

**NEW
LIBERTARIAN
MANIFESTO**

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NEW LIBERTARIAN MANIFESTO

by

Samuel Edward Konkin III



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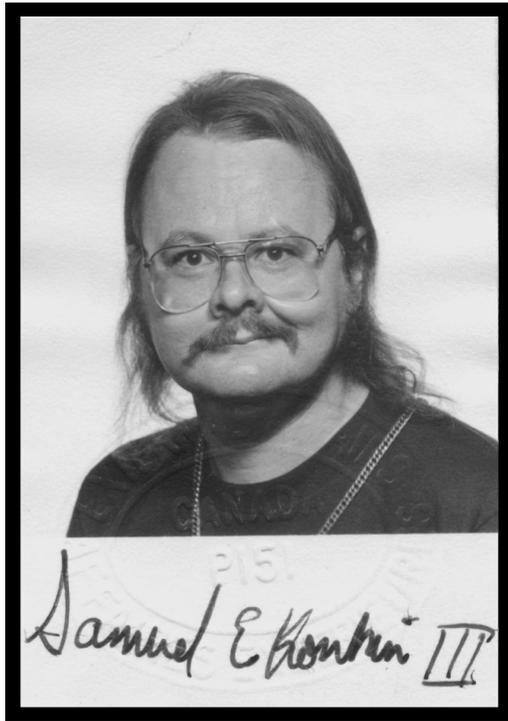
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Dedication

To Chris R. Tame
who told me
*"Don't get it right,
get it written!"*

Acknowledgments
above all to
Ludwig Von Mises,
Murray N. Rothbard,
Robert LeFevre,
and *their* sources.



Samuel Edward Konkin III
July 8, 1947—February 23, 2004

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**NEW
LIBERTARIAN
MANIFESTO**

PREFACE TO THE FIRST EDITION

The basic form of New Libertarianism arose during my struggle with the Libertarian Party during its formation in 1973, and Counter-Economics was first put forward to the public at the Free Enterprise Forum in Los Angeles in February 1974. New Libertarianism has been propagated within and without the libertarian movement and its journals, most notably *New Libertarian* magazine, since then.

More important, the activism prescribed herein (especially CounterEconomics) has been practiced by the author and his closest allies since 1976. Several “anarchovillages” of New Libertarians have formed and reformed.

Just once, wouldn’t you like to read a manifesto that’s been practiced before it’s preached? I wanted to.

And I did it.

—Samuel Edward Konkin III
October 1980

PREFACE TO THE SECOND EDITION

An agorist publication ought to be judged most severely in the free marketplace. Sure enough, the first edition of *New Libertarian Manifesto* has been sold out and a second edition, taken up by a fresh entrepreneur looking for profit with his ideology, is with you, the reader. The market's judgment, to my pleasant surprise, is that *NLM* is the most successful of my many publications.

In the realm of ideas, two years is a fairly short time. Nevertheless, attacks on *NLM* have begun in Left-Centre Libertarian publications and one such student network newsletter berated errant chapters for switching allegiance to "that flake, Konkin" only last month. Essays and articles on Counter-Economics and agorism appear in more and more non-Left (or non-agorist—yet) libertarian publications.

A truly encouraging sign is the emergence of many Counter-Economic entrepreneurs in the Southern California area (and a few scattered around North America and even Europe) who embrace and distribute *NLM*. An agorist "industrial park" has been condensing quietly in Orange County between these two editions.

This gratification is not idly enjoyed. It has inspired the author to continue the dialogue in two issues of a theoretical journal based on *NLM*, the writing of *Counter-Economics* (see footnote 26), and the planning of a theoretical magnum opus, as *Das Capital* was to the *Communist Manifesto*, undoubtedly to be titled *Agorism*.

As for continuing to practice what I preach and expanding on the practice, I may add to the end of the First Preface...

And I'm still doing it.

—Samuel Edward Konkin III
February, 1983

PREFACE TO THE FOURTH EDITION

Samuel Edward Konkin III had suggested that—instead of updating the Manifesto with new notes—we simply publish it as is, as an historical piece of living theory that continues to grow to this day. The only changes have been the correction of some persistent typos and minor changes for the sake of clarity made by the editor. Mr. Konkin joined the great anarchist hoard in the sky on February 23, 2004, after a too-short lifetime of theoretical and practical experiments, traveling the world to bring the concept of agorism and New Libertarianism to eager listeners.

Twenty-five years after its publication, the Manifesto is still a brisk seller. This on-demand edition—available worldwide—should continue the trend.

With the collapse of collectivism sweeping the world—a collapse brought about by the economic and moral consequences of such systems—Mr. Konkin's analyses are all the more impressive for their accuracy. If anything, *New Libertarian Manifesto* is more current now than ever. Statism choked and died in the USSR. The UN as proto-World State is collapsing into toothless, impotent irrelevance. Will inhabitants of the world continue the trend,

or do we need the frontier of Space to achieve the next evolutionary step in human action?

The Movement of the Libertarian Left can be contacted at agorism.info and all back issues of *New Libertarian* publications are available from KoPubCo at kopubco.com.

—**Victor Koman**
Publisher
March, 2006

III. COUNTER-ECONOMICS: OUR MEANS

Having detailed our past and statist present and glimpsed a credible view of a far better society achievable with present understanding and technology—no change in human nature needed—we come to the critical part of the manifesto: how do we get from here to there? The answer breaks naturally—or maybe unnaturally—into two parts. Without a State, a differentiation into *micro* (manipulation of an individual by himself and his environment—including the market) and the *macro* (manipulation of collectives) would be at best an interesting statistical exercise with some small reference to marketing agencies. Even so, a person with a highly sophisticated decency may wish to understand the *social* consequences of his or her acts even if they harm no other.

With a State tainting every act and befouling our minds with unearned guilt, it becomes extremely important to understand the social consequences of our acts. For example, if we fail to pay a tax and get away with it, who is hurt? Us? The State? Innocents? Libertarian analysis shows us that the *State* is responsible for any damage to innocents it alleges that the “selfish tax-evader” has incurred; and the “services” the State “provides” us are illusory. But even so, must there not be more

than lonely resistance cleverly concealed or “dropping out”? If a political party or revolutionary army is inappropriate and self-defeating for libertarian goals, what sort of collective action works?

The answer is *agorism*.

It is possible, practical, and even profitable to entrepreneur large collections of humanity away from statist society to the agora. This is, in the deepest sense, true revolutionary activity and will be covered in the next chapter. To understand this *macro* answer, however, we must first outline the *micro* answer.²⁴

The function of the pseudo-science of Establishment economics, even more than making predictions for the ruling class (as did the Imperial Roman augurs), is to mystify and confuse the ruled class as to where their wealth is going and how it is taken. An explanation of how people can keep their wealth and property safe from the State, then, is Counter-Establishment economics, or Counter-Economics²⁵ for short. The actual practice of human actions that evade, avoid, and

²⁴ *Micro* and *macro* are terms from present Establishment economics. While Counter-Economics is part of *agorism* (until the State is gone), agorism includes both Counter-Economics in practice and libertarianism in theory. Since that theory includes an awareness of the consequences of large-scale Counter-Economic practice, I will use *agorist* in this macro sense and *counter-economic* in the micro sense. Since the division is inherently ambiguous, some overlap and interchangeability will occur.

²⁵ The term “Counter-Economics” was formed the same way as the term “counter-culture;” it does not mean anti-economic science any more than counter-culture meant anti-culture.

defy the State is counter-economic activity, but—in the same sloppy way that “economics” refers both to the science and what it studies—“counter-economics” will undoubtedly be used. Since this writing is Counter-Economic theory itself, what will be referred to as Counter-Economics is the practice.

Mapping and describing all or even a significantly useful part of Counter-Economics will require at least a full volume itself.²⁶ Just enough will be sketched here to provide understanding for the rest of the manifesto.

Going from an agorist society to a statist one should be uphill work, equivalent to a path of high negative entropy in physics. After all, once one is living in and understanding a well-run free society, why would one wish to return to systematic coercion, plunder, and anxiety? Spreading ignorance and irrationality among the knowledgeable and rational is difficult; mystifying that which is already clearly understood is nearly impossible. The agorist society should be fairly stable relative to decadence, though highly open to improvement.

Let us run backward in time, like running a film in reverse, from the agorist society to the present statist society. What would we expect to see?

Pockets of statism—mostly contiguous in territory, since the State requires regional

²⁶ This volume, *Counter-Economics* (the book), is in process and will soon be completed, Market willing!

Note to the Fourth Edition: SEK3 died before completing his *magnum opus*, but KoPubCo is in the process of preparing what exists of his manuscript for publication in the near future.

monopolies—would first appear. The remaining victims are becoming more and more aware of the wonderful free world around them and “evaporating” from these pockets. Large syndicates of market protection agencies are containing the State by defending those who have signed up for protection-insurance. Most important, those outside the statist pockets or sub-societies are enjoying an agorist society save for a higher cost of insurance premiums and some care as to where they travel. The agorists could coexist with statist at this point, maintaining an isolationist “foreign policy” since the costs of invasion and liberation of statist sub-societies would be higher than immediate returns (unless the State launches an all-out last aggression). There is, however, no real reason to imagine that the remaining victims will choose to remain oppressed when the libertarian alternative is so visible and accessible. The State’s areas are like a supersaturated solution ready to precipitate anarchy.

Run backward another step and we find the situation reversed. We find larger sectors of society under Statism and smaller ones living as agorically as possible. However, there is one visible difference: the agorists need not be territorially contiguous. They can live anywhere, though they will *tend to* associate with their fellow agorists not only for social reinforcement but for ease and profitability of trade. It’s always safer and more profitable to deal with more trustworthy customers and suppliers. The tendency is for greater association among more agorist individuals and for dissociation with more statist elements. (This tendency is

not only theoretically strong; it already exists in embryonic practice today.) Some easily defensible territories, perhaps in space or islands in the ocean (or under the ocean) or big-city “ghettoes” may be almost entirely agorist, where the State is impotent to crush them. Most agorists, though, will live within statist-claimed areas.

There will be a spectrum of the degree of agorism in most individuals, as there is today, with a few benefiting from the State being highly statist, a few fully conscious of the agorist alternative and competent at living free to the hilt, and the rest in the middle with varying degrees of confusion.

Finally, we step back to where there exist only a handful who understand agorism, the vast majority perceiving illusory gains from the existence of the State or unable to perceive an alternative, and the statist themselves: the government apparatus and the class defined by receiving a net gain from the State’s intervention in the Market.²⁷

This is a description of our present society. We are “home.”

Before we reverse course and describe the path from statism to agorism, let us look around at our present society with our newly acquired agorist perception. Much as a traveler who returns home and sees things in a new light from what he or she has learned from

²⁷ That class has been called the Ruling Class, Power Elite, or Conspiracy, depending on whether the analysis comes from a Marxist, Liberal, or Bircher background. The terms will be used interchangeably to show the commonality of the identification.

foreign lands and ways of life, we may gain new insights on our present circumstances.

Besides a few enlightened New Libertarians tolerated in the more liberal statist areas of the globe (“toleration” exists to the degree of libertarian contamination of statism), we now perceive something else: large numbers on people who are acting in an agorist manner with little understanding of any theory but who are induced by material gain to evade, avoid, or defy the State. Surely they have potential?

In the Soviet Union, a bastion of arch-stat-ism and a nearly totally collapsed “official” economy, a giant black market provides the Russian, Armenian, Ukrainian, and others with everything from food to television repair to official papers and favors from the ruling class. As the *Manchester Guardian Weekly* reports, Burma is almost a total black market with the government reduced to an army, police, and a few strutting politicians. In varying degrees, this is true of nearly all the Second and Third Worlds.

What of the “First” World? In the social-democrat countries, the black market is smaller because the “white market” of legally accepted market transactions is larger, but the former is still quite prominent. Italy, for example, has a “problem” of a large part of its civil service (which works officially from 7 a.m. to 2 p.m.) working unofficially at various jobs the rest of the day to earn “black” money. The Netherlands has a large black market in housing because of the high regulation of this industry. Denmark has a tax evasion movement so large that those in it seduced to politics have formed

the second largest party. And these are only the grossest examples that the press has been able or willing to cover. Currency controls are evaded rampantly; in France, for example, everyone is assumed to have a large gold stash and trips to Switzerland for more than touring and skiing are commonplace.

To appreciate fully the extent of this counter-economic activity, one must view the relatively free “capitalist” economies. Let us look at the black and grey markets²⁸ in North America and remember that this is the case of lowest activity in the world today.

²⁸ While some coercive acts, such as murder and theft, are often lumped into the label “black market,” the vast majority of this “organized crime” is perfectly legitimate to a libertarian, though occasionally unsavory. The Mafia, for example, is not black market but a *government* over some of the black market that collects protection money (taxes) from its victims and enforces its control with executions and beatings (law enforcement), and even conducts wars when its monopoly is threatened. These acts will be considered *red market* to differentiate them from the moral acts of the black market, which will be discussed below. In short, the “black market” is anything nonviolent that is prohibited by the State and carried on anyway.

The “grey market” is used here to mean dealing in goods and services not themselves illegal but obtained or distributed in ways legislated against by the State. Much of what is called “white-collar crime” falls under this heading and is smiled upon by most of society.

Where one draws the line between black and grey market depends largely on the state of consciousness of the society in which one lives. The red market is clearly separable: murder is red market. When the State forbids self-defense, defending oneself against a criminal—including a police officer—is black in New York City and grey in Orange County, California.

According to the American Internal Revenue Service, at least twenty million people belong to the “underground economy” of tax evaders using cash or barter exchange to avoid detections of transactions. Millions keep money in gold or in foreign accounts to avoid the hidden taxation of inflation. Millions of “illegal aliens” are employed, according to the Immigration and Naturalization service. Millions more deal or consume marijuana, cocaine, and other proscribed drugs, including laetrile, tryptophan, anti-AIDS drugs, and other forbidden medical material.

And there are all the practitioners of “victimless crimes.” Besides drug use, there is prostitution, pornography, bootlegging, false identification papers, gambling, and proscribed sexual conduct between consenting adults. Regardless of “reform movements” to gain political acceptance of these acts, the populace has chosen to *act now*—and by doing so are creating a counter-economy.

It doesn’t stop here, though. Since the 55 mph speed limit was enacted federally in the U.S., most Americans have become counter-economic drivers. The trucking industry has developed CB communications to evade State enforcement of regulations. For independents who can make four runs at 75 mph rather than three runs at 55 mph, counter-economic driving is a question of survival.

The ancient custom of smuggling thrives today, from boatloads of marijuana and foreign appliances with high tariffs and truckloads of people from less-developed countries, to the tourists stashing a little extra in their luggage and not reporting it to customs agents.

Nearly everyone engages in some sort of misrepresentation or misdirection on their tax forms, off-the-books payments for services, unreported trade with relatives, and illegal sexual positions with their mates.

To some extent, then, everybody is a counter-economist! And this is predictable from libertarian theory. Nearly every aspect of human action has statist legislation prohibiting, regulating, or controlling it. These laws are so numerous that a “Libertarian” Party that prevented any new legislation and briskly repealed ten or twenty laws a session would not have significantly repealed the State (let alone the mechanism itself!) for millennia!²⁹

Obviously, the State is unable to obtain enforcement of its edicts. Yet the State continues. And if everyone is somewhat counter-economic, why hasn’t the Counter-Economy overwhelmed the economy?

Outside of North America we can add the effect of imperialism. The Soviet Union has received support from the more-developed countries in the 1930s and large quantities of instruments of violence during World War II. Even today, “trade”—heavily subsidized by non-repayable loans—props up the Soviet and now Chinese regimes. This flow of capital (or *anti-capital*, being destructive of value) from both blocs, along with military aid, maintains regimes over the rest of the globe. But that does not explain the North American case.

²⁹ Thus an “L”P would perpetuate statism. In addition, an “L”P would preserve the ill-gotten gain of the ruling class and maintain the State’s mechanism of enforcement and execution.

What exists everywhere on Earth that allows the State to continue is the *sanction of the victim*.³⁰ Every victim of statism has internalized the State to some degree. The IRS's annual proclamation that the income tax depends on "voluntary compliance" is ironically true. Should the taxpayers completely cut off the blood supply, the vampire State would helplessly perish, its unpaid police and army deserting almost immediately, defanging the Monster. If everyone abandoned "legal tender" for gold and goods in contracts and other exchanges, it is doubtful that even taxation could sustain the modern State.³¹

This is where the State's control of education and the information media, either directly or through ruling-class ownership, becomes cru-

³⁰ Thank you, Ayn Rand, for that phrase.

³¹ Although this topic is extensively covered in libertarian literature, many are still unaware of the true nature and mechanism of inflation.

Very briefly, a general price rise is only the consequence of inflation, which is the increase of the money supply. Much more damaging is its redistribution of wealth and its side-effects that dislocate the economy. The State "creates" money, which is distributed to the first line of beneficiaries—big bankers, to pay off its warfare/welfare contractors—and to the civil service, the second line of beneficiaries. As they bid up prices with this unbacked purchasing power, everyone else finds themselves unable to buy as much.

The unanticipated rise in price (anticipated inflation is discounted by the market) signals entrepreneurs to invest in capital goods for increased demand. As consumption is cut back because of a lowering of general purchasing power, those entrepreneurs find that they have over-invested and must sell at a loss, lay off employees, and liquidate capital—a depression results. The

cial. In earlier days, the established priesthood served the function to sanctify the king and the aristocracy, to mystify the relations of oppression, and to induce guilt in evaders and resisters. The disestablishment of religion has put this burden on the new intellectual class (what the Russians called the *intelligentsia*). Some intellectuals, holding truth as their highest value (as did earlier dissenting theologians and clerics), do work at clarifying rather than mystifying, but they are dismissed or reviled and kept away from State and foundation-controlled income. Thus is the phenomenon of dissidence and revisionism created; and thus is the attitude of anti-intellectualism generated among the populace, who suspect or incompletely understand the function of the Court Intellectual.

State is often induced by the clamor of unemployed workers and near-bankrupt capitalists to increase the currency supply again to “stimulate” the economy; that is, to create another illusory boom.

Unfortunately, this new injection of inflation must be unanticipated to work; hence, an even larger inflation must ensue. The cycle, if it continues, would lead to runaway inflation (Germany, 1923, is a classic example) and collapse of the currency (“Crack-Up Boom” is Mises’s descriptive phrase).

Allegedly free-market economists urge the State to “take the bitter pill” of depression (like an addict going “cold turkey” lest he overdose) to work out the effects of the money injection and cure the system. As can be seen, this is profoundly conservative in maintaining statism.

A far better solution would be for people to abandon State fiat money in favor of uninflatable media of exchange such as gold, silver, commodities, or harder foreign currencies in order to hasten the collapse.

Note well how anarchist intellectuals are attacked and repressed under every State; and those arguing for an overthrow of the present ruling class—even only to replace it with another—are suppressed. Those who propose changes that eliminate some beneficiaries of the State and add others are often lauded by the benefiting elements of the Higher circles and attacked by the potential losers.

A common characteristic of most hardened black marketeers is their guilt. They wish to “make their bundle” and return to the “straight society.” Bootleggers and hookers all long someday for reacceptance in society—even when they form a supportive “subsociety” of outcasts. Yet there have been exceptions to this phenomenon of longing for acceptance: the religious dissenting communities of the 1700s, the political utopian communities of the 1800s, and most recently the counter-culture of the hippies and the New Left. What they had was a conviction that their subsociety was superior to the rest of society. The fearful reaction they generated in the rest of society was the fear that they were correct.

All of these examples of self-sustaining subsocieties failed for one overriding reason: ignorance of economics. No social binding, no matter how beautiful, can overcome the basic glue of society—division of labor. The anti-market commune defies the only enforceable law—the law of nature. The basic organizational structure of society (above the family) is not the *commune* (or tribe or extended tribe or State) but the *agora*. No matter how many wish communism to work and devote themselves to

it, it will fail. They can hold back agorism indefinitely by great effort, but when they let go, the “flow” or “Invisible Hand” or “tides of history” or “profit incentive” or “doing what comes naturally” or “spontaneity” will carry society inexorably closer to the pure agora.

Why is there such resistance to eventual happiness? Psychologists have been dealing with that since they began their embryonic science. We can at least give two broad answers when it comes to socioeconomic questions: internalization of anti-principles (those that seem to be principles but are actually contrary to natural law) and the opposition of vested interests.

Now we can see clearly what is needed to create a libertarian society. On the one hand we need the education of the libertarian activists and the consciousness-raising of counter-economists to libertarian understanding and mutual supportiveness. “We are right, we are better, we are surviving in a moral, consistent way, *and* we are building a better society—of benefit to ourselves *and* others,” our counter-economic “encounter groups” might affirm.

Note well that libertarian activists who are not themselves full practicing counter-economists are unlikely to be convincing. “Libertarian” political candidates undercut everything they say (of value) by what they are doing; some candidates have even held jobs in tax bureaus and defense departments!

On the other hand, we must defend ourselves against the vested interests or at the very least lower their oppression as much as possible. If we eschew reformist activity as

counterproductive, how will we achieve that result?

One way is to bring more and more people into the counter-economy and lower the plunder available to the State. But evasion isn't enough; how do we protect ourselves and even counterattack?

Slowly but steadily we will move to the free society, turning more counter-economists on to libertarianism and more libertarians on to counter-economics, finally integrating theory and practice. The counter-economy will grow and spread to the next step we saw in our trip backward, with an ever-larger agorist subsociety imbedded in the statist society. Some agorists may even condense into discernible districts and ghettos or predominate on islands or in space colonies. At this point, the question of protection and defence will become important.

Using our agorist model (Chapter II), we can see how the protection industry must evolve. First, why do people engage in counter-economics with *no* protection? The payoff for the risk they take is greater than their expected loss. This statement is true, of course, for *all* economic activity, but for counter-economics it requires special emphasis:

The fundamental principle of counter-economics is to trade risk for profit.³²

³² An example of how this works may be helpful. Suppose I wished to receive and sell contraband or evade a tax or violate a regulation. Let's say I can make \$100,000 per transaction.

Using government figures on criminal apprehension—always exaggerated in the State's favor simply because they cannot *know* how much the counter-

The higher the expected profit, the greater the risk taken. Note that if risk is lowered, a lot more would be attempted and accomplished—surely an indicator that a free society is wealthier than an unfree one.

Risk may be lowered by increasing care, taking precautions, tightening security (locks, stashes, safe houses), and by trusting fewer persons of higher trustworthiness. The last indicates a high preference for dealing with fellow agorists and a strong economic incentive that binds an agorist subsociety and provides an incentive to recruit or support recruitment into that subsociety.

economy gets away with—I find an apprehension rate of 20%. One may then find out the percentage of those cases that come to trial and the percentage of those that result in a conviction even with a good lawyer. Let's say 25% make it to trial and 50% result in conviction. (The latter is high, but we'll throw in the legal fees involved so that even a decision involving loss of legal costs but acquittal is still a "loss.") I therefore incur a 2.5% risk ($.20 \times .25 \times .50 = 0.025$). This is *high* for most real cases.

Suppose my maximum fine is \$500,000 or five years in jail—or both. Excluding my counter-economic transactions (one certainly cannot count them when deciding whether or not to do them), I might make \$20,000 a year so that I would lose another \$100,000 while imprisoned. It's very hard to assign a value to five years of incarceration, but at least in our present society it's not too much worse than other institutionalization (school, army, hospital) and at least the counter-economist won't be plagued with guilt and remorse.

So I weigh 2.5% of \$600,000 (\$15,000) loss and five years against \$100,000 gain! And I could easily insure myself for \$15,000 (or less) to pay all costs and fines! In short, it works.

Counter-economic entrepreneurs have an incentive to provide better security devices, places of concealment, instructions to aid evasion and to screen potential customers and suppliers for other counter-economic entrepreneurs. And thus is the counter-economic protection industry born.

As it grows, it may begin insuring against “busts,” lowering counter-economic risks further and accelerating counter-economic growth. Then it may provide lookouts and guarded areas of safekeeping with alarm systems and high-tech concealment mechanisms. Guards may be provided against real criminals (other than the State). Already many residential, business, and even minority districts employ private patrols, having given up on the State’s alleged protection of property.

Along the way, the risk of contract-violation between counter-economic traders will be lowered by arbitration. Then the protection agencies will start providing contract enforcement between agorists, although the greatest “enforcer” in the early stages will be the State to which each one can betray the other. Yet that act would quickly result in one’s expulsion from the subsociety; so an internal enforcement mechanism will be valued.

In the final stages, counter-economist transactions with statisticians will be enforceable by the protection agencies and the agorists thus protected against the criminality of the State.³³

³³ It probably should be noted explicitly that businesses could grow quite large in the counter-economy. Whether or not “wage workers” would exist instead of “independent contractors” for all steps of production is ar-

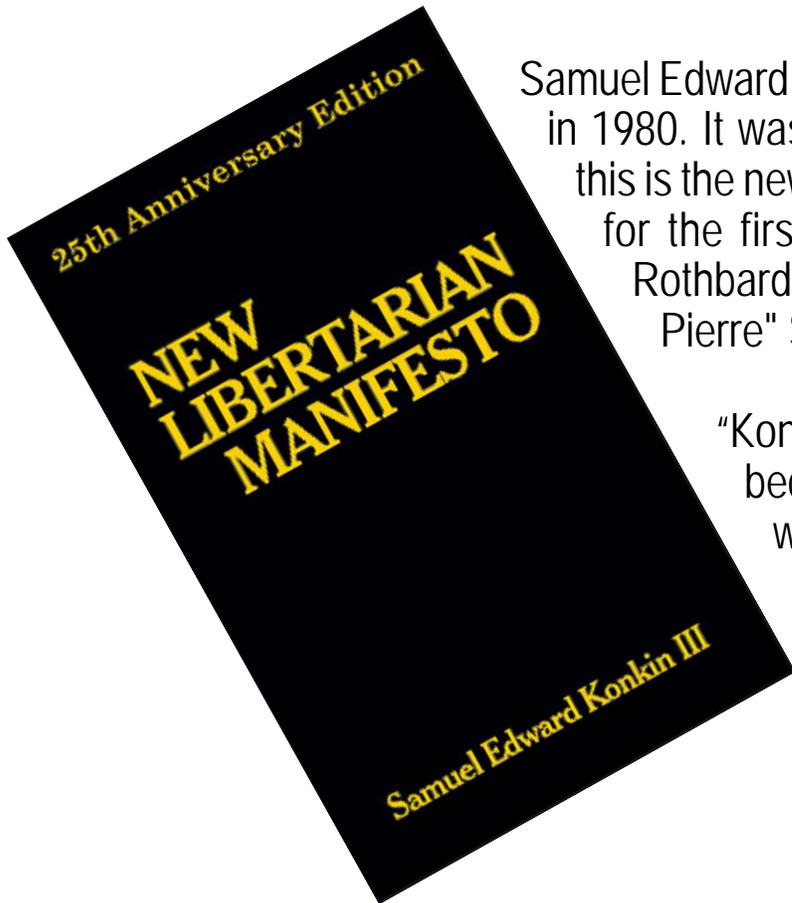
At this point we have reached the final step before the achievement of a libertarian society. Society is divided between large, inviolate agorist areas and rapidly shrinking statist sectors.

We stand on the brink of Revolution.

guable, but this author feels that the whole concept of “worker/boss” is a holdover from feudalism and not, as Marx claims, fundamental to “capitalism.” Of course, capital-statism is the opposite of what the libertarian advocates.

Furthermore, even large businesses today could go partially counter-economic, leaving a portion in the “white market” to satisfy government agents and pay some modicum of taxes and report a token number of workers. The rest of the business would (and already often does) expand off the books with independent contractors who supply, service, and distribute the finished product. Nobody, no business, no worker, and no entrepreneur *need* be white market.

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