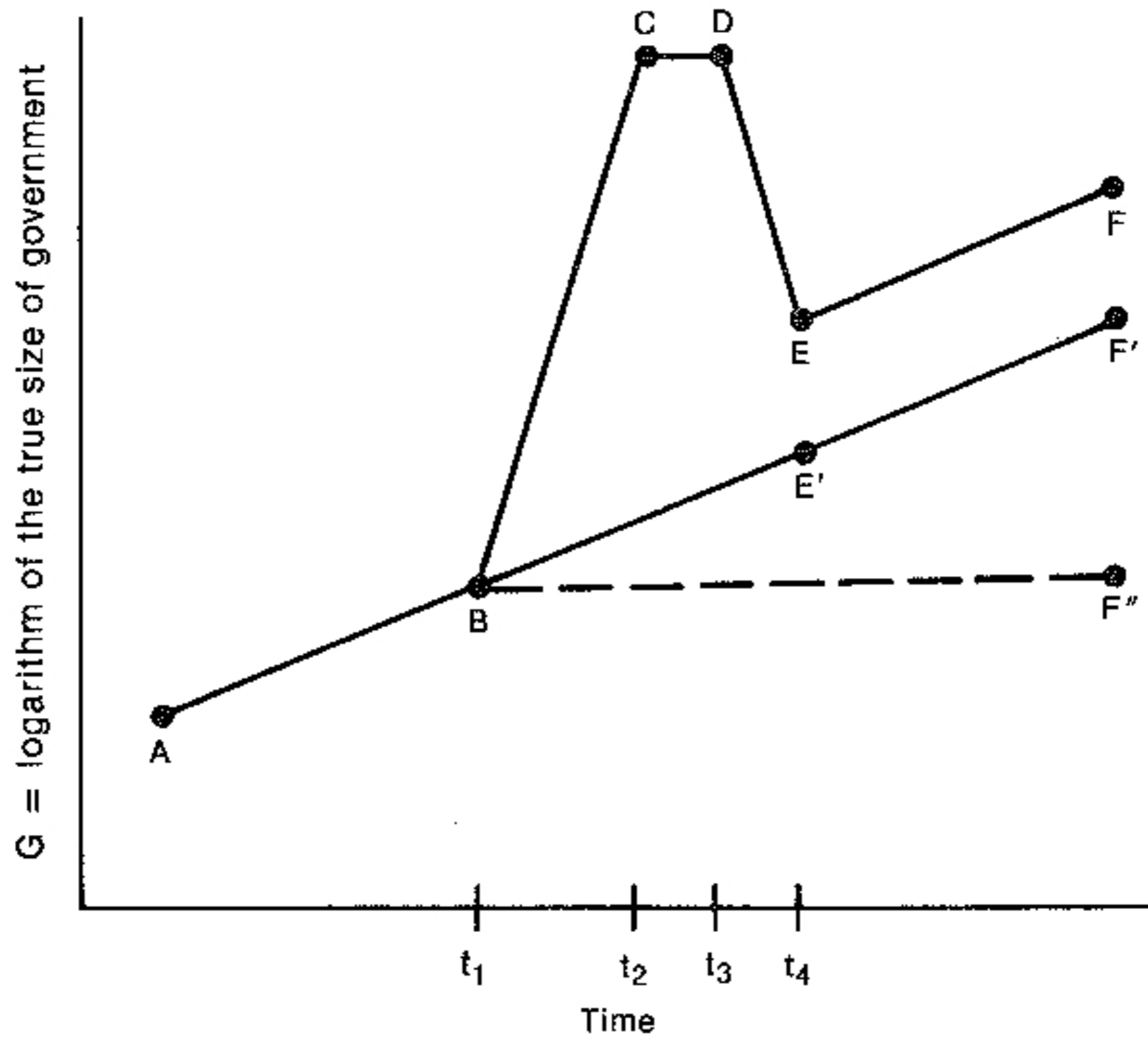


- the military with banners
"Might makes Right" &
"Cunning is Power"
- Politicians with the
Sceptre & Sword
- Church bishop pulling
out his tongue
- John Bull's pockets are
being rifled while he is
pinned to the ground
- a politician playing "The
Wig March"

"The people would be quiet if let alone, and if not there is a way to make them. There shall be no Reform so long as I hold a station in the Government" Duke of Wellington Nov. 1830.

Illustration to John Wade, *The Extraordinary Black Book* (1834)

Figure 4.1 Schematic Representation of the Ratchet



Key Names and Dates

David Hume (1711-1776)

John Wade (1788-1875)

Adam Smith (1723-1790)

Frédéric Bastiat (1801-1850)

Jacques Turgot (1727-1781)

Gustave de Molinari (1819-1912)

Thomas Paine (1737-1809)

Herbert Spencer (1820-1903)

Jeremy Bentham (1748-1832)

Vilfredo Pareto (1848-1923)

Benjamin Constant (1767-1830)

Franz Oppenheimer (1864-1943)

James Mill (1773-1836)

Albert Jay Nock (1873-1945)

Charles Comte (1782-1837)

Ludwig von Mises (1881-1973)

John C. Calhoun (1782-1850)

Randolph Bourne (1886-1918)

Charles Dunoyer (1786-1862)

Murray Rothbard (1926-1995)